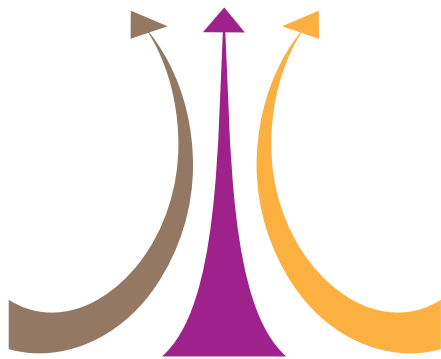


VALUE DRIVEN

**BUKIT DARAH PLC**

Annual Report 2011-2012



# VALUE DRIVEN

Rapidly growing our interests in the region, Bukit Darah PLC together with its subsidiaries has successfully maintained its position as one of the most value-driven conglomerates in the South Asian region. This year too, we have proved our worth by delivering another fine set of results to our stakeholders while continuing our investments into innovation, processes and growth.



---

### **Plantations, Oils and Fats**

---



---

### **Beverage**

---



---

### **Real Estate**

---



---

### **Leisure**

---



---

### **Investments & Asset Management**

---



---

### **Management Services**

---

Bukit Darah PLC is a diversified company of many business interests. Our main lines of businesses are plantations, oils and fats, beverage, investments & assets management, real estate, management services and leisure. In keeping with our vision of being a truly regional holding company, our businesses span across Sri Lanka and the South-East Asian region. Where appropriate, we have entered into strategic alliances with global partners that will add long term value to our investments.





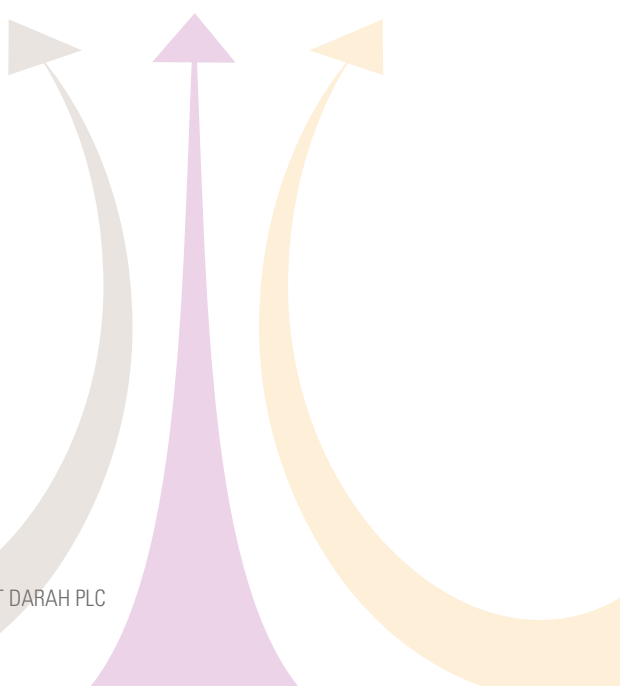


#### VALUE DRIVEN

Bukit Darah, a diversified investment holding company, continues to be a top performer among the corporate giants of Sri Lanka. Value drivers of its success are its investments in Sri Lankan blue-chip conglomerate, Carson Cumberbatch PLC and the Singapore based oil palm sector holding company, Goodhope Asia Holdings Limited. The two investments have had a very successful year of performance in FY 2012, the results of which pushed Bukit Darah to the top tier of Sri Lankan corporates, once again....

# CONTENTS

Group at a Glance .....	5	Shareholder Returns Statements.....	61
Group Performance .....	6	Five Year Summary.....	62
Chairman's Statement.....	8	Annual Report of the Board of Directors on the Affairs of the Company .....	63
Group Structure.....	10	Statement of Directors' Responsibilities in Respect of the Consolidated Financial Statements.....	70
Corporate Information.....	11	Financial Calendar.....	72
Segmental Graphical Analysis- Key Sectors .....	12	Independent Auditors' Report.....	73
Financial Review .....	13	Income Statements.....	74
Operational Review.....	16	Balance Sheets .....	75
People Philosophy And People Management Approach .....	19	Statements of Changes in Equity.....	76
Corporate Social Responsibilities.....	23	Cash Flow Statements .....	77
Environmental Responsibilities.....	26	Notes to The Financial Statements .....	78
Economic Review .....	29	Value of Real Estate and Properties .....	140
Value Added Statement.....	34	US \$ Financials.....	141
Profiles of Directors.....	36	Glossary of Financial Terminology .....	144
Management Teams .....	44	Notice of Meeting.....	146
Group Directorate - 2012 .....	46	Form of Proxy.....	147
Audit Committee Report .....	50		
Risk Management .....	51		
Information To Shareholders & Investors .....	56		



# GROUP AT A GLANCE

(All figures in Sri Lankan Rupees thousands unless otherwise stated)

	2012	2011	% Change
<b>Income Statement</b>			
Group revenue	69,074,225	36,008,053	92
Profit from operations	16,523,506	13,024,881	27
Profit before taxation	13,777,133	12,795,996	8
Profit after taxation	10,705,656	9,974,476	7
EBITDA	19,336,954	14,572,712	33
Profit attributable to ordinary shareholders	5,803,801	5,110,775	14
Cash earning per share (Rs.)	190	143	33
Earnings per share (Rs.)	41	50	(33)
Dividend per share (Rs.)	2.50	9.00	(72)
<b>Cash flow</b>			
Operating cash flow	9,216,029	5,126,379	80
Capital expenditure	12,466,434	5,278,526	136
<b>Balance Sheet</b>			
Shareholders' funds*	23,513,476	20,229,111	16
Net assets	51,094,889	46,176,387	11
Total assets	103,209,235	77,228,623	34
Net assets per ordinary share (Rs.)	230.52	198.32	16
Return on ordinary shareholders' funds (%)	24	25	(3)
Total debts	37,402,932	23,505,260	59
Net debts	28,846,356	12,377,485	133
Debt/total assets	36%	30%	19
<b>Market / Shareholder Information</b>			
Market value per share (Rs.)	858	1,174	(27)
Market capitalization (Company)	87,516,000	119,748,000	(27)
Revenue to Government - Sri Lanka	11,277,104	7,728,373	46
Group value addition	32,972,315	23,524,256	40
Group employment (Nos.)	14,453	11,672	24

\* Excluding preference share capital

## Profit After Tax by Business Segment



# GROUP PERFORMANCE

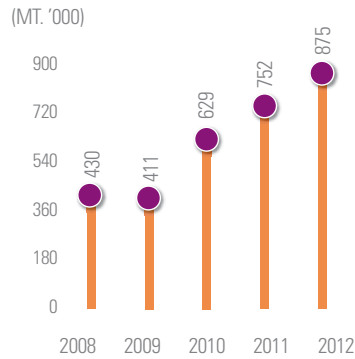
We track performance against key financial and non-financial indicators.

## Plantation Land Bank



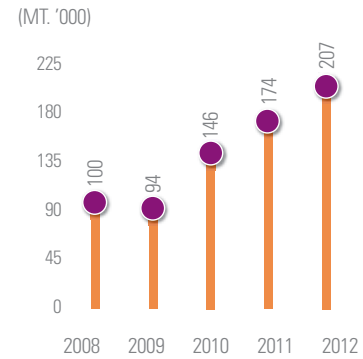
The Sector's growth and expansion over the years is seen here, through the consolidation of existing land bank and strategic acquisitions of land in different areas of Indonesia.

## Fresh Fruit Bunch Production (FFB)



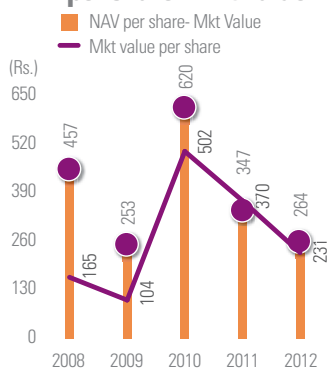
Increase in Fresh Fruit Bunch (FFB) production as a result of new planted areas coming to maturity and adoption of best in class agronomy practices focused towards enhancing site yield potential.

## Crude Palm Oil Production



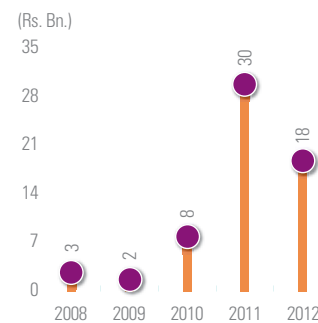
The Graph depicts the increase in CPO production, as a result of the increase in planted land coming into maturity, higher FFB yields through better agronomy practices and maintained extraction rates.

## Guardian-group NAV per share- Mkt Value



Ceylon Guardian group NAV per share has tracked the market movement whereby market price represented on the CSE is closely linked with underlying asset value.

## Guardian-group Market Capitalization



Market capitalisation of Ceylon Guardian Investment Trust PLC which is the holding company of the investment sector reached a high of Rs.30 bn in 2011. Thereafter settled at Rs.18 bn by end March 2012.

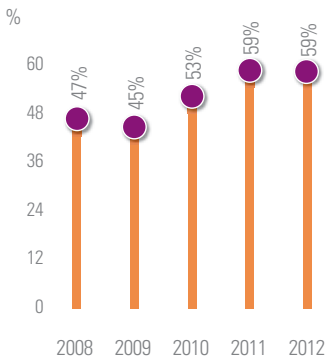
## Occupancy rate - Real Estate



Occupancy rates in the real estate segment is stagnated, given the fixed long term nature of the tenancy agreements. These agreements have been renewed and continued during the years.

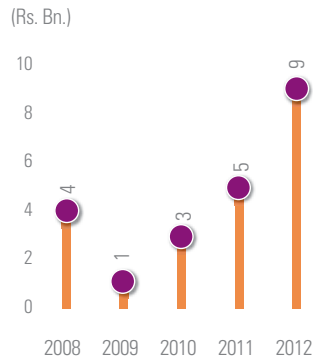


### Occupancy rate - Hotel Sector



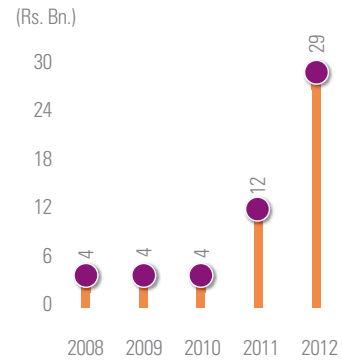
Occupancy rate in the Hotel Sector indicates a steady increase up until FY2011 and continues at the same level in FY2012. This was fuelled by a record level of Tourist arrivals in the country in 2011 and booming post war economic activities.

### Group Operating Cashflow



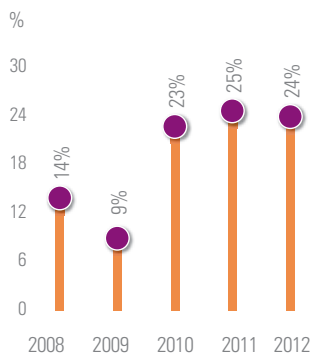
Operating cash flow is net cash flow provided by operating activities. Operating activities are the principal revenue-generating activities of the group other than activities that are investing or financing nature.

### Group - Net Debt



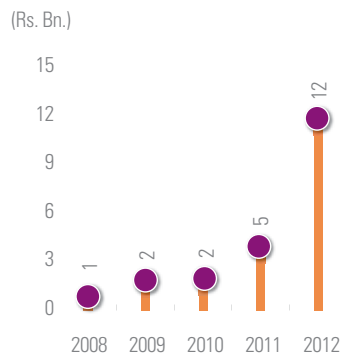
Net debt is equal to gross finance debt, less cash and cash equivalents.

### Group Total Shareholder return



Total Shareholder return generated by the company grew rapidly through 2009 to 2012 as a result of improved performance especially in the plantations and beverage sectors.

### Group Capital Expenditure

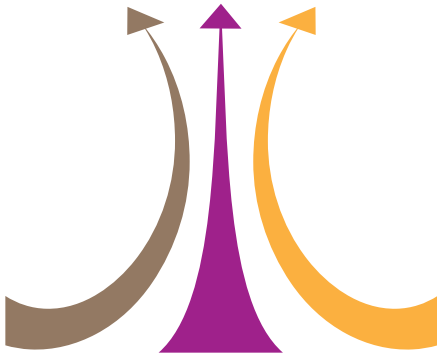


Capital expenditure incurred on expansions relating to both the plantation and beverage sectors is highlighted in the graph. In FY2012, a new segment, namely, Oil and Fats was added which further contributed to the increase.

### Group Human Resources



Human Resources continued to grow in order to facilitate the expanding business segments. As at 31st March 2012, the total number of employees stood at 14,453, an improvement of 26% over the previous years as result of expansion and new business acquisitions.



# CHAIRMAN'S STATEMENT

*Dear Shareholders,*

It is with great pleasure that I welcome you to the 96th Annual General Meeting of the Company, and present to you, on behalf of the Board of Directors, the Annual Report and Consolidated Audited Accounts for the year ended 31 March 2012. In its evolving role as an investment holding Company and the ultimate parent of the Carson Cumberbatch Group, Bukit Darah PLC has a diverse exposure to businesses in Sri Lanka and the Asian regional economies through its two key holdings in Carson Cumberbatch PLC and Goodhope Asia Holdings Ltd.

Carson Cumberbatch PLC listed on the Colombo Stock Exchange is a diversified conglomerate with business interests in beverage, investment & asset management, real estate and leisure in Sri Lanka, as well as a regional presence through its 53.3% stake in Goodhope Asia Holdings Ltd. Your company holds a stake of 45.6% in Carson Cumberbatch PLC. Goodhope Asia Holdings Ltd, based in Singapore is the holding entity of an integrated palm oil business with a presence in upstream cultivation, downstream oils & fats processing and logistics, in which your company holds a 59.9% effective interest. Through these two long term investment holdings, Bukit Darah PLC has secured a significant regional presence in its business model.

Profit after tax at Rs. 10.7 bn, recorded a growth of 7%, while the underlying revenue increased by 92% to Rs 69 bn. Net asset value per share stands at Rs. 230, with the current share price at Rs. 858. Overall shareholder value as represented by depreciation in market capitalization, stood at Rs. 87.5 bn, a decline of 27% which is more than the drop in the All Share Price Index.

Sri Lankan real GDP grew at a strong 8.3% for 2011, with important subsectors for the country, like banking, transportation, construction, domestic trade and tourism recording above average growth. The widespread infrastructure development underway in the country, in highways, ports, power generation and socio economic facilities, should help in increasing productivity, market access and inclusive growth for all the people of the country. We are encouraged by the present emphasis by policy makers at all levels on economic progress, a focus we lacked for over thirty years due to the situation of unrest.

The Sri Lankan businesses of Carson Cumberbatch PLC were challenged by the shifts in macro economic variables that took place within the year under review, after a strong two year growth phase in post war Sri Lanka. The significant devaluation of the currency, the rise in interest rates caused by rapid credit growth and a consequent drying up of liquidity in the monetary system, coupled with the overall energy cost increase, proved to have a compounding effect on cost escalations, which if followed by inflation will further

lead to cost pressures. We do believe that the measures taken to correct the situation, will stabilise interest rates and currency pressures in the months ahead. Although these measures will slow GDP growth initially; in the long run, the tightening of controls will enable better management of the development phase of the economy.

The Carsons businesses were able to manage these impacts well and continue investing in their growth plans, after building in the necessary contingency plans for dealing with the changing economic variables. It must be noted that both the brewery and investment businesses, which recorded good performances within their respective market conditions, will be the key local businesses for the Group into the future. Both sectors had made considerable investments in the year under review in capacity & technology enhancement and human capital to gear up their businesses for post war opportunities.

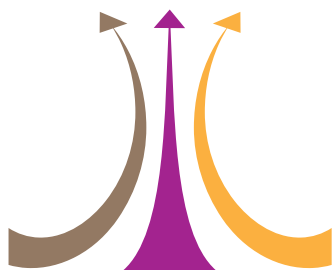
The brewery business invested Rs. 1.35 bn during the year under review on capacity enhancement and working capital, in anticipation of booming demand due to tourism and access to new markets. The investments sector also likewise invested almost Rs.900mn as seed capital into new growth segments like private equity, our in house country fund and unit trusts floated through a joint venture partnership, to build up these businesses for the future. We assess both sectors to be in the initial stage of their life cycle and therefore well positioned to benefit from the medium to long term growth of the economy.

The Asian regional economies in which we operate, continued to record strong real GDP growth, with Indonesia recording 6.5% and Malaysia 5.1%. It is pertinent to note that in both economies, agriculture continues to play a dominant role, with Malaysia having real growth in this sector of over 5%. In both economies which are strongly export led, currencies remained stable and lower interest rates were made possible by a low inflationary environment. Having matured, over the years, the South East Asian economies now display stronger; more predictable fundamentals and continue to be driven by good growth in investments.

The integrated palm oil business of Goodhope Asia Holdings Ltd has been on a strong footing since the last few years, as some of the initial upstream investments into Indonesia gained maturity and started generating good cashflows. However, as an industry, we yet assess palm oil to be at an initial phase of growth as the developing world consumes more edible commodities due to growing affluence and changes in lifestyles. As such Goodhope will increasingly plough back a major part of its returns to new business development, to secure more value addition to the business through integration within the palm oil value chain. The recent entry into downstream processing was one step in this strategy. The entry to downstream will help mitigate exposure to the commodity end of the value chain, and secure closer interaction with the value creating end which serves final consumer needs, since these entities mainly supply high quality processed palm products to industrial consumers.

Finally I would express my thanks to all our stakeholders for their contribution in steering the company towards a valuable and sustainable business model that will stand the test of time. Thank you to our shareholders for their confidence in the management and to the regulators and policy makers for facilitating our business. I also thank our suppliers, business partners, customers, our joint venture partners and financiers who bring in new perspectives and value to our ventures. I say a special thank you to my colleagues on the Board, and the members of the Audit, Remuneration and Nomination Committees, for having done their duty conscientiously.

(Sgd)  
**Hari Selvanathan**  
*Chairman*  
*Colombo.*  
*24th May 2012*



# GROUP STRUCTURE

## PLANTATIONS, OILS AND FATS

- Goodhope Asia Holdings Ltd.  
• 2008\* • 87.98%
- Agro Asia Pacific Limited  
• 2010\* • 100%
- Premium Nutrients Private Limited  
• 2011\* • 100%

- Shalimar (Malay) PLC  
• 1909\* • 96.48%
- Selinsing PLC  
• 1907\* • 95.67%
- Indo-Malay PLC  
• 1906\* • 89.87%
- Good Hope PLC  
• 1910\* • 94.21%

- Agro Harapan Lestari (Private) Limited  
• 2008\* • 100%
- AHL Business Solutions (Private) Limited  
• 2010\* • 100%
- Goodhope Investments (Private) Limited  
• 2012\* • 100%

- PT Agro Indomas  
• 1989\* • 91.31%
- PT Agro Bukit  
• 2004\* • 95%
- PT Karya Makmur Sejahtera  
• 2003\* • 95%
- PT Agro Asia Pacific  
• 2008\* • 100%
- PT Agro Harapan Lestari  
• 2007\* • 100%
- PT Rim Capital  
• 2006\* • 95%
- PT Agrajaya Baktitama  
• 1994\* • 95%
- PT Nabire Baru  
• 2008\* • 95%
- PT Agro Wana Lestari  
• 2006\* • 95%
- PT Batu Mas Sejahtera  
• 2006\* • 95%
- PT Sawit Makmur Sejahtera  
• 2008\* • 95%
- PT Sumber Hasil Prima  
• 2006\* • 95%

## BEVERAGE

- Ceylon Beverage Holdings PLC  
• 1910\* • 74.93%
- Lion Brewery (Ceylon) PLC  
• 1996\* • 60.23%
- CBL Retailers (Private) Limited  
• 2007\* • 100%
- Retail Spaces (Private) Limited  
• 2012\* • 100%

- Agro Harapan Lestari Sdn. Bhd.  
• 2007\* • 100%
- Shalimar Developments Sdn. Bhd.  
• 1980\* • 100%
- Premium Oils & Fats Sdn Bhd  
• 2011\* • 100%
- Premium Vegetable Oils Sdn Bhd  
• 1978\* • 100%
- Premium Fats Sdn Bhd  
• 1996\* • 100%

- Arani Agro Oil Industries Limited  
• 1986\* • 100%

## REAL ESTATE

- Equity One PLC  
• 1981\* • 96.27%
- Equity Two PLC  
• 1990\* • 88.81%
- Equity Three (Private) Limited  
• 1990\* • 100%
- Equity Seven Limited (Under voluntary liquidation)  
• 1994\* • 100%

## LEISURE

- Pegasus Hotels of Ceylon PLC  
• 1966\* • 92.75%
- Equity Hotels Limited  
• 1970\* • 100%
- Carsons Airline Services (Private) Limited  
• 1993\* • 100%

## INVESTMENT & ASSET MANAGEMENT

- Carson Cumberbatch PLC  
• 1913\* • 45.68%
- Ceylon Guardian Investment Trust PLC  
• 1951\* • 67.15%
- Ceylon Investment PLC  
• 1919\* • 64.36%
- Gardian Capital Partners PLC  
• 1920\* • 86.22%
- Rubber Investment Trust Limited  
• 1906\* • 100%
- Weniwella Investments Limited (Under voluntary liquidation)  
• 1906\* • 77.54%
- Mylands Investments Limited (Under voluntary liquidation)  
• 1920\* • 92.45%
- Leechman & Company (Private) Limited  
• 1953\* • 100%
- Guardian Fund Management Limited  
• 2000\* • 100%

## MANAGEMENT SERVICES

- Carsons Management Services (Private) Limited  
• 1993\* • 100%

### COUNTRY OF INCORPORATION/OPERATION

- Singapore
- Indonesia
- Malaysia
- Sri Lanka
- India

*% refers to group interest  
\* refers to year of incorporation*

# CORPORATE INFORMATION

## **Name of the Company**

Bukit Darah PLC

## **Company Registration Number**

PQ 56

## **Legal Form**

A Public Quoted Company with limited liability.  
Incorporated in Sri Lanka in 1916

## **Board of Directors**

H. Selvanathan (Chairman)

M. Selvanathan

I. Paulraj

D. C. R. Gunawardena

P. C. P. Tissera

K. C. N. Fernando

L.R. de Lanerolle (Appointed w.e.f 28/2/2012)

## *Alternate Director*

K. Selvanathan - for M. Selvanathan

## **Audit Committee**

L.R. de Lanerolle (Chairman) - Non Executive/Independent Director

I. Paulraj - Non Executive/Independent Director

D.C.R. Gunawardena - Non Executive Director

## **Remuneration Committee**

I. Paulraj (Chairman) - Non Executive/Independent Director

D. C.R. Gunawardena - Non Executive Director

L.R. de Ranerolle - Non-Executive/Independent Director

## **Nomination Committee**

I. Paulraj (Chairman) - Non Executive/Independent Director

D. C.R. Gunawardena - Non Executive Director

L.R. de Ranerolle - Non-Executive/Independent Director

## **Bankers to the Group**

Standard Chartered Bank

Bank of Ceylon

Citibank NA

Commercial Bank of Ceylon PLC

HSBC

Sampath Bank PLC

Hatton National Bank PLC

Nations Trust Bank

Deutsche Bank A.G.

Public Bank

Pan Asia Bank

## **Auditors**

Messrs KPMG, Chartered Accountants

No. 32A, Sir Mohamed Macan Markar Mawatha

Colombo 3, Sri Lanka.

Tel: 94 11 5426426

Fax: 94 11 2445872

## **Secretaries**

Carsons Management Services (Private) Limited

No. 61, Janadhipathi Mawatha

Colombo 1, Sri Lanka.

Tel: 94-11-4739200

Fax: 94-11-4739300

## **Registered Office of the Company**

No. 61, Janadhipathi Mawatha

Colombo 1

Sri Lanka

Tel: 94-11-4739200

Fax: 94-11-4739300

## **Email**

carsons@carcumb.com

## **Corporate Website**

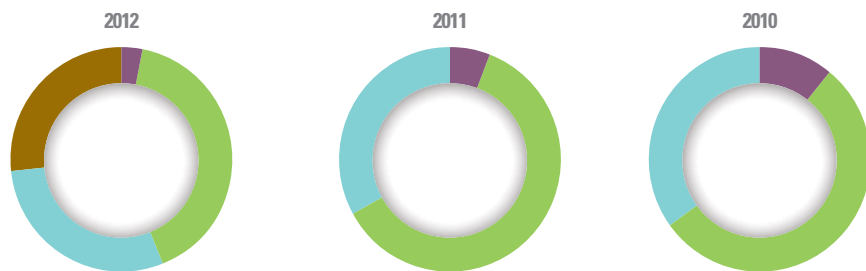
www.carsoncumberbatch.com



# SEGEMENTAL GRAPHICAL ANALYSIS- KEY SECTORS

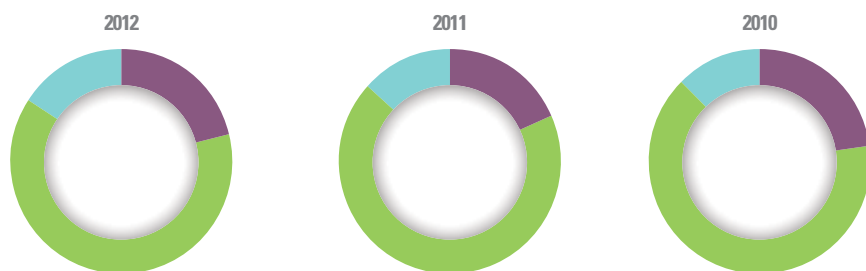
## Group Revenue

The group revenue almost doubled in FY2012. This was partly driven by the newly introduced Oil and Fats segment, which contributed 28% to the group's revenue, while the Plantation segment dominated in the revenue mix, contributing 39%.



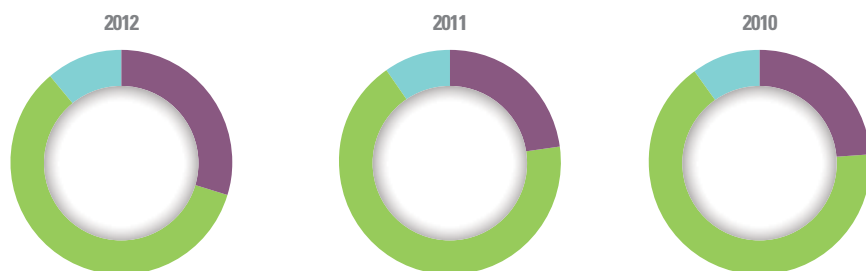
## Group Profit from Operation

Total Profits from operating activities improved by 27% year-on-year, where the plantation sector was the highest contributor with a contribution of 67%.



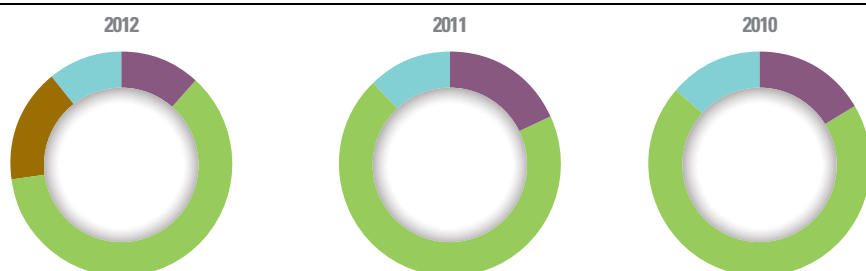
## Group Net Profit

The Group's net profit reached the milestone of Rs. 10 billion during the FY2012. Plantations and Investment Holdings were the top contributors bearing 68% and 27% respectively.



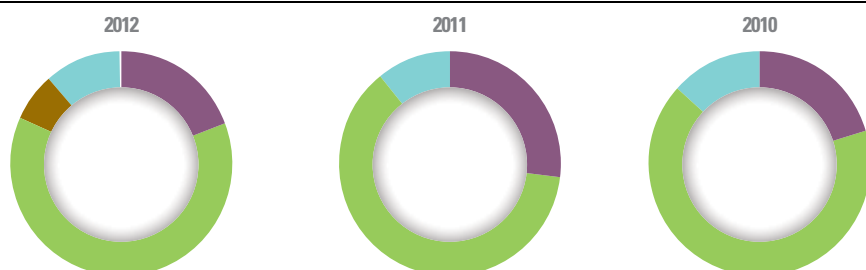
## Assets

The total asset base of the Group grew by 33% as a result of the expansions in the Plantation and Beverage sectors. Inclusion of the new segment, Oil and Fats, further improved the asset base.



## Net Assets

The top contributor to the Group's net assets was the Plantation sector which contributed 57% to the same while 18% was accounted for by the Investment Holdings sector being the second highest contributor.



● Investment Holdings ● Oils & Fats ● Plantations ● Beverage

# FINANCIAL REVIEW

The Group concluded yet another successful year in terms of its performance and growth of the distinctive operations the Group has ventured in to.

## Revenue

The Group posted consolidated revenue of Rs. 69 bn for the financial year 2012, a growth of 92% over the previous year, mainly driven by the downstream acquisitions in the Oils & Fats industry in India and Malaysia. The contribution from downstream operations contributed to 58% of the total revenue growth for the Group. The Beverage sector recorded a growth of 56% as a sector, with a contribution of

26% to the Groups' revenue growth. This was followed by Plantation sector which recorded a growth rate of 37% contributing to 22% of the overall revenue growth for the Group. The Investment sector revenue was stagnant during the period under review, due to sluggish market conditions prevailed.

The Group's 5 year Revenue CAGR recorded a spectacular 47%, reflecting the growth momentum and expansion across the distinctive sectors the Group operates in.

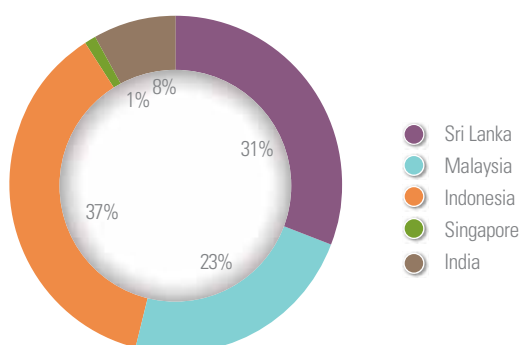
Revenue	2011			2012		
	Sales Rs' mn	% of total revenue	Change %	Sales Rs' mn	% of total revenue	Change %
Investment Holdings	2,277	6	(14)	2,121	3	(7)
Oil Palm Plantations	21,497	60	71	28,104	41	31
Oils & Fats -	-	-	-	20,099	29	-
Beverage	11,725	33	43	18,200	26	55
Real Estate	162	0	(6)	113	0	(30)
Leisure	348	1	57	437	1	26
	36,009	100	51	69,074	100	92

The Malaysian operations immensely contributed to the Groups revenue growth for the current year, with a significant Rs. 14.6 bn, a 44% of the net growth since 2011. The Oil and fats sector has driven

the revenue growth in the Malaysian Geographical segment, which was led from the strategic acquisitions which came in to being during the first quarter of the financial year.

Year ended 31st March	2011	2012 Rs' mn	Change	Change %
Sri Lanka	14,624	21,112	6,491	20%
Malaysia	1,182	15,780	14,598	44%
Indonesia	19,806	25,878	6,072	18%
Singapore	397	1,001	604	2%
India	-	5,303	5,303	16%
	36,009	69,074	33,068	

## Revenue - Geographical review



## Administration and other operating expenses

The Group has deployed a significant amount of resources in to assets and many other strategic acquisitions. Consequently, the cost base of the Group has expanded to accommodate the growing needs with the corresponding increase in revenue.

The cost base of the investments sector increased by Rs. 699 mn on account of the provisions made to account for decline in market value of investments, in a sluggish and highly volatile market existed towards the end of the financial year.

### Operating Costs

	Year ended March 31,		2012 Vs. 2011 Change Amount Rs. mn	%
	2011 Rs. Mn	2012 Rs. mn		
Cost of products sold	15,693	44,149	28,456	181
Cost of financing operations	775	2,005	1,230	159
Selling, administrative and others	7,811	11,005	3,194	41
	24,279	57,159	32,880	135

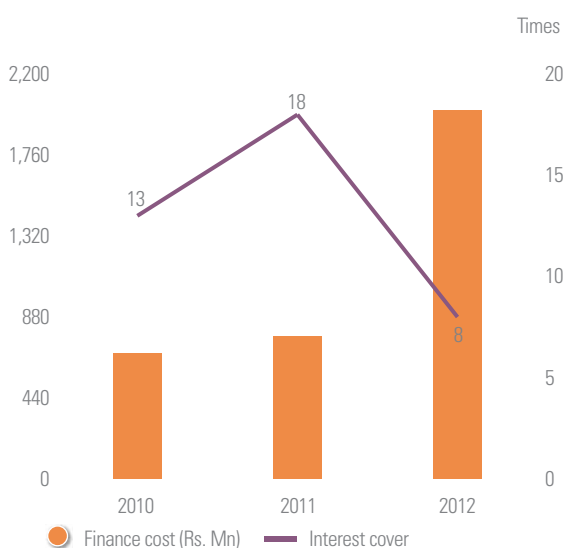
Debt financing deployed in the expansion of palm oil plantations in Indonesia has a significant bearing on the increased finance costs. The acquired debt arising from venturing in to oil and fats operations has further increased the leverage of the Group and thereby the financing costs for the year.

Further these borrowing resulted in an exchange loss amounting to Rs. 747mn due to the depreciation of Indonesian Rupiah against the dollar borrowing of the plantation sector.

#### Non recurring transactions

During the year the Company and the company's subsidiary Carson Cumberbatch PLC recorded a gain out of one-off transaction amounting to Rs. 927mn and Rs. 1,404 mn respectively as a result of a restructuring exercise carried out to acquire the non-controlling interest of Malaysian Palm Oil companies.

### Finance cost Vs Interest coverage



Carson Group maintains an efficient capital structure to support our business operation and maximise returns to shareholders while preserving our balance sheet strength

#### Capital structure

Expansion activities of the existing sectors and strategic acquisitions made during the year heading towards the future direction of the Group necessitated considerable amount of funding, which was managed through structured lending and utilizing internally generated funds from operations.

In FY2012, working capital requirements were quite stable, contributing to the Group's positive cash flows from operating activities. Together with proceeds from loans and borrowings, we continued to invest in property, plant and equipment, subsidiaries, associates and other deposits placed with financial institutions. Our balance sheet and capital structure remained strong throughout the period.

Shareholders' funds of the Group increased by Rs. 3,285 mn to Rs. 23,554 mn while the total loans and borrowings grew from Rs. 23,505 mn to Rs. 37,402 mn as at 31 March 2012. Loans and borrowings net of cash and other bank deposits remained at Rs. 28,846 mn (2011- Rs. 12,377 mn).

	2012 Rs. mn
Gross Debt	37,402
Cash and cash equivalents	8,556
Net debts	28,846

## Liquidity and Capital Resources

Cash flows provided by operating activities have historically supplied us with a significant source of liquidity. We use these cash flows, supplemented with long-term debt and short-term borrowings, to fund our operations and global expansion activities.

	2010 Rs. mn	2011 Rs. mn	2012 Rs. mn
Net cash provided by operating activities	3,200	5,126	9,216
Net cash used in investing activities	(5,210)	(5,239)	(19,524)
Net cash provided by financing activities	9	9,859	1,347

Cash flows generated from operating activities were Rs. 9,216 mn. and Rs. 5,126 mn. for fiscal years ended March 31, 2012 and 2011 respectively. The increase in cash flows provided by operating activities for the year 2012 was primarily attributable to an increase in income from continuing operations.

### Cash Equivalents and Working Capital

Cash and cash equivalents were (Rs. 190mn). and Rs. 8,771 mn. at March 31, 2012 and 2011, respectively. Our working capital surplus were Rs. 3,126 mn. and Rs. 10,873 mn. at March 31, 2012 and 2011,

respectively. We generally operate with a working capital surplus & deficit due to our efficient use of cash in funding operations and in providing returns to our shareholders in the payment of dividends.

### Cash Flows from Investing Activities

Cash flows from investing activities generally consist of payments for property and equipment, which were Rs. 12,395 mn., Rs. 5,105 mn. during fiscal 2012, 2011. These capital expenditures primarily relate to expansion of the business plan of Plantation & Brewery Sectors.

The following table represents an allocation of our capital expenditures for property and equipment

	2010 Rs. mn	2011 Rs. mn	2012 Rs. mn
Land Buildings	460,226	516,497	2,084,262
Mature & immature plantation	1,454,667	1,129,329	3,459,286
Plant & Machinery	80,449	118,509	1,399,363
Motor Vehicles	373,509	171,166	322,463
working Progress	2,102,285	2,493,120	3,659,066
Others	195,521	411,678	936,363
	4,666,657	4,840,299	11,860,803

### Cash Flows from Financing Activities

#### Short-Term Borrowings

Short-term borrowings increased by Rs. 6,390 mn. in fiscal 2012, and 2011 by Rs. 8,746 mn. and 2,356 mn, respectively. From time to time, we utilize the liquidity under our short-term borrowing programs to fund our operations, dividend payments, capital expenditures, and for other cash requirements and corporate purposes on an as needed basis.

#### Long-Term Debt

Proceeds from the of long-term debt were Rs. 28,655 mn., Rs. 21,147 mn., for the fiscal years ended March 31, 2012, 2011 respectively. The proceeds from the of long-term debt were used to capital expenditures and pay down or refinance existing debt, and for other general corporate purposes.

### Capital Resources

Management believes cash flows from continuing operations and proceeds from the issuance of short-term borrowings and long term borrowings will be sufficient to finance seasonal buildups in merchandise inventories and meet other cash requirements and to pay dividends and to fund capital expenditures.

# OPERATIONAL REVIEW

## **CARSON CUMBERBATCH PLC**

Carson Cumberbatch PLC recorded a consolidated profit after tax of Rs. 10 bn, an improvement over the last year. Turnover increased to Rs. 69 bn. Profit attributable to shareholders recorded a gain of 27% to Rs. 5.7 bn.

We detail below the focus areas of each of the businesses of Carsons, located in Sri Lanka. It is also pertinent to note that Carsons has a direct stake in Goodhope Asia of 53.3%, which is reflected in its consolidated results.

## **Brewery Business**

The brewery business of Carsons, exited from its venture in India, and opted to focus on growth opportunities in the local market. It has committed itself to expanding capacity, extending distribution reach and strengthening its presence at the retail level. The brands continued to earn well deserved recognitions across the world and export market penetration was improved. The sector earned a profit of Rs. 1.27 bn contributing 13% to consolidated results.

The brewery business which benefitted from the opening up of new markets and the growth of tourism, was able to maintain steady volume growth. Plans to expand capacity further are under consideration, following the increase upto 800,000hl during the last year. The overall “feel good” factor contributed to more events, outdoor and entertainment activities taking place, which had a positive impact on sales. However, the business did experience a setback due to cost increases across the board resulting from higher energy, raw material and finance costs; coupled with a regular increase in the tax bill, through two successive excise duty increases. Although considered a sector that can complement tourism growth in the country, we are concerned about the adverse impacts we have experienced in this business, including the 40% corporate tax rate which penalized the industry at a time when other industries secured a tax reduction to 28%.

The business continues its focus on cost management and improvement of procurement processes in the face of a devaluing currency and anticipated inflationary tendencies. The currency exposure on dollar borrowings cost the company a considerable amount of Rs.206mn, as the currency adjustment had to be provided for against profits. Transport costs and energy costs escalated, reducing operating margins from 33% to 29%.

Despite continued efforts at the national policy level to curb the availability and affordability of licensed alcohol through distribution and pricing strategies, we do not see the incidence of alcohol related social negatives declining. This is because the economically under-privileged classes continue to resort to the cheaper and more widely available illicit liquor as a preferred option. Therefore, we continue to uphold our view that consumers can only be weaned away from harmful illicit alcohol by giving them an alternative such as beer that is less harmful, more affordable and more socially acceptable.

The value of the brewery brand portfolio was amply demonstrated when Lion was ranked 9th amongst all Sri Lankan brands by Brand Finance in its 8th Annual Sri Lankan Review. This is a remarkable achievement for a brand that operates under very restrictive conditions, which permit no advertising or promotion. Whilst local

consumers readily acknowledge the superiority of its brands, they have been consistently recognized on the global stage as well. Over the years, the Lion brand has won many international awards and this year too, Lion Lager & Lion Strong were awarded gold at the Monde Selections of 2011 whilst Lion Stout was awarded the Grande Gold. In addition, Lion Stout received the International High Quality Award for winning gold or better for 3 consecutive years.

Exports grew at 55% during the year, and amounted to an average of over one container per working day. The Maldives, where Lion is market leader, remains the key market while the US and Europe also continued to perform well. Lion Brewery is encouraged by the acceptance gained by our own brand over the years in international markets.

Thus the brewing business will continue to pursue its growth plans in the local market through its combined efforts at greater penetration and more direct presence in the retail end.

## **Investments and Asset Management Business**

The investment business recorded a profit of Rs. 1.269 bn, but a drop in net worth due to poor capital market performance. The latter is expected to be a temporary correction prompted by the process of economic re-adjustment locally and global impacts which kept foreign investors away for the greater part of the year. Guardian went ahead with its growth plans, investing in expanding its private equity business, client management business and the entry into the mutual funds space through its joint venture with Acuity Partners.

The business focus continues to be dominated by the management of assets belonging to the Guardian Group under the listed and private equity portfolios, while the fund management company continued to expand its scope into managing outsourced client portfolios as well as product management in the form of a country fund and mutual funds.

During the year under review the portfolio performance of the Guardian Group recorded a negative 23% while the All Share Price Index declined 25% and the Milanka Index declined 28.8%. This includes the strategic holdings of the Guardian Group. However, if the performance of the fund managers were to be isolated to measure the enhancement in the discretionary portfolio, the decline is 15.39%. The consolidated profit after tax of the Guardian Group arising from portfolio operations is Rs. 1.269 bn a decline of 52% from the previous year, which is accounted for after a provisioning of Rs. 692mn on the short term and long term portfolios due to decline in markets. These provisions would be reversed once market conditions ease.

The asset management company continued to invest behind people, processes, systems and alliances that will bring value to the business over time. Several new recruitments were done over the last two years, to step up the skill diversity within the business to capitalise on future opportunities. Being a skill intensive business, greater emphasis on staff training and development will be vital, whilst appropriate reward structures that are both motivating and sustainable have been formulated.

The private equity (PE) segment saw an enhanced deal flow in the early part of the year, which dried up considerably as markets



The Group's Plantations, Oils and Fats Sector expanded its scope and reach considerably last year by acquiring refineries and specialty fats processing facilities in Malaysia and India in order to diversify its exposure from the commodity end of the market and in time, extract value from the different areas of the business system.

continued to drop. The investment business is challenged in this business to source high quality deal flow and would look to enhance the project pipeline through appropriate channels. We see some structural weaknesses in this business, in the form of pricing mechanisms for PE, the lock in regulations that have lengthened exits, and the reluctance of entrepreneurs to seek risk capital in the form of equity. But the private equity market in Sri Lanka is yet in its infancy and we do foresee that it will grow with the increase in entrepreneurial opportunities in a developing economy.

The unit trust business which was its most recent venture into the retail market, was slow to start since most small investors opted to stay in bank deposits that gave better and less volatile returns. However, as per capita incomes and savings rates grow, we expect that investors will desire a wider variety of savings instruments with differing risk profiles. The unit trust industry in Sri Lanka has had a long gestation period and this is understandable given the volatility in markets during the conflict period. Now in the new economy we expect savers to seek more investment options through varied points of access and therefore investor education and developing multiple distribution channels is of utmost importance. The business partnership with the HNB bank network of 65 designated branches to distribute the unit trust products will give Guardian greater market access to a broad range of investors of different income categories. This joint venture benefits from the local and international client networks of Acuity Partners PLC, and its parent companies, the HNB and DFCC banks.

#### **Real Estate Business**

The real estate business was able to record a growing positive contribution to the Group's results with a profit after tax of Rs. 44 mn, a growth of 66%. Much of the increase came from a revaluation of the Equity Two property at Janadhipathi Mawatha, which appreciated given greater access to the area and the rapid development of the properties in the vicinity. Rentals too appreciated with the growing demand for office space.

The Carsons' property bank is centred in and around Colombo and the development of the City into a greener and more orderly place will certainly help it to realize its full potential in the years ahead. We commend the authorities concerned for undertaking the restoration of the grand colonial buildings in the Colombo Fort area, which was a long felt need. We are also greatly encouraged by the aesthetic changes happening elsewhere in all parts of the City which promise to make Colombo a more contemporary, lively and cultured business city.

The suburban land bank in Mount Lavinia should similarly serve the business well, as the demand for housing and condominium

space improves. Although housing is a greatly felt need, the current environment of high interest rates and escalating import and construction costs does not augur well for the sector to take off immediately. Instead, the waiting period for the property market to recover will take longer. In the meantime, the Group's interest in the property business will ensure it has a good asset base to back its balance sheet in the years ahead, while ensuring a regular cashflow from ever increasing rentals. Nevertheless, it must be observed that maintenance costs will continue to pile up as material, energy costs and labour charges escalate. The business is fortunate to have a mixed profile of good quality tenants who have been with them over the years.

#### **Leisure Business**

The year saw Giritale Hotel being brought under the Pegasus hotels umbrella, thus placing both properties under a single hotel company. The ability to consolidate these two hotels thereafter, into any other joint venture or strategic alliance is facilitated through this structure. The Carsons Group investment into the hotel sector by way of borrowings, was capitalized through the recent rights issue, which primarily was floated to clear the debt obligations to the parent. The leisure business will seek to consolidate its position through alliances and partnerships that can add value.

The airlines sector performed well under globally competitive and challenging conditions, and it was encouraging to note that the GSA was able to secure the agency for Kenyan Airways, thus opening up a new product offering to an important emerging economy in the African continent. We hope that apart from access to Europe through KLM Royal Dutch Airlines, Martinair and Air France, that new GSAs of this nature would enable the sector to widen its services.

#### **GOODHOPE ASIA HOLDINGS LTD**

The Sector continued with its expansion drive primarily on higher commodity prices and increased demand from developing countries. The Group's Plantations, Oils and Fats Sector expanded its scope and reach considerably last year by acquiring refineries and specialty fats processing facilities in Malaysia and India in order to diversify its exposure from the commodity end of the market and in time, extract value from the different areas of the business system.

The plantation business continues to grow its land bank to further strengthen its competitiveness and obtain greater economies of scale. All plantation operations follow the concept and value of sustainability which are well entrenched within the business model of the Sector, taking into account the close proximity of the operation to vast communities, socio economic networks and consumer groups.

## Carson Cumberbatch PLC recorded a profit after tax of Rs. 10 bn, an improvement over the last year. Turnover increased to Rs. 69 bn. Profit attributable to shareholders recorded a gain of 27% to Rs. 5.7 bn.

In addition, the regional shared services centre located in Colombo, serves all the plantation units through an integrated IT platform which links up all vital information and communications. Similar support will also be given to the newly acquired subsidiaries in the medium to long term.

Going forward, we envisage this sector to continue to explore expansion opportunities which strengthen its business model further.

The global oils and fats industry performed well with increasing production and demand for palm and vegetable oil-based products. Foregoing short-term market volatility, we remain positive on the long term prospects for the global edible oils and fats sector, particularly for palm oil based industries, enabled due to population growth, urbanization and improving income levels in developing countries and changing food consumption habits. However, we recognize that it is important to build businesses that are integrated to help compete in an industry where players are consolidating and converging across the industry value chain.

The Plantations, Oils and Fats Sector of Carson Cumberbatch PLC under Goodhope Asia Holdings Ltd (GHL), will undertake investment across the industry value chain in order to reach threshold volumes and secure access to key inputs and services.

GHL recorded consolidated operating profits of Rs. 10.1 bn during the year and a profit after tax of Rs. 5.86 bn. This included the consolidation of results of the newly acquired midstream and downstream subsidiaries. The GHL Group produced a total of 207,397 MT CPO during the year, and produced and marketed 167,624 MT of refined oils and specialty fats for the 9 months ended 31st March 2012. GHL currently has a total plantation land bank of 157,896 Ha in Indonesia and Malaysia, out of which 64,221 Ha is developed and 52,351 Ha is land under development and undeveloped as at 31st March 2012. The balance 41,324 Ha consists of conservation areas.

GHL has evolved from being a pure plantations player, to own and operate midstream refining and downstream specialty fats businesses. During the year under review, the acquisition of three operating subsidiaries of Premium Nutrients Group (PNB Group) of Malaysia extended GHL's operations across the industry value chain. GHL was able to realize the opportunity to acquire an operation which had both midstream refining and downstream specialty fats manufacturing and distribution capabilities. The acquisition brought in 25 years of product and marketing experiences of the PNB Group that would have taken GHL about 10 years to build organically. It was essential that GHL positively respond to such an opportunity made available in the market, as all other plantation players have extended across the industry value chain and increased their bargaining power and competitiveness accordingly.

This acquisition has provided the Sector with access over origination and the supply of value added products. Furthermore, the newly acquired downstream companies export its specialty fats to over 50 countries and its customers include well known multinational companies in the confectionery and chocolate industries.

GHL has put in place a structured capital and operational turnaround plan to overcome the operational and capacity bottlenecks faced within the newly acquired subsidiaries at the time of acquisition. These initiatives are aimed at enhancing operational efficiencies, optimizing capacity utilization and improving its operating margins. Further, this turnaround will be complemented through expansion and strengthening of GHL's marketing and distribution channels.

We are confident that with the planned expansions and investments in the downstream segment, GHL will be able to expand its profitability and stakeholder value over the medium to longer term.

Expansion of oil palm plantations in Indonesia has over the last few years become difficult due to a combination of factors such as the scarcity of suitable new land, regulatory obstacles delaying approvals for plantation development and social and local community-related issues. Hence, GHL will continue with sourcing and expanding its land bank in new locations within Indonesia as well in other suitable overseas locations for plantation development over the long term.

GHL is mindful of its social and environmental impact and is guided by the principles of the Roundtable on Sustainable Palm Oil (RSPO). In fact, GHL has already commenced the RSPO certification process for some of its mature plantations with first certification expected to be received within the second half of 2012. GHL has also obtained ISO standards in Environment, Health and Safety and acquired relevant Food, Hygiene and Quality accreditations for the downstream processing plants.

### CONCLUSION

Going forward, Bukit Darah PLC will continue to hold and benefit from these two key strategic Investments. Encompassing a diverse variety of businesses, the returns to Bukit shareholders will constitute a cross section of industries. Predominantly the sources of growth for the company would arise from the global commodity business in oil palm and from the economic growth anticipated in post war Sri Lanka.

# PEOPLE PHILOSOPHY AND PEOPLE MANAGEMENT APPROACH

Employees make the difference in a company's performance and therefore they are the driving force of our competitiveness in the market place.

Management ensures that human resources policies and practices are implemented with adequate participative management practices. The Group acknowledges and respects international labour conventions and best practices ensuring no violation of fundamental human values. The Group embraces diversity and respect for individuals on the broader premise of Equal Employment Opportunity Employer.



Town Hall Meeting held by Pegasus Reef Hotel Sri Lanka

Given our increasing business presence globally in diversified work cultures, the Group Human Resources architecture embraces HR practices to create sustainable human capital.

## Recruitment and Retention

As an equal opportunity employer all sector business units follow non discriminatory recruitment practices using transparent recruitment and selection policies and procedures. All selected

employees have a sense of pride and satisfaction that they have been hired for their demonstrated capabilities and proven track record that is a fundamental value in 'respecting individuals'. The Group uses reputed professional head hunters and scout on their own for best talents in the market to partner expansion and success of business. Diverse employees are true human capital and the recruitment & selection process has helped the Group to enrich and enhance it.

The Group retains its talented staff and labour turnover has never been an issue. The Group felicitates its long standing employees each year. Retention is based on work itself by offering challenging and rewarding experience and at the same time creating an environment of openness in taking decisions in their domain of work.

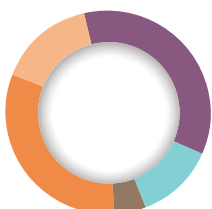
Employee numbers for 2012 in different sectors is given below:

Sector	Managers	Executives	Non Executives	Total
Plantations, Oils & Fats	320	698	12,904	13,922
Investment	7	7	0	14
Beverage	51	80	84	215
Real Estate	1	6	9	16
Leisure	3	32	219	254
Management	6	20	6	32
Total	388	843	13,222	14,453

## Abiding by Universal Labour Practices

The plantations, oils and fats sector which operates in different countries in the South Asian and South East Asian Regions has in place a comprehensive human resource structure covering recruitment, manpower planning, retention and grievance handling. The sector follows a policy of routine and continuous dialog with employees to understand any issues and to foster better relationships between management and employees.

## Staff Turnover by Sector for 2012

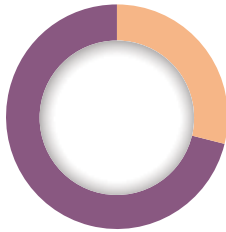


- Plantations, Oils and Fats 35.52%
- Investments 0%
- Real Estate 12.5%
- Beverage 5.17%
- Leisure 32%
- Management 15.62%



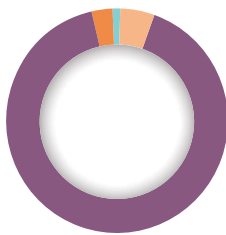
Employee receiving long service award

**Total Gender Diversity for 2012**



- Males 71%
- Females 29%

**Total Workforce by Country**



- Sri Lanka 5%
- Indonesia 91%
- Malaysia 3%
- India 1%

The Sector subscribes to the principles of the United Nations Global Compact (UNGC) incorporating these into relevant operating procedures. The Sector ensures that equal opportunities exist for both genders as permitted by the nature of the sector's operations and no child labor is employed at any of our operating locations.

One of the main challenges faced, is ensuring that skilled labour is available and all contractors adhere to the Sector's policies and



*Childrens' evening organised during the staff trip of Sri Lankan staff of Goodhope.*



*Christmas party for staff - Colombo.*

practices. For this purpose HR personnel are trained and educated on best practices that are followed by the Sector.

**Abiding by Other Labour Practices**

Group companies ensure all employee practices are beyond minimum legally recommended practices and also ensure that even the contracted labour suppliers do the same. As a result, both the permanent and contracted employees have a sense of a preferred place to work for. Open door policy, room for open dialogue and communication have built a community culture, a blend of solidarity and sociability.

In the hotel sector, employees have moved away from third party union intervention to direct employee and employer relations due to the open communication approach by the management. The group companies have harmonious labour relations with no third party intervention.

**Work Life Balance**

The management is mindful that employees spend good part of their lives at work and group ensures all hygiene factors at work are in support of congruent of work and life. Work related stress is minimized due to open door practices and socializing events. Extending staff events to the immediate families makes us a wider but closely knit community.



*Children's day organized in Colombo.*





*Art Exhibition of employees' children*

Ensuring that employees avail of their earned leave helps them spend time with their families and also give them a chance to relax and reflect.

Maternity leave, nursing time and compassionate leave accommodate employees to manage events that are stressful. Human resources extend counseling to employees on a need to have basis.

The Human Resources calendar has many events for frequent family 'get togethers' that inculcate our values and promote socialization. Carsons family day, art competition and exhibition for children of staff, staff gatherings, staff outing with their families and the annual Christmas party have brought a sense of belonging and encourage a work life balance.

### **Occupational Health and Safety**

We position ourselves as the Industry Leader for its Health Safety and Environment Policies and for the exemplary management of these policies.

Each business unit places importance on employee safety and health by setting up systems, policies and practices that have benchmark centers of excellence. Employee training, monitoring and learning for



*Use of safety equipment in all aspects of our plantation operations, forms an integral part of our health and safety practices.*

continuous improvement have set our standards far above minimum legal standards in all factories and field operations. In our diverse business sectors field workers, factory workers, hotel and office employees are on continuous training on safety measures. Our systems are subject to continuous improvements. The Plantations, Oils and Fats and, the Beverage sectors pursue international standards of OHSAS 180001 and continuous audit for improvement and compliance.

We ensure employees have access to basic medical assistance by employing company doctors and running polyclinics for the resident workforces in the plantations. Medical cover both indoor and outdoor for employee and his/her immediate family lessens the burden of cost of medication. Preventive health care programs have helped employees of the plantations to maintain good health, and recreation and outdoor sports facilities raise their awareness and level of well being.

The Company's medical assistance on critical sicknesses is a relief to employees since it extends to their immediate family as well.

Employees are covered under personal accident insurance during 24 hours and that offers an extended sense of security at work.



*On Call Ambulance and Doctor at the plantations*



*Tennis facilities made available to employees in some plantations*



## PEOPLE PHILOSOPHY AND PEOPLE MANAGEMENT APPROACH

### Training and Development

Group policies and practices are to create learning organization and also harness organizational learning process. To this end, employees are encouraged in seeking out new knowledge and sharpening their skills to create an environment to learn from internal benchmarks; learning from one another. Learning systems are based on inventory of skills and competencies that are reviewed and revisited as per the changing landscape of business and its macro environment. Regular performance discussions and feedback sessions help employees in self initiation of learning and pursuing their career development.

Employees are exposed to a complete cycle of learning from orientation, job intervention, regular performance feedback, career development through individual development programs backed by coaching and counseling.

Educational assistance programs in pursuit of chosen careers and professional membership of employees epitomizes the company's intent of developing the latent talents of employees.

Pre and post evaluation of training ensures objectivity of training programs that ensures results driven training and development activities for employee progress.

An empowered working environment to facilitate innovation and continuous improvement of key processes has given the desired inspiration to go over and beyond their normal call of duty and add value.

Employees are encouraged and empowered to take charge of their career development and the Human Resources Department facilitated their effort in pursuing both long and short term career pursuits.

### Performance Culture

The Philosophy behind employee performance is to harness true potential and feeling of partnering the progress of business. To this end the performance management system is built on four fundamental principles; Agreement, Alignment, Adjustments and Accountabilities. Company wide dialogue and thereby integration of all employees' performance to company's key performance indices takes place at the beginning of each year. The agreed upon accountabilities are arrived at, in these dialogues. Each employee gets a sense of ownership of his/her accountabilities that are

aligned to the business outcome and as when business landscape changes the required adjustments are made due to formal and informal discussion during the year. The regular feedback helps employees to reenergize and also to ensure issues are addressed timely.

The professional growth and career development is being facilitated as the PEAP. The company's performance management system not only evaluates past performance and also assesses the potential of employees in future growth at regular performance discussions and feedbacks. Company' rewards employees on their performance and contributions that promote a culture of ownership and commitment.

Forums such as town hall meetings and cross functional briefings help disseminate tacit knowledge and institutionalize know-how.



*In-house training for the management sector employees.*

# CORPORATE SOCIAL RESPONSIBILITIES

Social responsibility is interpreted as an ethical obligation undertaken by the Company towards the socio economic development of the country. The Company has no expectations in return for its investments and encourages its people to engage in the numerous activities undertaken.

It institutionalizes CSR in two fronts; supports institutions through donations on basis of needs & merits and review, monitor and guides selected projects by direct engagements.

Donations to institutions are mainly to schools and other institutions of public interests that have direct impact to socio economic life.

Through its CSR activities, the Company aims to upgrade the quality of life of the communities In some segments that are connected to operations of business and more in general. Besides, company also encourages employees to devote time to underprivileged sections through Company projects and non-governmental organizations to share skills and expertise and assist the needy. This is in line with the Company's broader goal of practicing and promoting self-sustaining processes and welfare activities for social and economic development and environmental protection.

Hatton Norwood School has a population of estate sector children who get benefited by an on going project in developing English skills. Two dedicated teachers conduct regular classes on a program of teaching that has been accredited by the school authorities.

Children from rural south and Colombo suburb receive monthly cash donation in support of their education and this project would ensure monitoring their progress with the view of support structure on basis of need and merit.

Distribution of school books to children of 100 or more grama sevaka divisions of Biyagama electorate has been carried on for 10 successive years.

Having established computer training centers, children of rural villages have the facility of continuous learning of much needed skills and also internet facility to reach to global knowledge hubs.

Company partners 'Tharunyata Hetak' a non governmental organization in developing youth for emerging Sri Lanka. Enhancing employability, training programs in Killinochchi and Hambantota



'Tharunyata Hetak' programme at Hambantota, Sri Lanka

are run with direct engagement. The youth of these two districts receive facilities of learning computer skills, English and personality development, each program runs for 4 months of continuous learning.

Number of youth developed in 2011	
Hambantota District	Killinochchi District
380	80

The company envisages social harmony and mutual understanding of youth of the country by facilitating their interaction on a common platform of facilitating development of their personalities that would enable them to participate effectively in the social and economic development of the country. A blog is created for networking for required resources for their further development and interactions.

### Facilitating Events of National Significance and Importance

The Group is unhesitant in extending its support for undertaking by the authorities in positioning country's image in the international forum that would in return have direct socio-economic benefits to the people of Sri Lanka. The Group has supported the Sri Lanka Army in conducting a seminar that had participants from 41 countries in sharing the Sri Lankan Experience in defeating terrorism.



Book distribution to needy children in Biyagama area, Sri Lanka



Some of the scholars at Hambantota, Sri Lanka



English lessons at Norwood school in Hatton, Sri Lanka

The Group’s Plantations, Oils and Fats Sector has several social responsibility initiatives which revolve around the remote locations of the plantation operations. The key focus of these initiatives is the advancement of education and economic empowerment. These two areas are supported by the provision of community services such as healthcare and sanitation, infrastructure maintenance and the preservation of socio-cultural values.

From the outset, the plantations work closely with local communities, mindful of its duty to ensure that practices are community friendly and that local cultural and religious values are respected. The objective is to form strong bonds of trust, respect and friendship between those who work for the plantations and those who live within the vicinity of our operations. The Sector’s CSR programs implemented in our plantation operating locations have benefited more than 40 villages and cater to over 110,000 people. The details of the beneficiaries are as follows:

	2008-09	2009-10	2010-11	2011-12
Number of villages	6	12	34	46
Number people	8,307	27,449	86,782	117,582
Number of households	2,077	6,862	21,695	29,395

The Sector’s corporate office undertook an initiative under Goodhope Asia Holdings Ltd (the Sector’s holding entity) whereby SLR 60 million was donated towards the construction of a transit home (CCC House) for cancer patients at the cancer hospital in Maharagama. The second phase of construction for which this donation is being used, is progressing well and is expected to be completed later this year. The completed transit home will accommodate up to 179 cancer outpatients, their caregivers and support medical staff.

The details of the different programs undertaken by the Sector in the plantation operating locations are as follows.

• **Economic Empowerment**

The livelihood enhancement programs were continued in the plantations during the year, which enabled community members to further improve and build on their income generating activities. The activities focused on during year include poultry farming, agriculture, inland fishing and, arts and crafts. Programs implemented last

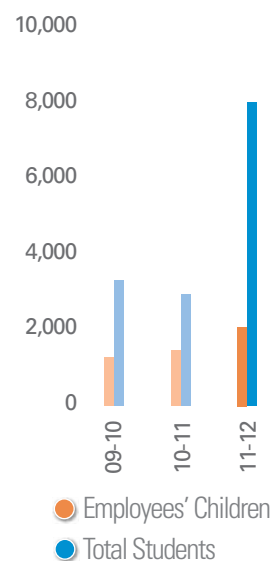
year were well received by the communities and thus encouraged us to implement new programs in other villages around our plantation operations during the year under review. Thus far we have successfully assisted many villages surrounding our plantation operations to become self reliant and improve their living standards. Plans are in place to introduce economic empowerment programs to more villages in the coming years.

A unique project launched in the year was aimed at facilitating small business owners to further enhance their business potential. Under this Community Entrepreneurship Program (CEP), these business owners were trained on management practices and other value adding practices to help enhance their business potential.

• **Education Advancement**

The Agro Harapan Foundation continues to guide and facilitate the setting-up and operation of education and school facilities in all plantation locations. In the year under review we continued the support of schools in the towns close to our plantation operations and offered support towards the higher education of teachers. Our cooperation with two education-concerned institutions, the Indonesian Teachers Association (ITA) and the Cita Bunda Foundation to improve teacher capacity and professionalism in compliance with Government standards and national curriculum in Indonesia is making progress as per objectives. We also provided scholarships to students to continue their secondary and tertiary education endeavors. In some of our more remote plantation operating locations, we implemented initiatives to set up early childhood education facilities and also set up model classrooms in village schools.

Our flagship program in education advancement is the school, SMP Tunas in PT Agro Indomas. This school continues to be successful with students passing out with good grades and some continuing on to higher studies. At any given time the school is able to support more than 250 students and is equipped with modern up-to-date facilities.





*Overview of SMP Tunas Agro in PT Agro Indomas*

The Agro Harapan Foundation has in total benefited 8,054 students, including 2,103 employees' children by end March 2012 through various education related programs conducted in schools in the surrounding villages.

The Sector's efforts with regards to advancement of education has been well recognized for its impact by stakeholders in May 2011. The Foundation was awarded "The Most Committed Company on Education Award" from the ITA - Central Kalimantan Chapter (IGI Kalteng) in recognition of the Sector's endeavors in the enhancement of teacher's quality and education advancement.

**• Community Services/Programs**  
**Health & Sanitation**

A series of health campaigns were conducted in our plantation locations during the year. The Dental and Oral Health campaign resulted in 4,159 treatments in our plantations located in the Kalimantan region in Indonesia. This campaign was supported by Pepsodent, Unilever where they provided tooth brushes, tooth paste and appropriate educational material for children.

We also conducted a campaign on the prevention of Malaria and undertook activities such as improvement in sanitization facilities, better waste management and other pest control measures in five of our plantation locations. We also continued the awareness campaigns aimed at educating students, villagers and employees on the prevention of HIV-AIDS and conducted an Anti-Drugs related campaign in collaboration with the National Narcotic Agency (NNA) under the National Police in two of our mature plantation operating locations based in the Kalimantan region and in Papua in Indonesia.

In our new plantation development projects, we provided mobile clinics and other basic medical facilities to the communities surrounding our operations.

Further progress was made in the 'provision of clean water project' undertaken in the Agro Wana Lestari plantation. The main challenge faced was to advocate a shift of the community's water source and sanitation habit from river base to land base. To prevent the community's dependency on the plantation and encourage the feeling of ownership, this activity was jointly funded by the plantation and members of the community who are the primary



*An interactive learning experience in the classroom*

beneficiaries. We also signed an MOU with the FIELD Foundation, where FIELD will act as the expert on the development of clean water installations. These initiatives have also received local government support in the region of Central Kalimantan. The pilot project to provide clean water to villagers using pipelines is now complete and will be replicated in the coming year to other villages around our other plantation operating locations where obtaining clean water is a priority.

**Stakeholder Relations**

Relationships with stakeholders continue to be vital to all sustainability activities and programs. In our new plantation development projects steps have been taken to set up stakeholder facilitation programs in order to inform relevant stakeholders of the activities that the Sector will undertake with regards to sustainability initiatives. We continue to maintain previously established relationships with stakeholders in media relations and community leaders in our mature plantation operating locations. The stakeholder facilitation programs continue to be a vital forum whereby community members are able to bring forth their grievances and other issues to light in a structured manner.

**Smallholder Schemes**

The smallholder scheme involves land being set aside for village growers in line with the Indonesian Government's Plasma initiative, which involves a tri-partite arrangement among Cooperatives, Company and Bank.



# ENVIRONMENTAL RESPONSIBILITIES

## Our dedication towards environmental sustainability

Bukit Darah PLC believes in and practices environmental sustainability to some extent in all of its segments. However, as a result of the nature of its business operations, the Brewery and Plantation segments have dedicated initiatives in place to ensure the conservation of the natural environment surrounding their operations.

### Beverage Sector

As a policy, Lion Brewery is committed to achieve excellence in its approach to Health, Safety & Environmental (HSE) management system across all its operations. We believe that the success and sustainability of Lion rests in adherence to the high benchmark standards set by us on our HSE Management.

Beer by definition uses natural raw materials and a natural fermentation process, to convert the raw materials into a value added product. On this same concept brewery aspires to maintain its operations with the minimum impact on the environment. Waste raw material in the form of spent grain, which is rich in nutrient is channelled to dairy farms and piggeries as part of the feed. Work is currently being done on the possibility of converting the waste yeast, which is rich in vitamin B into a commercially viable yeast extract, which in other countries is used as a base for a number of food items.

Brewery, unlike CSD industries generates its own CO<sub>2</sub>, through the natural process of fermentation, thereby contributing to the prevention of the proliferation of use of fossil fuel for the same. Following a sizable investment the CO<sub>2</sub> collection plant was augmented in 2011 so that the unit is now able to not only meet its own needs but also supply CO<sub>2</sub> for commercial purposes to other local industries.

Brewery continues to use a returnable glass bottles in its container management system along with returnable crates and pallets, all of which are recyclable. The glass cullet, which results in the handling process is recycled through the local glass manufacturer, thereby having a close cycle of operation. With the growth in the aluminium can segment, initiatives have been carried out through the labelling to foster the habit of responsible disposal of spent containers and the feasibility of a recycling facility is currently under consideration, through negotiations with can manufacturers. All other secondary and tertiary packaging material such as cartons and polythene are segregated and channelled in to recycling facilities, through approved third party contractors.

Water, which is a major ingredient for the brewery is also one of its main effluents. Lion Brewery, while having an aerobic waste water treatment plant, commissioned an anaerobic waste water treatment plant in 2011, capable of meeting European standards, in its drive to minimise the impact of its manufacturing processes on the environment. The technology uses anaerobic fermentation for the degradation of organic matter, thereby greatly reducing the consumption of electricity, which is needed in conventional plants for the purposes of aeration of the waste water. In the second phase, which is to be completed in 2012/13, the methane generated in this process, will be used in power generation or as a substitute fuel for

the boiler, thereby reducing the demand on furnace fuel. As the third phase, a bio mass boiler will be commissioned to further enhance the use of sustainable energy with CPH under a CRM scheme.

With the ongoing expansion program several energy saving technologies have also been invested upon. The new brew house is equipped with a STROMBOLI wort kettle, which is said to give significant reductions in energy use. In addition, the redesign of the brew house, focussing on the use of natural light through prismatic lighting and energy efficient design of central air conditioning operating systems, will further reduce the consumption of electricity.

Towards emission control, Lion Brewery Logistics Department moved from internal combustion engine fork lifts to battery operated forklifts in 2011, thereby not only reducing emissions but also cutting down on noise levels generated in the process resulting in better working conditions for personnel.

The brewery is governed by ISO 9001:2008 and ISO 22000:2005 quality and food safety systems, to which it is in the process of adding on OHSAS 18001 in 2012, with the intention of being ISO 14001 compliant on completion of the ongoing expansion program, towards the latter stages of 2013. Currently, all aspects of environment are under the governance of the HSE committee where, responsibility, authority and accountability is defined both at HSE committee level as well as departmental and where possible personnel level. This ensures that an efficient and effective operational system is maintained, which complies with all statutory and good manufacturing procedures. One of the main focus areas and CSR initiatives over the past two years has been the maintenance of a comprehensive mosquito breeding prevention program in and around the brewery, given the prevalence of the Dengue menace in Sri Lanka.

### Plantations, Oils and Fats Sector

The Sector continues its efforts to reduce the impact of its operations to the environment. Hence, the approach undertaken is inclusive and holistic, whereby the Sector adequately addresses the concerns of a multitude of stakeholders and takes into account the different ecosystems that the Sector operates in. This approach has helped the Sector to integrate our values and principles into our operations successfully, on a daily basis.

The Sector's plantation operations subscribe to the Principles and Criteria (P&C) set out by the Roundtable on Sustainable Palm Oil (RSPO) as a baseline for implementation and management of sustainable practices across our plantations. Some of the plantation companies are members of the RSPO and others are in the process of obtaining membership. Furthermore, PT Agro Indomas, the Sector's most mature plantation, has successfully conducted its RSPO assessment and has been cleared by the external auditors for RSPO Certification.

Since 2007, some of the individual plantation companies have obtained ISO 14001, the international standard for Environmental Management Systems (EMS), and OHSAS 18001 on Occupational Health and Safety Standard. The Sector aims to include the other plantation companies under the same certification in time. The scope of the EMS covers all activities, products and services that interact with the environment (including bio-physical and

socio cultural systems) that may have either beneficial or harmful consequences.

### Environmental Policy

The Sector has in place a comprehensive Environmental Policy integrated into the plantation operations that ensures an environmentally sustainable business model. The details are discussed below.

### Environment Sustainability

We continue our environmentally friendly practices and are currently conducting a pilot project to combine OHSAS 18001 and ISO 14001 into an Integrated Management System (IMS) in one of our plantations. The aim of this initiative is to integrate all relevant environmental and health related policies and procedures into one system that enables a more streamlined and efficient approach in achieving our goals. If we find this approach to be successful, we will implement this system in all other plantations.

Our efforts and commitment towards environmentally friendly practices were recognised with the two mills in PT Agro Indomas, located in Central Kalimantan, Indonesia being awarded the Green Rating in the 2011 PROPER program. This program is conducted by the Indonesian Government, and the Green Rating is given to those achieving compliance well above expectation of all applicable Indonesian regulations. The rating considers compliance with regards to sustainability standards, such as environment policy, pollution control, waste management, conservation measures, CSR policy and programs, and social performance.

We continue to support the Orangutan Foundation International (OFI) and signed a Memorandum of Understanding (MOU) with the Borneo Orangutan Survival Foundation (BOSF). This MOU supports the rehabilitation and relocation of Orangutans in the Central Kalimantan region in Indonesia. This MOU is the second such cooperation with regards to the safeguarding and survival of Orangutans in Indonesia. We continue with our MOU with the OFI signed in the previous year.

Construction of the Orangutan Herbarium at the OFI/Orangutan Care Center & Quarantine Facility (OCCQ) is underway. The herbarium follows the commitment made to support the OFI for a five year period. It is solely dedicated towards the preservation and research of all vegetation related to the growth and survival of the Orangutans in Indonesia and is the first of its kind in the country. This Herbarium which has a capacity to store a collection of 10,000 specimen plants, aims at identifying, tracking and storing data of all plant species in the natural habitats of Orangutans.

We will also ensure that employees and contractors we hire are competent and proficient to perform their work within our principals and standards by undertaking appropriate education, training and awareness programs. A dedicated Environmental Management department is entrusted with the task of monitoring and reporting on the Sector's environmental performance and its adherence and compliance to environmental management policies. This team is also supported by reputed independent external consultants who evaluate the effectiveness of currently used environmental management processes and also set new environmental objectives, parameters and policies to raise standards.

### Safeguarding the Biodiversity in Our Plantations

Environmental protection and conservation of biodiversity is well ingrained into all oil palm plantation operations by managing the High Conservation Value (HCV) areas. Prior to land development of oil palm plantations, an assessment of HCV is carried out to identify and assess any sites where HCV exists. The HCV areas will be preserved and left intact, ensuring no developments of any kind are undertaken in these HCV designated areas. The Sector periodically conducts inspection of the conservation areas to ensure no illegal activities threaten its value.



Regular inspections being carried out in High Conservation Value areas



Green Rating Certificates received for the 2011 PROPER program





*Safeguarding waterways that flow through plantations*

**Environmentally Friendly Practices in the Plantations**

The following environmentally friendly practices are adopted as part of the plantations' operational commitment towards protecting the natural environment.

- Managing effluents and reduction of green house gas emissions from our oil mills and continuous assessments of innovative means to utilize and optimize on effluents produced.
- Ensuring optimal balance of water management between plantation growth and the environment is maintained. Critical parameters are monitored closely and every effort taken to protect rivers, waterways and riparian areas. The amount of water used in mill processes is minimized through efficient water management practices.



*Use of the Barn Owl as a natural pest control measure*

- Application of best practices in cover crop management and in soil engineering to conserve and maintain fertility of land, and to minimize water wastage and soil erosion.
- Adoption of a natural approach to pest management wherever and whenever possible, including biological controls and introducing animals such as the barn owl to control rats, and insects to feed on other pests such as bagworms, nettle caterpillars and rhinoceros beetles, as well planting beneficial plants that attract predators and ensure crops are protected.
- Implementation of a strict zero burning policy, which is enforced without exception. An annual community fire awareness training (CFAT) for both local community and employees is organized in cooperation with local government and NGOs to build early warning and response to fire threats.

# ECONOMIC REVIEW

## • Sri Lankan Economy

### Setting the standard in growth.....

Sri Lanka recorded an economic growth of 8.3% in 2011, which brought GDP to the US\$ 59.2Bn mark. Setting the standard, 2011 recorded the highest economic growth in the post independence history of Sri Lanka and was the first time that the economy achieved above 8% growth for two successive years.

The Services sector recorded a growth of 8.6% spearheading the growth drive of the economy. Among the subsectors, Wholesale & Retail Trade, Transport & Communication and Banking, Insurance & Real Estate were the front runners. Although the contribution of Hotels & Restaurants was minute in the overall computation of Gross Domestic Product (GDP), the commendable 26.4% real growth is a reliable proxy for the leisure industry growth in 2011. With a growth of 10.3% the Industry sector recorded its highest growth in 33 years. Subsectors such as Manufacturing and Construction underpinned the Industry sector growth reflecting the favorable environment that prevailed during the year. Despite the adverse weather conditions at the start of the year, the Agriculture, Forestry and Fishing sector showed signs of resilience recording a growth of 1.5% for the year, with a high contribution to growth coming from the Fishing subsector.

GDP Snapshot for 2011			
Sector	US\$Mn (Current)	Growth (Real)	Share* of GDP
Agriculture, Forestry and Fishing	7,155	1.5%	11.2%
Tea	616	-0.9%	1.0%
Rubber	556	1.8%	0.2%
Paddy	866	-8.4%	1.5%
Fishing	988	15.5%	1.3%
Industry	17,696	10.3%	29.3%
Mining and Quarrying	1,016	18.5%	2.5%
Manufacturing	10,777	7.9%	17.3%
Food Beverages and Tobacco Textile, Wearing Apparel & Leather	4,863 1,877	7.1% 10.8%	7.4% 3.6%
Electricity, Gas and Water	1,280	9.2%	2.4%
Construction	4,624	14.2%	7.1%
Services	34,321	8.6%	59.5%
Wholesale and Retail Trade	12,279	10.3%	23.6%
Hotels and Restaurants	400	26.4%	0.6%
Transport and Communication	7,402	11.3%	14.3%
Transport (Cargo, Passenger & Ports) Post and Telecommunication	7,073 328	11.0% 13.4%	12.5% 1.9%
Banking, Insurance and Real Estate etc.	6,415	7.9%	8.8%
Gross Domestic Product	59,172	8.3%	

\* Calculated based on constant prices

Source: Central Bank of Sri Lanka

## Fiscal Consolidation

During 2011 fiscal discipline was upheld as the overall fiscal deficit US\$ 4.1Bn (6.9% of GDP) was marginally above the original target of 6.8% of GDP. Total fiscal revenue US\$ 8.6Bn (14.5% of GDP) for the year came below the expected 15.6% of GDP while the total fiscal expenditure and net lending came at US\$ 12.7Bn (21.4% of GDP) was also below the expectation of 22.4% of GDP. With the government's continuous commitment to infrastructure development, Public Investment saw an increase by 14.3% to US\$ 3.7Bn (6.2% of GDP), although as a % of GDP it declined from 6.4% in 2010. Another milestone in the fiscal front was the reduction in the debt to GDP ratio which reported at 78.5%, the best figure so far for the last 30 years.

## Monetary Policy and Financial Sector

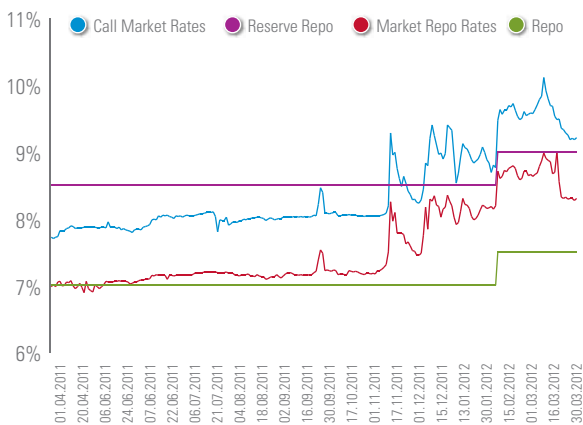
The monetary program set by the Central Bank for 2011 entailed a 14.5% growth in broad money (M2b) as the intermediate target of monetary policy. This was set to complement the expected nominal growth of GDP, which comprised a real GDP growth of 8.5% and an implicit GDP deflator of 6.0%. To facilitate the above target, the Central Bank eased its monetary policy stance in January 2011 by reducing the Repurchase Rate and the Reverse Repurchase Rate by 25 basis points and 50 basis points respectively so as to enhance private sector investments.

With the liquidity levels rising above the anticipated level, in April 2011, the Central Bank increased the Statutory Reserve Ratio applicable on all rupee deposit liabilities by 100 basis points to 8.0%, through which about Rs. 18Bn (US\$ 163Mn) was withdrawn on a permanent basis from the market. However during the latter part of the year, higher credit growth in the domestic market, coupled with the supply of foreign exchange to the domestic market by the Central Bank till November 2011 to maintain the stability in the foreign exchange market caused a reduction in excess liquidity.

In the interbank market, Average Weighted Call Money Rate (AWCMR) was within the interest rate corridor during the first three quarters of the year, but with the excess liquidity drying up, AWCMR displayed some volatility in early October causing the Central Bank to manage market liquidity by engaging in Open Market Operations. In December, AWCMR breached the interest rate corridor, which led the Central Bank to increase this corridor in February 2012. During the first three quarters of 2011, the yields on Government securities in the primary market and the secondary market were broadly stable but with the decline of excess liquidity, an upward movement was observed in the same. The one year Treasury Bill yield increased by 405 basis points over the FY 2012.

The Reserve money grew by over 20% year-on-year which is above the initial target. Credit to the private sector grew by 34.5% in 2011 vis-à-vis 24.9% in 2010 due to increased economic activity. Commercial bank lending to Agriculture, Industry, Services and Personal loans and advances grew by 21.9%, 25.7%, 47.4% and 42.5% respectively. Within the sub category of Personal loans and advances, loans obtained for Consumer durables and Pawning recorded growths of 91.5% and 69.5% respectively. Higher capital investment by Industry and Services sectors and purchase of Consumer durables including Motor vehicles by households created a higher domestic demand paving the way for a rise in imports.

The M2b growth in 2011 exceeded the nominal GDP of the country in 2011. Hence, Central Bank decided to tighten the monetary policy to avoid future inflationary pressures by directing Commercial banks to moderate their credit disbursements in such a way that the overall credit growth in 2012 will not exceed 18% of their respective loan book outstanding at the end of 2011 and allowed a credit growth of up to 23% for those banks, which finance the excess up to 5% of the credit growth, from funds mobilized from overseas.



Source : Central Bank of Sri Lanka

**Modest Inflation**

Annual average inflation for the financial year was 5.9% (6.2% - 2011FY) while the year on year inflation was 5.5% in March 2012 as measured by the Colombo Consumer Price Index (CCPI 2006/07). This marked the third successive year of single digit level inflation mainly achieved through improved domestic supply conditions. Core inflation, continued the same downward momentum and stood at 6.5% for the year (6.6% - 2011FY) while the year on year core inflation was 4.9% in March 2012. However, the GDP deflator which measures the overall price change in the economy, increased by 7.8% in 2011 compared to 7.3% reported in 2010.

**Declining Unemployment**

The unemployment rate of the country continued to decline in 2011, which was reported at 4.2% (4.9% - 2010) due to encouraging macroeconomic environment. A noteworthy accomplishment was the broad base decline across all education levels, especially among the highly educated. The decline in unemployment was achieved despite the marginal slowdown observed in migration for employment, which generally contributes to reducing the pressure on unemployment in Sri Lanka.

**External Sector Pressures**

The Trade Balance reported a deficit of US\$ 9.71Bn in 2011 (US\$ 4.83Bn - 2010) due to growth in imports (50.7%) outpacing the growth in exports (22.4%) for the year. The continuous expansion in economic activity led to the unprecedented growth in imports for the year 2011, and this was evident as 81.7% of imports were in the form of Intermediate and Investment goods. Although the growth in Intermediate goods was mainly fueled by higher imports in Petroleum products, the growth in Investment goods was due to Machinery and Equipment imports. Export growth was mainly driven by Industrial and Agricultural exports. Industrial exports remained

strong with the subsector Textile & Garments recoding a growth of 24.9% and accounting for 39.7% of total exports.

The highest ever tourist arrivals of 855,975 was reported in 2011 (654,476 – 2010). India followed by United Kingdom reported the highest amount of arrivals for 2011. In line with increasing arrivals, earnings from tourism also increased to US\$ 830Mn. Tourism together with the Transportation subsector reduced the pressure on the Trade Balance by US\$ 1.10Bn in 2011 (US\$ 0.71Bn – 2010).

Current transfers also contributed in easing the pressure from the Trade Balance by US\$ 4.64Bn (US\$3.66Bn – 2010). During 2011, Worker Remittances which account for a significant portion of Current transfers grew by 25% to report at US\$ 5.15Bn (US\$ 4.12Bn – 2010). This increase was mainly driven by the growth in average wage of migrant workers and increased labour migration in the professional category for 2011 compared to 2010.

Despite increasing contributions from Services and Current transfers, the Current Account deficit increased substantially to US\$ 4.62Bn for 2011 (US\$ 1.08Bn – 2010). In terms of GDP, the Current Account deficit increased to 7.8% of GDP in 2011 from 2.2% of GDP in 2010.

Foreign Direct Investment (FDI) increased to US\$ 956Mn in 2011 (US\$ 478Mn – 2010). This was the highest ever gross inflow of FDI reported, which reflected the investor confidence in the Sri Lankan economy. Hotels & Restaurant sector attracted the most FDI inflows amounting to US\$ 191Mn followed by the Telecommunication sector which attracted US\$ 172Mn for the year. Positive investor sentiments were further strengthened by improvements in the country’s ranking in global competitiveness and ease of doing business indices.

The successful completion of Sri Lanka’s fourth international Sovereign bond issuance saw an inflow of US\$ 1Bn into the Financial Account of the Balance of Payments. The Sovereign issue was oversubscribed by 7.5 times reflecting the keen interest among the global investment community. Further the government raised a net amount of US\$ 233Mn in the form of Treasury Bills and Bonds in 2011.

Net foreign outflows from the Colombo Stock Exchange (CSE) during 2011 decreased to US\$ 171Mn (US\$ 230Mn – 2010). This was the third consecutive year of Net foreign outflows for CSE. The benchmark index of the CSE declined 8.76% during 2011.

During 2011, under the International Monetary Fund’s Stand By Arrangement (IMF-SBA) facility a total of US\$ 436Mn was received following the fifth and the sixth reviews of the SBA program.

Despite the significant growth in the Capital and Financial Accounts for 2011, the Current Account deficit surpassed these surpluses resulting in a Balance of Payment deficit of US\$ 1.06Bn in 2011. The Gross Official Reserves amounted to US\$ 5.96Bn by end 2011 (US\$ 6.61Bn – end 2010) which was equivalent to 3.5 months of imports (5.9 months – 2010). However, during August 2011 due to the receipts of the Sovereign bond issue together with the receipts of the IMF SBA Gross Official Reserves reached a record high of US\$ 8.2Bn.

The Rupee depreciated against the US\$ by 2.3% during 2011 following the 2012 Fiscal Budget proposal to depreciated the rupee by 3% in November 2011. As of March 2012, the Rupee further depreciated 7.9% against the US\$ compared to 2011, mainly owing to the Central Bank's decision to limit its intervention in the domestic foreign exchange market in February 2012.

On the background of a depreciating rupee during the first three months of 2012 Trade Balance reported a deficit of US\$ 2.56Bn (US\$ 1.77Bn - Comparative 2011) due to growth in imports (17.0%) outpacing the growth in exports (-1.4%) for the period. A similar trend to 2011 prevailed as 83.0% of imports were in the form of Intermediate and Investment goods. The negative growth reported in the export sector was on account of the negative growth in Agricultural & Industrial export segments. However, tourist arrivals for the first three months of 2012 reported a growth of 21.1% which partly attributed to the 28.6% growth in earnings from tourism US\$ 268.3Mn for the first three months of 2012. Worker remittances for the first three months of 2012 accounted for US\$ 1.49Bn reporting a growth of 17.2%. Due to the Trade Balance deficit reported, Gross Official Reserves further deteriorated to US\$ 5.73Bn end of March 2012 which was equivalent to 3.3 months of imports.

#### Setting the Standards

Components*	2007	2008	2009	2010	2011
<b>Highest Economic Growth</b>					
GDP Growth %	6.8%	6.0%	3.5%	8.0%	8.3%
Per Capita GDP (US\$)	1,617	2,014	2,057	2,400	2,836
<b>Fiscal Consolidation</b>					
Fiscal Deficit % of GDP	-6.9%	-7.0%	-9.9%	-8.0%	-6.9%
Government Debt % of GDP	85.0%	81.4%	86.2%	81.9%	78.5%
<b>Interest Rates</b>					
Repurchase Rate (overnight)	10.5%	10.5%	7.5%	7.3%	7.0%
Reverse Repurchase Rate (overnight)	12.0%	12.0%	9.8%	9.0%	8.5%
Treasury Bill Yields (365 Days)	20.0%	19.1%	9.3%	7.6%	9.3%
<b>Modest Inflation and Declining Unemployment</b>					
Annual Avg. Inflation (CCPI 2006/07)	15.8%	22.6%	3.5%	6.2%	6.7%
GDP Deflator	14.0%	16.3%	5.9%	7.3%	7.8%
Unemployment	6.0%	5.4%	5.8%	4.9%	4.2%

Components*	2007	2008	2009	2010	2011
<b>External Pressures</b>					
Trade Balance (US\$ Mn)	(3,657)	(5,981)	(3,122)	(4,825)	(9,710)
Current Account Balance (US\$ Mn)	1,402	(3,886)	(214)	(1,075)	(4,615)
Current Account Balance % of GDP	-4.3%	-9.5%	-0.5%	-2.2%	-7.8%
Overall Balance (US\$ Mn)	531	(1,385)	2,725	921	(1,061)
Avg. Exchange Rate Rs:US\$	110.62	108.33	114.94	113.06	110.57

\*Presented for the year ending 31st December  
Source: Central Bank of Sri Lanka

#### • The Indonesian Economy

The Indonesian economy expanded by 6.5% during the year 2011 and is expected to grow at the same pace during 2012 as per Bank Indonesia's latest forecast. The strong development of the Indonesian economy recorded last year was mainly a result of the double-digit growth recorded in exports and imports as well as investments.

<b>Economic Growth - Demand Side</b>			
Component	2011	2012F	2013F
Private Consumption	4.7	4.7 - 5.1	4.6 - 5.0
Government Consumption	3.2	5.7 - 6.1	4.2 - 4.6
Gross Fixed Capital Formation	10.6	9.6 - 10.1	11.5 - 11.9
Exports of Goods & Services	13.6	10.6 - 11.1	12.3 - 12.7
Imports of Goods & Services	13.3	11.6 - 12.0	14.3 - 14.7
<b>GDP</b>	<b>6.5</b>	<b>6.3 - 6.7</b>	<b>6.4 - 6.8</b>

Source : Bank Indonesia

Exports and imports recorded a growth of 13.6% and 13.3% respectively, while investments recorded a growth of 10.6%. These components are expected to again lead the economy in 2012 according to Bank Indonesia's current forecast.

On the supply side, economic growth in 2011 was driven by growth in the manufacturing, trade, hotels and restaurant, and transportation sectors, of which strong performance is expected to be repeated in 2012. These three sectors play a dominant role, accounting for over 60% of the economic growth.

Inflation rate (CPI) during 2011 averaged at 5.38%, and was within the government target rate. The country's inflation rate at end April 2012 was 4.5% (m-o-m), well within the Governments' target of 3.5% - 5.5% for the year 2012.

The Bank Indonesia benchmark rate is currently at 5.75%, lower than 6.75% maintained during the early part of 2011. Lower rates are maintained in order to promote investment, and have been possible due to the low inflation rate in the country.

The Indonesian Rupiah (IDR) remained stable during 2011 ranging from IDR 8500 – 9100 per USD. The currency started the year strongly and weakened slightly towards the end, but remained much above average, compared to the last five years.

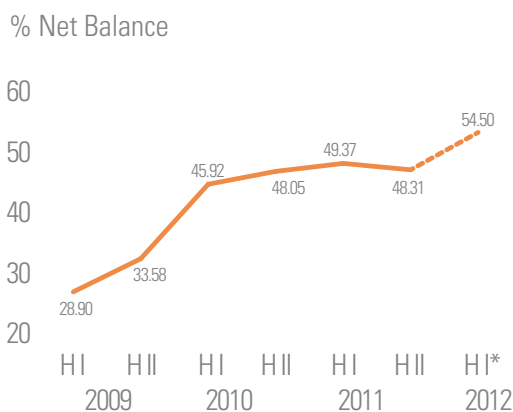
Economic Growth - Supply Side			
Sector	2011	2012F	2013F
Agriculture	3.0	3.0 - 3.5	3.0 - 3.4
Mining & Quarrying	1.4	0.7 - 1.1	0.8 - 1.2
Manufacturing	6.2	6.0 - 6.4	6.1 - 6.5
Electricity, Gas, & Water Supply	4.8	5.5 - 6.0	5.4 - 5.8
Construction	6.7	7.5 - 8.0	8.6 - 9.0
Trade, Hotel & Restaurant	9.2	8.7 - 9.2	9.1 - 9.5
Transportation & Communication	10.7	9.9 - 10.4	9.1 - 9.5
Financial, Rental & Business Services	6.8	6.4 - 6.8	6.5 - 6.9
Services	6.7	6.4 - 6.8	6.2 - 6.6
<b>GDP</b>	<b>6.5</b>	<b>6.3 - 6.7</b>	<b>6.4 - 6.8</b>

Source: Bank Indonesia

### • The Malaysian Economy

The Malaysian economy recorded a steady pace of growth expanding 5.1% in 2011 (table below), despite the challenging external environment that prevailed during the year. The strong growth in domestic demand, which grew at 8.2%, was a key factor in driving the overall growth. Both household and business spending as well as higher public sector consumption resulted in this strong growth in domestic demand. Private investment expanded robustly by 14.4% in 2011, as a result of positive sentiment and favorable interest rates. Public investment contracted by 2.4% in 2011 following the lapse of the second stimulus package and slower implementation of new projects, but is forecasted to speed up with a growth of 16.2% in 2012.

### Investment Realization and Investment Plan



Source: Business Activity Survey, DSM

Economic Growth - Supply Side		
Sector	2011P	2012F
Agriculture, Forestry and Fishery	5.6	3.8
Mining and Quarrying	-5.7	0.6
Manufacturing	4.5	3.9
Construction	3.5	6.6
Services	6.8	5.1
<b>GDP</b>	<b>5.1</b>	<b>4.0 - 5.0</b>

Source: Bank Negara Annual Report 2011

In the supply side, overall growth in 2011 was sustained by firm activity in the domestic oriented sectors, and the service sector remained the key contributor with 6.8% growth recorded during the year. The agriculture, forestry and fishing (agriculture) sector expanded at a stronger pace of 5.6% in 2011, supported by a recovery in the production of crude palm oil.

Headline inflation averaged at 3.2% in 2011. The increase in inflation from an average of only 1.7% in 2010 was due mainly to supply factors arising from higher food prices and upward adjustments to administered prices. Headline inflation is expected to moderate in 2012, to average between 2.5% – 3.0%. Lower interest rates should result in boosting investment and consumption in the country in 2012.

Overnight Policy Rate, the country's benchmark interest rate, was at 3% at the end of 2011 and remained constant for most part of the year. Bank Negara was able to maintain interest rates at the same levels through out the year, due to the lower inflation rate sustained during the second half of the year.

Malaysian Ringgit movement in 2011 followed two distinctive trends. The currency appreciated during the first half of the year due to significant portfolio inflows amid strengthening fundamentals but lost some of this strength, in line with other regional currencies, due to heightened risk aversion amid uncertainties in the global economy. The currency is expected remain stable during 2012.

Economic Growth - Demand Side		
Component	2011	2012F
Private Expenditure	8.2	6.6
- Consumption	6.9	6.2
- Investment	14.4	8.3
Public Expenditure	8.2	6.7
- Consumption	16.8	0.2
- Investment	-2.4	16.2
Exports	8.8	3.1
Imports	8.2	2.8
<b>GDP</b>	<b>5.1</b>	<b>4.0 - 5.0</b>

Source: Bank Negara Annual Report 2011

## • The Indian Economy

India's economy expanded 8.5% during fiscal year 2010-11 (March to February), compared to 7.4% in 2009-10. Even though the country's economy has yet to come to the pre-crisis levels, economic growth during 2010-11 was one of the fastest in the world. After two successive years of strong growth, GDP is expected to decelerate sharply to 6.9% in 2011-12. However, current indications are that growth may have bottomed out in Q3 of 2011-12.

Demand-Side Factors Growth (%)	2010-11	2011-12
Total Consumption Expenditure	8.1	6.0
(i) Private	8.1	6.5
(ii) Government	7.8	3.9
Gross Fixed Capital Formation	7.5	5.6
Net Exports	5.5	-30.1
<b>GDP</b>	<b>8.4</b>	<b>6.9</b>
<b>Relative Shares (%)</b>		
Total Consumption Expenditure	70.1	69.1
Private	58.7	58.1
Government	11.4	11.0
Gross Fixed Capital Formation	32.5	31.9
Net Exports	-6.0	-7.3

Source: Reserve Bank of India

Supply-Side Sector Growth (%)	2010-11	2011-12
1. Agriculture & Allied Activities	7.0	2.5
2. Industry	6.8	3.6
Mining & Quarrying	5.0	-2.2
Manufacturing	7.6	3.9
Electricity, Gas & Water Supply	3.0	8.3
3. Services	9.2	8.8
Construction	8.0	4.8
Trade, Hotels, Transport, Storage and Communication, etc	11.1	11.2
Financing, Insurance, Real Estate and Business Services	10.4	9.1
Community, Social & Personal Services	4.5	5.9
<b>GDP at Factor Cost</b>	<b>8.4</b>	<b>6.9</b>

Source: Reserve Bank of India

On the demand side, capital formation in the economy dipped during the first three quarters as a result of the lagged impact of the anti-inflationary monetary policy stance. Further, net exports declined amid a higher outgo on imports due to the depreciation of the Indian Rupee. However, demand is expected to improve as consumption is expected to benefit from low inflation, election-related spending expected in a few states, as well as investment which is expected to improve.

On the supply side, a marked slowdown was seen in agriculture, mining and quarrying, manufacturing and construction sectors during the last year. However, given the general slack in capacity utilization in most industries, production can be scaled up substantially during the year. Further, there has been strong credit off-take in February and March 2012, accounting for about 40% of the total non-food credit during the year, supporting the premise that growth bottomed out in quarter three.

After almost two years of sustained high inflation, inflation started declining from November 2011. By end of March 2012, inflation had come down to 6.89% from over 10% in mid 2011, as a result of inflation-management measures deployed by Reserve Bank of India (RBI) throughout the last two years. RBI's benchmark interest rate was increased continuously during the last few years, in an attempt to curb the country's inflation. The benchmark rate stood at 8% at the end of April 2012, after the RBI lowered it by 0.5% in April, to overcome the possible slowdown in the Indian economy.



# VALUE ADDED STATEMENT

(Amounts expressed in Sri Lankan Rs. '000)

## Group

For the year ended	31st March 2012	31st March 2011	31st March 2010	31st March 2009	31st March 2008					
<b>Revenue</b>	69,074,225	36,008,053	23,865,375	17,090,940	15,608,223					
Other income	948,774	252,379	38,384	135,608	100,204					
	70,022,999	36,260,432	23,903,759	17,226,548	15,708,427					
Bought in materials and services	(37,050,684)	(12,736,176)	(9,065,483)	(7,831,320)	(5,962,341)					
	32,972,315	23,524,256	14,838,276	9,395,228	9,746,086					
		%	%	%	%					
<b>Distributed as follows:</b>										
<b>To employees</b>										
as remuneration	5,692,942	17	3,735,545	16	1,777,986	12	1,436,385	15	1,398,322	14
<b>To Government</b>										
as taxation Sri Lanka	9,072,688	28	5,740,020	24	3,078,822	21	2,502,291	27	2,139,016	22
Overseas	2,391,195	7	1,647,571	7	1,376,872	9	817,462	9	1,134,375	12
<b>To providers of capital</b>										
as finance cost on loans	2,004,542	6	775,413	3	684,011	5	1,057,027	11	832,961	9
as minority interest	4,901,855	15	4,863,701	21	3,704,604	25	1,842,645	20	2,150,491	22
as dividend to Shareholders	291,844	1	103,400	0	85,785	1	57,269	1	57,125	1
<b>Retained in the business</b>										
as depreciation	2,813,448	9	1,547,831	7	1,227,550	8	960,208	10	828,497	9
as retained profits	5,803,801	18	5,110,775	22	2,902,646	20	721,941	8	1,205,299	12
	32,972,315	100	23,524,256	100	14,838,276	100	9,395,228	100	9,746,086	100

The Statement of Value Added shows the quantum of wealth generated by the operations of the Group and its applications.

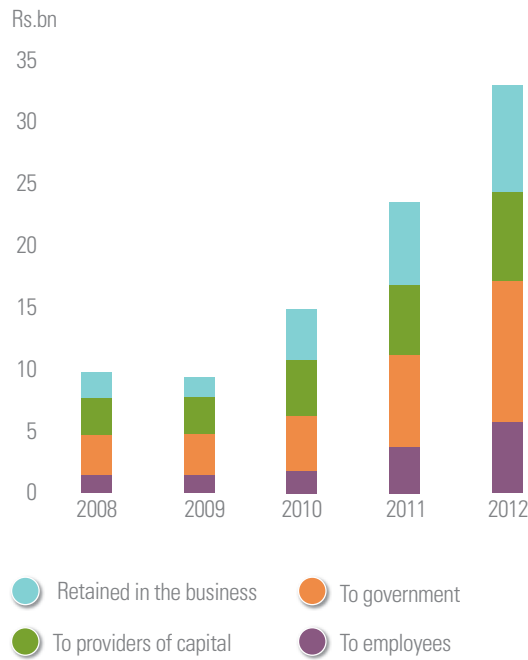
## Note

- The Statement of Value Added shows the quantum of wealth generated by the activities of the Companies within the Group, excluding its Associate Companies and its application.
- Value Added Tax, Economic Services Charge and Social Responsibility Levy are excluded in arriving at the above revenue. Therefore, total tax liability to the Sri Lankan Government during the year included the following:

	2012	2011	2010	2009	2008
Economic Services Charges	125,467	106,760	39,665	22,361	22,851
Value Added Tax	2,204,416	1,988,353	1,624,842	1,263,922	1,110,694
Social Responsibility Levy/ Nation Building Levy	337,641	346,950	45,025	39,628	981
Excise Duty included under net sales above	7,758,627	4,646,616	2,918,917	2,383,898	2,078,929
	10,426,151	7,088,679	4,628,449	3,709,809	3,213,455
Income tax	850,953	639,694	75,215	56,404	36,255
Total taxes paid to Government of Sri Lanka	11,277,104	7,728,373	4,703,664	3,766,213	3,249,710

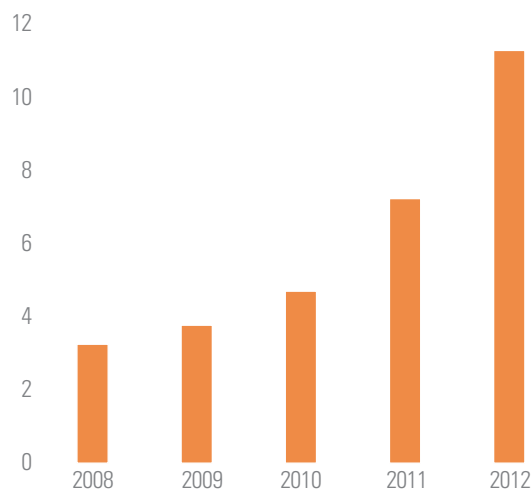
Value added is the wealth created by providing products and services in both domestic and international markets, less the cost of providing such products / services. The value added is allocated among the employees, Governments, providers of capital and the balance is retained in the business for expansion and growth.

### Distribution



Being an exemplary corporate citizen, Group take pride in full compliance with statutory and regulatory requirements including accruing and paying all due fees and taxes on time. The graph below depicts all taxes, changes, levies and duties paid by the group to the Sri lankan Government institutions over the last 5 years.

### Taxes to the Government (Rs. bn)



# PROFILES OF DIRECTORS

## COMPANY

### **Hari Selvanathan**

Hari Selvanathan is Deputy Chairman of Carson Cumberbatch PLC and President Commissioner of the palm oil related companies in Indonesia. He holds Directorships in several subsidiary companies within the Carsons Group and is also a Director of Sri Krishna Corporation (Private) Limited. He is also the Chairman of Express Newspapers (Ceylon) Ltd and Carsons Management Services (Private) Limited, the Groups Management company. Past President of the National Chamber of Commerce and Past Vice Chairman of the International Chamber of Commerce (Sri Lanka).

Counts over 20 years experience in commodity trading in International Markets. He holds a Bachelor of Commerce Degree.

### **Mano Selvanathan**

Mano Selvanathan is the Chairman of Sri Krishna Corporation (Private) Limited, Ceylon Finance & Securities (Private) Ltd. and Selinsing PLC and is a Group Director of most Companies in the Carson Cumberbatch Group in Sri Lanka, Indonesia, Malaysia, Singapore & India and is an active Member of its Executive Management Forums. He is also the Deputy Chairman of Ceybank Asset Management Limited.

He is a Director of Holcim (Lanka) Ltd. Past Chairman of the Indo Lanka Chamber of Commerce & Industry and has served as the Chairman of the Ceylon Chamber of Commerce and as the President of the Rotary Club of Colombo North.

Mano Selvanathan was conferred the highest National Honours in Sri Lanka the 'DESAMANYA' title by H.E. The President of Sri Lanka, in recognition of the services rendered to the Nation.

In January 2011 he was awarded with the prestigious 'PRAVASI BHARATIYA SAMMAN AWARD' by the President of India in Delhi.

He holds a Bachelors Degree in Commerce.

He is also the Hon. Consul of the Republic of Chile in Sri Lanka.

### **Israel Paulraj**

Chairman of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC, Guardian Capital Partners PLC and Rubber Investment Trust Limited. He serves as a Director of Carson Cumberbatch PLC and of several of the subsidiary companies within the Carsons Group. He is the Chairman of the Incorporated Trustees of the Church of Ceylon.

He served as Past Chairman of the Federation of Exporters Associations of Sri Lanka and The Coconut Products Traders Association. He was a member of the Executive Committee of the Ceylon Chamber of Commerce and National Chamber of Commerce of Sri Lanka Shippers Council. He served on the Board of Arbitrators of the Ceylon Chamber of Commerce. He has served as Hony. General Secretary of the Central Council of Social Services, Hony. Treasurer of The Christian Conference in Asia, President of the Church of Ceylon Youth Movement and Hony. Treasurer of the National Christian Council of Sri Lanka.

He also served on the Presidential Task Force on Non-Traditional Export and Import Competitive Agriculture set up by President R.Premadasa. He also served as Chairman of the Ecumenical Loan Fund of Sri Lanka and on its International Board in Geneva. He was a member of the Commercial Law Reform Commission and has served on the Parliamentary Consultative Committee on Internal and International Trade.

He holds a Bachelor of Law Degree and an Executive Diploma in Business Administration.

### **Chandima Gunawardena**

Director of Carson Cumberbatch PLC. He serves as a Director in most of the Carsons Group Companies in Sri Lanka and overseas. Since assuming Non Executive status in the group he currently serves as an advisor to the group's strategic planning and management forums and serves on Board Committees including its Audit Committees of the Group.

Mr.Gunawardena has over four decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate, Mercantile and State Institutions. He was appointed to the Carsons Group Directorate in 1990.

He has served in the Management committee of the Ceylon Chamber of Commerce for over 10 years, and was a Founder Council member of the Sri Lanka Institute of Directors (SLID) and continued to serve in the council for over 10 years.

He is a Fellow of the Chartered Institute of Management Accountants, UK.

### **Chandana Tissera**

Director of Carson Cumberbatch PLC and presently serves as the Chief Executive Officer for the Plantations, Oils and Fats Sector of the Carsons Group. He is also a Director of several other subsidiary companies of the Group. He has served as the Chief Executive Officer of the Investment Sector and as Director Finance of the Carsons Group.

He has previously served on the Board of Union Assurance PLC and counts over 27 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

### **Nalake Fernando**

Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC, Equity Two PLC, Equity Three (Private) Limited, Equity Seven Limited, Equity Lands (Private) Limited, Carsons Management Services (Private) Limited and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. Was the Country representative for Sri Lanka with Dalekeller & Associates Ltd., Designers and Skidmore Owings & Merrill Architects Counts over 38 years of work experience. Was a Director of SKC Management Services Ltd.

Holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

### **Leslie Ralph De Lanerolle**

Joined Bukit Darah PLC as a Non-Executive, Independent Director on 28th February 2012. Mr. De Lanerolle has over 45 years of work experience in both the public and private sectors, where he has held senior management positions. A Chartered Engineer, Mr. De Lanerolle holds a Bachelors Degree in Civil Engineering (First Class Honors) from the University of Ceylon (1965) and a Masters Degree from the University of Waterloo, Ontario, Canada (1968). He is a member of the Association of Professional Bankers of Sri Lanka and a Fellow of the Economic Development Institute of the World Bank, Washington.

Mr. De Lanerolle has worked primarily in the field of Project Finance and Management, undertaking assignments in diverse sectors of the economy, especially in the financial services, real estate and property, tourism, hotel and transportation sectors. He has worked as a team leader/member with several multi-disciplinary groups in carrying out project studies. In an individual capacity, he has served as Consultant to several private companies, providing project related advisory services from pre-investment to implementation.

Mr. De Lanerolle has served, and continues to serve, on the Board of Directors of several other private and public listed companies.

## **CARSON CUMBERBATCH PLC**

### **Tilak de Zoysa**

*FCMI ( UK ), FPRI (SL)*

Tilak de Zoysa was conferred the title "Deshabandu" by His Excellency The President of Sri Lanka in recognition of his services to the country and was the recipient of "The Order of the Rising Sun, Gold Rays with Neck Ribbon" conferred by His Majesty The Emperor of Japan.

He is Chairman of Carson Cumberbatch PLC and the President of Associated Motorways Group of Companies, Amaya Hotels and Resorts, USA and Helpage Sri Lanka. He was appointed Chairperson of HelpAge International U.K. effective March 2011. He also serves as a Board Member of other listed companies such as John Keells PLC., Taj Lanka Hotels PLC., Lanka Walltiles PLC., and Nawaloka Hospitals PLC. Mr. de Zoysa is the Honorary Consul for Croatia and a Past Chairman of the Ceylon Chamber of Commerce, National Chamber of Commerce of Sri Lanka and the Plastics & Rubber Institute, Sri Lanka.

### **Hari Selvanathan**

(Please refer under Company profile)

### **Mano Selvanathan**

(Please refer under Company profile)

### **Israel Paulraj**

(Please refer under Company profile)

### **Chandima Gunawardena**

(Please refer under Company profile)

### **Suresh Shah**

Director and Chief Executive Officer of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC. Also Director of Carson

Cumberbatch PLC and The Sri Lanka Business Development Centre. Currently serves as the Vice Chairman of the Ceylon Chamber of Commerce and is a Vice President of the Confederation of Asia Pacific Chambers of Commerce & Industry (CACCI).

He also serves on the council of The Employers Federation of Ceylon and The Mercantile Services Provident Society. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

### **Chandana Tissera**

(Please refer under Company profile)

### **Vijaya Malalasekera**

Director of Carson Cumberbatch PLC. He served as Director - Corporate and Legal Affairs at Ceylon Tobacco Company PLC and as a Non-Executive Director in the same company. Chairman of Ascot Holdings PLC, Bogala Graphite Lanka PLC, Ascot Developments (Pvt) Limited, Axis Financial Services (Pvt) Limited, Fairway Condominium (Pvt) Limited and Boston Capital (Pvt) Limited. He is currently a member of the University Grants Commission. Holds a M.A. (CANTAB), Barrister - at-Law (Inner Temple) and Attorney-at-Law of the Supreme Court of Sri Lanka.

### **Mangala Moonesinghe**

Barrister - at Law, Middle Temple, London and legal practitioner for over 30 years. He was a Member of the Parliament of Sri Lanka (1965 -1977 and 1989 – 1994) and the High Commissioner of Sri Lanka to India (1995-2000 and 2002-2005) and to the United Kingdom (2000-2002). Past Chairman of the Parliamentary Select Committee to arrive at a national solution to the ethnic conflict and restore peace and a member of the Parliamentary Committee on Public Enterprises. Year 2006 - Chairman, Marga Institute (Centre for Development Studies). He is the Executive Director of One Text Initiatives. Has a vast amount of international experience and has served on several committees including the Steering Committee of the Asian Parliamentarians Training Programme for Conflict Resolution and the Common Wealth Parliamentary Association. He was awarded the Eisenhower Fellowship in 1975. Member of the Group of Eminent Persons appointed by the Heads of State of South Asian Nations to identify measures and Mechanisms to enhance the effectiveness of SAARC to achieve its objectives.

### **Faiz Mohideen**

Director of Carson Cumberbatch PLC since January 2008. Holds a B.Sc. Degree in Mathematics from the University of London and a M.Sc. Degree in Econometrics from the London School of Economics. Former Deputy Secretary to the Treasury and Director General, External Resources Department, Ministry of Finance & Planning.

## **SUBSIDIARY COMPANIES**

### **Ajith Weeratunge**

Director of the Carson Cumberbatch Group's Management Company, Carsons Management Services (Private) Limited and holds the position of Head of Finance. He is also a Director of the Property Sector Companies of the Group, including Equity One PLC, Equity Two PLC and Equity Seven Limited. He is also a Director of the Groups Investment Holding Sector - Ceylon Investment PLC and Rubber Investment Trust Limited. Accounts for more than 31 years of finance related experience in the mercantile sector and has

## PROFILES OF DIRECTORS

held positions in Lanka Walltile Ltd., Union Apparels (Pvt) Ltd., John Keells Holdings PLC, Phoenix Industries (Pvt) Ltd and Ceylon Beverage Holdings PLC. He is a Fellow member of the Chartered Institute of Management Accountants of UK.

### **Asoka De. Z. Gunasekera**

Director of Ceylon Guardian Investment Trust PLC and Ceylon Investment PLC. Also serves as Alternate Director to Mr. I.W Senanayake (Chairman) of IWS Holdings (Pvt) Ltd and in most Group companies. Past Chairman of the National Chamber of Commerce of Sri Lanka and Past President of the Ceylon National Chamber of Industries. He is a Past International Director and a Board Appointee of Lions Clubs International and was also a Member of the National Police Commission of Sri Lanka. He served as Legal Advisor and Secretary to the Ministry of Posts and Telecommunications; Co-ordinating Secretary to the Ministry of Power and Energy and Ministry of Highways and was the Acting Secretary to the Ministry of Policy Planning. He is an Attorney – at- Law & Notary Public.

### **Chandraratne Liyanage**

Director of Lion Brewery (Ceylon) PLC. Commenced his career as a trainee brewer with Ceylon Brewery PLC in 1979 and was promoted to Senior Brewer and subsequently to Factory Manager. In 1998 he took up the position as Factory Manager at Lion Brewery (Ceylon) PLC and was promoted to his current position as Head of Technical in 2004. Holds a Special Degree in Botany from the University of Peradeniya (Sri Lanka) and has attended several overseas training programmes including Carlsberg Brew Masters Course, training with Allied Breweries (UK) & Carlsberg Tetley Leeds Brewery (UK) and management programmes at Cranfield University, UK and National University, Singapore.

### **Chrisanta F. Fernando**

Qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is presently a Fellow of the Institute of Chartered Accountants of Sri Lanka.

As a Senior Accountant at Carson Cumberbatch PLC, he has gained over 18 years of experience in financial and general management of plantation companies and agency management. This was followed by 10 years experience as Director Finance in Projects involving paddy cultivation, shipping agency, non-traditional exports, bottling of soft drinks, earth moving contracts and running a restaurant.

He served as the Managing Director and as Chief Executive Officer of the Distilleries Company of Sri Lanka PLC (DCSL) and rejoined DCSL as an Independent Non-Executive Director in 2008. He was appointed as Chairman of the Audit Committee and also serves on the Remuneration Committee of DCSL. He is also a Director of a DCSL subsidiary, Melstacorp (Pvt) Ltd and some of its subsidiaries including Continental Insurance Lanka Ltd where he is also the Chairman of the Audit Committee.

He is presently a Director of Selinsing PLC and Equity Three (Private) Limited of the Carsons Group. He was Finance Director National Lotteries Board, a Director of the Coconut Cultivation Board and a former Chairman of the Low Country Products Association (LCPA). Presently, he is Senior Trustee of Ceylonese Rugby and Football Club.

### **Christoforus S. Pakadang**

Head of Tax Administration and Compliance in Indonesia and a Director of the Plantation Operating Companies and the Oil Palm Plantations Business Segment Management Services Company in Indonesia of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for Tax planning & administration in addition to overlooking local external affairs of the Group's plantations in Indonesia.

He joined the Carsons Group plantation sector in January 2006 as Head of External Relations. He holds a degree in Accounting from University of Indonesia and commenced his career as an Accountant in IBM Jakarta prior to joining Ernst & Young, Indonesia, where he was involved in auditing and consulting assignments across variety of industries inclusive of plantations, manufacturing, property management, mining support services and oil & gas. He is a Member of the Indonesian Institute of Accountants and has served on the Education and Development Committee of the Institute. He is a Registered Accountant in Indonesia and has also passed the examinations of Certified Public Accountants in Indonesia.

### **Cubby Wijetunge**

Chairman of Ceylon Beverage Holdings PLC and Lion Brewery (Ceylon) PLC, Union Residencies Ltd., and Chairman Emeritus, Nestle Lanka Ltd. He is also a Director of Hunter & Company PLC, Janashakthi Insurance PLC, Swiss Trading Company, East India Retailing Company (Pvt) Ltd., Heath & Co. Ltd. and Lanka Canneries Ltd. Also serves as Trustee of Joseph Fraser Hospital. In addition he is a member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and President of the Swiss Business Club of Colombo.

### **Dato'Voon Loong Chin D.S.P.N (Deceased on 16/03/2012)**

Dato Chin was a Director of Lion Brewery (Ceylon) PLC, Deputy Managing Director of Carlsberg Brewery Malaysia Berhad. He was also a Director of Carlsberg Singapore Pte Ltd. (Singapore), Gorkha Brewery Pvt. Ltd. (Nepal), South East Asia Brewery Ltd. (Vietnam), International Beverage Distributors Ltd. (Vietnam), Carlsberg Distributors Taiwan Limited (Taiwan), Carlsberg Cottingham Ltd. (Taiwan), Luen Heng F& B Sdn.Bhd. (Malaysia) and also served on the Board of several private companies within the Group. Dato'Chin was a Member of the Governing Council of the Confederation of Malaysian Brewers Berhad.

He was a Fellow Member of the Institute of Chartered Accountants in England and Wales. He was also a Chartered Accountant with the Malaysian Institute of Accountants, an Associate Member of the Malaysian Institute of Taxation, Affiliate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), Member of the Institute of Public Relations Malaysia and Member of the Malaysian Alliance of Corporate Directors.

He held the positions of Chief Financial Officer, Commercial Director, Company Secretary and Executive Director, Corporate Affairs in Carlsberg Brewery Malaysia Berhad. He held Bachelor of Science (Honours) Degree in Systems and Management from The City University, London.

### **Donald Fernando**

Director of Equity One PLC and Equity Two PLC and the Managing Director of Conimex (Private) Limited – Civil Engineers and Director of Fernando Rajapakse Associates (Private) Limited – Consulting Engineers and Project Managers.

Obtained a B.Sc (Eng.) degree in Civil Engineering from the University of Ceylon in 1965. Civil Engineer with The Sri Lanka Ports Authority till 1969. From 1969 to 1982 worked as Civil Engineer in London. Member of the Institution of Civil Engineers, London in 1969. He is also a Member of the Institution of Engineers, Sri Lanka and a Member of the Society of Structural Engineers, Sri Lanka.

### **Eranjith Wijenaika**

Director of Equity One PLC and Equity Two PLC. Managing Director of Central Finance Company PLC. He is a Director of several other listed companies both within and outside the Central Finance Group with over 28 years of management experience. Holds a Bachelor's Degree in Commerce and a Postgraduate Diploma in Finance and Management. Member of the Chartered Institute of Management (UK).

### **Faizal Mathunni**

Director of PT Rim Capital, Mr Faizal Mathunni graduated from Aligarh University, India with B.Sc (Hons) in Chemistry. He served in the plantation industry for 34 years and has gained experience in planting and managing sugar cane, cocoa, banana and oil palm. He has been working in Indonesia since 1993 and was involved in various plantations development projects in the most remote areas in Indonesia.

He joined the Company in 1998 as the Group Plantation Manager for Sungei Rungau and Sungei Perun Estates. He was promoted as Plantation Advisor covering field agronomy, audits, quality control and health and safety procedures.

In 2005 he was promoted to General Manager to take charge of PT Agro Bukit, Central Kalimantan. In 2008 transferred to PT Agro Bukit, South Kalimantan as General Manager.

Promoted to Regional Controller in 2011 to take charge of development work in South Kalimantan and Papua, Irian Jaya.

### **Graham James Fewkes**

He has over twenty years of commercial experience in the global drinks industry. He currently serves with the Carlsberg Group as Commercial Vice President for Asia Region, based in Hong Kong.

Upon graduating with a BA (Hons) degree from the University of York in 1990, Mr Fewkes worked for Grand Metropolitan PLC and Foster's Group in the UK. From 1996, he joined Scottish & Newcastle PLC, taking a range of sales and marketing roles within the UK and Western Europe.

Immediately prior to his Asian role, he worked extensively across Eastern Europe with Carlsberg Group's market-leading businesses in Russia, Ukraine, Kazakhstan, Uzbekistan and the Baltic States. Since 2008, he has lived in Malaysia and now Hong Kong with responsibility for commercial development of the Carlsberg

Group's wide-ranging Asian operations and their famous premium international brand portfolio.

Mr. Fewkes holds a range of non-executive board positions in Malaysia, Vietnam, India, Nepal and Lao.

### **Janaka Jayawickrama**

Director Legal & Corporate Affairs of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for all legal and corporate matters of this Sector's Companies. She is also a Director of all companies within the Sector.

She joined Carsons in 1997 and managed all legal affairs of the Carson Cumberbatch Group as Head of Legal. Having practiced in a law firm and working in the corporate sector she counts over 21 years of experience in the fields of litigation, banking, corporate and commercial law. She is an Attorney-at-Law of the Supreme Court of Sri Lanka.

### **Jayaprakash Mathavan**

Chief Operating Officer of the Edible Oils & Fats Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for the overall operations of this segment. He is also a Director of Goodhope Asia Holdings Ltd and all Edible Oils & Fats Business Segment Companies of the Sector including the management companies thereof. He was previously the Director-Finance of the Plantations, Oils and Fats Sector and counts nearly 25 years of work experience in the fields of auditing, manufacturing, plantations and commodity trading. He is an Associate Member of the Chartered Institute of Management Accountants – UK (CIMA), a Fellow of the Association of Chartered Certified Accountants- UK (ACCA) and a Member of the Malaysian Institute of Accountants (MIA). He also holds a Bachelors Degree in Commerce.

### **Kenneth Sellayah**

Director of Good Hope PLC, Shalimar (Malay) PLC and Prime Property Management Services (Pvt) Ltd. Former Director of Shaw Wallace & Hedges Ltd., General Manager of Ceylon Trading Co. Ltd., Director of several of its subsidiaries and Managing Director of Scanships Ltd. Served as Chairman of the Coconut & General Products Exporters Association and the Exports Section of the Ceylon Chamber of Commerce.

Former Director of CPC (Lanka) Ltd., CPC Agrifoods Ltd., and Member of several Committees of the Ceylon Chamber of Commerce. Member of The Institute of Exports, UK and the Chartered Management Institute, UK.

### **Keshini de Silva**

Director of Carsons Management Services (Private) Limited, the Group's Management Company. She has over 20 years of experience in the fields of project financing, merchant banking and management services and has been with the Carsons Group since 2001. Prior to joining Carsons, worked as a Senior Project Analyst-Corporate Finance Department of the National Development Bank of Sri Lanka. She holds a BSc in Business Administration (Finance Major) from the University of Wisconsin, Superior, USA and is a Fellow of the Institute of Chartered Secretaries and Administrators, UK.



### **Kevin de Silva**

Chief Operating Officer of the Business Systems and Services Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and functions as Director Information Technology (IT). He is also a Director of all management companies within the Sector. He leads and champions the cause of aligning ICT as an enabler in realizing the Sector's strategic goals. Previously held the post General Manager – IT for the Carsons Group. Having worked locally and overseas, he has over 21 years of experience in the ICT industry in both technical and management capacities in leading multinational organizations. He is a professional in Software Engineering and is a member of BCS.

### **Krishna Selvanathan**

Director of Carsons Management Services (Private) Limited, Lion Brewery (Ceylon) PLC and the Investment Sector Companies of the Carsons Group. He is also a Director of Carlsberg India (Pvt) Ltd.

He holds a BA Degree in Accounting & Finance and Business Administration from the University of Kent, U.K.

### **Manilal Fernando**

Director of Ceylon Investment PLC and Ceylon Guardian Investment Trust PLC and is currently the Chairman of Holcim (Lanka) Ltd., Shipping Cargo Logistics (Pvt) Ltd., Hyundai Lanka (Pvt) Ltd., Stallion Plantations (Pvt) Ltd., and Dynamic AV Technologies (Pvt) Ltd. Director of Pirarus (Pvt) Ltd., Aitken Spence & Co. PLC. and Sri Lankan Airlines Ltd. He is also a Trustee of Joseph Fraser Memorial Hospital.

He has been the Past President of the Football Federation of Sri Lanka from 1979 to 1999. He is a Member of the FIFA and AFC Executive Committees, Currently he is the Chairman of FIFA Futsal Committee, FIFA Stadium and Security Committee, Deputy Chairman of FIFA Player Status Committee, Chairman of sub Committee on Minors Transfers and a member of FIFA World Cup Organizing Committee for Brazil 2014. He is the Chairman of AFC Financial Assistance Programme Committee, Deputy Chairman of Asian Cup Organizing Committee at the AFC, as well as the Vice President of the National Olympic Committee of Sri Lanka from 1990 to date. He is an Attorney-at-Law & Notary Public.

### **Mavath Ramachandran Nair**

Commissioner of PT Agro Indomas. Director of IJM plantations Bhd; The Incorporated Society of Planters; ISP Management Sdn Bhd and Saraya Hygiene Malaysia Sdn Bhd and The I.S.P. Schools Association. Trustee of The Malaysian Estates Staff Provident Fund.

Former Director and Head of Plantations of Franco-Belgian multinational, Socfin Company Berhad.

Served as the Chief Executive of the Malaysia Palm Oil Association (MPOA), the merged umbrella trade association tasked with the function of balancing the needs and interests of the Malaysian plantation industry. Involved in the establishment of the Roundtable on Sustainable Palm Oil (RSPO) in 2004, a multi-stakeholder certification standard, served as its Vice President and currently the Advisor to RSPO. He has served on the Management Committee and Council of the London based International Association of Seed Crushers (IASC), the ASEAN Vegetable Oils Club (AVOC), as

a Member of the Task Force on Sustainability of the Washington based International Policy Council (IPC) on Agriculture, Food & Trade and as a Lead Discussant to the World Bank Group's Study on Engagement in the Palm Oil Sector.

Has 52 years professional experience in the agro- commodities industry with particular focus in the tree crop plantations sector. Has been honoured with the Fellowship awards of the Incorporated Society of Planters, Malaysian Oil Scientists' & Technologists' Association, the British Institute of Management, the Malaysian Institute of Management and as an Honorary Member of RSPO.

### **Melia Tjandrawinata**

Commissioner of PT Agro Indomas. Presently Financial Director of PT Kawat Mas Prakarsa and Commissioner of PT Lianggang Cemerlang. Has 11 years of service of ABN AMRO Bank, Jakarta, as Credit Control Manager and Private Banking Manager.

Holds a Bachelor of Arts Degree in Economics from York University, Canada.

### **Minoli Perera**

Director of Carsons Airline Services (Private) Limited and Head of Operations. Has over 20 years experience which include working for a leading travel agency and the General Sales Agency for Air France, KLM Royal Dutch Airlines and Kenya Airways.

Holds IATA fares and Ticketing Certificate of Sri Lankan Airlines and Intermediate and Advance Fares and Ticketing Certificate of KLM Royal Dutch Airlines and formal training in Reservations, Sales and Marketing. Immediate past President of the Sri Lanka Association of Airline Representatives having served two terms since 2009.

### **Niloo Jayatilake**

Director of Guardian Fund Management Limited and heads the portfolio management division of the management company. Counts over 15 years experience in the investments field. Prior to joining the Carsons Group worked as Fund Manager at The Unit Trust Management Company Limited, managers of Ceybank Unit Trust Funds in Sri Lanka.

Is an Associate Member of the Chartered Institute of Management Accountants, UK and Associate Member of the Institute of Chartered Secretaries and Administrators, UK.

### **Prasanna Amerasinghe**

Director of Lion Brewery (Ceylon) PLC and is responsible for the marketing function of the Brewery Sector. He has over 21 years of experience in the field of marketing and has held many senior positions in this area.

### **Pushpakumara M. Withana**

Director of Pegasus Hotels of Ceylon PLC and Equity Hotels Limited.

Former Chairman of the Sri Lanka Tourist Board and former Director, Food & Beverage, Keells Hotels Sri Lanka and Maldives. Formerly was the Director/ General Manager of Keells Hotels. Past Chairman of the Hotel & Catering International Management Association U.K, Sri Lanka Chapter and Past President and Fellow of the Ceylon Hotel School Graduates Association. Also was Past District Governor of

the International Association of Lions Clubs Sri Lanka. Graduate of the Ceylon Hotel School.

#### **Ranil Goonetilleke**

Appointed to the Board of Lion Brewery (Ceylon) PLC in 2004 and subsequently to the Board of CBL Retailers (Pvt) Ltd. He is a Fellow of the Chartered Institute of Management Accountants, UK and a Member of the Branding Sub Committee of the CIMA Sri Lanka Board. Consequent to his initial training at M/s KPMG he joined the mercantile sector and has since held various positions in the field of Finance. He counts over twenty years experience in the related field.

#### **Rizan Jiffrey**

Director Projects & Business Development of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for overseeing the successful planning, structuring and commencement of key capacity enhancement, plantation development & business expansion projects within the Sector.

He joined Carsons Group Plantations, Oils and Fats Sector as Financial Controller in 2003, having previously held managerial and senior managerial level positions in the mercantile sector in national and multi national companies. He counts over 20 years of experience in the accounting, finance & treasury management, business planning and project management within the manufacturing, trading and FMCG sectors and in the plantation industry.

He is a Fellow Member of the Chartered Institute of Management Accountants – UK (CIMA), holds a M.Sc in Management, is also a passed finalist of the Institute of Chartered Accountants of Sri Lanka and has professional qualifications in marketing (CIM) & information technology (ACS). He previously served on the council of the Chartered Institute of Management Accountants (CIMA) Sri Lanka division, having chaired its Marketing and Promotions Committee.

#### **Rose Cooray**

Director of Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Hatton National Bank PLC. Joined the Central Bank of Sri Lanka in 1974 and served the Central Bank in several capacities, covering a wide area of subjects, until retirement as a Deputy Governor in May 2009. During this period, also served the Ministry of Finance in the capacity of the Director General of Fiscal Policy and Economic Affairs Department and represented the Government on the Boards of Ceylon Electricity Board, Sri Lanka Telecom, Sri Lanka Export Development Board, DFCC Bank and DeLaRue Currency & Securities Print (Pvt) Limited.

She also held the position of Vice Chairperson of the Institute of Bankers of Sri Lanka and served as secretary to the Monetary Board.

Has over 37 years experience in the financial sector formulating and implementing economic and fiscal policies.

Holds a B.A (Hons.) in Economics from the University of Peradeniya and Masters Degree from the University of Strathclyde, UK.

#### **Roy Enzo Bagattini**

Director of Lion Brewery (Ceylon) PLC, Senior Vice-President, Africa and Asia for Carlsberg A/S and Carlsberg Breweries A/S, based in Hong Kong. Currently part of the Executive Committee of

the Carlsberg Group and also sits on the Board of several private companies within the Carlsberg Group.

Holds a Bachelor of Commerce degree from the University of South Africa and has also completed various study programs at Stanford University, USA and Oxford University, UK. Worked formerly for SABMiller where he was the Regional Managing Director for Eastern Europe. Held several senior general management positions in South Africa and the USA as well as being the country Managing Director of SABMiller in India, China and Italy.

#### **Ruvini Fernando**

Director and CEO of Guardian Fund Management Limited, the Fund Management Company of the Carsons Group and a Director of The Sri Lanka Fund - a foreign incorporated country fund managed by Guardian Fund Management Limited. Director of Guardian Acuity Asset Management Limited, a joint venture company of the Guardian Group, responsible for operating and managing licensed unit trusts. Represents the Guardian Group on the Board of Durdans Medical and Surgical Hospital (Private) Limited, in which the Group has an equity stake.

Counts over 22 years work experience in the fields of Management Accounting, Finance, Research Analysis, Strategic Planning and Investments, within the Hayleys Group and Carson Cumberbatch Group. Was a former visiting faculty member of the Postgraduate Institute of Management in the MBA programme. Member of the Regaining Sri Lanka Tourism Steering Committee, a key policy making forum of the government from January 2002 to January 2004. Associate Member of the Chartered Institute of Management Accountants, UK and a Fellow of the Association of Chartered Certified Accountants, UK. Has a Masters Degree in Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka.

#### **Sahad Mukthar**

He is the Director Corporate Planning of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for Business segment level strategy development, organizational alignment and strategic alliances initiatives for the setting and achievement of sector level goals. He also functions as a Director of all the management services companies of the Sector.

He joined Carson Cumberbatch PLC in June 2006 as a Projects Coordinator for the Plantations, Oils and Fats Sector based in Indonesia. From January 2008 to March 2011 he functioned as the Head of Human Resources of the Sector covering strategic, development and operations HR aspects. He has held senior management positions in Unilever Sri Lanka and MAS Holdings in multiple disciplines and counts over 14 years of experience in the fields of finance, commercial, business development, Human Resources and Corporate Planning.

He is a Fellow of the Association of Chartered Certified Accountants (ACCA) - UK, an Associate Member of the Chartered Institute of Management Accountants (CIMA) - UK and holds a B. Sc. Business Administration (Special) degree from the University of Sri Jayawardenepura - Sri Lanka.

### **Sanjaya Upasena**

Chief Operating Officer of the Oil Palm Plantations Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is also the Vice President Director of the Plantation Operating Companies in Indonesia and a Director of the management services companies of the Sector. He is responsible for the plantations in Indonesia inclusive of planning and developing new plantations whilst overlooking the sustainability and CSR functions of the plantations. He commenced his career at PriceWaterHouse Coopers and joined Carsons Group in 1999 as a Sector Accountant. He functioned as the General Manager Plantation Operations and the Regional Financial Controller for the Plantations, Oils and Fats Sector of the Carsons Group having previously held senior finance positions within the Carsons Group in Sri Lanka. He is an Associate member of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants UK and counts over 17 years of experience in the fields of Auditing, Accounting, Finance and Plantations.

### **Sega Nagendra**

Director of Equity One PLC and Pegasus Hotels of Ceylon PLC. Former Senior Director of Carson Cumberbatch PLC and several of its subsidiaries and Associate Companies.

Senior Director & Financial Consultant of CML – MTD Construction Ltd., Executive Chairman Travelserv Ltd., and Travelon Ltd. He is also Chairman & Director of several public listed and private companies.

Past President of Skat International Colombo (International Association of Travel and Tourism Professionals), Past Secretary of the Skat International, Asian Area Region and Past President of the Pacific Asia Travel Association (Sri Lanka Chapter). Immediate Past President of the Sri Lanka Benelux Business Council and also Immediate Past President of the Sri Lanka-Pakistan Business Council. Served as an Executive Committee member of The Ceylon Chamber of Commerce and former Chairman of the Imports Section of the Ceylon Chamber of Commerce.

Former Committee Member on Transport, Highways and Aviation of the Monitoring & Progress Division of the Ministry of Policy Developing and Implementation.

### **Shalike Karunasena**

He is the Chief Financial Officer of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC and is responsible for the overall finance function in all operating locations. He is also a Director of all companies within the Sector.

He commenced his career at M/s Ernst & Young, Sri Lanka where he was involved in auditing and consulting assignments. He joined Carsons Group as an Accountant and then functioned as the Financial Controller for its Investments, Management Services, Leisure and Property sectors in Sri Lanka. He possesses more than 14 years of experience and is an Associate Member of the Chartered Institute of Management Accountants, UK.

### **Soren Ravn**

Soren Ravn was appointed as the Managing Director of Carlsberg Brewery Malaysia Berhad on 1st March 2010.

Mr. Ravn graduated with a Higher Diploma in Organisation & Management from Copenhagen Business School in 2001. Prior to that he graduated as a Market Economist from Aarhus Business College in 1997.

He has been with the Carlsberg Group since 1998, initially in the Carlsberg Denmark organisation and then in Carlsberg Breweries A/S in the role of Group Strategy Director. In late 2006, he moved to Hong Kong to take up the position of Vice President – Supply Chain, HR & Business Development for Carlsberg Greater China. In August 2008, he was appointed Managing Director of Carlsberg Hong Kong & Macau and held this position before being appointed as Managing Director of Carlsberg Brewery Malaysia Berhad.

Mr. Ravn is presently the Chairman of Carlsberg Distributors Taiwan Limited (Taiwan) and Carlsberg Cottingham Ltd (Taiwan) and he is also the Chairman of the Group's private companies namely Carlsberg Singapore Pte Ltd and Luen Heng F & B Sdn.Bhd. He also sits on the Board of Carlsberg Marketing Sdn.Bhd, a wholly owned subsidiary of Carlsberg Brewery Malaysia Berhad.

### **Subramaniam Mahendrarajah**

Director of Guardian Capital Partners PLC, Equity One PLC, Weniwella Investments Limited, Leechman & Company (Private) Limited and Mylands Investments Limited. Group Finance Director of Sri Krishna Group of Companies. Has wide experience in manufacturing, trading, financial services and management. Past President of the Rotary Club of Colombo Down Town. Recipient of the prestigious "Service above Self" award from Rotary International.

### **Subash Chelliah**

Commissioner of PT Rim Capital. Was the former Vice President of Bumiputera Commerce Bank, Kuala Lumpur, presently known as Commerce International Merchant Bankers Berhad.

He is also a Director of Premium Fats Sdn Bhd, Premium Vegetable Oils Sdn Bhd and Arani Agro Oil Industries Limited.

### **Susan Evans**

Director of Lion Brewery (Ceylon) PLC. Counts over 30 years experience in strategy and marketing, largely with multi-national consumer product companies, Gillette, GlaxoSmithKline and Whirlpool. Whilst based in the UK, held an international strategic marketing position and managed a global nutritional drinks brand portfolio with a turnover of £330 million worldwide. In the past 10 years has been working as a Senior Consultant in India and Sri Lanka on a wide variety of assignments covering industries as diverse as soft drinks, retail, passenger cars and industrial export products. Currently works with STING Consultants, the leading strategic marketing and brand consultancy in Sri Lanka. Also serves as a Trustee with the Hemas Outreach Foundation, a national charity funding pre-school education. Holds a Bachelor of Arts (Hons) from the University of Wales, UK.

### **Syarif Bastaman**

Director of PT Agro Indomas and PT Agro Bukit. He is the Managing Partner at Bastaman & Co. Law Firm, Jakarta. President Director of Syabas Energy, Operations Cooperation Agreement of PT Pertamina (2007 up to present). Secretary General of Indonesian Lawyers Union (SPI) (2005 to present). Chairman Legal Committee of All Indonesian Football Association (PSSI) (2007 -2011). Holds Professional Memberships in the Association of Legal Consultants to the Capital Markets (HKPM) since 1995 and Association of Receiver and Administrator Association (AKPI) since 2000. Head of Legal Practice Department of Inter Pacific Bar Association (IPBA)-Tokyo (2005 to 2007).

He is currently Chairman of the Indonesian Squash Association (Pengurus Besar Persatuan Squash Indonesia) (from 2004). He specializes in the corporate/commercial law, capital market, investment, intellectual property rights, banking and finance, construction, plantation, mining and infrastructure projects.

Graduated in Law from the Universitas, Padjajaran, Bandung in 1987. Member Indonesian House of Representative (DPR RI Fraksi PDI Perjuangan).

### **Tan Wei Shyan**

Mr. Tan Wei Shyan was appointed as a Director of Premium Nutrients Private Limited on 17 June 2011. Mr Tan has more than 8 years of legal experience, starting his career as a legal assistant at Ang & Partners in 2003. He joined Shook Lin & Bok LLP in 2005 where he is currently a Partner in the Corporate department, specialising in corporate finance and securities transactions, including initial public offerings, strategic investments, corporate restructuring, fund-raising and securities regulation compliance by public listed companies. Mr Tan graduated from University of Exeter, United Kingdom with a Bachelor of Laws (First Class Honours) degree.

### **Tennyson Rodrigo**

Director of Good Hope PLC and Indo-Malay PLC. Former Managing Director and Chief Executive of Capital Development and Investment Company PLC and Chairman of CDIC Sassoon Cumberbatch Stockbrokers (Pvt) Ltd. Past Chairman of the Audit Committee of Eagle Insurance PLC. He was the Expert Advisor to the Carson Cumberbatch PLC - Audit Committee in respect of the Real Estate, Hotels and Airlines, Investment Holding and Financial Services and Management Services Sector Companies of the Group. Holds a B.Sc. in Chemistry and Mathematics from the University of Ceylon and a B.Sc. (Hons) degree in Chemical Engineering from the University of New South Wales, Australia. Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

### **T. Tharumarajah**

He is the Director Business Development of the Edible Oils & Fats Business Segment of the Plantations, Oils and Fats Sector of Carson Cumberbatch PLC. He is responsible for overseeing business development and expansions in line with the Edible Oils & Fats Business Segment growth plans.

He is a graduate in Mechanical Engineering from the University of Technology Malaysia and he went on to complete the external

Council of Engineering Institute (UK). He also attended the Management and Senior Management program conducted by Ashridge Management College (UK) and the Harvard Business School.

He began his career with Sime Darby Plantations in 1971 and thereafter assumed several senior management positions within the company before retiring in 2001 as General Manager of Kempas Edible Oils, a subsidiary of Sime Darby Group, a major manufacturer of specialty edible oils and fats.

### **Wijaya Unamboowe**

Commissioner of PT Agro Indomas. Former Chairman of Carson Cumberbatch PLC and Lion Brewery (Ceylon) PLC. Former Director of Ceylon Brewery PLC and several Plantation Sector Companies within the Carsons Group. Accounts for over 51 years of work experience in diverse fields. Also served on the Board (Commissioner) of the Securities and Exchange Commission of Sri Lanka.

### **William Knight**

William Knight is an alternative asset investment specialist who has spent almost his entire career involved with financial development of companies and projects in developing economies. He originally specialized in project finance at Lazard Brothers, following which he spent 18 years in various senior positions in the Lloyds bank group based in London, Hong Kong and Portugal. Since 1991 he has served in a wide range of non-executive positions as an independent director or adviser based in London. Amongst his various board positions, he currently is Chairman of Abingworth Bio Ventures II, an early stage biotechnology investment company and the JP Morgan Chinese Investment Trust plc. He is also a director of Fidelity Asian Values Trust, Ceylon Guardian Investment Trust PLC, the LG India Fund and Axis Fiduciary Ltd, a Mauritius based financial services provider oriented to the African Continent and served as a board member of funds investing in Russia, Vietnam, Mauritius and Portugal. He is an advisory Board member of Campbell-Lutyens & Co Ltd and Homestrings LLC.

### **Wong Gang**

Director of Goodhoop Asia Holdings Ltd. Partner in Shook Lin & Bok LLP's Corporate Finance and International Finance practice. Also a member of the firm's China practice and has advised multinational corporations and Singapore Companies on joint ventures and cross border transactions in China as well as on public offerings of securities in Singapore by companies from China.

He has advised on a wide range of corporate finance and securities transactions, including stock market floatations, rights issues, securities regulation for public listed companies, mergers and acquisitions, joint ventures as well as general corporate advisory work.

He has been cited by Chambers Asia as one of the leading corporate lawyers in Singapore for the capital market. He graduated with LLB (Hons) from the National University of Singapore in 1995 and was admitted to the Singapore Bar in 1996.

# MANAGEMENT TEAMS

## Plantations, Oils and Fats

### **Chandana Tissera**

*Director / Group CEO*

### **Jayaprakash Mathavan**

*Director / Chief Operating Officer - Edible Oils & Fats*

### **Rizan Jiffrey**

*Director Projects and Business Development*

### **Ms. Janaka Jayawickrema**

*Director Legal and Corporate Affairs*

### **Kevin de Silva**

*Director / Chief Operating Officer - Business Systems and Services*

### **Sanjaya Upasena**

*Director / Chief Operating Officer - Oil Palm Plantations*

### **Christoforus Pakadang**

*Director / Head of Tax Administration and Compliance*

### **Shalike Karunasena**

*Director / Chief Financial Officer*

### **Sahad Mukthar**

*Director Corporate Planning*

## Beverage

### **Suresh Shah**

*Director / CEO*

### **Prasanna Amerasinghe**

*Director Marketing*

### **Chan Liyanage**

*Director Supply Chain*

### **Ranil Goonetilleke**

*Director Finance*

### **Ms. Sharlene Adams**

*Head of Exports*

### **Wasantha Heenatigala**

*Manager Marketing*

### **Shiran Jansz**

*Head of Procurement*

### **Ms. Nausha Raheem**

*Head of HR*

### **Nishantha Hulangamuwa**

*Head of Outbound Supply Chain*

### **Eshantha Salgado**

*Manager Quality Assurance*

### **Janaka Bandara**

*Manager - Production*

### **Preethi De Silva**

*Manager - Business Development*

### **Janaka Kiridena**

*Head of Sales*

### **Hiran Edirisinghe**

*Chief Engineer*

### **Arjuna Jayasinghe**

*Head of IT*

### **Roshan Bandara**

*Head of Operations - Pub Chain*

### **Nalake Kuruwitaarachchige**

*Financial Controller*

### **Madhushanka Ranatunga**

*Manager - Marketing, Premium Category*

## Investment & Assets Management

**Ms. Ruvini Fernando**  
*Director - Guardian Fund Management*

**Ms. Niloo Jayatilake**  
*Director - Guardian Fund Management*

**Krishna Selvanathan**  
*Director*

**Vibath Wijesinghe**  
*Financial Controller*

**Tharinda Jayawardena**  
*Head of Research*

**Sumith Perera**  
*Fund Manager*

**Pasan Abeygunawardane**  
*Head of Portfolio Operations*

**Gayan Karunarathna**  
*Accountant*

**Asanka Jayasekera**  
*Assistant Manager - Research*

**Lakmal Wicramaarachchi**  
*Assistant Accountant*

## Management Services

**Ajith Weeratunge**  
*Director*

**Ms. Keshini De Silva**  
*Director*

**Krishna Selvanathan**  
*Director*

**Ms. Shirani Jayasekera**  
*Head of Audit*

**Ms. Amali Alawwa**  
*Head of Legal*

**B. Patternot**  
*Head of HR*

**S. Jayasuriya**  
*Head of IT*

## Real Estate

**Nalake Fernando**  
*Director Property Management*

**Krishna Selvanathan**  
*Director*

**S. Rajaram**  
*Head of Engineering*

**Vibath Wijesinghe**  
*Financial Controller*

## Leisure

**Paddy Withana**  
*Director - Hotel Sector*

**Ms. Minoli Perera**  
*Director - Carsons Airline Services (Pvt) Ltd*

**Ajith Weeratunge**  
*Director - Management Services*

**Nirajan Naganathan**  
*Resident Manager - Pegasus Reef Hotel*

**Ganeshan Thiagarajah**  
*Resident Manager - Giritale Hotel*

**Kapila Gunatillaka**  
*Accountant*

**Ms. Mala Munasinghe**  
*Executive Housekeeper*

**Velsamy Gangadaran**  
*Manager - F & B*

**Nimal Perera**  
*Engineer*

**Mustaq Ahmad**  
*Manager - Sales & Marketing*

**Senarath Ekanayake**  
*Accountant*

**Mahinda Tennekoon**  
*House-keeper*

**Hendrick Nandasena**  
*Chef*

**Roshan Jayawickrama**  
*Executive Chef*

**Ananda Ratnayake**  
*Manager - Restaurant & Bar*



# GROUP DIRECTORATE - 2012

## Plantations, Oils and Fats

### GOODHOPE ASIA HOLDINGS LTD.

#### Directors:

P.C.P. Tissera, Wong Gang,  
J. Mathavan

#### Alternate Directors:

Tan Wei Shyan (for Wong Gang)

### SHALIMAR DEVELOPMENTS SDN. BHD.

#### Directors:

H. Selvanathan (Chairman)  
M. Selvanathan,  
D.C.R. Gunawardena  
P.C.P. Tissera, Ms. T.Y. Chan  
Ms. Liew Irene, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/5/2012), C.S. Karunasena  
(appointed w.e.f. 1/5/2012)

#### Alternate Directors:

P.C.P. Tissera (for H. Selvanathan)  
K. Selvanathan  
(for M. Selvanathan)

### PT AGRO INDOMAS

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, I. Paulraj,  
Ms. M. Tjandrawinata, W. Unamboowe,  
M. Ramachandran Nair, T. de Zoysa,  
D.C.R. Gunawardena

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011), S. Bastaman,  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012)

### SHALIMAR (MALAY) PLC

#### Directors:

H. Selvanathan (Chairman)  
M. Selvanathan, I. Paulraj,  
D.C.R. Gunawardena,  
A.K. Sellayah, P.C.P. Tissera, K.C.N. Fernando

### SELINSING PLC

#### Directors:

M. Selvanathan (Chairman)  
H. Selvanathan, C.F. Fernando,  
I. Paulraj, D.C.R. Gunawardena,  
P.C.P. Tissera

### INDO-MALAY PLC

#### Directors:

H. Selvanathan (Chairman)  
M. Selvanathan, I. Paulraj,  
D.C.R. Gunawardena,  
P.C.P. Tissera, K.C.N. Fernando T. Rodrigo  
(appointed w.e.f. 21/2/2012)

#### Alternate Director:

S. Mahendrarajah (for I. Paulraj)

### GOOD HOPE PLC

#### Directors:

H. Selvanathan (Chairman)  
M. Selvanathan, I. Paulraj,  
T. Rodrigo, A.K. Sellayah,  
P.C.P. Tissera,  
D.C.R. Gunawardena

#### Alternate Director:

S. Mahendrarajah (for I. Paulraj)

### PT AGRO ASIA PACIFIC

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (appointed w.e.f. 1/1/2012),  
J. Mathavan (resigned w.e.f. 31/12/2011),  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(appointed w.e.f. 1/4/2012)

### PT KARYA MAKMUR SEJAHTERA

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011), C.S. Pakadang,  
Ms. J.M.S. Jayawickrama (appointed w.e.f.  
1/1/2012), C.S. Karunasena (appointed w.e.f.  
1/1/2012)

### PT AGRO HARAPAN LESTARI

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan (Vice President Commissioner)  
I. Paulraj

#### Directors:

P.C.P. Tissera (President Director), J. Mathavan,  
C.S. Pakadang, Ms. J.M.S. Jayawickrama,  
C.A.V.S. Upasena, M.R. Jiffrey, K.G.G. de Silva,  
C.S. Karunasena (appointed w.e.f. 1/1/2012),  
M.S. Mukthar (appointed w.e.f. 1/1/2012)

### AGRO HARAPAN LESTARI SDN. BHD.

#### Directors:

H. Selvanathan, (Chairman) M. Selvanathan,  
P.C.P. Tissera, J. Mathavan,  
Ms. T.Y. Chan,  
Ms. J.M.S. Jayawickrama,  
C.A.V.S. Upasena, M.R. Jiffrey,  
K.G.G. de Silva, C.S. Karunasena  
(appointed w.e.f. 1/1/2012),  
M.S. Mukthar (appointed w.e.f. 1/1/2012)

#### Alternate Directors:

K. Selvanathan (for M. Selvanathan),  
S. Selvanathan (for H. Selvanathan)

### PT AGRO BUKIT

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, I. Paulraj,  
D.C.R. Gunawardena, T. de Zoysa

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011)  
S. Bastaman, C.S. Pakadang,  
Ms. J.M.S. Jayawickrama (appointed w.e.f.  
1/1/2012), C.S. Karunasena (appointed w.e.f.  
1/1/2012)

### AGRO HARAPAN LESTARI (PRIVATE) LIMITED

#### Directors:

H. Selvanathan (Chairman)  
P.C.P. Tissera, J. Mathavan,  
Ms. J.M.S. Jayawickrama,  
K.G.G. de Silva, M.R. Jiffrey,  
C.A.V.S. Upasena, C.S. Karunasena (appointed  
w.e.f. 1/1/2012), M.S. Mukthar (appointed  
w.e.f. 1/1/2012)  
Alternate Director:  
S. Selvanathan (for H. Selvanathan)

### AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED

#### Directors:

H. Selvanathan (Chairman),  
P.C.P. Tissera, J. Mathavan,  
Ms. J.M.S. Jayawickrama,  
K.G.G. de Silva, M.R. Jiffrey, C.A.V.S. Upasena  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012), M.S. Mukthar  
(appointed w.e.f. 1/1/2012)

### AGRO ASIA PACIFIC LIMITED

#### Directors:

H. Selvanathan, M. Selvanathan, P.C.P.  
Tissera, J. Mathavan, Wong Gang, Ms. J.M.S.  
Jayawickrama C.S. Karunasena (appointed  
w.e.f. 1/1/2012)  
Alternate Director:  
Tan Wei Shyan (for Wong Gang)

### PT AGRAJAYA BAKTITAMA

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena,

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011), C.S. Pakadang,  
Ms. J.M.S. Jayawickrama (appointed w.e.f.  
1/1/2012), C.S. Karunasena (appointed w.e.f.  
1/1/2012)

## Plantations, Oils and Fats

### PT RIM CAPITAL

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena,  
S.C.P. Chelliah

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011),  
Mohamed Faizal Bin Mathunni,  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012)

### PT AGRO WANA LESTARI

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan,  
D.C.R. Gunawardena

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011)  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012),  
C.S. Karunasena (appointed w.e.f. 1/1/2012)

### PT NABIRE BARU

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011),  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012)

### PT BATU MAS SEJAHTERA

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena,  
Triadi Retnawan (resigned w.e.f.  
4/09/2011)

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director)  
(appointed w.e.f. 1/1/2012), J. Mathavan  
(resigned w.e.f. 31/12/2011)  
C.S. Pakadang, Ms. J.M.S. Jayawickrama  
(appointed w.e.f. 1/1/2012), C.S. Karunasena  
(appointed w.e.f. 1/1/2012), Ms. Widiyanthi  
Astuti (resigned w.e.f. 4/09/2011)

### PT SAWIT MAKMUR SEJAHTERA

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena,  
Triadi Retnawan (resigned w.e.f. 19/12/2011)

#### Directors:

P.C.P. Tissera (President Director),  
J. Mathavan, C.S. Pakadang,  
Ms. Widiyanthi Astuti (resigned w.e.f.  
19/12/2011)

### PT SUMBER HASIL PRIMA

#### Commissioners:

H. Selvanathan (President Commissioner),  
M. Selvanathan, D.C.R. Gunawardena,  
Triadi Retnawan (resigned w.e.f.  
31/1/2012)

#### Directors:

P.C.P. Tissera (President Director),  
C.A.V.S. Upasena (Vice President Director),  
C.S. Pakadang, Ms. J.M.S. Jayawickrama,  
C.S. Karunasena, Ms. Widiyanthi Astuti  
(resigned w.e.f. 31/1/2012)

### ARANI AGRO OIL INDUSTRIES LIMITED

#### Directors:

H. Selvanathan, P.C.P. Tissera,  
J. Mathavan, Ms. J.M.S. Jayawickrama,  
S.C.P. Chelliah (All appointed w.e.f.  
07/07/2011), M. Selvanathan (appointed w.e.f.  
8/7/2011), T. Tharumarajah (appointed w.e.f.  
8/5/2007), C.S. Karunasena (appointed w.e.f.  
1/02/2012)

### PREMIUM OILS & FATS SDN BHD

#### Directors:

H. Selvanathan, M. Selvanathan,  
P.C.P. Tissera, J. Mathavan,  
Ms. J.M.S. Jayawickrama, K.G.G. de Silva,  
M.R. Jiffrey, Ms. T.Y. Chan, (All appointed  
w.e.f. 27/06/2011), T. Tharumarajah (appointed  
w.e.f. 28/07/2011), C.S. Karunasena  
(appointed w.e.f. 1/1/2012),  
C.A.V.S. Upasena, M.S. Mukthar (Both  
appointed w.e.f. 01/01/2012)

### PREMIUM VEGETABLE OILS SDN BHD

#### Directors:

H. Selvanathan, P.C.P. Tissera, J. Mathavan,  
Ms. J.M.S. Jayawickrama, S.C.P. Chelliah, (All  
appointed w.e.f. 07/07/2011), M. Selvanathan  
(appointed w.e.f. 08/07/2011), T. Tharumarajah  
(appointed w.e.f. 02/05/2007),  
C.S. Karunasena (appointed w.e.f. 1/1/2012)

### PREMIUM FATS SDN BHD

#### Directors:

H. Selvanathan, P.C.P. Tissera, J. Mathavan,  
Ms. J.M.S. Jayawickrama, S.C.P. Chelliah (All  
appointed w.e.f. 07/07/2011), M. Selvanathan  
(appointed w.e.f. 08/07/2011), T. Tharumarajah  
(appointed w.e.f. 02/05/2007),  
C.S. Karunasena (appointed w.e.f. 1/1/2012)

### PREMIUM NUTRIENTS PRIVATE LIMITED

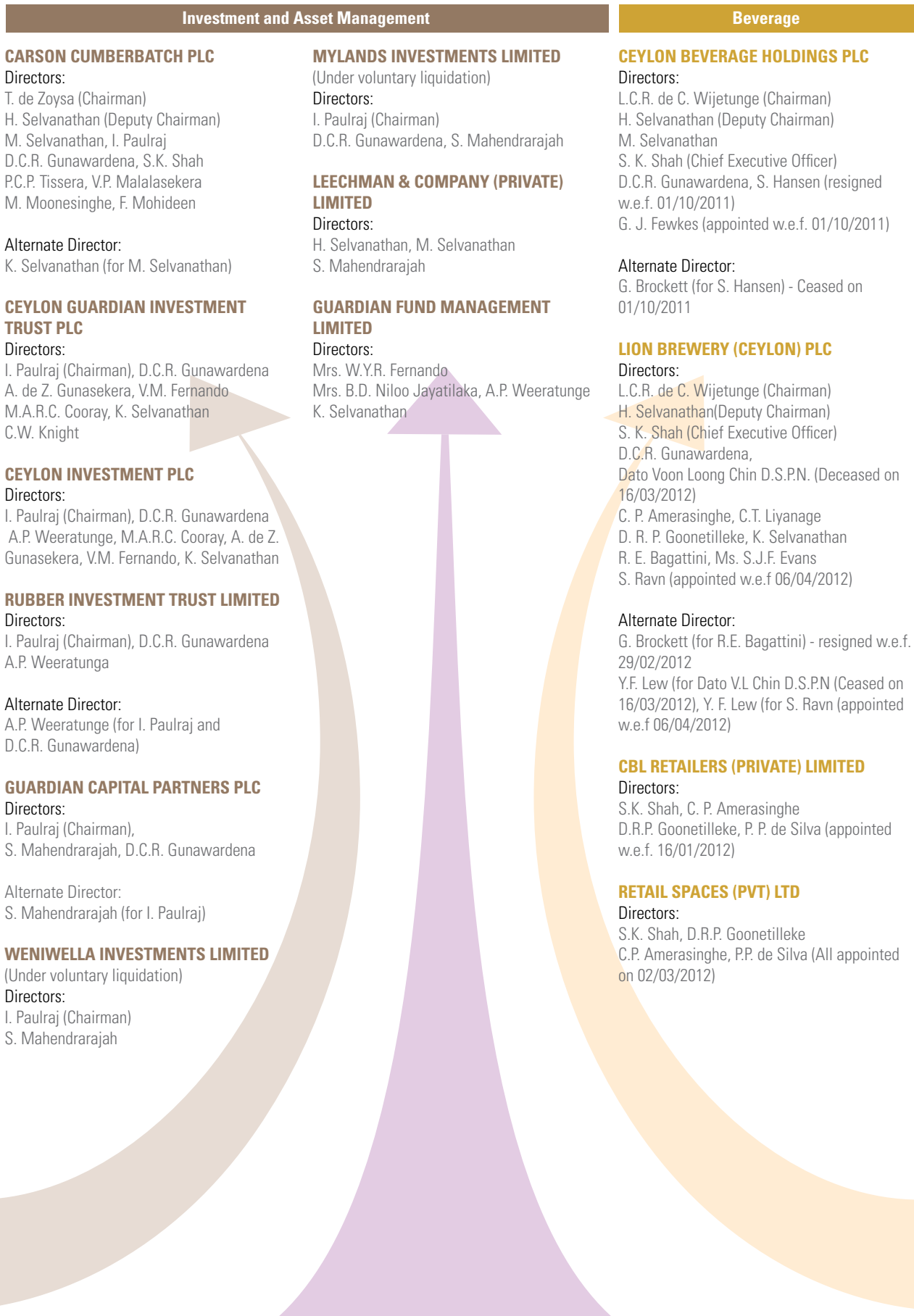
#### Directors:

H. Selvanathan, M. Selvanathan  
P.C.P. Tissera, J. Mathavan  
Ms. J.M.S. Jayawickrama, Tan Wei Shyan  
(All appointed w.e.f. 17/06/2011),  
C.S. Karunasena, (appointed w.e.f. 1/1/2012)

### GOODHOPE INVESTMENTS (PRIVATE) LIMITED

#### Directors:

P.C.P. Tissera, Ms. J.M.S. Jayawickrama,  
K.G.G. de Silva, M.R. Jiffrey,  
C.S. Karunasena, M.S. Mukthar (All appointed  
w.e.f. 20/01/2012)



## Real Estate

### **EQUITY ONE PLC**

Directors:  
D.C.R. Gunawardena (Chairman)  
S. Nagendra, K.C.N. Fernando  
E.H. Wijenaike, A.P. Weeratunge  
S. Mahendrarajah, P.D.D. Fernando

### **EQUITY TWO PLC**

Directors:  
D.C.R. Gunawardena (Chairman)  
K.C.N. Fernando, A.P. Weeratunge  
E.H. Wijenaike, P.D.D. Fernando

### **EQUITY THREE (PRIVATE) LIMITED**

Directors:  
I. Paulraj, C.F. Fernando, K.C.N. Fernando

### **EQUITY SEVEN LIMITED**

(Under voluntary liquidation)

Directors:  
D.C.R. Gunawardena, K.C.N. Fernando  
A.P. Weeratunge

### **EQUITY LANDS (PRIVATE) LIMITED**

Directors:  
D.C.R. Gunawardena (Chairman)  
K.C.N. Fernando, A.P. Weeratunge

## Leisure

### **PEGASUS HOTELS OF CEYLON PLC**

Directors:  
D.C.R. Gunawardena (Chairman)  
H. Selvanathan, M. Selvanathan  
S. Nagendra, P.M. Withana

Alternate Director:  
K.C.N. Fernando (for M. Selvanathan)

### **EQUITY HOTELS LIMITED**

Directors:  
D.C.R. Gunawardena (Chairman),  
P. M. Withana

### **CARSONS AIRLINE SERVICES (PRIVATE) LIMITED**

Directors:  
H. Selvanathan (Chairman)  
M. Selvanathan, D.C.R. Gunawardena  
Mrs. M.R. Perera

## Management Services

### **CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**

Directors:  
H. Selvanathan (Chairman)  
M. Selvanathan, S.K. Shah, P.C.P. Tissera  
K.C.N. Fernando, Ms. K.D.de Silva  
A.P. Weeratunge, K. Selvanathan

Alternate Director:  
P.C.P. Tissera (for H. Selvanathan)

# AUDIT COMMITTEE REPORT

During the year the Audit Committee of the Company was reformulated to fall in line with the Colombo Stock Exchange Listing Rules. Accordingly, the Chairman of the Audit Committee, Mr.Vijaya Malalasekera stepped down and the Audit Committee of the Company now comprise of the following Members :

<b>Audit Committee members</b>	<b>Executive/Non-Executive/Independent</b>
Mr.Ralph de Lanerolle (Appointed Chairman with effect from 28th February 2012)	Non-Executive, Independent
Mr.Chandima Gunawardena	Non-Executive
Mr.Israel Paulraj (Appointed with effect from 28th February 2012)	Non-Executive, Independent

Mr.Ralph de Lanerolle is a Director of Overseas Realty (Ceylon) PLC.

Mr.Chandima Gunawardena is a Non-Executive Director of Carson Cumberbatch PLC and in most of its Group Companies.

Mr.Israel Paulraj is a Non-Executive, Independent Director of Carson Cumberbatch PLC and in some of its Group Companies.

Bukit Darah PLC-Audit Committee held 03 Meetings during the financial year to discuss matters relating to the Company and the attendance of the Members of the Audit Committee was as follows :

<b>Meetings attended (out of three)</b>	
Mr.Ralph de Lanerolle (Chairman)	-
Mr.Vijaya Malalasekera	03
Mr.Chandima Gunawardena	03
Mr.Israel Paulraj	-

The Audit Committee Meetings were attended by the internal auditors and senior management staff members.

The Committee met the external auditors once during the year, i.e. to deliberate the draft Financial Report and Accounts, without the management being present.

In accordance with the approved audit plan for 2011/12, the Group Internal Audit (GIA) carried out three audits of processes of the Company.

The findings and contents of the Group Internal Audit reports have been discussed with the management and subsequently the audit reports were circulated to the Audit Committee and to the management.

The objectives of the GIA work was to have an independent review of the system of internal controls as established by the management, its adequacy and integrity vis-à-vis objectives served and to determine the extent of adherence to the controls by staff responsible for the function and to take corrective/preventive action where necessary.

The interim financial statements have been reviewed at meetings of the Audit Committee. The draft financial statements of the Company for the year ended 31st March 2012 were reviewed by the Audit Committee, together with the External Auditors, Messrs KPMG, prior to release of same to the Regulatory Authorities and to the shareholders.

The Audit Committee has determined that Messrs KPMG, Auditors are independent on the basis that they do not carry out any special assignment on the operations of the Company.

The Audit Committee has concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, as Auditors for the financial year ending 31st March 2013, subject to the approval of the shareholders at the Annual General Meeting.

The Board of Directors has approved and established an Audit Committee Charter. The purpose of the Audit Committee Charter is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with Company policies and procedures, laws and regulations and the code of conduct and the identification of and management of risks that would impact on the Company's business activities.

(Sgd)  
**Ralph de Lanerolle**  
*Chairman – Audit Committee*  
**Bukit Darah PLC**

24th May 2012

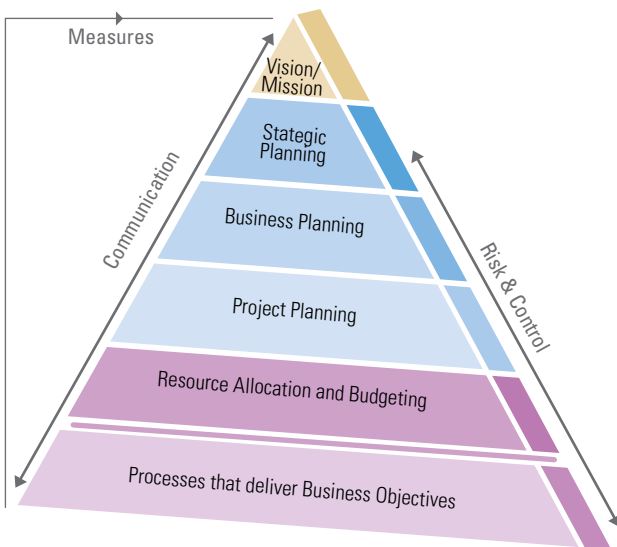


# RISK MANAGEMENT

Bukit Darah PLC, is a diversified conglomerate. The Group is exposed to a great variety of risks and vulnerabilities as it operates in many industries across several countries in diverse operating environments. As a result management proactively evaluates the likelihood and impact of potential events which could affect the objectives, using qualitative and quantitative criteria to assess the risks. The Group recognizes that failing to capitalise on an opportunity could also become a significant risk when satisfying shareholders and other stakeholders' expectations.

## Risk Management in Objective Setting Process

Group-wide risk management practices provide reasonable assurance through the process of identification and management of events, situations, or circumstances which, if it occurred, would adversely impact the achievement of objectives of each business sector. Risks are managed until they are mitigated and re-assessed to be within company's risk appetite.



Enterprise Risk Management (ERM) provides a common process and terminology for all risk management activities. Its main goals are fostering of risk awareness throughout the group of companies and promoting a proactive management of threats and opportunities.

In implementing the business plan the Group has embodied enterprise risk management to its business activities. The risk management process supports;

- Corporate Governance
- Quality of business planning
- Audit planning
- Project planning and implementation
- Building confidence of various stakeholder groups

Risk management revalidates that the relevant internal control systems are in place and provides assurance to Management/BOD that processes are robust and working effectively.

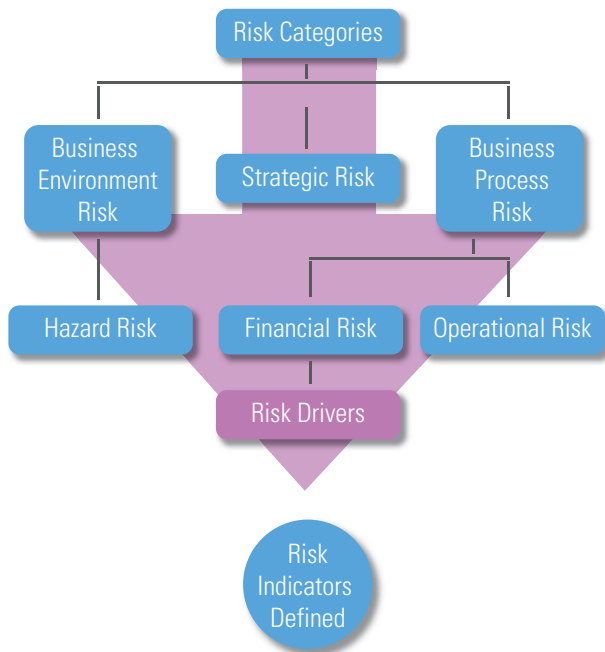
## ERM Process



**Step 1** - As the first step in the risk management process management identifies the relationship of the enterprise with environment (External challenges) and objectives in the business plan (Internal challenges)

External Challenges	Internal Challenges
<ul style="list-style-type: none"> <li>• Political, Economic &amp; Social factors</li> <li>• Identify various stakeholders                             <ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Employees</li> <li>• Customers</li> <li>• Regulatory bodies and</li> <li>• Communication policies with these stakeholders</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Organisation structure</li> <li>• KPIs in the business plan and cascading effect to the business units (Top down approach)</li> <li>• Governance structure</li> <li>• Policies and procedures</li> <li>• IT structure etc</li> </ul>

**Step 2** - At the second stage of ERM process, management identifies the risks and categorises in to main three types of risks as shown below. Purpose of the risk modeling is to create a common language for better communication, knowledge sharing and comparison. Risk drivers are the key factors which create risks. Risk indicators are primarily deviation from set Goals or KPI's. Deviations are timely identified through on going review and monitoring activities carried out by the management.



**Step 3** - In the third step, by using qualitative and quantitative methods, likelihood of occurring and probability of outcome of the above identified risks are analysed.

**Step 4** - Using the Risk Grid, management determines the contribution of each risk to the aggregate risk profile in terms of the impact on achievement of company's objectives and prioritise accordingly.

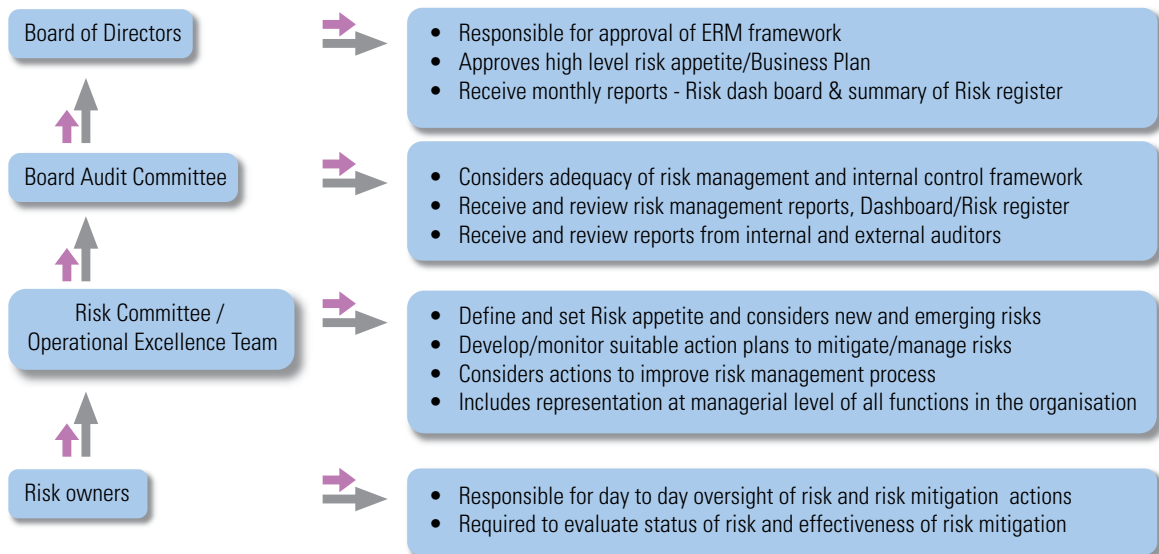
**Step 5** - Once risk events are identified risk responses could take the form of;

- Risk Acceptance
- Risk Avoidance
- Risk Transfer/ share
- Risk Minimization

**Step 6** - Comprehensive and benchmarked Procedure Manuals and techniques, together with timely supervision and monitoring of risk management practices by the business managers while discharging their responsibilities and accountability provides the first line of defence. Relevant action plans to be reviewed and monitored by the management teams in their respective spheres of operation. Further, during this process relevance and impact of identified risks will be reassessed. Status and outcome of the action plans are presented to CEO, Audit Committee and Board of Directors.

**Risk Management Governance Structure**

ERM includes a reporting framework within the organisation and to the Board thereby allowing directors to assume their supervisory function for a better Corporate Governance.



### Optimizing the Audit Committee and Internal Audit function for better risk management

Group Internal Audit (GIA) division, each year meets with the Sector level hierarchy and determines an internal audit plan for the year based on a risk assessment done on key business processes. This audit plan is approved by the governing Audit Committee. Comprehensive monitoring during implementation of the plan of selected key processes throws out deficiencies in either the process itself or how the activities are actually performed. Such findings with suggested improvements are first discussed with the management and then taken for discussion at structured Audit Committee

Meetings which are held at the end of each GIA cycle. Agreed mitigating action plans will get in to the next GIA cycle for follow-up whilst any serious matters of concern are escalated upwards to the respective Board of Directors by the Audit Committee.

We are of the view that Risk Management is one of the driving factors for the sustainability of operations and have identified the following risk profile. These risks are continuously managed and reviewed for mitigations at sector level, while the necessary action plans are carried out at operational level.

Risk	Impact	Risk response & strategies
Business Environment Risks	Unfavourable global and local weather patterns resulting in adverse weather conditions, natural and man-made disasters including fires and haze from fires, droughts, floods, pestilence and crop disease could reduce the amount or quality of Fresh Fruit Bunches (FFB). A variety of diseases can directly affect the potential crop production which would ultimately impact the Plantations, Oils and Fats sector performance.	<ul style="list-style-type: none"> <li>• <b>Plantations, Oils and Fats sector</b> Invest in agronomy and plantation management practices in order to minimise the impact that would be caused by any sudden up-rise of these diseases.</li> </ul>
General Securities risk	Any trading in securities carries inherent investment risks associated with the entity issuing those securities. In particular the price or value of any security can and does fluctuate and may even become valueless, resulting in possible loss not only of returns and profits, but even also of all or part of the principal sums invested. These risks arise as a result of the overall risks faced by the issuing entity which affects its ability to provide a return to the investors holding the securities issued by it. Particularly in the case of equities, past performance of any investment is not necessarily indicative of future performance. At Guardian our approach focuses on the fact that there is no substitute for fundamental individual security assessment.	<ul style="list-style-type: none"> <li>• <b>Investment sector</b> <ul style="list-style-type: none"> <li>- Sound internal research processes</li> <li>- Once an investment is made a continuous process of monitoring the performance of that investment is adopted.</li> <li>- Manage the concentration risk arising from over exposure to one security by monitoring sector exposure and single company exposure as mitigation strategies. Further, private equity exposure limits at company and group level are monitored as another measure of managing risk. Loss limits are set to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern. This helps us mitigate the downside risk of any security in the portfolio.</li> </ul> </li> <li>- Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario.</li> <li>- In the case of private equity, Board representation in proportion to the investment for stakes over 10% is considered necessary while for smaller stakes, monitoring mechanisms to facilitate constant evaluation of the investment will be built into the shareholder agreement.</li> </ul>
Commodity Price Risk	The selling prices of CPO and CPKO and purchase price of Malt etc are determined with reference to international trading prices. These prices are volatile, cyclical and market-driven and are largely determined by changes in the supply and demand fundamentals and other external factors. These may include global economic conditions, weather patterns, government policies and developments in international trade.	<ul style="list-style-type: none"> <li>• Plantations, Oils and Fats sector manages the impact of such price volatility on its cash flows, by hedging its sales either by entering into forward sale contract or by hedging its sales through CPO swaps when required.</li> <li>• Beverage sector enters into forward contracts for buying major raw materials with the assistance of international business partner.</li> </ul>
Credit Risk	Group is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions. Group objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.	<p>Individual companies exercise following controls to mitigate this risk.</p> <ul style="list-style-type: none"> <li>- Implementation of credit policies</li> <li>- Continuous and regular evaluation of creditworthiness of customers</li> <li>- Ongoing monitoring of receivable balances.</li> </ul>

Risk	Impact	Risk response & strategies
Liquidity Risk	The risk that a company cannot easily meet its operational and financial obligations can result in unavailability of sufficient funds that may interrupt the smooth functioning of the day to day operations.	<p>We manage such an exposure through effective working capital management and based on procedures and guidelines that require planning liquidity based on one year and medium-term plans. Sufficient credit facilities including the use of revolving credit facilities are maintained for material purchases.</p> <ul style="list-style-type: none"> <li>• <b>Investment sector</b> <ul style="list-style-type: none"> <li>- Investing in companies with a reasonable free float and where securities are heavily traded. Also by limiting the portfolio's buy list to highly traded blue chips, the risk of illiquidity can be mitigated. Good research will enable the fund team to identify changes in fundamentals and be proactive in investment decision making.</li> <li>- In the case of private equity, liquidity risks are difficult to manage due to time bound exit strategies. However, our insistence on one or two fall back exit options being built into the shareholder agreement ensures that eventually private equity projects will end up in an encashable state with at least a minimum return.</li> </ul> </li> </ul>
Foreign Exchange Risk	Impact due to adverse movements and high volatility in foreign currencies that the group deals with.	Currently Plantations, Oils and Fats & Beverage sectors are mainly exposed to foreign currency exchange rate movements, primarily in US Dollar on its US Dollar denominated bank loans and foreign currency denominated supplies. Assets, liabilities and other operational expenses which arise from daily operations are primarily denominated in the functional currencies.
Interest Rate Risk	Interest rate risk is the risk arising due to the volatility of the interest rates in the markets affecting the future cash flows.	<ul style="list-style-type: none"> <li>• Obtaining lowest possible rates using strength of Group's treasury pool.</li> <li>• Plantations, Oils and Fats sector will pursue derivative mechanisms such as interest swaps, where necessary.</li> </ul>
Systems and process risks	Operational risk is the direct or indirect loss due to inadequate or failed internal processes, people and systems or from external events.	<ul style="list-style-type: none"> <li>- In order to deal with unexpected contingencies, most of the group companies have developed and implemented a business continuity plan, which looks after aspects such as staff deployment and systems backup in case of an unexpected disruption to the business. This business continuity plan forms a part of the Group's business continuity plan.</li> <li>- The internal audit function of the Group ensures the safeguarding of company assets and recommends process improvements in areas where process control failures are noted.</li> <li>- Systems supports for the main software are made available through an annual maintenance agreement with the software vendor.</li> </ul>

Risk	Impact	Risk response & strategies
Human Resource Risk	Attracting, developing and retaining talent employees are essential to deliver each sector objectives. Failure to determine the appropriate mix of skills required to implement company strategies and subsequent failure to recruit or develop the right number of appropriately qualified staff or higher staff turnover could affect the achievement of group objectives.	<p>The following initiatives have been implemented by the Group</p> <ul style="list-style-type: none"> <li>• The staff of Group is all professionally qualified with a track record of experience in the industry.</li> <li>• HR policies are geared to encourage continuous training and development to all levels of employees</li> <li>• Managers are required to identify/provide relevant training and development opportunities to their subordinates</li> <li>• Providing adequate monetary and non-monetary incentives</li> <li>• Implementing a succession planning process for senior level staff</li> <li>• Identifying opportunities for job rotation</li> <li>• Reviewing remuneration vis-à-vis industry norms on a regular basis</li> </ul>
Legal & Regulatory Compliance	Failure to comply with regulatory and legal frameworks applicable for each sector.	<p>The legal function proactively identifies and set up appropriate systems and processes for legal and regulatory compliance in respect of Group's operations.</p> <ul style="list-style-type: none"> <li>- We ensure that our activities are executed in keeping to the Companies Act, SEC regulations, tax regulations, exchange control regulations and other applicable guidelines.</li> <li>- Our systems and processes are structured to satisfy the criteria set by these regulations, and staff is constantly kept aware of the compliance needs imposed by these regulations.</li> <li>- Independent review and monitoring of internal control systems.</li> <li>- We also ensure legal and regulatory compliance in any foreign country that we operate through legal counsel retained in those environments.</li> </ul>



# INFORMATION TO SHAREHOLDERS & INVESTORS

## 1 STOCK EXCHANGE LISTING

Bukit Darah PLC is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka (CSE).

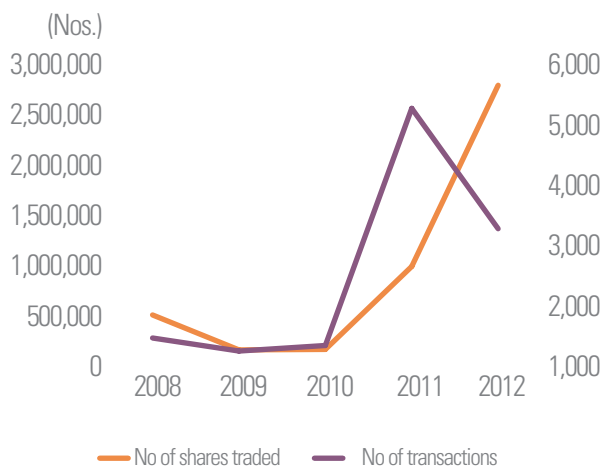
## 2 MARKET CAPITALISATION AND MARKET PRICE

Market Capitalization of the Company's share, which is the number of ordinary share in issue multiplied by the market value of a share, was Rs.87,516 mn as at 31 March 2012 (Rs.119,748 mn as at 31st March, 2011).

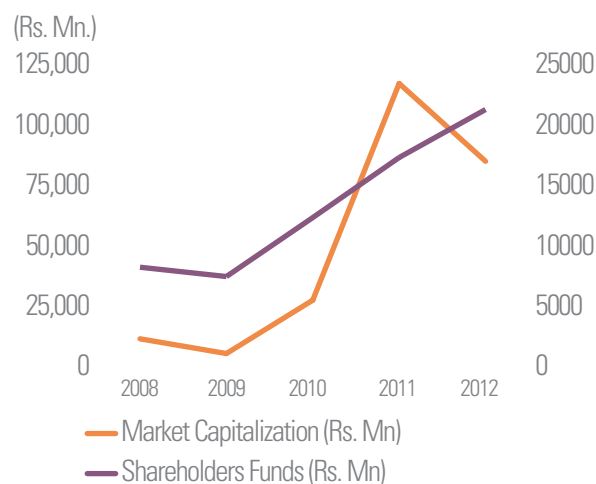
The Information on Market prices are set out below :

	2012	Q4	Q3	Q2	Q1	2011
<b>Share Information</b>						
Highest price (Rs.)	1,145	1,075	1,099	1,145	1,410	1,600
Lowest price (Rs.)	809	809	945	1,012	1,025	815
As at periods end (Rs.)	858	858	1,030	1,050	1,060	1,174
<b>Trading Statistics</b>						
No of transactions	3,394	503	434	899	1,558	5,387
No of shares traded	2,861,672	118,398	416,500	674,800	1,651,974	1,061,100
Value of all shares Traded (Rs.Mn)	3,199	107	432	725	1,935	2,473
Market Capitalization (Rs.Mn)	87,516	87,496	105,060	107,100	108,120	119,748
Enterprise Value (Rs.Mn)	143,923	143,923	162,568	161,097	152,391	152,456

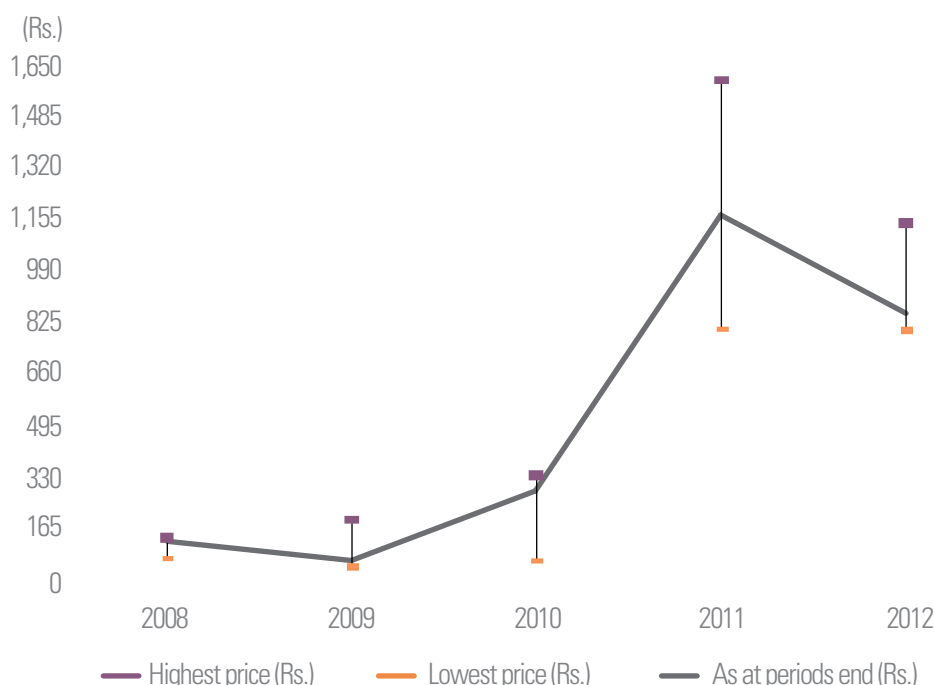
### Share Trading



### Shareholders Funds and Market Capitalization



### Share Price Trend over the past five years



### 3 SHAREHOLDER BASE

The total number of shareholders as at 31st March 2012 was 2,154 compared to the 2,137 as at 31st March 2011. The number of ordinary shares held by non-residents as at 31st March 2012 was 22,471,851 which amounts to 22.03% of the total number of ordinary shares.

### 4 DISTRIBUTION AND COMPOSITION OF SHAREHOLDERS

Distribution of Shares	Residents			Non-Resident			Total		
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%
1 - 1,000	1,827	229,927	0.23	17	5,550	0.01	1,844	235,477	0.23
1,001 - 10,000	198	546,664	0.54	9	28,270	0.03	207	574,934	0.56
10,001 - 100,000	48	1,638,061	1.61	18	605,825	0.59	66	2,243,886	2.20
100,001 - 1,000,000	10	2,358,269	2.31	13	4,517,706	4.43	23	6,875,975	6.74
Above 1,000,000	12	74,755,228	73.29	2	17,314,500	16.98	14	92,069,728	90.26
<b>Grand Total</b>	<b>2,095</b>	<b>79,528,149</b>	<b>77.97</b>	<b>59</b>	<b>22,471,851</b>	<b>22.03</b>	<b>2,154</b>	<b>102,000,000</b>	<b>100.00</b>

### 5 COMPOSITION OF SHAREHOLDERS

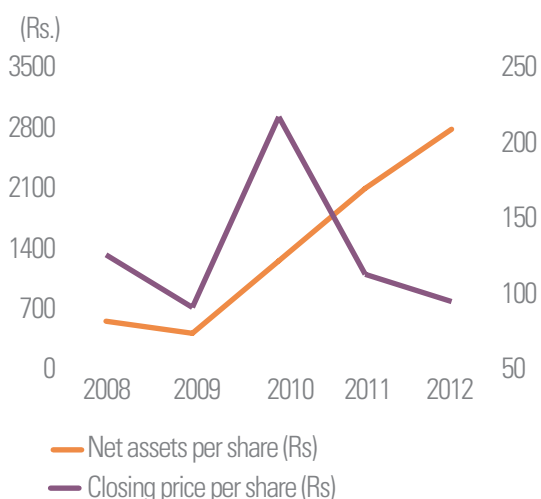
Ordinary Shares	31st March, 2012			31st March, 2011		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	1,982	6,472,130	6.35	1,988	6,405,002	6.28
Institutions	172	95,527,870	93.65	149	95,594,998	93.72
<b>Total</b>	<b>2,154</b>	<b>102,000,000</b>	<b>100.00</b>	<b>2,137</b>	<b>102,000,000</b>	<b>100.00</b>
Residents	2,095	79,528,149	77.97	2,082	79,301,118	77.75
Non Residents	59	22,471,851	22.03	55	22,698,882	22.25
<b>Total</b>	<b>2,154</b>	<b>102,000,000</b>	<b>100.00</b>	<b>2,137</b>	<b>102,000,000</b>	<b>100.00</b>

Percentage of issued ordinary share capital held by the public as at 31st March, 2012 was 31.25%

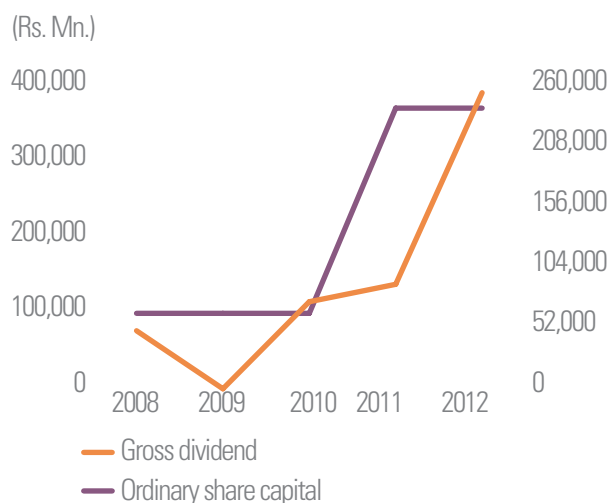
**6 KEY RATIOS**

	2012	2011
EPS	41.16	49.98
Dividend Payout Ratio (%)	89	936
Dividend Yield	0.29%	0.77%
Market Value Added (Mn)	120,369	132,186
Price Earning Ratio (PE Ratio)	20.84	23.48

**Net Assets per Share & Closing Price per Share**



**Gross dividend and Ordinary share capital**



**7 INFORMATION ON DIVIDENDS**

The details of the dividends paid are as follows:

**For the year ended 31st March**

	Per share Rs.	2012 Amount Rs.'000	Per share Rs.	2011 Amount Rs.'000
<b>Ordinary Shares</b>				
Final- for 2011	-	-	9.00	90,000
First interim - 2012	2.50	255,000	-	-
	2.50	255,000	9.00	90,000
<b>Preference Shares</b>				
Final- for 2011	-	-	71.50	12,895
First interim - 2012	14.95	36,699	-	-
	71.50	36,375	71.50	12,895
<b>Preference Shares</b>				
Annual -				
31st March 2011	-	-	0.08	145
31st March 2012	0.08	145	-	-
	-	-	0.08	145

## 8 SHAREHOLDER INFORMATION

The issued ordinary shares of the Company are listed on the main board of the Colombo Stock Exchange. Stock Exchange ticker symbol for the Bukit Darah PLC shares : BUKI.N0000

## 9 DIVIDENDS SINCE

Year ended 31st March	DPS (Rs.)	Dividends (Rs.'000)
2008	5.00	50,000
2009	-	-
2010	7.50	75,000
2011	9.00	90,000
<b>2012</b>	<b>2.50</b>	<b>255,000</b>

## 10 ORDINARY SHARES IN ISSUE

Year ended 31st March	Number of Shares
2008	10,000,000
2009	10,000,000
2010	10,000,000
2011	102,000,000
<b>2012</b>	<b>102,000,000</b>

## 11 HISTORY OF SCRIP ISSUES

Year ended 31st March	Issue	Basis	Number of Shares
2004	Bonus	24:1	9,600,000
2011	Sub-division	10:1	90,000,000
"	Capitalisation	1:50	2,000,000

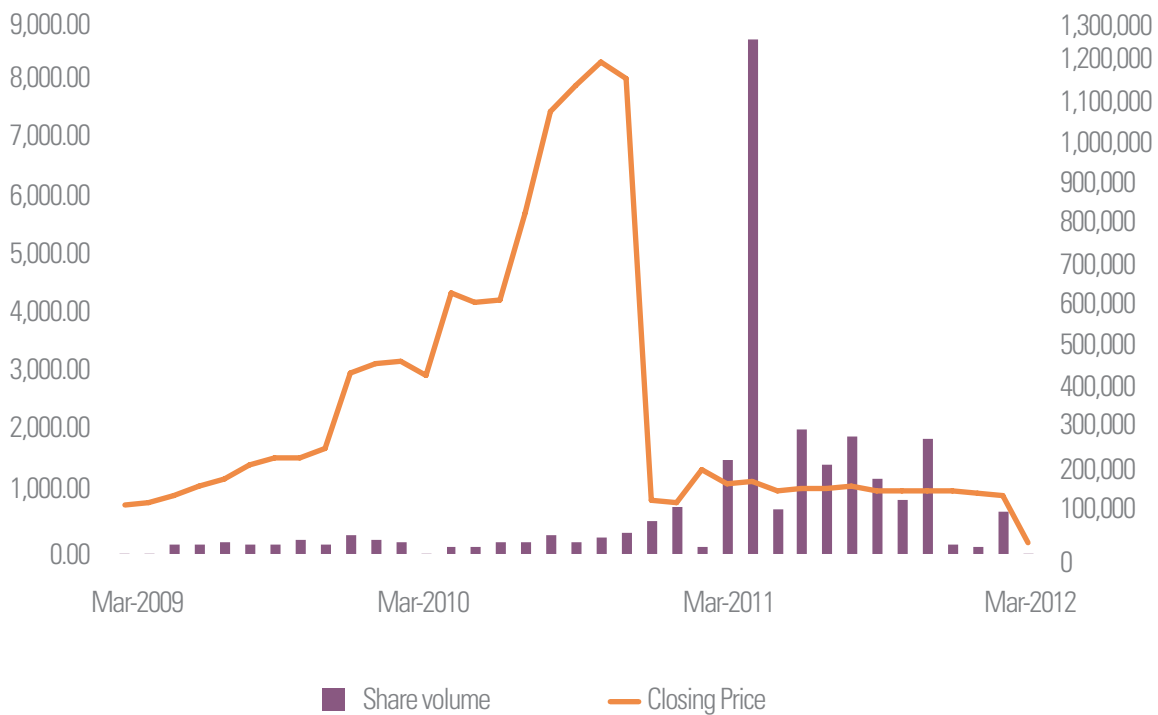
## 12 INFORMATION ON MOVEMENT IN NUMBER OF SHARE

Financial Year	Issue	Basis	No. of Shares		Cumulative Redeemable Preference
			No of Shares issued	Ordinary	
2003/04	Bonus Issue	24 for 1	9,600,000	10,000,000	180,350
2010/11	Sub-division	10 for 1	90,000,000	100,000,000	1,803,500
"	Capitalisation	1 for 50	2,000,000	102,000,000	1,839,568

## 13 INFORMATION ON SHAREHOLDERS FUNDS AND MARKET CAPITALIZATION

As at 31st March	2008	2009	2010	2011	2012
Shareholders' Funds (Rs.Mn.)	8,727	7,956	12,838	20,270	23,554
Market Capitalization (Rs.Mn.)	14,000	7,900	30,000	119,748	87,516
Market Capitalization as % of CSE Mkt. Captl. (%)	1.69%	1.48%	2.48%	4.94%	4.35%

14 PRICE VOLUME CHART





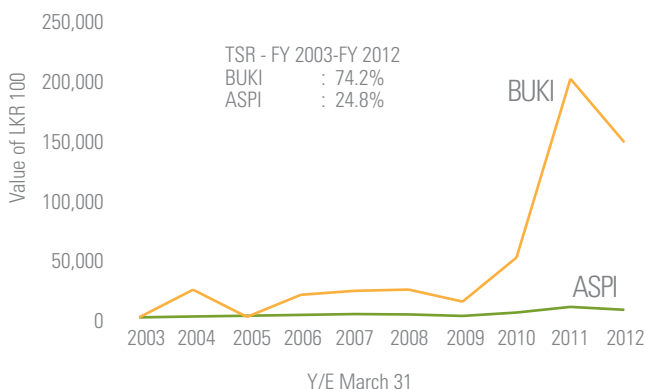
# SHAREHOLDER RETURNS STATEMENTS

During the last financial year Bukit Darah PLC generated a negative return to shareholders of approximately 26%, roughly in line with the decline recorded by the CSE of 25%. However over a 10 year time horizon the share has rewarded share holders with an annual average return of 74.2%, 3 times the return generated by the CSE, which recorded an average annual growth of 24.8%.

Looking at it from the perspective of a shareholder who invested Rs.1,000 in 2003, this would be equivalent to that sum growing to Rs.147,543 by 2012 as shown in chart 2. The capital gain would account for 99% of that return, with the balance coming from dividends. Capital gains in the stock was primarily driven by the combined impact of the net profit growth and PE growth, accounting for 74% of the capital gain recorded. During the 10 year period net profits grew at annual average growth rate of 48% whilst the PE grew by 17%.

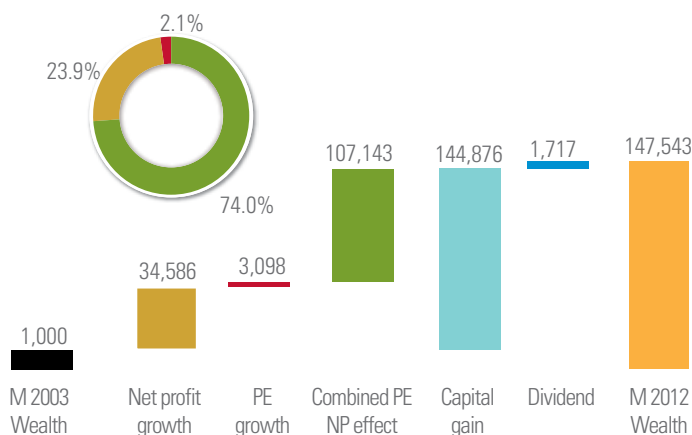
**Chart 1**

## BUKI vs ASPI Return



**Chart 2**

## Contribution to wealth growth



# FIVE YEAR SUMMARY

(Amounts expressed in Sri Lankan Rs.'000)

## Group

	31st March 2012	31st March 2011	31st March 2010	31st March 2009	31st March 2008
<b>Operating Results</b>					
Revenue	69,074,225	36,008,053	23,865,375	17,090,940	15,608,223
Profit before taxation	13,777,133	12,795,996	8,267,477	3,145,465	4,492,728
Income tax expenses	3,071,477	2,821,520	1,660,227	580,879	1,136,938
Profit for the year	10,705,656	9,974,476	6,607,250	2,564,586	3,355,790
Non Controlling Interest	4,901,855	4,863,701	3,704,604	1,842,645	2,150,491
Profit attributable to the shareholders of Bukit Darah PLC	5,803,801	5,110,775	2,902,646	721,941	1,205,299
<b>CAPITAL EMPLOYED</b>					
Stated capital	412,635	412,635	101,804	101,804	101,804
Reserves	23,141,596	19,857,231	12,736,409	7,854,119	8,624,709
	23,554,231	20,269,866	12,838,213	7,955,923	8,726,513
Minority shareholders equity interest	27,581,413	25,947,276	18,585,690	11,917,976	12,842,892
Investment through subsidiaries	(10,688)	(12,333)	(12,333)	(12,333)	(12,333)
Short-term and long-term borrowings	37,402,932	23,505,260	12,814,355	12,895,663	8,613,672
	88,527,888	69,710,069	44,225,925	32,757,229	30,170,744
<b>ASSETS EMPLOYED</b>					
Non-current assets	78,240,479	57,006,961	40,802,636	28,106,995	28,451,035
Current assets	24,968,756	20,221,662	10,264,723	10,251,174	7,135,542
	103,209,235	77,228,623	51,067,359	38,358,169	35,586,577
Current liabilities - excluding borrowings	(10,379,677)	(4,767,453)	(4,300,117)	(3,504,332)	(3,648,354)
Non-current liabilities	(889,507)	(773,052)	(873,229)	(816,816)	(658,918)
Deferred liabilities	(3,412,163)	(1,978,049)	(1,668,087)	(1,279,792)	(1,108,561)
	88,527,888	69,710,069	44,225,925	32,757,229	30,170,744
<b>CASH FLOW STATEMENT</b>					
Net cash inflows/(outflows) from operating activities	9,216,029	5,126,379	3,200,718	1,307,552	3,669,990
Net cash used in investing activities	(19,524,648)	(5,239,889)	(5,210,205)	(2,843,461)	(2,577,294)
Net cash generated from/(used in) financing activities	1,347,032	9,859,179	9,025	3,464,071	(909,770)
Net (decrease)/increase in cash & cash equivalents	(8,961,588)	9,745,669	(2,000,462)	1,928,162	182,926
<b>OPERATIONAL RATIOS</b>					
Return on ordinary shareholders' funds (%)	24.49	25.15	22.53	9.07	13.73
Equity to total assets (%)	49.55	59.84	61.53	51.81	60.61
Asset turnover (times)	0.67	0.47	0.47	0.45	0.44
Revenue growth (%)	92.00	51.00	39.64	9.50	62.23
Asset growth (%)	33.64	51.23	33.13	7.79	17.38
Revenue to capital employed (times)	0.78	0.52	0.54	0.52	0.52
No. of employees	14,453	11,672	6,943	8,011	6,581
Revenue per employees (Rs.'000)	4,779	3,085	3,437	2,133	2,372
<b>DEBT &amp; GEARING RATIOS</b>					
Interest cover (times)	8.59	16.52	10.60	6.40	6.40
Debt to equity ratio (%)	73.14	50.86	40.78	64.89	39.93
Gearing ratio (%)	42.24	33.71	28.97	39.35	28.54
<b>LIQUIDITY RATIOS</b>					
Current ratio (times)	1.14	2.16	1.15	1.25	0.90
<b>INVESTOR RATIOS</b>					
Dividend cover (times)	16.46	5.55	3.78	-	23.96
Dividends per share (Rs.)	2.50	9.00	7.50	-	5.00
Rate of dividend (%)	25	90	75.00	-	50
Market value per share (Rs.)	858	1,174	3,000	790	1,400
Market capitalization (Rs.'000)	87,516,000	119,748,000	30,000,000	7,900,000	14,000,000
Earnings per share (Rs.)	41.16	49.98	28.35	7.08	11.82
Price earnings ratio (times)	20.84	23.49	105.82	10.94	11.69
Net assets per ordinary share (Rs.)	230.52	198.32	125.85	77.98	85.54

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors on 24th May, 2012

## GENERAL

The Directors have pleasure in presenting to the Shareholders their report together with the audited financial statements for the year ended 31st March 2012 of Bukit Darah PLC, a public quoted limited liability company incorporated in Sri Lanka in 1916.

## THE PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company consist of investing in Oil Palm Plantations, Oils & Fats, Beverage, Investment Holdings, Real Estate, Leisure and Management Services.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year under review, other than the inclusion of new business sector - Oils & Fats.

## REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The Chairman's Statement and Business Review on pages 8 to 9 and 12 to 18 provide an overall assessment of the business performance of the Group and its future developments. These reports together with audited financial statements reflect the state of affairs of the Company and the Group.

The segment-wise contribution to Group Results, Assets and Liabilities are provided in Note 12 (ii) to the financial statements on pages 90 to 94.

## FINANCIAL STATEMENTS

The financial statements of the Group are prepared in conformity with Sri Lanka Accounting Standards (SLAS); and provide information required by the Companies Act No. 7 of 2007 and the Colombo Stock Exchange Listing Requirements. The Company and its subsidiaries are also guided by other recommended best accounting practices.

## Revenue

Revenue generated by the Company amounted to Rs. 345 mn (2011 - Rs.131 mn), whilst group revenue amounted to Rs 69,074 mn (2011 - Rs.36,008 mn). Contribution to group revenue from the different business segments is provided in Note 12 (ii) to the financial statements.

## Financial Results

The audited results of the Group and of the Company for the financial year ended 31st March 2012 are as follows:

For the year ended 31st March	Group		Company	
	2012 Rs.'000	2011 Rs.'000	2012 Rs.000	2011 Rs.'000
Profit available for appropriation				
From which the following appropriations/distributions have been made:	16,524,347	13,715,789	6,982,428	5,833,443
<b>Dividend</b>				
8% participating cumulative Preference Shares:	(145)	(145)	(145)	(145)
Annual Dividend - 2012 - Rs.71.50 (2011 - Rs.71.50)	(36,699)	(12,895)	(36,699)	(12,895)
Ordinary dividend paid				
Final Dividend- 2012 - Rs.2.50 (2011 - Rs 9.00)	(255,000)	(90,000)	(255,000)	(90,000)
	(291,844)	(103,040)	(291,844)	(103,040)
Leaving a balance to be carried forward	16,232,503	13,612,749	6,690,584	5,730,403

## INDEPENDENT AUDITOR'S REPORT

The independent Auditors' Report on the Financial Statements is given on page 73 of this Annual Report.

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given in Note 6. There have been no changes in the accounting policies adopted by the Group during the year under review except as disclosed Note 6.4 to the financial statements.

**CAPITAL EXPENDITURE**

Details of the Group capital expenditure undertaken during the year by each sector are:

<b>For the year ended 31st March</b>	<b>2012 Rs.'000</b>	<b>2011 Rs.'000</b>
<b>Investment and Assets Management</b>		
Property, plant & equipment	1,239	602
<b>Overseas Plantations</b>		
Property, plant & equipment	9,109,710	3,855,323
Intangible assets	569,770	433,938
<b>Beverage</b>		
Property, plant & equipment	1,357,064	923,055
Intangible assets	21,360	4,289
<b>Real Estate</b>		
Property, plant & equipment	25,534	27,602
<b>Leisure</b>		
Property, plant & equipment	79,432	22,813
<b>Oils &amp; Fats</b>		
Property, plant & equipment	1,283,443	-
Intangible assets	14,340	-
<b>Management Services</b>		
Property, plant & equipment	4,381	10,904
Intangible assets	161	-
	<b>12,466,434</b>	<b>5,278,526</b>

**Value of Investment Portfolio**

The market value/valuation of the Group's investment portfolio as at 31st March, 2012, was Rs.9,169 million (2011 - Rs.14,744 million).

**Value of Investments Properties**

Fair value of the group's investment properties as at 31st March 2012 was Rs 1,862 million (2011 - Rs.1,357 million).

**Market Value of Freehold Properties**

Certain freehold properties (land and buildings) of the Group have been revalued based on independent professional valuations and written-up in the books of account to conform to market value of such properties. Details of such revaluations are given in Note 22 to the financial statements.

**Dividend**

The Directors do not recommend a dividend at this point in time.

The details of the dividends paid during the year are set out in Note 21 to the financial statements.

**Solvency Test**

Solvency test was performed for the final dividend of financial year 2010/11 as required under the Section 56 (2) of the Companies Act No. 07 of 2007.

**Stated Capital**

The Stated Capital of the Company as at 31st March 2012 was Rs. 412,634,772/- consisting of 102,000,000 Ordinary shares and 1,839,568 eight percent Participating Cumulative Preference shares.

**Reserves**

A summary of the Group's reserves is given below

<b>As at 31st March</b>	<b>Group</b>		<b>Company</b>	
	<b>2012 Rs.'000</b>	<b>2011 Rs.'000</b>	<b>2012 Rs.000</b>	<b>2011 Rs.'000</b>
Capital Reserve	3,656,625	2,284,413	40,000	40,000
Revenue Reserve	19,484,971	17,572,818	6,699,867	5,739,686
Total	<b>23,141,596</b>	<b>19,857,231</b>	<b>6,739,867</b>	<b>5,779,686</b>

The movements are shown in the Statements of Changes in Equity given on page 76 to the Annual Report.

### **GOING CONCERN**

Having taken into account the financial position and future prospects, the Directors have a reasonable expectation that the Company & its subsidiaries have adequate resources to continue to be in operational existence in the foreseeable future. For this reason the Company and its subsidiaries continue to adopt the going concern basis in preparing the financial statements.

### **EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the Balance Sheet date, no circumstances have arisen which required adjustments to or disclosure in the financial statements, other than those disclosed in Note 44 to the financial statements.

### **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

#### **New Business Segment - Oils and Fats**

This segment is engaged in manufacturing, marketing and selling of refined oils and specialty fats to Bakery, Chocolate & Confectionery, Ice Cream & Creamer Industries and cooking oil products to end consumers.

#### **Acquisition of PNB Operating Subsidiaries**

Premium Nutrient Private Limited (PNPL) a 100% owned subsidiary of Goodhope Asia Holdings Ltd (GAHL) which is a subsidiary of the Company has successfully concluded the take-over of 3 of the operating entities of Premium Nutrients Bhd. (PNB), a specialty fats manufacturer with operations in Malaysia and India on 7th July 2011. Hence, GAHL Group has now acquired a 100% stake in these three operating Companies viz Premium Vegetable Oils Sdn. Bhd. (PVO), and Premium Fats Sdn. Bhd. (PF) each having manufacturing facilities in Malaysia, and Arani Agro Oil Industries Ltd. (AAO) which has a manufacturing plant in Andhra Pradesh, India.

The total consideration paid by GAHL group for a 100% stake in the said three entities is US\$ 39.4 mn (approx. Rs.4.3 bn).

#### **Disposal of Investments in South Asian Breweries Pte Limited**

On the 18th of August 2011, the Company's subsidiary Lion Brewery (Ceylon) PLC disposed its investment in South Asian Breweries Pte Limited, Singapore, to Carlsberg South Asia Pte Limited at its book value as at that date of Rs.2,187mn.

#### **Change of Name**

The name of Ceylon Brewery PLC was changed to Ceylon Beverage Holdings PLC on 4th May 2011 in accordance with Section 8 of the Companies Act No. 7 of 2007.

#### **Redemption of Preference shares**

Carson Cumberbatch PLC redeemed 5,500,000 Non-voting Cumulative Redeemable Preference shares (Class B) issued to DFCC Bank on 30th June 2011 in accordance with the Articles of Association.

Lion Brewery (Ceylon) PLC redeemed the entirety of the 35Mn (unlisted) Non Voting Redeemable Cumulative Preference shares issued to Ceylon Beverage Holdings PLC on the 31st March 2012 in accordance with Article 4(4)(iv) of the Articles of Association of the Company and Section 67 of the Companies Act No.7 of 2007.

### **Rights issue**

Pegasus Hotels of Ceylon PLC (PEG) concluded a Rights Issue of 3,039,153 fully paid ordinary shares at a ratio of 1:9 based on the shares held as at 20th March 2012 at an issue price of Rs.36/50 per share.

Funds raised through the Rights Issue of shares were utilized to settle the amounts borrowed for the acquisition of Equity Hotels Limited and to settle the amounts due to Carsons Management Services (Pvt) Ltd. The issue was fully subscribed and Rs.110,929,084/50 was raised from the existing shareholders. Accordingly, the Stated Capital of the Company increased to Rs.509,818,020/50.

### **Material change in the use of funds raised through the Rights Issue in of Lion Brewery (Ceylon) PLC in 2009**

Shareholders' concurrence was obtained on the 28th of March 2012 to utilise the funds amounting to Rs.1.2 bn, which was raised through a Rights issue of Lion Brewery (Ceylon) PLC (LION) in 2009 to be utilised towards the on-going expansion programme of LION.

### **Voluntary winding up of subsidiary Companies**

The shareholders of Weniwella Investment Limited and Mylands Investments Limited resolved at a General Meeting held on 5th of December 2011 to Voluntarily windup the Companies as per Section 319(1)(b) of the Companies Act No.07 of 2007.

Equity Seven Limited resolved through a Shareholders' Circular Resolution to Voluntarily windup the Company as per Section 319(1)(b) of the Companies Act No.07 of 2007.

### **Gain on disposal of non current investment**

During the period under review, Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC), made a joint offer to the minority shareholders of the Carsons Group Malaysian oil palm companies, namely Shalimar (Malay) PLC, Indo-Malay PLC, Good Hope PLC and Selinsing PLC to buy their respective shares by offering shares of their respective cross-holding portfolios.

Based on the acceptance of the offer, CCPLC transferred 1,175,474 BDPLC shares and BDPLC transferred 1,424,079 CCPLC shares to the aforesaid Malaysian plantation company shareholders through the trading floor of the CSE, as consideration for the said companies' shares surrendered by them.

This Group restructuring exercise resulted in both CCPLC and BDPLC realizing book gains of Rs. 1,403Mn and Rs.936.9Mn respectively. The gain arising in CCPLC books is shown under "Gain on disposal of non-current investments" in both the Company and Consolidated Income Statements and the associate stake of BDPLC's gain is shown under the "Share of net result of associates".

These gains arose solely from the disposal of strategic shareholdings of the respective companies as a result of a group restructuring exercise which is a one-off transaction hence should be considered as outside the normal course of business.

### **Corporate Governance**

Systems and Procedures are in place to ensure that Corporate Governance is adequately and practically enforced. The Board of Directors has provided that necessary resources and installed appropriate process, to ensure that the group is compliant with the rules of the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka and the relevant Codes of Best Practices on

Corporate Governance issued by regulatory and professional bodies.

### The Board of Directors

The following Directors held office as at the balance sheet date and their brief profiles are given on pages 36 to 43 of the Annual Report.

Name of the Director	Executive	Non-executive	Independent
Mr. H. Selvanathan (Chairman)	✓	-	-
Mr. M. Selvanathan	✓	-	-
Mr. I. Paulraj	-	✓	✓*
Mr. D. C. R. Gunawardena	-	✓	-
Mr. P. C. P. Tissera	✓	-	-
Mr. K. C. N. Fernando	✓	-	-
Mr. L. R. De Lanerolle (Appt w.e.f 28/2/2012)	-	✓	✓
Mr. K. Selvanathan (Alternate Director to Mr. M. Selvanathan)	-	-	-

\* The Board has determined that Mr. I. Paulraj is an independent non executive Director in spite of being on the Board for more than 9 years and a Director of many other companies within the Carson Cumberbatch Group, in which majority of the other Directors of the Board are also Directors and also being on the Board of Rubber Investment Trust Limited that has a significant shareholding in the Company, since he is not directly involved in the management of the Company.

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are responsible for preparation of the Financial Statements of the Group and the Company which reflect a true and fair view of the state of its affairs. The Directors are of the view that the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Significant Accounting Policies and Notes there to appearing on pages 74 to 139 have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 & amendments thereto and Listing Rules of the Colombo Stock Exchange. "The Statement of Directors' Responsibility for Financial Reporting" given on page 70 forms an integral part of this Report.

### Directors' benefit

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive any benefit (other than the benefit as disclosed in Note 18 to the financial statements) by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 45 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the company is a party, with the object or object of enabling directors of the company to acquire benefit by means of acquisition of shares of the company.

### Directors' Meetings Attendance

Four Board Meetings convened during the financial year and the attendance of the Directors were as follows:

Director	Meetings attended (out of 4)
Mr. H. Selvanathan (Chairman)	3
Mr. M. Selvanathan	4
Mr. I. Paulraj	4
Mr. D. C. R. Gunawardena	3
Mr. P. C. P. Tissera	3
Mr. K. C. N. Fernando	4
Mr. L. R. De Lanerolle (Appt w.e.f 28/2/2012)	-
Mr. K. Selvanathan (Alternate Director to Mr. M. Selvanathan)	-

### INTERESTS REGISTER

The Company maintains an Interests Register conforming to the provisions of the Companies Act No. 7 of 2007

All Directors have made declarations as provided for in Section 192 (2) of the Companies Act aforesaid. The relevant details as required by the Companies Act No. 7 of 2007 have been entered in the Interest Register during the year under review.

The Interest Registers is available for inspection as required under the Companies Act.

### DIRECTORS' INTEREST IN CONTRACTS AND SHARES

Directors' interests in contracts of the Company are disclosed in Note 45 to these financial statements and have been declared at meetings of the Directors. The Directors have had no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in Ordinary shares of the Company.

Directors -	No of Ordinary Shares	
	As at 31st March 2012	As at 1st April 2011
<b>(Ordinary Shares)</b>		
H. Selvanathan (Chairman)	153,111	150,960
M. Selvanathan	44,179	40,840
I. Paulraj	1,127	1,020
D.C.R. Gunawardena	-	-
P.C.P. Tissera	-	-
Mr. L. R. De Lanerolle	3,074	-
Mr. K.C.N Fernando	-	-
<b>Alternate Directors</b>		
K. Selvanathan (for M. Selvanathan)		
<b>Preference Shares - 8% Participating</b>		
H. Selvanathan	345,130	695,130
M. Selvanathan	756,452	756,452



(ii) Directors shareholdings in group quoted companies.

As at 31st March	2012	2011
<b>SUBSIDIARIES</b>		
<b>Carson Cumberbatch PLC</b>		
H. Selvanathan	42,318	39,712
M. Selvanathan	32,962	28,197
P.C.P. Tissera	12	3,213
I. Paulraj	129	-
H. Selvanathan & M. Selvanathan	449,820	449,820
<b>Ceylon Guardian Investment Trust PLC</b>		
I. Paulraj	255	255
D.C.R. Gunawardena	255	255
<b>Ceylon Investment PLC</b>		
I. Paulraj	255	255
D.C.R. Gunawardena	255	255
<b>Ceylon Beverage Holdings PLC</b>		
H. Selvanathan	690	690
M. Selvanathan	690	690
D.C.R. Gunawardena	15	15
S.K. Shah	2,632	2,632
I. Paulraj	33	33
<b>Lion Brewery (Ceylon) PLC</b>		
H. Selvanathan	1,579	1,579
M. Selvanathan	1,579	1,579
D.C.R. Gunawardena	34	34
S.K. Shah	6,016	6,017
I. Paulraj	1,675	1,675
<b>Shalimar (Malay) PLC</b>		
H. Selvanathan	-	150
M. Selvanathan	-	150
I. Paulraj	-	150
D.C.R. Gunawardena	-	1
<b>Selinsing PLC</b>		
H. Selvanathan	-	648
M. Selvanathan	-	648
I. Paulraj	-	75
<b>Good Hope PLC</b>		
H. Selvanathan	-	300
M. Selvanathan	-	300
<b>Indo-Malay PLC</b>		
H. Selvanathan	-	2,192
M. Selvanathan	-	3,868
<b>Equity Two PLC</b>		
K.C.N. Fernando	3,600	3,600
<b>Guardian Capital Partners PLC</b>		
I. Paulraj	200	200
D.C.R. Gunawardena	25	25

#### Related party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka

Accounting Standard 30 (Revised 2005) "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. Those transactions disclosed by the Directors are given in Note 45 to the Financial Statements forming part of the Annual Report of the Board.

#### Remuneration of Directors

Directors' remuneration for the financial year ended 31st March 2012 is given in Note 18 (d) to the Financial Statements on page 97.

#### DIRECTORS

The names of the Directors who served during the year are given under Corporate Information provided in the Inner back cover of the Annual Report.

#### Appointments

Mr. L. R. De Lanerolle was appointed as a Non executive/ Independent Director of the Company on 28th February 2012.

#### Directors to Retire By Rotation

In terms of Articles 82 and 83 of the Articles of Association of the Company, Mr. H. Selvanathan retires by rotation and being eligible offers himself for re-election.

#### Retirement at the 1st AGM following Appointment as Director

In terms of Article 89 of the Articles of Association of the Company, Mr. L. R. De Lanerolle retires from the Board and being eligible offers himself for re-election.

#### Appointment of Directors who are over 70 years of age

Upon the recommendation of the Nomination Committee of the Company and the Board, it is recommended that Mr. I. Paulraj who is over 70 years of age be re-appointed as a Director of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in Section 210 of the Companies Act No.7 of 2007 shall not be applicable.

#### Board Committees

The Board while assuming the overall responsibility and accountability for the management oversight of the company has also appointed Board Committees to ensure oversight and control over certain affairs of the company.

#### Remuneration Committee

As per the Rule 7.10.5 of the Listing Rules of the Colombo Stock Exchange, a Remuneration Committee of the Company was formed with effect from 28th February 2012 and comprises of the following members.

#### Remuneration Committee Members

	Executive	Non-executive	Independent
Mr. I. Paulraj (Chairman)	-	✓	✓
Mr. D.C.R. Gunawardena	-	✓	-
Mr. L. R. De Lanerolle	-	✓	✓

A remuneration policy has been formulated based on market and industry factors and individual performance for all group Companies.

Aggregated remuneration paid to the Non-Executive Directors of the Company is disclosed under Note 18 on page 97 of this Report.

### Audit Committee

As per the Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange, the Audit Committee of the Company comprises of the following members.

#### Audit Committee members

	Executive	Non-executive	Independent
Mr. L. R. De Lanerolle (Chairman) *	-	✓	✓
Mr. I. Paulraj*	-	✓	✓
Mr. D.C.R. Gunawardena	-	✓	-

\* Messers I. Paulraj and L. R. De Lanerolle were appointed to the Audit Committee with effect from 28th February 2012.

Mr. V. P. Malalasekera who served as Chairman of the Audit Committee during the financial year has stepped down from the Audit Committee with effect from 28th February 2012.

The Audit Committee Report is given on page 50 of this Annual Report.

### Nomination Committee

A Nomination Committee for the Company was formed with effect from 28th February 2012 and same comprises of the following members:

#### Nomination Committee members

	Executive	Non-executive	Independent
Mr. I. Paulraj (Chairman)	-	✓	✓
Mr. D.C.R. Gunawardena	-	✓	-
Mr. L. R. De Lanerolle	-	✓	✓

The primary objective of the Nomination Committee is to lead the process for Board appointments of new Directors to the Board and the nominations of members to represent the Company in Group Companies / Investee Companies.

### AUDITORS

#### Company

Company's Auditors during the year under review were Messrs KPMG, Chartered Accountants.

A sum of Rs.372,000/- was paid to them by the Company as audit fees for the year ended 31st March 2012 (2011- Rs 200,000/-).

The retiring Auditors have expressed their willingness to continue in office. A resolution to re-appoint them as Auditors and authorizing the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

The Audit Committee reviewed the appointment of the Auditor, its effectiveness and its relationship with the group, including the scope of audit and non-audit fees paid to the Auditor.

#### Group

The group works with many firms of Chartered Accountants in Sri Lanka and abroad, namely, KPMG and Ernst & Young. Details of audit fees are set out in Note 18 of the financial statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report.

### 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 and its subsidiaries that would impair their independence.

### Internal control and Risk Management

The ultimate responsibility to establish, monitor and review a group wide internal control system rests with the Board of Directors. The intensity, depth and the tolerance limits for each component of the internal control system would be based on the weight of the element of risk imposed on the sustenance of the business by respective area of operation. Whilst a strong internal control system would mitigate the crystallization of risk elements to a greater extent, employment of external support structures would also be necessary based on the risk assessments made thereon.

The delegation of effective maintenance of internal controls and risk identification and mitigation is handed down to the respective CFO's within the guidelines of benchmark policies, procedures and authority limits clearly laid down. This team is supported by the risk officers appointed per sector. The risk officers would confer with the respective management teams and will update the risk registers and the relevant action plans to be followed by the management teams in their respective spheres of operation. Group Internal Audit, whose scope of scrutiny is entirely driven by the grading of the risk involved will be monitoring and providing the feedback to the management and the respective Audit Committees.

Regular submission of compliance and internal solvency certificates vouched by the heads of the respective divisions as a mandatory agenda item keeps the directors abreast of the health of the company resource base and governance requirements. This allows the Board to have total control of the fulfillment of governance requirements by providing opportunity to take timely preventive action in case of potential deterioration of status quo.

More detailed description of the Risk management strategies of the Company is given on pages 51 to 55.

### Outstanding Litigation

In the opinion of the Directors and in consultation with the company lawyers, litigations currently pending against the company will not have material impact on the reported financial results of future operations of the company. Details of litigations pending against the company are given in Note 42 on page 134 of the Annual Report.

### STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments have been paid up to date or have been provided for in these financial statements.

### Compliance with Laws and regulations

The Company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed company. The officers management responsible for compliance, tables a report on the compliance at the quarterly meetings of the Audit Committee/ Respective Board.

## HUMAN RESOURCE

The Group continued to invest in Human Capital Development and implement effective Human Resource practices and policies to develop and build an efficient and effective workforce aligned around new business priorities and to ensure that its employees are developing the skills and knowledge required for the future success of the Group.

The number of persons employed by the Group as at 31st March 2012 was 14,453 (31st March 2011 – 11,672). The Company had no employees as at 31st March 2012 (2011 - Nil).

## MANAGEMENT ARM

Carsons Management Services (Pvt) Ltd, the group's management arm, ceased to be the Managers of the Company with effect from 31st December 2011.

## DONATIONS

The Group and the company made donations amounting to Rs. 36 mn and Rs. 0.5 mn during the year under review (2011 - Rs. 28 mn and - Rs. 0.6 mn)

## MAJOR SHAREHOLDERS

As at 31st March

	2012		2011	
	No. of Shares	%	No. of Shares	%
<b>Twenty Major Shareholders - Ordinary Shares (Voting)</b>				
1. Rubber Investment Trust Limited	20,438,250	20.04	20,438,250	20.04
2. Portelet Limited	9,409,500	9.23	9,409,500	9.23
3. Skan Investments Limited	8,357,876	8.19	8,285,175	8.12
4. Good Hope Holdings (Pvt) Limited	8,046,752	7.89	7,957,475	7.80
5. Newgreens Limited	7,905,000	7.75	7,905,000	7.75
6. Interkrish Investment Company (Pvt) Limited	7,314,895	7.17	7,299,998	7.16
7. Krish Investment Company (Pvt) Limited	7,304,142	7.16	7,299,947	7.16
8. Carson Cumberbatch PLC	6,270,781	6.15	7,446,255	7.30
9. Natwest Nominees (Pvt) Limited	4,392,433	4.31	4,206,465	4.12
10. Wardley Investments (Pvt) Limited	4,312,809	4.23	4,183,770	4.10
11. Gee Gees Properties (Pvt) Ltd	3,734,220	3.66	3,734,220	3.66
12. S Kanapathy Chetty (Pvt) Limited	2,139,922	2.10	2,120,260	2.08
13. Employees Provident Fund	1,437,063	1.41	769,463	0.75
14. Ceylon Finance & Securities (Pvt) Limited	1,006,085	0.99	1,005,730	0.99
15. Thurston Investments Limited	933,546	0.92	886,360	0.87
16. Pershing LLC S/A Averbach Grauson & Co.	842,996	0.83	815,180	0.80
17. Mr. E.A. Samaraweera	612,000	0.60	612,000	0.60
18. Mrs. H. Pope (Decd)	612,000	0.60	612,000	0.60
19. Mr.K.C. Vignarajah	602,570	0.59	588,461	0.58
20. Mr. W. Tippetts	520,200	0.51	520,200	0.51
	96,193,040	94.31	96,095,709	94.21

## SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on pages 56 to 62 of the Annual Report. Information on share trading is given on page 56 of the Annual Report.

## EQUITABLE TREATMENT OF SHAREHOLDERS

All shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

## ANNUAL REPORT

The Board of Directors approved the Company financial statements and the consolidated financial statements together with the reviews which forms a part of the Annual Report on 24th May 2012. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the given time frames.

## ANNUAL GENERAL MEETING

The 96th Annual General Meeting of the Company will be held on Friday, 06th day of July 2012 at 4.30 p.m. at the 'Crystal Room', Upper Floor, Taj Samudra Hotel, No. 25, Galle Face Centre Road, Colombo 3.

The Notice of the Annual General Meeting is on page 146 of the Annual Report.

Signed on behalf of the Board,

(Sgd.)  
**H. Selvanathan**  
Chairman

Colombo  
24th May 2012

(Sgd.)  
**M. Selvanathan**  
Director

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with the companies Act No.7 of 2007 and Sri Lanka Accounting and Auditing standards Act No. 15 of 1995, and required to prepare financial statements for each financial year that present fairly the financial position of the group and the financial performance and cash flows of the group for that period.

In preparing those financial statements, the directors are required to:

- Select suitable Accounting Policies and applied consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosure when compliance with the specific requirements of Sri Lanka Accounting Standard is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group's financial position and financial performance.
- State that the company has complied with Sri Lanka Accounting standards, subject to any material departures disclosed and explained in the consolidated financial statements.
- Make Reasonable and prudent judgments and estimates.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act No. 7 of 2007 and Sri Lanka Accounting standards. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The group's business activities, performance, position and risks are set out in the report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are detailed in the notes to the financial statements. The report also includes details of the group's risk mitigation and management. The group has considerable financial resources, and the directors believe that the group is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future from the date of signing these financial statements. Accordingly, they continue to

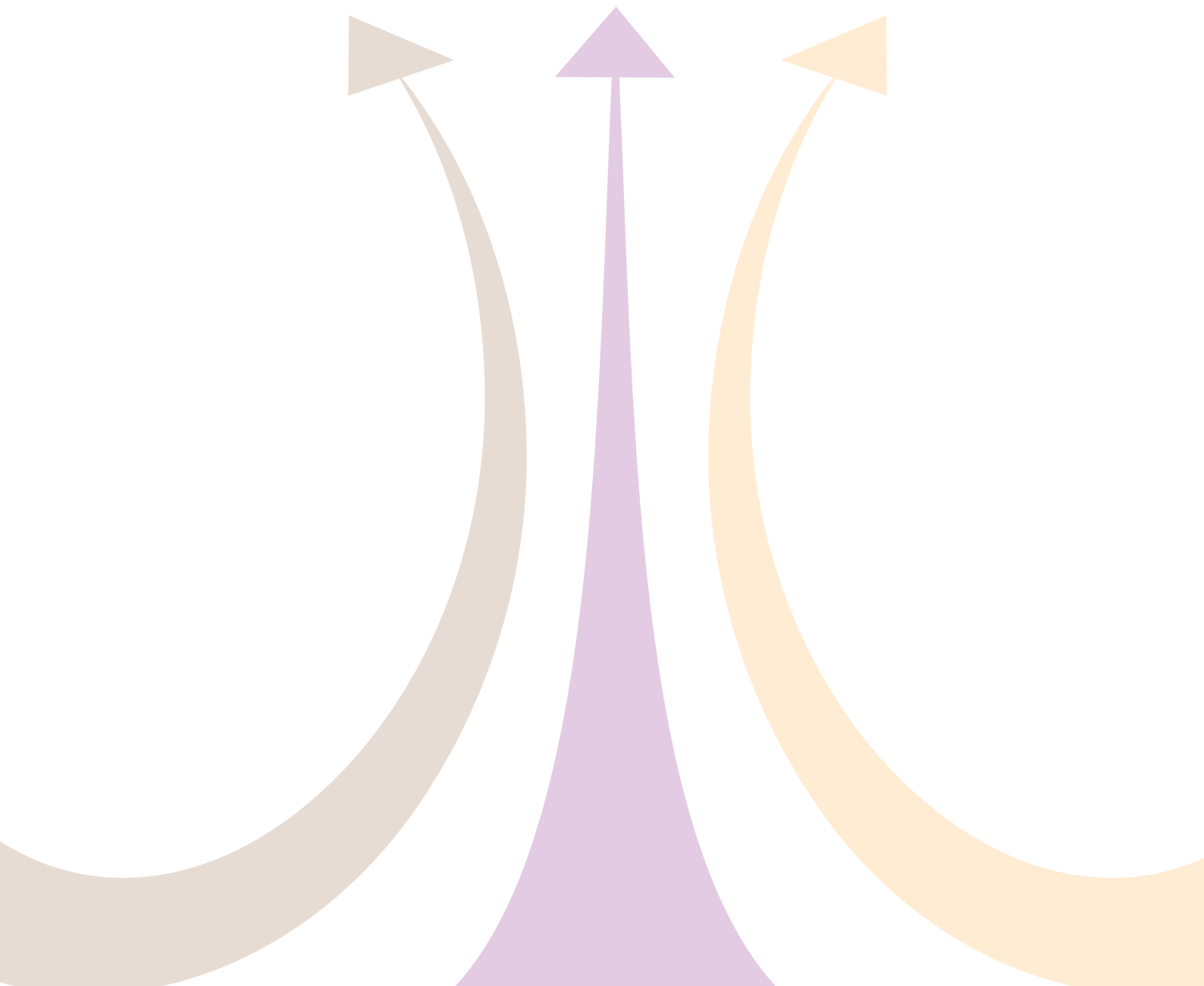
adopt the going concern basis in preparing the annual report and accounts.

The Directors are also of the view that they have discharged their responsibilities as set out in this statement.

By Order of the Board

(Sgd)  
**K.D. de Silva (Mrs.)**  
*Director*  
**Carsons Management Services (Pvt) Ltd**  
*Secretaries*

24th May 2012





# FINANCIAL CALENDAR

Financial Year End - 31st March 2012

**Announcement of Results**

1st Quarter - 12th August 2011

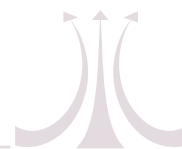
2nd Quarter - 14th November 2011

3rd Quarter - 14th February 2012

Notice of Annual General Meeting - 24th May 2012

96th Annual General Meeting - 6th July 2012





**KPMG**  
(Chartered Accountants)  
32A, Sir Mohamed Macan Markar Mawatha,  
P. O. Box 186,  
Colombo 00300,  
Sri Lanka.

Tel : +94 - 11 542 6426  
Fax : +94 - 11 244 5872  
+94 - 11 244 6058  
+94 - 11 254 1249  
+94 - 11 230 7345  
Internet : www.lk.kpmg.com

## TO THE SHAREHOLDERS OF BUKIT DARAH PLC Report on the Financial Statements

We have audited the accompanying financial statements of Bukit Darah PLC ("Company"), the consolidated financial statements of the Company and its subsidiaries as at 31st March 2012, which comprise the balance sheet as at that date, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 74 to 139 of this Annual Report.

### Management's Responsibility for the Financial Statements

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 misstatement, 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

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 misstatement.

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 policies 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

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2012 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2012 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at 31st March 2012 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the shareholders of the Company.

### Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Sections 153(2) to 153(7) as appropriate of the Companies Act No. 07 of 2007.

### CHARTERED ACCOUNTANTS

Colombo  
24 May 2012

# Income Statements

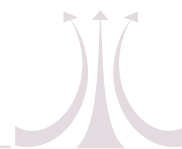
(Amounts expressed in Sri Lankan Rs.'000)

For the year ended 31st March	Note	Group			Company		
		2012	2011 (Restated)	Change %	2012	2011	Change %
<b>Revenue</b>	12	69,074,225	36,008,053	92	345,486	130,965	164
Direct operating expenses		(44,149,326)	(15,693,226)	181	-	-	-
		24,924,899	20,314,827	23	345,486	130,965	164
Gain on disposal of non current investments	13	2,331,554	22,343	10,335	927,766	3,565,695	(74)
Changes in fair value of investment properties	24	24,907	30,248	(18)	-	-	-
Mark to market value adjustments - Unrealized		(699,397)	217,363	(422)	-	-	-
Other income	14	948,774	252,379	276	-	-	-
Distribution expenses		(4,348,595)	(3,390,879)	28	-	-	-
Administrative expenses		(6,460,785)	(4,266,694)	51	(19,283)	(19,132)	1
Other operating expenses	15	(197,851)	(154,706)	28	-	-	-
Finance expenses	16	(2,004,542)	(775,413)	159	(944)	(428)	121
Foreign exchange gain/(loss)	17	(741,308)	546,528	(236)	-	-	-
Share of net result of joint venture (net of tax)	26	(523)	-	100	-	-	-
<b>Profit before income tax</b>	18	13,777,133	12,795,996	8	1,253,025	3,677,100	(66)
Income tax expenses							
Taxation - Current taxation	19	(3,242,148)	(2,287,265)	42	(1,000)	(290)	245
- Deferred taxation	19	170,671	(534,255)	(132)	-	-	-
		(3,071,477)	(2,821,520)	9	(1,000)	(290)	245
<b>Profit for the year</b>		10,705,656	9,974,476	7	1,252,025	3,676,810	(66)
<b>Profit Attributable to</b>							
Owners of the Company		5,803,801	5,110,775	14	1,252,025	3,676,810	(66)
Non controlling interest		4,901,855	4,863,701	1	-	-	-
<b>Profit for the year</b>		10,705,656	9,974,476	7	1,252,025	3,676,810	(66)
Earnings per ordinary share (Rs.)	20	41.16	49.98	(18)	2.82	0.96	194
Dividend per ordinary share (Rs.)	21	2.50	9.00	(72)	2.50	9.00	(72)

Notes from pages 78 to 139 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Balance Sheets



(Amounts expressed in Sri Lankan Rs. '000)

As at 31st March	Note	Group		Company	
		2012	2011 (Restated)	2012	2011
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant & equipment	22	60,481,589	39,082,956	-	-
Prepaid lease payment	23	3,426,182	1,631,214	-	-
Investment properties	24	1,862,478	1,356,979	-	-
Intangible assets	25	3,092,139	807,214	-	-
Investment in subsidiaries	26	-	-	7,139,064	6,194,692
Investment in joint venture	26	19,477	-	-	-
Long-term investments	27	8,356,276	13,542,272	-	-
Land compensation receivable	28	189,463	189,463	-	-
Deferred tax asset	19	812,875	396,863	-	-
<b>Total non-current assets</b>		<b>78,240,479</b>	<b>57,006,961</b>	<b>7,139,064</b>	<b>6,194,692</b>
<b>Current Assets</b>					
Inventories	29	8,174,645	3,983,882	-	-
Trade and other receivables	30	7,344,194	3,803,022	984	870
Tax receivables		79,994	104,759	742	988
Short-term investments	31	813,347	1,202,224	-	-
Cash and cash equivalents	32	8,556,576	11,127,775	49,781	73,029
<b>Total current assets</b>		<b>24,968,756</b>	<b>20,221,662</b>	<b>51,507</b>	<b>74,887</b>
<b>Total assets</b>		<b>103,209,235</b>	<b>77,228,623</b>	<b>7,190,571</b>	<b>6,269,579</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Stated capital	33	412,635	412,635	412,635	412,635
Capital reserves	34	3,656,625	2,284,413	40,000	40,000
Revenue reserves	35	19,484,971	17,572,818	6,699,867	5,739,686
Equity attributable to owners of the company		23,554,231	20,269,866	7,152,502	6,192,321
Non-controlling interest		27,581,413	25,947,276	-	-
<b>Total equity</b>		<b>51,135,644</b>	<b>46,217,142</b>	<b>7,152,502</b>	<b>6,192,321</b>
Investment through subsidiary		(10,688)	(12,333)	-	-
		<b>51,124,956</b>	<b>46,204,809</b>	<b>7,152,502</b>	<b>6,192,321</b>
<b>Non-Current Liabilities</b>					
Long-term borrowings	36	25,940,503	18,924,549	-	-
Trade and other payables	37	889,507	773,052	-	-
Employee benefits	39	545,631	334,093	-	-
Deferred tax liability	19	2,866,532	1,643,956	-	-
<b>Total non-current liabilities</b>		<b>30,242,173</b>	<b>21,675,650</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>					
Trade and other payables	37	8,841,158	3,788,782	38,069	27,208
Current tax liabilities		1,538,519	978,671	-	-
Amounts due to related companies	38	-	-	-	50,050
Long-term borrowings falling due within one year	36	2,715,313	2,223,984	-	-
Short-term borrowings		7,534,409	552,000	-	-
Bank overdraft		1,212,707	1,804,727	-	-
<b>Total current liabilities</b>		<b>21,842,106</b>	<b>9,348,164</b>	<b>38,069</b>	<b>77,258</b>
<b>Total liabilities</b>		<b>52,084,279</b>	<b>31,023,814</b>	<b>38,069</b>	<b>77,258</b>
<b>Total equity and liabilities</b>		<b>103,209,235</b>	<b>77,228,623</b>	<b>7,190,571</b>	<b>6,269,579</b>
<b>Net assets per ordinary share (Rs.)</b>	43	<b>230.52</b>	<b>198.32</b>	<b>69.72</b>	<b>60.31</b>

Notes from pages 78 to 139 form an integral part of these Financial Statements.

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

(Sgd.)

**A.P. Weeratunge**  
Chief Financial Officer

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

These financial statements were approved by the board on 24th May 2012.

(Sgd.)

**H. Selvanathan**  
Chairman

(Sgd.)

**M. Selvanathan**  
Director

# Statements of Changes in Equity

(Amounts expressed in Sri Lankan Rs. '000)

	Stated Capital			Capital Reserves			Revenue Reserves			Attributable to owners of the company (Restated)	Non-controlling interest (Restated)	Total Equity (Restated)
	Ordinary Share	Preference Share	Capital Redemption Reserve	Revaluation Reserve	Other Capital Reserve (Restated)	General Reserve	Currency Translation Reserve (Restated)	Investment Property Fair Value Adjustment Reserve	Market Revaluation Reserve			
<b>Group</b>												
Balance as at 1st April 2010	100,000	1,804	40,000	168,070	1,083,973	205,581	834,469	462,468	997,031	8,944,818	18,585,690	31,423,904
Retrospective adjustment (Note A)	-	-	-	-	-	-	-	-	-	(78,861)	(352,947)	(431,808)
Balance as at 1st April 2010 (Restated)	100,000	1,804	40,000	168,070	1,083,973	205,581	834,469	462,468	997,031	8,865,957	18,232,743	30,992,096
Capitalization of reserves	271,880	38,951	-	-	-	-	-	-	-	(310,831)	-	-
Appreciation of Long-term investments	-	-	-	-	-	-	-	-	1,075,125	(22,016)	2,834,647	3,909,772
Redemption of Preference shares	-	-	-	-	(29,604)	-	-	-	-	(51,620)	(59,630)	(111,250)
Revaluation of property, plant & equipment	-	-	-	232,879	-	-	-	-	-	232,879	663,369	896,248
Goodwill on change in shareholdings (Note C)	-	-	-	-	-	-	-	-	-	(1,461,087)	-	(1,461,087)
Negative goodwill on change in shareholdings (Note C)	-	-	-	-	-	-	-	-	-	510,675	-	510,675
Changes in equity (Note B)	-	-	-	-	733,746	-	318,324	(90,450)	(29,830)	1,022,316	(945,114)	1,008,993
Exchange translation differences	-	-	-	-	55,349	-	187,351	-	-	242,700	1,528,843	1,771,543
Net income recognized directly in equity	271,880	38,951	-	232,879	759,491	-	505,675	(90,450)	1,045,295	(260,943)	4,022,115	6,524,894
Profit for the period	-	-	-	-	-	-	-	-	-	5,110,775	4,863,701	9,974,476
Total recognized income and expense	271,880	38,951	-	232,879	759,491	-	505,675	(90,450)	1,045,295	4,849,832	8,885,816	16,499,370
Dividend paid (Note 35)	-	-	-	-	-	-	-	-	-	(103,040)	(1,171,283)	(1,274,323)
Balance as at 1st April 2011	371,880	40,755	40,000	400,949	1,843,464	205,581	1,340,144	372,018	2,042,326	13,612,749	20,769,866	46,217,142
Depreciation of Long-term investments	-	-	-	-	-	-	-	-	(819,132)	(25,124)	(29,876)	(55,000)
Redemption of Preference shares	-	-	-	-	-	-	-	-	-	(25,124)	-	(25,124)
Revaluation of property, plant & equipment	-	-	-	48,329	-	-	-	-	-	(2,867,079)	65,739	114,068
Goodwill on change in shareholdings (Note C)	-	-	-	-	-	-	-	-	-	-	-	-
Non-Controlling interest arising on the acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	(979,358)	(3,846,437)
Changes in equity	-	-	-	-	441,748	-	14,483	-	-	-	906,353	906,353
Exchange translation differences	-	-	-	-	882,135	-	97,048	-	-	-	15,590	471,821
Net income/(Expenses) recognized directly in equity	-	-	-	48,329	1,323,883	-	111,531	-	(819,132)	(2,892,203)	(1,578,493)	(3,806,085)
Profit for the period	-	-	-	48,329	1,323,883	-	111,531	-	(819,132)	5,803,801	4,901,855	10,705,656
Total recognized income and expense	-	-	-	48,329	1,323,883	-	111,531	-	(819,132)	2,911,598	3,323,362	6,899,571
Dividend paid (Note 35)	-	-	-	-	-	-	-	-	-	(291,844)	(1,889,225)	(1,981,069)
Balance as at 31st March, 2012	371,880	40,755	40,000	449,278	3,167,347	205,581	1,451,675	372,018	1,223,194	16,232,503	23,554,231	51,135,644
<b>Company</b>												
Balance as at 1st April, 2010	100,000	1,804	40,000	-	-	9,283	-	-	-	2,467,465	2,618,552	2,618,552
Capitalization of reserves	271,880	38,951	-	-	-	-	-	-	-	(310,831)	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	3,676,810	3,676,810	3,676,810
Dividend paid (Note 35)	-	-	-	-	-	-	-	-	-	(103,040)	-	(103,040)
Balance as at 1st April, 2011	371,880	40,755	40,000	-	-	9,283	-	-	-	5,730,403	6,192,321	6,192,321
Capitalization of reserves	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	1,252,025	1,252,025	1,252,025
Dividend paid (Note 35)	-	-	-	-	-	-	-	-	-	(291,844)	(291,844)	(291,844)
Balance as at 31st March, 2012	371,880	40,755	40,000	-	-	9,283	-	-	-	6,690,584	7,152,502	7,152,502

## Note A – Retrospective adjustment

During the current year Lion Brewery (Ceylon) PLC, a group entity, modified the classification of Returnable Containers comprising of bottles, crates, pallets and kegs from Inventories to Property, Plant and Equipment to reflect more appropriately the nature and the way in which the said assets are used in business operations.

## Note B – Consolidation

The Profit/Equity attributable to the equity holders of the Company have been understated during the year end 31st March 2011, due to an error in the computation of effective percentage holding. Accordingly, the Profit/Equity attributable to the owners of the Company and Non-controlling interest in the prior year financial statements have been re-stated in line with Sri Lanka Accounting Standard 10 – Accounting Policies, Changes in Accounting Estimates and Errors. The said correction has been included in the statement of changes in equity above.

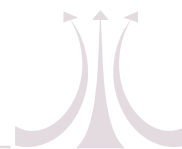
## Note C

Changes in parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. These are recognized directly in equity and attributed to the owners of the parent.

Notes from pages 78 to 139 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Cash Flow Statements



(Amounts expressed in Sri Lankan Rs. '000)

For the year ended 31st March	Group		Company	
	2012	2011 (Restated)	2012	2011
<b>Cash Flows From Operating Activities</b>				
<b>Profit for the year</b>	10,705,656	9,974,476	1,252,025	3,676,810
Adjustments for:				
Foreign exchange loss	741,308	(546,528)	-	-
Gain on disposal of non-current investments	(2,331,554)	-	(927,766)	(3,565,695)
Impairment of business assets	-	2,888	-	-
Bargain purchase of on acquisition of subsidiaries	(124,495)	(245,980)	-	-
Fair value adjustment - investment properties	(24,907)	(30,248)	-	-
Mark to market value adjustments - Unrealized	699,397	(217,363)	-	-
Share of net results of joint venture	523	-	-	-
Adjustment on Property, Plant and Equipment	-	131,341	-	-
Depreciation	2,657,604	1,405,160	-	-
Amortization of intangible assets/prepaid lease payment	155,844	97,672	-	-
Provision for retiring gratuity	175,378	116,020	-	-
Finance costs	2,004,542	775,413	-	-
Profit / (loss) on disposal of property, plant & equipment	(31,474)	4,185	-	-
Write off of property plant & equipment	4,576	432,526	-	-
Income tax expenses	3,071,477	2,821,520	1,000	290
<b>Operating cash flows before working capital changes</b>	17,703,875	14,721,082	325,259	111,405
Increase in inventories	(2,316,551)	(788,215)	-	-
(Increase)/decrease in trade and other receivables	628,320	529,509	(114)	(192)
Increase/(decrease) in amounts due to related companies	-	(3,746,069)	(50,050)	50,050
Increase/(decrease) in trade and other payables	(1,832,352)	177,901	1,075	295
	14,183,292	10,894,208	276,170	161,558
Net cash flow used in investments	(215,700)	(2,771,969)	-	-
<b>Net cash generated from operating activities</b>	13,967,592	8,122,239	276,170	161,558
Finance costs paid	(2,079,815)	(902,992)	-	-
Tax paid	(2,655,814)	(2,080,487)	(754)	(370)
Retiring gratuity paid	(15,934)	(12,381)	-	-
<b>Net cash inflow from operating activities</b>	9,216,029	5,126,379	275,416	161,188
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant & equipment	(11,790,739)	(4,667,720)	-	-
Purchase of intangible assets/prepaid lease payment	(605,631)	(438,227)	-	-
Acquisition of Subsidiaries Net of Cash (Note 26 b)	(4,414,720)	-	(953,572)	(5,540,811)
Proceeds from disposal of long-term investments in Subsidiaries / associates	-	-	936,966	5,493,835
Acquisition of Non -controlling interest	(2,927,016)	(298,945)	-	-
Investment in Subsidiary Companies	-	(131,398)	-	-
Proceeds from disposal of Assets held for sale	-	161,867	-	-
Investment in joint venture company	(20,000)	-	-	-
Proceeds from disposal of property, plant & equipment	117,003	12,650	-	-
Deposits received	133,004	126,122	-	-
Deposits refunded	(16,549)	(4,238)	-	-
<b>Net cash used in Investing activities</b>	(19,524,648)	(5,239,889)	(16,606)	(46,976)
<b>Cash Flow from Financing Activities</b>				
Proceeds from long-term loans	6,499,267	13,466,990	-	-
Repayment of loans	(4,002,767)	(2,191,298)	-	-
Redemption of preference shares	(55,000)	(111,250)	-	-
Repayment of finance lease creditors	(69,301)	(31,916)	-	-
Net decrease in non controlling interest	(743,110)	(1,171,283)	-	-
Dividends paid (including preference dividends)	(282,058)	(102,064)	(282,058)	(102,064)
<b>Net cash generated from/(used in) financing activities</b>	1,347,031	9,859,179	(282,058)	(102,064)
<b>Increase/(Decrease) in cash and cash equivalents</b>	(8,961,588)	9,745,669	(23,248)	12,148
<b>Cash and cash equivalents at the beginning of the year</b>	8,771,048	(974,621)	73,029	60,881
<b>Cash and cash equivalents at the end of the year [Note 32(b)]</b>	(190,540)	8,771,048	49,781	73,029

Notes from pages 78 to 139 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

# Notes to the Financial Statements

## 1. REPORTING ENTITY

Bukit Darah PLC is a limited liability company which is incorporated in Sri Lanka. The shares of the company have a primary listing on the Colombo Stock Exchange.

The registered office and principal place of business of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 1.

The consolidated Financial Statements for the year ended 31st March, 2012 comprise the financial information of Company and its subsidiaries (together referred to as the "Group" and individually Group entities) and the Group's interest in its associates.

The Group is a diversified conglomerate and one of the foremost business establishments in Sri Lanka backed by a heritage of well over 100 years. Today it is positioned as a company whose outlook is regional, focused on a future which is technology-oriented, results driven and world class.

The businesses of the Group range from oil palm plantations and related Oils and Fats industry in Malaysia, India and Indonesia, to breweries, investment holdings, portfolio management, real estate and leisure in Sri Lanka. The Group has offices in Malaysia, Singapore, India and Indonesia.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review, other than the acquisition of new business in Oils and Fats industry.

Of the 47 Subsidiaries and 1 Joint Venture Company set out in Note 26 (A) & (B) (page 112 to 115) to the Financial Statements, 14 companies are listed on the Colombo Stock Exchange.

Group had 14,453 (2011 - 11,672) employees at the end of the financial year. The Company had no employees as at the Balance Sheet date.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Financial Statements of the Company and the Group comprise the Balance Sheet, Statements of Income, Statement of Changes in Equity and Cash Flows together with the Notes to the Financial Statements. These statements are prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Companies Act No. 7 of 2007.

The consolidated financial statements for the year ended March 31, 2012 were authorized for issue by the Board of Directors on 24th May 2012.

### 2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following;

- i. Freehold properties classified under Property Plant & Equipment (PPE) are measured at cost at the time of acquisition and subsequently at revalued amount, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- ii. Investment property is measured at fair value.
- iii. Short-term and Long-term quoted investments are measured at market value.

## 3. FUNCTIONAL AND PRESENTATION CURRENCY

All values presented in the Financial Statements are in Sri Lankan Rupees Thousand (Rs.'000) unless otherwise indicated.

The individual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which such entity operates ('the functional currency').

The consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the Company's functional currency.

## 4. USES OF ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation and uncertainty that have the most significant effect on the amounts recognized in the Financial Statements are described below.

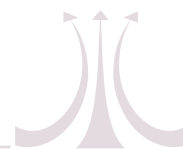
### 4.1 Assessment of Impairment

The Group assesses at each Balance Sheet date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.

The carrying value of goodwill is reviewed at each Balance Sheet date and is written down to the extent that it is no longer supported by probable future benefits. Goodwill is allocated to CGU for the purpose of impairment testing.





#### 4.2 Current Taxation

Current tax liabilities arise to the Group in various Jurisdictions. These liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulations which the management believes reflect the actual liability. There can be instances where the stand taken by the Group on transactions is contested by Revenue Authorities. Any additional costs on account of these issues are accounted for as a tax expense at the point the liability is confirmed on any Group entity.

#### 4.3 Value of Unquoted Investments

The unquoted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Company to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty.

#### 4.4 Defined Benefit Plan - Gratuity

The cost of defined benefit plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

#### 4.5 Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the level of future taxable profits together with future tax planning strategies.

### JUDGEMENTS

#### 4.6 Owner Occupied Properties and Investment Property

In determining whether a property qualifies as Investment Property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services provided are significant, so that a property does not qualify as investment property.

### 5. MATERIALITY AND AGGREGATION

Each material class of similar items is presented in aggregate in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

### 6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group in consistence with the previous years except in the instance of returnable containers where previous classification has been modified as described in Note 6.4, 22 (I), 29 and 30. The said change has been applied retrospectively.

### 6.1 Basis of Consolidation (i) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently exercisable are taken into account. The financial statements of Subsidiaries are included in the Consolidated Financial Statements from the date that control effectively commences until the date that control effectively ceases.

The Consolidated Financial Statements are prepared to a common financial year end of 31st March. The accounting policies of Subsidiaries have been changed where ever necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost less impairment if any, in net Recoverable value.

The carrying amount of the investment at the date that such entity ceases to be a Subsidiary would be regarded as the cost on initial measurement of a financial asset in accordance with Sri Lanka Accounting Standard 22 "Accounting for Investments".

Company has consolidated the Financial Statements of Carson Cumberbatch PLC (CCPLC) with the Group on the following basis;

(a) Company has a direct holding of 45.68% of the voting rights of CCPLC.

(b) Directors are of the opinion that this direct holding is significant enough to influence other shareholders to obtain a clear majority of the voting rights of CCPLC.

(c) Directors are also of the opinion that consolidation of Financial Statements of CCPLC gives a true and fair view of the affairs to the Shareholders of the Company.

A list of Subsidiaries within the Group is provided in Note 26 (A).

### (ii) Transactions Eliminated on Consolidation

Intra-group transactions, balances and unrealized gains on transactions arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealized gains arising from transactions with quite accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

**(iii) Transaction with non-controlling interests**

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Transactions with Non-controlling interests are accounted for using the parent entity extension approach, whereby on acquisition of Non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognized directly in goodwill. Gain or loss on disposal to Non-controlling interests is recognized in the income statement.

**(iv) Associates**

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognized as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. The Group's profit or loss reflects share of the associates' profit or loss after tax and non-controlling interests in the subsidiaries of associates. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement. The financial statements of associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognized in the income statement.

**(v) Jointly controlled entity**

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

**(vi) Financial year end**

All companies in the Group have a common financial year which ends on 31st March.

**6.2 Foreign Currencies**

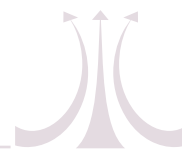
**(i) Foreign Currency Transactions**

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in functional currencies using the exchange rates prevailing at the dates of the transactions. At each Balance Sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising in relation to the development of palm oil plantation and on monetary items that form part of the Group's net investment in foreign operations. Exchange differences incurred in relation to the development of palm oil plantation are capitalized to the related qualifying asset.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognized in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognized in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognized in profit or loss in the Company's Financial Statements or the individual Financial Statements of the foreign operations, as appropriate.



Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity. Exchange differences arising from such non-monetary items are also recognized directly in equity.

**(ii) Foreign Operations**

The results and financial position of foreign operations that have a functional currency different from the presentation currency (LKR) of the consolidated Financial Statements are translated into LKR as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the Balance Sheet date.
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- On disposal of foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.
- The exchange rates applicable during the period were as follows:

	Balance Sheet Closing Rate		Income Statement Average Rate	
	2012	2011	2012	2011
Malaysian Ringgit	41.84	36.46	36.39	35.43
US Dollar	128.10	110.40	112.18	112.13
Indonesian Rupiah (Rp)	0.01295	0.01268	0.0127	0.01252
Singapore Dollar	101.89	87.56	89.32	83.77
Indian Rupee (INR)	2.50	-	2.34	-

**ASSETS AND BASES OF THEIR VALUATION**

Assets classified as current assets in the Balance Sheet are cash and those which are expected to realize in cash, during the normal operating cycle of the Company's business, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the Balance Sheet date.

**6.3 Property, Plant & Equipment and Depreciation**  
**(a) Basis of Recognition**

All items of property, plant & equipment are initially recorded at cost. Where items of property, plant & equipment are

subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the balance sheet date. Subsequent to the initial recognition of the asset at cost the revalued property, plant & equipment are carried at revalued amounts less accumulated depreciation thereon and accumulated impairment losses. The Group applies revaluation model to freehold properties and cost model to the remaining assets under property, plant & equipment which are stated at historical cost less accumulated depreciation less accumulated impairment losses, if any.

**(b) Revaluation of Freehold Properties**

The freehold properties of the Group are carried at revalued amounts. Revaluation of these assets are carried out at least once in five years in order to ensure the book value reflect the realizable value of such assets, and are depreciated over the remaining useful lives of such assets, wherever applicable.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances the increase is recognized as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to accumulated profits on retirement or disposal of the asset.

**(c) Restoration Costs**

Expenditure incurred on repairs or maintenance of Property, plant & equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

**(d) Depreciation**

The provision for depreciation is calculated using straight-line method on the cost or valuation of all Property, plant & equipment other than freehold land, in order to write off such amounts over the following estimated useful lives:

	Number of years
Land improvements	30
Buildings - Leased	20
- Freehold	20
Plant & machinery	5 - 27
Motor vehicles	4 - 5
Furniture, fittings & office	5 - 16
Computers	3 - 5
Mature plantations	30
Cutlery, crockery and glassware	5
Returnable containers	5

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Land improvement costs are depreciated in the year the area planted becomes mature and ready for harvest.

**(e) Disposal**

The gains or losses arising on disposal or retirement of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment are recognized net within Other Income in the Income Statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

**(f) Subsequent Costs**

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations 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 Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

**6.4 Returnable Containers**

Returnable containers of subsidiary Lion Brewery (Ceylon) PLC are classified under Property, Plant and Equipment. All purchases of Returnable Containers will be recognized at cost and depreciated over a period of 5 years. In the event a returnable container breaks within the premises of the

Company, the written down value, on a First in First out (FIFO) basis, will be charged to Income Statement as breakages.

Deposits are collected from the Agents for the Retainable Containers in their possession and is classified under non current liabilities as explained in note 37.b The said deposit will be refunded to the Agent only upon them returning these retainable containers due to cessation of their operation or due to contraction in sales.

**6.5 Capital Work-in-Progress**

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital work in progress is transferred to the respective asset accounts at the time, the asset is substantially completed and ready for its intended use.

**6.6 Project Expenditure**

Project Expenditure in respect of preoperational activities is capitalized with the respective assets.

**6.7 Plantations**

**(i) Permanent Land Development Costs**

Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized.

**(ii) Limited Life Land Development Cost**

Limited life land development costs incurred in respect of new planting, replanting, inter-planting and crop diversifying including infilling cost of the oil palm plantation are capitalized in accordance with the Sri Lanka Accounting Standard 32 - 'Plantation'. The limited life land development costs are amortized over the estimated productive lives, at the commencement of commercial harvest, which has the following characteristics:

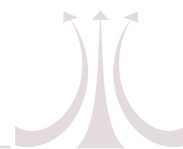
- Time lag between Planting and Commercial Harvest 3-4 years
- Duration of Commercial Harvest 26 years

**6.8 Land rights**

Land rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. Land use rights are depreciated over 30 years.

**6.9 Investment Property**

Investment property is property held either to earn rental income capital appreciation for both or for unintended use, but not for sale on the ordinary course of business, use in production or supply of goods and services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date. Formal valuations are carried out at least every 3 years



by qualified valuers. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognized when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the Income Statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by commencement/end of owner occupation, commencement of development with a view to sale, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant & equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the income statement. When the Group completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the Income Statement.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

## 6.10 Intangible Assets

### (i) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units identified according to its business unit., that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash generating unit

### (ii) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

	No. of Years
Customer relationship	10
Land rights	30
Software licences	3 to 10
Excise licences	10

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired either individually or at

the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from the derecognising of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

#### Software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and is probable that they will lead to future economic benefits, are included in the Balance Sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 3 to 10 years.

#### Excise License

License and others are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 10 years.

### 6.11 Investments

#### (i) Classification

Investments in subsidiaries and associates of the Company are treated as long-term investments and stated at cost. Other investments which are held for yield or capital appreciation are also classified as long-term investments. Investments that are intended to be held for trading purposes are classified as short-term investments.

#### (ii) Cost

Cost of investments is the cost of acquisition including brokerage, commission and other fees.

#### (iii) Valuation - Quoted Investments

The quoted investments that are acquired principally for the purpose of selling or held as part of a portfolio that is managed for short term profit are classified as short term investments. Those investments are initially recognized at cost and subsequently measured at market value. Gains and losses on market valuation are dealt with through the income statement. The quoted investments that are acquired and held for capital growth in the medium/long term are classified as long term investments. These are initially recognized as cost and subsequently measured at revalued amounts on quarterly basis.

#### (iv) Valuation - Unquoted Investments

All unquoted investments are carried at lower of cost and Directors' valuation, if any. Provision is made for any permanent diminution in value.

#### (v) Market Value of the Investment Portfolio

The market value of the investment portfolio is based on the following:

- (a) Marketable equity securities are stated at the values published in the Official Valuation List of the Colombo Stock Exchange. Where the Official Valuation is not available, the market value is stated at the last transacted price.
- (b) Units purchased from Unit Trusts are valued at the manager's buying price as at the Balance Sheet date.

### 6.12 Inventories

Inventories are recognized at cost and net realizable value whichever is lower after making due allowance for obsolete and slow moving items, except for fresh fruit bunches which are valued at since realized values.

The cost of inventories is determined on a weighted average basis for food items which are ascertained on a first-in-first-out basis. The costs are derived on the following bases:

- Raw Material and Containers - cost of purchase together with any incidental expenses.
- Work-in-Progress - raw material cost and a proportion of manufacturing expenses.
- Finished Goods - raw material cost and manufacturing expenses in full.
- Land held for Development and Sales - Cost and development costs including borrowings costs up to Point of completion for revenue recognition. However limited to the realizable value on valuation.
- Linen Stock - in the year of purchase at cost of purchase and in the second year in use at 25% of the Cost of purchase.

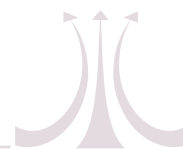
### 6.13 Trade and Other Receivables

Trade and other receivables are carried at original invoice amount less provision for impairment of trade receivables when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement under 'distribution expenses' When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'distribution expenses' in the income statement.

### 6.14 Cash & Cash Equivalents

Cash & cash equivalents are defined as cash in hand and bank, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the Cash Flow Statement, cash & cash equivalents comprise of cash in hand and bank deposits held in banks and investments in money market instruments, net of short term loans and bank overdraft.





### 6.15 Impairment of Assets

The Group assesses assets or groups of assets for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of its recoverable amount. Individual assets are grouped for impairment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined; net of depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Assets with an indefinite useful life, including goodwill, are not subject to amortization and are tested on an annual basis for impairment and additionally whenever an indication of impairment exists. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of an asset is the higher of its fair value less costs to sell or its value in use. Any decrease in the carrying value is recognized as an expense in the Income Statement in the reporting period in which the impairment loss occurs.

For assets that do not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs. Management judgment is applied to establish cash generating units. Each of these cash generating units is represented by an individual primary reporting segment, or a subdivision of a primary segment.

An impairment loss in respect of goodwill is not reversed. In respect of other assets impairment losses recognized in prior periods, are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## LIABILITIES AND PROVISIONS

### 6.16 Liabilities

Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one (1) year from the Balance Sheet date. Items classified as non-current liabilities are those obligations which expire beyond a period of one (1) year from the Balance Sheet date.

### 6.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### 6.18 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

### 6.19 Employee Benefit (i) Defined Benefit Plan – Gratuity

#### (a) Sri Lankan Subsidiaries

All local companies are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

Gratuity provision for employees are made using the assumption of an actuarial valuation as at 31st March 2009, carried out by a firm of independent professional Actuaries.

As recommended by the Sri Lanka Accounting Standard No. 16 "Employee Benefit", the "Projected Unit Credit" (PUC) method has been used in this valuation.

Such actuarial valuations will be carried out once in every year.

The liability is not externally funded.

- (b) **Indonesian Subsidiaries**  
These subsidiaries recognize an unfunded retirement benefits liability, relating to the settlement of termination, gratuity, compensation and other benefits set forth in Labor Law No. 13 year 2003 (Law No. 13/2003) based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Actuarial gains or losses are recognized as income or expense when the cumulative actuarial gains or losses exceed 10% of the defined benefit obligation. These gains or losses are recognized over the expected remaining working lives of employees.

- (c) **Malaysian Subsidiaries**  
Appropriate provisions for defined benefit plan for the Company's operations in Malaysia are made in the financial statements where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association/national Union Plantation Workers' Agreement. The provisions are charged to the Income statement in the year in which services are rendered by the employees.

- (d) **Singaporean Subsidiary**  
The Singapore Company in the Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognized as an expense in the period in which the related service is performed.

- (ii) **Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund**  
All employees who are eligible for Provident Fund contributions and Trust Fund contributions are covered by relevant contribution funds in line with the respective statutes. Employer's contributions to the defined contribution plans are recognized as an expense in the Income Statement when incurred.

## 6.20 Interest-Bearing Loans and Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the end of the reporting period.

- (a) **Borrowing cost**  
Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of cost of a qualifying assets if they are directly attributable to the acquisition, construction or production of the qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the

assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

- (b) **Financial guarantee**  
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the term of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

- (c) **Leases**  
(i) **Finance Lease**  
Leases of property, plant & equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

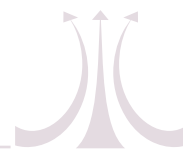
Assets held under finance lease are capitalized at the cash price as part of property, plant & equipment and depreciated over the shorter of the estimated useful lives of the assets or the lease term.

Upon initial recognitions assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the estimated present value of the minimum lease payments at the date of inception less accumulated depreciation and impairment losses. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the group's incremental borrowing rate is used.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations and net of finance charges are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

- (ii) **Operating Lease**  
Lease of assets under which all the risks and benefits of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.



## 6.21 Stated Capital

Ordinary shares and preference shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## INCOME STATEMENT

### 6.22 Revenue Recognition

The Group revenue represents sales to customers outside the Group and sales within the Group which are intended for internal consumption.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group. The following specific criteria are used for the purpose of recognition of revenue:

#### Sale of goods

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

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- Revenue from time and material contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred.

#### Royalties

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### Dividend Income

When the shareholders' right to receive dividend is established.

#### Sale of Fresh Fruit Bunches

Upon delivery and acceptance by customers.

#### Rental Income

On a time proportion basis.

#### Proceeds on Sales of Shares

On accrual basis.

#### Other Income - on accrual basis.

Net gains and losses of a revenue nature resulting from the disposal of property, plant & equipment have been accounted for in the Income Statement.

Profits or losses on disposal of investments are accounted for in the Income Statement on the basis of realized net profit.

### 6.23 Expenditure Recognition

#### (i) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on property, plant & equipment.

#### (ii) Finance Expenses

Interest expenses are recognized on an accrual basis.

#### (iii) Borrowing Costs

All borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of property, plant & equipment/biological assets which are capitalized as a part of the cost of that asset during the period of construction or development.

### 6.24 Income Tax Expense

Income tax expenses comprise current and deferred tax. Income tax expenses are recognized in the Income Statement except to the extent that it relates to the items recognized directly in equity, in which case it is recognized in Statement of Changes in Equity.

#### (i) Current Taxation

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for current tax on Sri Lankan operations 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.

Current tax has been provided on overseas operations in accordance with the relevant statutes in force in the countries in which operations are carried out.

The relevant details are disclosed in respective notes to the Financial Statements.

**(ii) Deferred Taxation**

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

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or recognised in the income statement.

**(iii) Economic Service Charge (ESC)**

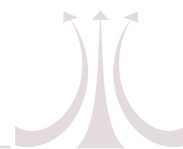
As per the provisions of Economic Service Charge Act No. 13 of 2006 and amendments thereto, is payable on "Liable Turnover" and is deductible from the income tax payments. Any unclaimed ESC can be carried forward and settle against the income tax payable in the four subsequent years.

**(iv) Social Responsibility Levy (SRL)**

As per the provisions of Finance Act No. 5 of 2005, and amendments thereto, the SRL was introduced with effect from January 1, 2005. SRL is payable at the rate of 1.5% on all taxes and levies chargeable as specified in the First Schedule of the Act.

**(v) Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:



- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### **6.25 Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

#### **6.26 Segmental Information**

Segmental information is presented for identifiable operative units of the Group classified according to two segment formats, namely, business and geographical segments.

##### **(i) Business Segment**

The activities of the Group have been broadly classified into seven segments according to the nature of product or service rendered.

##### **(ii) Geographical Segment**

The activities of the Group have been broadly classified into five segments, namely, operations within Sri Lanka, Malaysia, Indonesia, Singapore and India based on geographical spread of operations.

Segmental expenses are expenses that are directly attributed to a segment or a relevant portion of expenses that can be allocated on a reasonable basis as determined by the Management.

#### **6.27 Related Party Transactions**

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is charged.

#### **6.28 Events after the Balance Sheet Date**

All material and important events which occur after the Balance Sheet date have been considered and disclosed in Note 44.

#### **7 DIVIDENDS ON ORDINARY AND PREFERENCE SHARES**

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company.

Dividends on preference shares are accrued in the Financial Statements.

#### **8 CASH FLOW**

Interest paid, interest received and dividend received are classified as operating cash flows, while dividend paid is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the "Indirect Method".

#### **9 PRESENTATION**

Assets and liabilities are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. Where appropriate, the significant accounting policies are disclosed in the succeeding Notes.

##### **Offsetting Income and Expenses**

Income and expenses are not offset unless required or permitted by accounting standards.

##### **Offsetting Assets and Liabilities**

Assets and liabilities are offset and the net amount reported in the Balance Sheet only where there is:

- A current enforceable legal right to offset the asset and liability; and
- An intention to settle on a net basis, or to realize the asset and settle the liability simultaneously

#### **10 DIRECTORS' RESPONSIBILITY**

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. This is more fully described in the Statement of Directors' Responsibility in respect of the Consolidated Financial Statements.

#### **11 CHANGES TO THE ACCOUNTING POLICIES AND EFFECT OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

##### **(i) Changes to the Accounting Policies**

There were no changes to the Accounting Policies adopted by the Group during the year under review except for accounting policy adopted on returnable containers, as detailed in Note 6.4.

##### **New accounting standards issues but not effective as at balance sheet date**

The institute of Chartered Accountants of Sri Lanka has issued a new volume of Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 1 January 2012. Accordingly, these standards have not been applied in preparing these financial statements as they were not effective for the period ended 31 March 2012.

These Sri Lanka Accounting Standards comprise accounting standards prefixed both SLFRS (corresponding to IFRS) and LKAS (corresponding to IAS). Application of Sri Lanka Accounting Standards prefixed SLFRS and LKAS for the first time shall be deemed to be an adoption of SLFRSs.

The Company and the Group is currently in the process of evaluating the potential effects of these standards on its financial statements, with the assistance of an independent consultant.

*(Amounts expressed in Sri Lankan Rs.'000)***12. REVENUE**

For the year ended	Group		Company	
	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011	31 <sup>st</sup> March 2012	31 <sup>st</sup> March 2011
<b>Revenue Analysis</b>				
(i) <b>Gross revenue</b>	71,278,641	38,016,345	345,486	130,965
Less: Taxes to the Government of Sri Lanka (Value added tax)	(2,204,416)	(2,008,292)	-	-
<b>Net Revenue</b>	69,074,225	36,008,053	345,486	130,965
<b>Goods and Services Analysis</b>				
<b>Sale of goods</b>	66,387,109	32,285,442	-	-
<b>Services</b>				
Investment income	4,756,283	6,545,390	345,486	130,965
Real estate income	126,729	175,566	-	-
Commission, management services & royalty fees	2,425,800	1,789,923	-	-
Hospitality services	427,544	336,758	-	-
	7,736,356	8,847,637	345,486	130,965
Net revenue before intra-group transactions	74,123,465	41,133,079	345,486	130,965
Intra-group transactions	(5,049,240)	(5,125,026)	-	-
<b>Net revenue</b>	69,074,225	36,008,053	345,486	130,965

A detailed analysis of Group Revenue highlighting the contribution from different segments is given under 'Segmental Information' in Notes 12 (ii) & (iii) to the Financial Statements.

**(ii) Segmental Information**

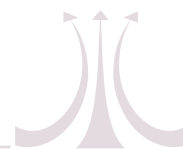
For management purposes the Group's primary format for segment reporting is business segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the nature of different activities that the Group engages in, reflected by the said industry segment.

This is reflected by the Group's organizational structure. Industry segment activities of the Group have been broadly classified into seven segments: Investment Holdings, Oil Palm Plantations, Beverage, Real-Estate, Leisure, Oils & fats and Management Services according to the nature of products or services rendered. The principal products and services of each segment are as follows.

Investment Holding	- Investments in listed, private equities and fixed income instruments
Oil Palm Plantations	- Production and sale of palm oil, palm kernel and fresh fruit bunches to the domestic and international markets
Beverage	- Production and sale of Beer
Real Estate	- Office and warehouse premises on rent for commercial purpose.
Leisure	- Hoteliering & Airline Ticketing
Management Services	- Providing Management Services
Oils & Fats	- Manufacturing, marketing and selling of refined oils and specialty fats to the bakery, chocolate & confectionery, ice creams & creamer industries and cooking oil products to end consumers.

Sales between segments are made at market price or prices that approximate market prices. Segment revenue, segment expense and segment result include transactions between industry segments. These transactions and any unrealized profits and losses are eliminated on consolidation. Segmental expenses are expenses that are directly attributed to a relevant segment or a portion of expenses that can be allocated on a reasonable basis as determined by the Management.





*(Amounts expressed in Sri Lankan Rs.'000)*

The Group's geographical segments are based on location of the Group's assets and spread of operations. The activities of the Group have been broadly classified into four geographical segments, namely, operations within Sri Lanka, Malaysia, Indonesia and Singapore. Sales to external customers are segmented based on the location of the seller. The principal product and services of each geographical segments are as follows:

- Sri Lanka Investment holdings, production & sale of beer, letting of office and warehouse premises on rent for commercial purpose, hoteliering, airline ticketing and providing management service.
- Malaysia Production and sale of fresh fruit bunches, manufacturing, marketing and selling of refined oils and specialty fats to bakery, chocolate & confectionery, ice cream & creamer industries and cooking oil products to end consumers.
- Indonesia Production and sale of palm oil and palm kernel to domestic and international markets and providing management services.
- Singapore Investments
- India Manufacturing, marketing and selling of refined oils and specialty fats to bakery, chocolate & confectionery, ice cream & creamer industries and cooking oil products to end consumers.

#### **Principal categories of customers**

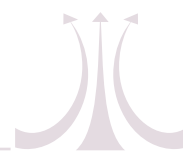
The principal categories of customers for these goods and services are corporate customers, wholesale and retail customers. The principal customers of the group's reportable segments are therefore as follows:

Investment Holdings	- corporate and retail customers
Oil Palm Plantations	- corporate customers
Beverage	- wholesale & retail customers
Real Estate	- corporate customers
Leisure	- corporate and retail customers
Oils & Fats	- corporate and retail customers
Management Services	- corporate customers

(Amounts expressed in Sri Lankan Rs.'000)

**12 REVENUE (CONTD.)****(iii) SEGMENTAL INFORMATION - The primary segments (Business segments)****(a) Segment results are as follows:**

For the year ended 31st March	Investment Holdings		Oil Palm Plantations		Oils & Fats
	2012	2011	2012	2011 (Restated)	2012
<b>Total revenue</b>	3,170,069	5,132,225	31,451,672	23,412,363	20,167,643
Intra segment revenue	(520,732)	(2,451,528)	(3,348,134)	(1,914,928)	(68,378)
<b>Segment revenue</b>	2,649,337	2,680,697	28,103,538	21,497,435	20,099,265
Inter segment revenue	(528,320)	(402,886)	-	-	-
<b>Revenue</b>	2,121,098	2,277,647	28,103,538	21,497,435	20,099,265
<b>Segment results</b>	3,568,098	2,375,647	10,544,682	8,841,075	(358,141)
Finance expenses	(104,977)	(101,229)	(770,304)	(438,537)	(687,570)
Foreign exchange gain / (loss)	-	-	(741,308)	546,528	-
Share of net result of joint venture	(523)	-	-	-	-
<b>Profit/ (loss) before income taxation</b>	3,462,598	2,274,418	9,033,070	8,949,066	(1,045,711)
<b>Income tax expenses</b>					
Current taxation	(26,624)	(6,227)	(2,327,912)	(1,735,220)	(63,503)
Deferred taxation	1,103	-	98,756	(502,238)	175,082
<b>Profit/ (loss) for the year</b>	3,437,077	2,268,191	6,803,914	6,711,608	(934,132)
<b>Attributable to:</b>					
Owners of the Company	1,825,793	898,542	4,165,064	3,935,633	(532,519)
Non controlling interest	1,611,284	1,369,649	2,638,850	2,775,975	(401,613)
	3,437,077	2,268,191	6,803,914	6,711,608	(934,132)
<b>SEGMENT ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant & equipment	4,666	6,446	48,918,039	35,059,931	8,227,056
Intangible assets	190,017	188,021	1,526,037	282,527	1,056,892
Long-term investments / Joint venture	8,375,753	11,355,186	-	-	-
Land compensation receivable	-	-	-	-	-
Deferred tax assets	-	-	812,875	395,641	-
<b>Total non-current asset</b>	8,570,436	11,549,653	51,256,951	35,738,099	9,283,948
<b>Current Assets</b>					
Inventories	-	-	3,392,235	2,796,240	3,416,324
Trade and other receivables	83,545	111,434	2,853,403	3,200,453	3,249,103
Short-term investments	813,347	1,202,224	-	-	-
Cash and cash equivalents	2,134,094	563,732	3,396,680	9,385,508	309,835
<b>Total current assets</b>	3,030,986	1,877,390	9,642,318	15,382,201	6,975,262
<b>Total segmental assets</b>	11,601,422	13,427,043	60,899,269	51,120,300	16,259,210
<b>SEGMENT LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Interest bearing borrowings	193,775	239,600	20,675,336	17,399,039	3,897,576
Long-term creditors	-	-	-	-	-
Deferred tax liabilities	791	1,896	1,497,319	1,122,366	662,959
Employee benefits	3,564	1,721	434,782	251,541	6,105
<b>Total non-current liabilities</b>	198,130	243,217	22,607,437	18,772,946	4,566,640
<b>Current Liabilities</b>					
Trade and other payables	174,535	152,996	5,332,395	3,214,363	2,894,469
Long-term borrowings falling due within one year	193,775	183,000	2,075,220	1,804,194	79,280
Short-term borrowings / Bank overdraft	1,852,014	1,241,562	1,281,000	552,000	5,428,410
<b>Total current liabilities</b>	2,220,324	1,577,558	8,688,615	5,570,557	8,402,159
<b>Total segmental liabilities</b>	2,418,454	1,820,775	31,296,052	24,343,503	12,968,799
<b>(b) OTHER INFORMATION</b>					
Total cost incurred during the period to acquire					
Property, plant & equipment	1,239	602	9,109,710	3,855,323	1,283,443
Intangible assets (including land right)	-	-	569,770	433,938	14,340
Depreciation and amortization	5,491	3,990	1,928,747	1,150,505	371,042
Salaries and wages	50,794	27,563	4,264,397	2,937,553	417,868
Provision for employee benefits	1,844	1,157	132,841	82,268	5,803

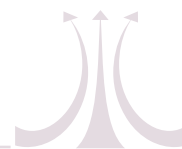


Beverage		Real Estate		Leisure		Management Services		Group	
2012	2011 (Restated)	2012	2011	2012	2011	2012	2011	2012	2011 (Restated)
18,519,825 (319,791)	11,867,534 (141,947)	142,619 (15,891)	179,746 (1,867)	433,140 -	340,931 -	238,498 -	200,281 -	74,123,465 (4,272,924)	41,133,079 (4,510,270)
18,200,034 -	11,725,587 -	126,728 (13,553)	177,879 (14,964)	433,140 -	340,931 -	238,498 (234,443)	200,281 (196,907)	69,850,541 (776,316)	36,622,809 (614,756)
18,200,034	11,725,587	113,175	162,915	433,140	340,931	4,055	3,374	69,074,225	36,008,053
2,610,283 (429,591)	1,722,646 (204,218)	53,874 (6,920)	41,673 (26,334)	134,794 (5,110)	75,246 (5,005)	(30,083) (70)	(31,406) (90)	16,523,506 (2,004,542)	13,024,881 (775,413)
-	-	-	-	-	-	-	-	(741,308)	546,528
-	-	-	-	-	-	-	-	(523)	-
2,180,692	1,518,428	46,954	15,339	129,684	70,241	(30,153)	(31,496)	13,777,133	12,795,996
(811,673) (97,211)	(521,712) (53,622)	(659) (1,771)	(11,102) 24,679	(10,594) (5,288)	(8,573) (3,074)	(1,183) -	(4,431) -	(3,242,148) 170,671	(2,287,265) (534,255)
1,271,808	943,094	44,524	28,916	113,802	58,594	(31,336)	(35,927)	10,705,656	9,974,476
292,130	254,068	19,368	13,906	48,281	25,297	(14,315)	(16,671)	5,803,801	5,110,775
979,678	689,026	25,156	15,010	65,521	33,297	(17,021)	(19,256)	4,901,855	4,863,701
1,271,808	943,094	44,524	28,916	113,802	58,594	(31,336)	(35,927)	10,705,656	9,974,476
5,102,811 291,368	4,197,373 308,742	2,425,955 27,584	1,872,277 27,584	1,079,659 -	907,287 -	12,062 241	27,835 340	65,770,249 3,092,139	42,071,149 807,214
-	2,187,086	-	-	-	-	-	-	8,375,753	13,542,272
-	-	-	-	189,463	189,463	-	-	189,463	189,463
-	-	-	-	-	1,222	-	-	812,875	396,863
5,394,179	6,693,201	2,453,539	1,899,861	1,269,122	1,097,972	12,303	28,175	78,240,479	57,006,961
1,341,576	670,284	10,913	503,155	13,529	14,114	68	89	8,174,645	3,983,882
1,146,563	511,334	8,140	7,320	63,851	45,124	19,583	32,116	7,424,188	3,907,781
-	-	-	-	-	-	-	-	813,347	1,202,224
2,590,838	1,099,606	16,446	24,021	74,833	51,120	33,850	3,788	8,556,576	11,127,775
5,078,977	2,281,224	35,499	534,496	152,213	110,358	53,501	35,993	24,968,756	20,221,662
10,473,156	8,974,425	2,489,038	2,434,357	1,421,335	1,208,330	65,804	64,168	103,209,235	77,228,623
1,148,803	1,251,728	-	-	25,013	34,182	-	-	25,940,503	18,924,549
858,737	744,062	30,770	28,990	-	-	-	-	889,507	773,052
575,475	408,928	112,538	110,766	17,450	-	-	-	2,866,532	1,643,956
66,261	51,628	4,739	4,605	9,510	7,230	20,670	17,368	545,631	334,093
2,649,276	2,456,346	148,047	144,361	51,973	41,412	20,670	17,368	30,242,173	21,675,650
1,872,500	1,281,448	11,622	26,436	57,661	45,364	36,495	46,846	10,379,677	4,767,453
358,470	85,322	-	142,000	8,568	9,468	-	-	2,715,313	2,223,984
185,692	558,946	-	-	-	4,219	-	-	8,747,116	2,356,727
2,416,662	1,925,716	11,622	168,436	66,229	59,051	36,495	46,846	21,842,106	9,348,164
5,065,938	4,382,062	159,669	312,797	118,202	100,463	57,165	64,214	52,084,279	31,023,814
1,357,064	923,055	25,534	27,602	79,432	22,813	4,381	10,904	11,860,803	4,840,299
21,360	4,289	-	-	-	-	161	-	605,631	438,227
461,184	354,547	9,854	9,490	16,705	16,101	20,425	13,198	2,813,448	1,547,831
564,455	447,213	26,115	31,000	77,320	61,826	116,615	114,369	5,517,564	3,619,525
15,134	17,710	736	2,036	2,554	2,869	16,466	9,980	175,378	116,020

(Amounts expressed in Sri Lankan Rs.'000)

**12. REVENUE (CONTD.)****(iv) SEGMENTAL INFORMATION-The secondary segments (Geographical segments)****(a) Segment results are as follows :**

For the year ended 31st March	Sri Lanka		Malaysia		Indonesia		Singapore		India	Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2012	2011
<b>Revenue</b>	21,111,861	14,621,215	15,780,424	1,182,640	25,877,981	19,806,698	1,001,028	397,500	5,302,931	69,074,225	36,008,053
<b>Segment results</b>	6,649,397	4,544,214	827,564	847,321	9,592,769	7,244,585	(25,983)	388,761	(520,241)	16,523,506	13,024,881
Finance cost	(529,171)	(336,930)	(378,014)	-	(573,088)	(434,669)	(214,714)	(3,814)	(309,555)	(2,004,542)	(775,413)
Foreign exchange gain / (loss)	-	-	-	-	(741,308)	546,528	-	-	-	(741,308)	546,528
Share of net result of associate	(523)	740	-	-	-	-	-	-	-	-	(523)
<b>Profit/ (loss) before income taxation</b>	6,119,703	4,208,024	449,550	847,321	8,278,373	7,356,444	(240,697)	384,947	(829,796)	13,777,133	12,795,996
<b>Income tax expenses</b>											
Current taxation	(850,953)	(639,694)	(179,362)	(174,847)	(2,137,195)	(1,472,658)	(20,316)	(66)	(54,322)	(3,242,148)	(2,287,265)
Deferred taxation	(103,166)	(32,015)	187,642	65	98,055	(502,305)	-	-	(11,860)	170,671	(534,255)
<b>Profit/ (loss) for the year</b>	5,165,584	3,536,315	457,830	672,539	6,239,233	5,381,481	(261,013)	384,881	(895,978)	10,705,656	9,974,476
<b>Segment Assets</b>											
<b>Non-Current Assets</b>											
Property, plant & equipment	8,791,676	7,083,541	12,039,907	5,075,439	42,883,645	29,912,169	-	-	2,055,020	65,770,249	42,071,149
Intangible assets	602,015	597,898	761,431	1,318	1,431,229	207,998	-	-	297,464	3,092,139	807,214
Long-term investments	8,375,753	11,355,186	-	-	-	-	-	2,187,086	-	8,375,753	13,542,272
Land compensation receivable	189,463	189,463	-	-	-	-	-	-	-	189,463	189,463
Deferred tax assets	-	1,301	2,329	2,577	810,546	392,985	-	-	-	812,875	396,863
<b>Total non-current asset</b>	17,958,907	19,227,389	12,803,667	5,079,334	45,125,420	30,513,152	-	2,187,086	2,352,484	78,240,479	57,006,961
<b>Current Assets</b>											
Inventories	1,366,661	1,188,265	2,301,879	2,762	3,388,456	2,792,855	-	-	1,117,649	8,174,645	3,983,882
Trade and other receivables	1,570,453	815,716	2,856,903	75,866	2,423,572	2,251,367	122,213	764,832	451,047	7,424,188	3,907,781
Short-term investments	813,347	1,202,224	-	-	-	-	-	-	-	813,347	1,202,224
Cash and cash equivalents	5,200,539	1,890,742	858,014	669,992	1,539,425	7,384,124	690,570	1,182,917	268,028	8,556,576	11,127,775
<b>Total current assets</b>	8,951,000	5,096,947	6,016,796	748,620	7,351,453	12,428,346	812,783	1,947,749	1,836,724	24,968,756	20,221,662
<b>Total segmental assets</b>	26,909,907	24,324,336	18,820,463	5,827,954	52,476,873	42,941,498	812,783	4,134,835	4,189,208	103,209,235	77,228,623
<b>Segment Liabilities</b>											
<b>Non-Current Liabilities</b>											
Interest bearing borrowings	1,367,587	1,525,511	3,897,576	-	13,629,840	12,983,038	7,045,500	4,416,000	-	25,940,503	18,924,549
Long-term creditors	889,507	773,052	-	-	-	-	-	-	-	889,507	773,052
Deferred tax liabilities	706,255	521,590	730,950	68,772	1,429,327	1,053,594	-	-	-	2,866,532	1,643,956
Employee benefits	108,869	86,191	9,631	7,105	421,028	240,797	-	-	6,103	545,631	334,093
<b>Total non-current liabilities</b>	3,072,218	2,906,344	4,638,157	75,877	15,480,195	14,277,429	7,045,500	4,416,000	6,103	30,242,173	21,675,650
<b>Current Liabilities</b>											
Trade and other payables	2,197,895	1,604,689	863,352	48,267	5,210,764	3,107,109	62,897	7,388	2,044,769	10,379,677	4,767,453
Long-term borrowings falling due within one year	560,813	419,790	79,280	-	2,075,220	1,804,194	-	-	-	2,715,313	2,223,984
Short-term borrowings/Bank overdraft	2,037,716	1,804,727	4,202,400	-	640,500	552,000	640,500	-	1,226,000	8,747,116	2,356,727
<b>Total current liabilities</b>	4,796,424	3,829,206	5,145,032	48,267	7,926,484	5,463,303	703,397	7,388	3,270,769	21,842,106	9,348,164
<b>Total segmental liabilities</b>	7,868,642	6,735,550	9,783,189	124,144	23,406,679	19,740,732	7,748,897	4,423,388	3,276,872	52,084,279	31,023,814
<b>(b) Other Information</b>											
Total cost incurred during the period to acquire											
Property, plant & equipment	1,612,520	1,034,561	1,284,382	42,187	8,917,906	3,763,551	-	-	45,995	11,860,803	4,840,299
Intangible assets	108,458	55,748	11,141	1,027	486,032	381,452	-	-	-	605,631	438,227
Depreciation and amortization	559,063	431,258	261,459	15,373	1,862,292	1,101,200	-	-	130,634	2,813,448	1,547,831
Salaries and wages	952,412	747,893	480,193	84,874	4,039,779	2,786,758	-	-	45,180	5,517,564	3,619,525
Provision for employee benefits	37,833	35,229	1,765	(215)	129,977	81,006	-	-	5,803	175,378	116,020



(Amounts expressed in Sri Lankan Rs.'000)

### 13 GAIN ON DISPOSAL OF NON CURRENT INVESTMENTS

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Gain on disposal of non current investments	2,331,554	-	927,766	3,565,695
Gain on disposal of rights entitlement	-	22,343	-	-
	2,331,554	22,343	927,766	3,565,695

#### Gain on disposal of non current investments

During the period under review, Carson Cumberbatch PLC (CCPLC) and Bukit Darah PLC (BDPLC), made a joint offer to the non-controlling shareholders of the Bukit Darah Group's Malaysian oil palm companies, namely Shalimar (Malay) PLC, Indo-Malay PLC, Good Hope PLC and Selinsing PLC to buy respective non-controlling shares by offering CCPLC and BDPLC shares of offerors' respective cross-holding portfolios.

Accordingly, CCPLC transferred 1,175,474 BDPLC shares and BDPLC transferred 1,424,079 CCPLC shares to the aforesaid Malaysian plantation company shareholders who accept the offer through the trading floor of the CSE, as consideration for the said Malaysian Oil palm companies' shares surrendered by them.

These gains arose solely from the disposal of strategic shareholdings of the respective companies as a result of a group restructuring exercise which is a one-off transaction hence should be considered as outside the normal course of business.

#### Financial Year 2010/11

##### Gain on disposal of non current investments

Company's subsidiary, Goodhope Asia Holdings Ltd (GHAL), purchased a 70% stake in PT Agro Bukit (PTAB) and 13.33% stake in Shalimar Developments Sdn Bhd (SDSB) from the Company and a further 20% stake of PTAB from SDSB. With this acquisition, share holder loans due to the Company and SDSB from PTAB were also transferred to GHAL.

##### Gain on disposal of rights entitlement

During the financial year 2010/11 Bukit Darah Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), (formerly known as Watapota Investments PLC) to specialise in private equity investments. To execute this strategy, the subsidiary company, Carson Cumberbatch PLC (CCPLC) sold its rights entitlement in GCP's rights issue to Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC from CCPLC, which resulted in gain of Rs. 22.3 mn for the Group.

### 14 OTHER INCOME

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
Interest income	284,193	14,174	-	-
<b>Profit on disposal of fixed assets:</b>				
Plantation sector	14,814	(7,432)	-	-
Oil & Fats sector	16,660	-	-	-
Real estate sector	-	971	-	-
Management services sector	-	2,276	-	-
	31,474	(4,185)	-	-
Foreign exchange gain/(loss) - from operations	178,743	(276,399)	-	-
Bargain purchase on acquisition of subsidiaries	124,495	245,980	-	-
Sale of sludge oil	141,202	194,809	-	-
Sundry income	188,667	78,000	-	-
	948,774	252,379	-	-

### 15 OTHER OPERATING EXPENSES

Other operating expenses mainly consist of power and energy costs and maintenance expenditure of the Beverage sector. Further this also includes amortisation on intangible asset, customer relationship.

(Amounts expressed in Sri Lankan Rs.'000)

**16 FINANCE EXPENSES**

<i>For the year ended</i>	<b>Group</b>		<b>Company</b>	
	<b>31st March 2012</b>	<b>31st March 2011</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>Interest expense on</b>				
Long-term borrowings	1,107,068	683,735	-	-
Finance leases	6,169	-	-	-
Short-term borrowings	966,578	219,258	944	428
	2,079,815	902,993	944	428
Less: Amount capitalized as Property, plant and equipment	(75,273)	(127,580)	-	-
	2,004,542	775,413	944	428

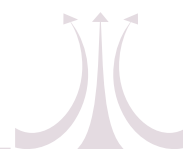
**17 FOREIGN EXCHANGE GAIN / (LOSSES)**

As at 31st March 2012, the Company's foreign subsidiaries, PT Agro Indomas, PT Agro Bukit, & PT Karaya Makmur recorded foreign exchange loss of Rs 741.3 mn [2011 - Rs. 546.5 mn gain], arising mainly from revaluation of US Dollar denominated long - term borrowings.

**18 PROFIT BEFORE INCOME TAX**

<i>For the year ended</i>	<b>Group</b>		<b>Company</b>	
	<b>31st March 2012</b>	<b>31st March 2011</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>Profit before income tax has been arrived at after charging / crediting</b>				
Depreciation and amortization [Note 18 a]	2,813,448	1,547,831	-	-
Auditors' remuneration and expenses on other professional services [Note 18 b]	53,475	40,672	372	755
Professional services [Note 18 c]	235,219	148,419	320	490
Personnel cost [Note 18 d]	5,692,942	3,735,545	-	-
Audit committee fees	950	950	90	-
Remuneration Committee Fees	100	25	-	-
Nomination Committee Fees	150	-	-	-
Donations	36,545	28,752	500	600
Royalty paid to the Carlsberg A/C	57,749	64,063	-	-
Research & development costs	41,348	34,040	-	-
<b>(a) Depreciation and amortization</b>				
Depreciation of property, plant and equipment	2,657,604	1,450,159	-	-
Amortization of prepaid lease payments for land	70,136	49,951	-	-
Amortization of intangible assets	85,708	47,721	-	-
Total depreciation and amortization expense	2,813,448	1,547,831	-	-
<b>Depreciation and amortization included in the Income Statement under the following headings:</b>				
Direct operational expenses	1,982,087	846,103	-	-
Administration expenses	538,993	425,837	-	-
Distribution expenses	292,368	222,359	-	-
Other operating expenses	-	8,533	-	-
Capitalized to property plant & equipment	-	44,999	-	-
	2,813,448	1,547,831	-	-





(Amounts expressed in Sri Lankan Rs.'000)

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>(b) Auditors' Remuneration and Expenses on Other Professional Services</b>				
Auditors' remuneration				
Fees payable to KPMG for the audit of annual accounts of Bukit Darah PLC	372	200	372	200
Fees payable to KPMG for the audit of subsidiaries of Bukit Darah PLC	3,349	4,814	-	-
Fees payable to other auditors for the audit of subsidiaries of Bukit Darah PLC	48,166	32,861	-	-
Total audit fees	51,887	37,875	372	200
<b>Tax Services</b>				
Advisory services - (KPMG)	-	996	-	-
	-	996	-	-
<b>Other Services</b>				
Audit related / Non audit services	1,588	1,801	-	555
Total services costs	1,588	2,797	-	555
Total remuneration	53,475	40,672	372	755
<b>(c) Professional Services</b>				
Legal services	10,695	30,302	320	-
Valuation services	4,396	1,305	-	-
Consultation fees	175,750	105,762	-	490
Other services	44,378	11,050	-	-
	235,219	148,419	320	490
<b>(d) Personnel Expenses</b>				
Salaries, wages and other related expenses	5,450,521	3,568,309	90	-
Defined contribution plan expenses - EPF & ETF	67,043	51,216	-	-
Defined benefit plan expenses - gratuity	175,378	116,020	-	-
	5,692,942	3,735,545	90	-
The above include:				
Directors fees	19,528	13,596	90	-
Directors' emoluments	176,288	127,999	-	-
	195,816	141,595	90	-

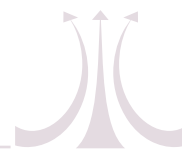
(Amounts expressed in Sri Lankan Rs.'000)

(e) Group	2012		2011	
	Year end	Average	Year end	Average
<b>The details of employees during the year:</b>				
Employees by Industry - (Nos.)				
Investment Holdings	14	12	9	7
Oil Palm plantations / Oil and Fats	13,922	12,516	11,109	8,763
Beverage	215	223	230	219
Real estate	16	17	18	19
Leisure	254	260	266	260
Management Services	32	36	40	40
	14,453	13,064	11,672	9,308
<b>Employees by Geographical Location - (Nos.)</b>				
Sri Lanka	736	704	671	636
Malaysia	436	286	136	146
Indonesia	13,138	12,002	10,865	8,526
India	143	72	-	-
	14,453	13,064	11,672	9,308

There are no employees in Bukit Darah PLC during the year.

**19 INCOME TAX EXPENSES**

For the year ended	Group		Company	
	31st March 2012	31st March 2011 (Restated)	31st March 2012	31st March 2011
<b>(a) Income Statement</b>				
<b>(i) Current taxation</b>				
Charge for the year	3,186,998	2,383,697	1,000	290
Adjustment in respect of prior year	47,116	(96,432)	-	-
Economic service write-off	8,034	-	-	-
	3,242,148	2,287,265	1,000	290
<b>(ii) Deferred Taxation</b>				
Origination/(reversal) of temporary differences in the current year	(170,671)	534,255	-	-
	(170,671)	534,255	-	-
<b>Total Income Tax Expense</b>	<b>3,071,477</b>	<b>2,821,520</b>	<b>1,000</b>	<b>290</b>
Analysis of Income tax expenses:				
<b>Current Taxation</b>				
Sri Lanka	850,953	639,694	1,000	290
Overseas	2,391,195	1,647,571	-	-
	3,242,148	2,287,265	1,000	290
<b>Deferred Taxation</b>				
Sri Lanka	103,166	32,015	-	-
Overseas	(273,837)	502,240	-	-
	(170,671)	534,255	-	-
<b>Total</b>				
Sri Lanka	954,119	671,709	1,000	290
Overseas	2,117,358	2,149,811	-	-
	3,071,477	2,821,520	1,000	290
<b>(b) Income tax recognised directly in equity</b>				
Impact on revaluation of property	(69,329)	5,840	-	-
	(69,329)	5,840	-	-



(Amounts expressed in Sri Lankan Rs.'000)

## 19 INCOME TAX EXPENSES (CONTD.)

For the year ended	Group			
	Income Statement		Balance Sheet	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>(c) Deferred Tax Assets - Charge / (Reversal) for the year</b>				
Capital allowances in excess of depreciation	(9,058)	864	12,936	274
Provision	1,276	(450)	-	1,850
Provision for employee benefits	(73,628)	(18,239)	152,443	61,800
Unabsorbed tax losses carried forward	(238,604)	344,863	641,681	332,939
Unrealized loss from forward sales contract	-	-	5,815	-
	(320,014)	327,038	812,875	396,863
<b>(d) Deferred Tax Liabilities - Charge / (Reversal) for the year</b>				
Property plant & equipment	(8,757)	83,862	1,727,220	771,182
Investment property	(510)	(26,135)	107,879	108,307
Mature/Immature plantation	178,146	134,641	955,962	677,962
Intangible assets	2,678	9,096	17,340	11,546
Finance leases	(22,214)	5,753	58,131	74,959
	149,343	207,217	2,866,532	1,643,956
Net deferred tax charge / (reversal) for the year	(170,671)	534,255	(2,053,657)	(1,247,093)

(e) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to off-set current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The off-set amounts are as follows:

	Sri Lanka		Malaysia		Indonesia		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Deferred tax assets:	-	1,301	2,329	2,577	810,546	392,985	812,875	396,863
Deferred tax liabilities:	(706,255)	(521,590)	(730,950)	(68,772)	(1,429,327)	(1,053,594)	(2,866,532)	(1,643,956)
	(706,255)	(520,289)	(728,621)	(66,195)	(618,781)	(660,609)	(2,053,657)	(1,247,093)

(f) The gross movement on the deferred income tax account is as follows:

For the year ended	Group	
	31st March 2012	31st March 2011
Balance at the beginning of the year	(1,247,093)	(887,984)
Reclassification	-	37,804
On consolidation	(827,743)	(60,768)
(Provision) / Reversal for the year	170,671	(534,255)
Impact of exchange rate changes on conversion	(149,492)	198,110
Balance at the end of the year	(2,053,657)	(1,247,093)

Deferred taxation has been computed using applicable current effective tax rates.

### Change in corporate tax rate in Sri Lanka

As provided for in SLAS 14 - Income Taxes, deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Accordingly following new income tax rates have been used;

Hotels Sector	12% (Previously 15%)
Beverage Sector (liquor)	40% (Previously 35%)
Other Sectors	28% (Previously 35%)

(Amounts expressed in Sri Lankan Rs.'000)

**19 INCOME TAX EXPENSES (CONTD.)**

<i>For the year ended</i>	<b>Group</b>		<b>Company</b>	
	<b>31st March 2012</b>	<b>31st March 2011</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>(g) Reconciliation of Accounting Profit with Taxable Profit</b>				
Profit before taxation	13,777,133	12,795,996	1,253,025	3,677,100
Revaluation gains	(30,329)	(1,702,410)	-	-
Dividends	(1,429,964)	(115,540)	(344,657)	(129,224)
Exempt profits	(4,419,328)	(403,051)	(927,766)	(3,565,796)
Aggregate tax allowed claims	(4,113,632)	(2,215,002)	-	-
Aggregate tax disallowed expenses	2,978,436	1,431,361	24,790	18,079
(Reversal) / provision for impairment of business assets	699,397	(2,888)	-	1,092
Operational losses incurred during the year	2,071,948	450,391	-	-
Tax adjusted profits	9,533,661	9,338,075	5,392	1,251
Inter-company transactions	2,566,096	444,522	-	-
Share of Joint Venture companies' profit	523	-	-	-
Tax losses utilized during the year	(255,583)	(1,380,880)	(1,887)	(438)
Taxable income of the Group/Company	11,844,697	8,401,717	3,505	813
<b>Taxation on Profits (Including adjustment in respect of prior years)</b>				
Taxation at 10% [Note 19 l (v)]	5,631	-	-	-
Taxation at 12% [Note 19 l (iv)]	10,982	-	-	-
Taxation at 15%	-	8,487	-	-
Taxation at 28% [Note 19 k (i)]	93,597	-	1,000	-
Taxation at 35% [Note 19 k (i)]	-	620,964	-	-
Taxation at 40% [Note 19 l (vi)]	732,709	-	-	-
Social Responsibility Levy [Note 19 k (iii)]	-	9,928	-	285
Overseas taxation [Note 19 k (ii)]	2,391,195	1,647,571	-	5
Economic Service Charge - write off [Note 19 n]	8,034	315	-	-
	3,242,148	2,287,265	1,000	290

Group tax expenses is based on the taxable profit of individual companies within the group. At present the tax laws of Sri Lanka does not provide for group taxation.

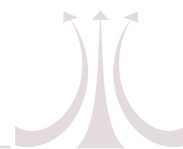
<i>For the year ended</i>	<b>Group</b>		<b>Company</b>	
	<b>31st March 2012</b>	<b>31st March 2011</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
<b>(h) Analysis of Tax Losses</b>				
Tax losses brought forward	3,133,682	3,688,067	11,078	11,530
Adjustment for tax losses brought forward	107,570	376,104	-	(14)
Tax losses incurred during the year	2,086,504	450,391	-	-
Utilization of tax losses during the year	(255,583)	(1,380,880)	(1,887)	(438)
Tax losses carried forward	5,072,173	3,133,682	9,191	11,078

Utilization of tax losses in the current year has resulted in a tax saving of Rs.57.52 mn (2011-Rs.346.14 mn) for the group.

In Sri Lanka the utilization of current year and brought forward losses is restricted to 35% of Statutory Income. Unabsorbed tax losses can be carried forward indefinitely. Tax legislation that governs overseas operations does not restrict the utilization of tax losses.

**(i) Unrecognized deferred Tax assets**

The Company Subsidiary Carson Cumberbatch PLC has carried forward tax losses of Rs. 1,449 mn (2011: Rs. 1,366 mn) as at Balance Sheet date. The deferred tax asset of Rs. 405 mn arising from the said tax losses has not been recognized due to uncertainty of future taxable profits against which the deferred tax assets would be utilized. Given that the Company's only source of income being dividend income which is tax exempt.



(Amounts expressed in Sri Lankan Rs.'000)

**(j) Recognized deferred tax assets**

The recognition of deferred tax assets by the Group are dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. Deferred tax assets relating to accumulated tax losses carry forward have been re-assessed and the management believes that sufficient taxable profit will be available to allow the benefit to be utilized. Accordingly, the Group recognized the following deferred tax assets relating to the accumulated tax losses.

- (i) PT Agro Indomas - Rs.88.04 mn (2011 - 32 mn)
- (ii) PT Agro Bukit - Rs.18.63 mn (2011 - 55 mn)
- (iii) Karya Makmur Sejahtera - Rs.250.81 mn (2011 - 109.78 mn)
- (iv) PT Rim Capital - Rs.146.85 mn (2011 - 97.23mn)
- (v) PT Nabire Baru - Rs.28.69 mn (2011 - 2.2 mn)
- (vi) PT Agrajaya Baktiama - Rs.43.96 mn (2011 - 8.6 mn)
- (vii) PT Agro Wana Lestari - Rs.159.16 mn (2011 - 74 mn)

Subsidiaries falling within the Sri Lankan tax exemption have not accounted for deferred tax as temporary differences do not exist during the tax exemption period. Therefore deferred tax has not been provided for Agro Harapan Lestari (Private) Limited and AHL Business Solutions (Private) Limited.

**(k) Taxation of Profits**

**(i) Income Tax in Sri Lanka**

In accordance with provisions of the Inland Revenue Act No. 10 of 2006 and amendment thereto, the Company and all other companies of the Group other than those entities disclosed in Note (l) operating in Sri Lanka, are chargeable to income tax at the standard rate of 28% (2011 - 35%).

**(ii) Income Tax on Overseas Operations**

Provision for taxation on the overseas companies are made in accordance with the provisions of the relevant statutes in those countries, as give below.

Profits of subsidiary companies operating in Malaysia are liable to income tax at 25% (2011 - 25%).

Profits of subsidiary companies operating in Indonesia are liable to income tax at 25% (2011 - 25%).

Profits of subsidiary companies operating in Singapore are liable to income tax at 17% (2011 - 17%).

Profits of subsidiary companies operating in India are liable to income tax at 30% (2011 - 30%).

**(iii) Social Responsibility Levy**

Social Responsibility Levy (SRL) was abolished with effect from 1st April 2011. (2011 - 1.5% of income tax expense)

**(l) Tax Exemptions and Concessions**

- (i) In terms of section 13ddd of the Inland Revenue Act, profits & income earned in foreign currency, from services rendered in the course of management of plantation companies situated out side Sri Lanka is exempt from income tax.
- (ii) In terms of Section 13 (t) of the Inland Revenue Act, profits derived on the sale of shares on which Share Transaction Levy has been paid is exempt from income tax.
- (iii) Profits from the agriculture undertaking carried out in Malaysia is liable to tax at 12% in Sri Lanka in terms of Section 46 of the Inland Revenue Act.
- (iv) In terms of Section 46 of the Inland Revenue Act, operational profits of a hotel are subject to income tax at 12%.
- (v) In terms of section 59B of the Inland Revenue Act, the profits of entities engaged in the manufacture or in the provision of services where the turnover is less than Rs. 300 mn is chargeable at rate of 10%. However the amendment to the Inland Revenue Act in 2012 removes the applicability of this provision for Group Companies.
- (vi) Profits or income from the manufacture and sale or import and sale of any liquor or tobacco products are chargeable to income tax at the rate of 40%.
- (vii) Premium Oils and Fats Sdn. Bhd. ("POF") incorporated in Malaysia has received "Operational Headquarters" ("OHQ") status from the Malaysian Industrial Development Authority. Accordingly, POF's income from qualifying services is exempt from corporate income tax until 2020.
- (viii) Exemption on interest income earned from foreign currency denominated accounts. Income / profits from offshore dividends and interest are exempt from income tax. Gains from sale of shares held for more than two years are excluded from chargeability to income tax.

(Amounts expressed in Sri Lankan Rs.'000)

**(m) Double Tax Relief**

In terms of the double tax treaty agreement entered into between Governments of Sri Lanka and Malaysia, the companies incorporated in Sri Lanka and which are operating in Malaysia are entitled to claim credits for tax paid in Malaysia, when calculating the tax liability of such Companies in Sri Lanka on profits generated from plantation in Malaysia.

**(n) Economic Service Charge**

Economic Service Charge paid by companies is available as income tax credit. In instances where recoverability is not possible due to the tax status, sums paid are written-off to the income statement.

**20 EARNINGS PER ORDINARY SHARE (EPS)**

The Group's earnings per ordinary share of Rs.41.16 (2011-Rs.49.98) and Company's earnings per ordinary share of Rs.2.82 (2011- Rs. 0.96) are calculated by dividing the profit/(loss) attributable to the ordinary shareholders of Bukit Darah PLC net of non-recurrent gains/losses and after deducting the preference dividend by the weighted average number of ordinary shares in issue during the year.

The impact of non-recurrent transactions of the Company/Group on the calculation of EPS is eliminated on the basis that inclusion of same way misinform the shareholders. However, the amounts so eliminated are disclosed separately for the information of the shareholders.

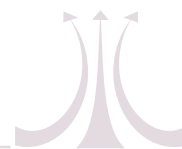
The amounts used in calculating the earnings per share are as follows:

For the year ended	Group		Company	
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
<b>Amount used as the Numerator</b>				
Profit for the year	10,705,656	9,974,476	1,252,025	3,676,810
Dividend on preference shares	(36,844)	(13,040)	(36,844)	(13,040)
Gain on disposal of non current investments	(1,569,016)	-	(927,766)	(3,565,695)
Non controlling interest	(4,901,855)	(4,863,701)	-	-
Net Profit attributable to ordinary shareholders	4,197,941	5,097,735	287,415	98,075
<b>Number of ordinary shares used as the Denominator</b>				
Ordinary shares in issue - in Thousands	102,000	102,000	102,000	102,000
Earnings per ordinary share (Rs.)	41.16	49.98	2.82	0.96

**21 DIVIDEND PER ORDINARY SHARE**

	Total dividend		Dividend per share	
	2012	2011	2012	2011
<b>On ordinary shares</b>				
Dividend Paid	255,000	90,000	2.50	9.00
	255,000	90,000	2.50	9.00
<b>On preference shares</b>				
Annual Dividend	145	145	0.08	0.08
First Interim	36,699	12,895	19.95	71.50
	36,844	13,040	20.03	71.58
Total dividend paid	291,844	103,040		





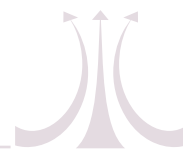
(Amounts expressed in Sri Lankan Rs. '000)

**22 PROPERTY, PLANT & EQUIPMENT - GROUP**

	Freehold Land & Buildings	Leasehold Land & Buildings	Mature, Immature Plantations	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers	Capital Work - In Progress	Total
<b>(a) Year ended 31st March 2012</b>										
<b>Cost/Valuation</b>										
As at 1st April 2011 (Restated)	7,881,973	9,908,580	15,360,552	7,528,331	1,424,003	711,119	384,288	1,137,433	2,050,624	46,366,903
On consolidation	949,185	655,234	970,875	5,201,182	294,151	140,197	89,981	-	7,652	8,308,457
Revaluation	116,461	-	-	-	-	-	-	-	-	116,461
Additions	184,736	1,899,526	3,459,286	1,399,363	322,463	249,770	167,034	519,559	3,659,066	11,860,803
Adjustments	141,364	413,603	-	1,301,709	(165)	9,574	10,203	-	(1,914,753)	(38,465)
Disposals/write-off	-	(1,346)	-	(72,311)	(56,008)	(40,236)	(26,872)	-	(2,996)	(199,769)
Exchange translation difference	863,332	1,278,704	811,944	1,246,436	162,860	80,244	39,091	-	336,051	4,818,662
<b>As at 31st March 2012</b>	10,137,051	14,154,301	20,602,657	16,604,710	2,147,304	1,150,668	663,725	1,656,992	4,135,644	71,253,052
<b>Depreciation/Amortization</b>										
As at 1st April 2011	72,029	875,102	1,431,057	2,880,063	870,408	300,772	274,920	599,596	-	7,303,947
On consolidation	-	34	-	959	48,508	85,074	71,010	-	-	205,585
Charge for the year	53,653	383,591	423,416	1,026,794	315,438	112,010	87,075	255,627	-	2,657,604
Revaluation	(27,300)	-	-	-	-	-	-	-	-	(27,300)
Transfers/adjustments	2,935	-	-	(5,422)	(22,788)	(8,614)	-	-	-	(33,889)
On disposal/ write-off	5,617	(5,617)	-	(45,423)	(47,242)	(4,330)	(17,245)	-	-	(114,240)
Exchange translation difference	6,800	124,549	223,047	252,344	101,159	42,336	29,521	-	-	779,756
<b>As at 31st March 2012</b>	113,734	1,377,659	2,077,520	4,109,315	1,265,483	527,248	445,281	855,223	-	10,771,463
<b>Net Book Value</b>										
<b>As at 31st March 2012</b>	10,023,317	12,776,642	18,525,137	12,495,395	881,821	623,420	218,444	801,769	4,135,644	60,481,589

(Amounts expressed in Sri Lankan Rs. '000)

	Freehold Land & Buildings	Leasehold Land & Buildings	Mature, Immature Plantations	Plant & Machinery	Motor Vehicles	Office Equipment, Furniture & Fittings	Computers	Returnable Containers (Restated)	Capital Work - In Progress	Total
<b>(b) Year ended 31st March 2011</b>										
<b>Cost/Valuation</b>										
As at 1st April 2010	6,736,301	6,320,351	11,227,660	5,409,859	1,222,585	516,486	295,625	900,368	3,027,663	35,656,898
On consolidation	-	1,488,234	2,830,999	118,236	139,914	9,208	4,339	-	382,630	4,973,560
Revaluation	808,224	-	-	-	-	-	-	-	-	808,224
Additions	28,658	487,839	1,129,329	118,509	171,166	111,094	63,519	237,065	2,493,120	4,840,299
Adjustment	47,215	1,710,587	-	1,974,537	8,303	78,614	24,485	-	(3,853,820)	(10,079)
Disposals/write-off	(863)	(218,167)	(9,141)	(142,468)	(136,077)	(11,841)	(6,505)	-	(19,298)	(544,360)
Exchange translation difference	262,438	119,736	181,705	49,658	18,112	7,558	2,825	-	20,329	662,361
<b>As at 31st March 2011</b>	<b>7,881,973</b>	<b>9,908,580</b>	<b>15,360,552</b>	<b>7,528,331</b>	<b>1,424,003</b>	<b>711,119</b>	<b>384,288</b>	<b>1,137,433</b>	<b>2,050,624</b>	<b>46,386,903</b>
<b>Depreciation/Amortization</b>										
As at 1st April 2010	111,735	587,741	1,446,022	2,372,707	651,130	224,367	213,943	394,877	-	6,002,522
On consolidation	-	10,250	-	12,045	27,829	1,899	815	-	-	52,838
Charge for the year	24,886	269,111	28,958	525,528	249,889	84,167	62,901	204,719	-	1,450,159
Revaluation	(66,377)	-	-	-	-	-	-	-	-	(66,377)
Transfers/adjustments	-	-	-	(2,532)	2,768	(2,288)	1,289	-	-	(763)
On disposal/ write-off	(97)	(3,288)	-	(51,485)	(71,926)	(10,614)	(5,992)	-	-	(143,402)
Exchange translation difference	1,882	11,288	(43,923)	23,800	10,718	3,241	1,964	-	-	8,970
<b>As at 31st March 2011</b>	<b>72,029</b>	<b>875,102</b>	<b>1,431,057</b>	<b>2,880,063</b>	<b>870,408</b>	<b>300,772</b>	<b>274,920</b>	<b>599,596</b>	<b>-</b>	<b>7,303,947</b>
<b>Net Book Value</b>										
<b>As at 31st March 2011</b>	<b>7,809,944</b>	<b>9,033,478</b>	<b>13,929,495</b>	<b>4,648,268</b>	<b>553,595</b>	<b>410,347</b>	<b>109,368</b>	<b>537,837</b>	<b>2,050,624</b>	<b>39,082,956</b>



(Amounts expressed in Sri Lankan Rs.'000)

**(c) Details of land stated at valuation are given below:**

Property	Method of Valuation	Effective Date of Valuation	Valuer	Land Extent (in Acres)	Carrying Value of Revalued Assets as at 31st March 2012 If carried at Historical Cost	Carrying Value of Revalued Assets as at 31st March 2012
Pegasus Hotels of Ceylon PLC Wattala, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	5.46	5,250	504,332
Ceylon Beverage Holdings PLC Nuwara Eliya, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	3.51	141	112,464
Lion Brewery (Ceylon) PLC Biyagama, Sri Lanka	Market/income Approach	31.03.2011	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	17.63	338,259	907,865
Equity Two PLC Colombo 1, Sri Lanka	Market Approach	31.03.2012	Mr. K. Arthur Perera, A.M.I.V. (Sri Lanka) Valuer & Consultant	0.53	422,000	349,897
Selinsing PLC District of Krian Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	1,217.84	52,000	1,674,061
Indo-Malay PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	725.30	600	1,216,512
Good Hope PLC District of Kuala Langat Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	780.68	58,000	1,099,576
Shalimar (Malay) PLC District of Kuala Selangor Malaysia	Existing use basis	31.03.2012	Encik W.M. Malik, Member of the Institution of Surveyors, Malaysia, a partner with W.M. Malik & Kamaruzuman.	757.28	222	1,551,784
				3,508.23	876,472	7,416,491

(Amounts expressed in Sri Lankan Rs.'000)

**(d) Carrying Value of Property, Plant & Equipment**

<i>As at 31 March</i>	<b>2012</b>	<b>Group 2011</b>
At cost	50,458,272	31,188,036
At valuation	10,023,317	7,809,944
On finance lease	-	84,976
	<b>60,481,589</b>	<b>39,082,956</b>
<b>(e) Land and buildings</b>		
At cost	12,776,642	9,033,478
At valuation	10,023,317	7,809,944
	<b>22,799,959</b>	<b>16,843,422</b>
<b>(f) Capital work-in-progress consists of</b>		
Land Improvements	275,988	-
Buildings	622,230	305,770
Plant & Machinery	3,161,595	1,427,468
Others	75,831	317,386
	<b>4,135,644</b>	<b>2,050,624</b>

**(g) Assets held under finance lease**

There were no property, plant and equipment held under finance lease at the balance sheet date (2011- Rs. 84.9 mn).  
Leased assets are pledged as security for the related finance lease liabilities.

**(h) Revaluation of Freehold Land in Malaysia**

The freehold land of the Malaysian subsidiaries, Shalimar (Malay) PLC, Good Hope PLC, Selinsing PLC and Indo-Malay PLC have been revalued on 31st March 2009 based on existing use basis by an independent valuer, Encik W.M. Malik, a member of the Institute of Surveyors, Malaysia and a partner with W.M. Malik & Kamararuzaman.

The Company has obtained a confirmation of the value of freehold land as at 31st March 2012 from the same valuer, and the carrying value approximates its fair value.

The total surplus over the book value has been credited to the Capital Accretion Reserve. The combined surplus transferred amounts to Rs.5,403 million or equivalent to US \$ 42,182,131/-

The carrying value of the freehold land of the Malaysian companies, if the assets were carried at historical cost would be Rs.110.82 mn.

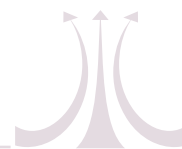
**(i) Indonesian Property Valuation****Property, plant & equipment (excluding mature & Immature Plantation)**

Based on the reports issued by KJPP Rengganis, Hamid & Partners, an Indonesian independent valuer (formerly PT Heburinas Nusantara, an Indonesian independent professional valuer associated with CB Richard Ellis), the combined appraised values of property, plant and equipment of PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera, PT Rim Capital, PT Agro Wana Lestari, PT Agra Jaya Baktitama, PT Batu Mas Sejahtera, PT Nabire Baru and PT Saawit Makmur Sejahtera as of 31 March 2012 was Rs.27,153 mn equivalent to US\$211,972,000 (2011 Rs.18,165 mn equivalent to US\$164,539,000). These values have not been incorporated in the carrying value of property plant and equipment.

**Mature & Immature Plantation**

The fair value of Mature & Immature Plantation of Indonesian Palm Oil Plantation amounting to Rs. 33,678 mn (US \$ 262.90 mn) 2011- Rs 22,911 mn (US \$ 207.52 mn) was determined by KJPP Rengganis, Hamid & Partners a local independent valuer (formerly PT Heburinas Nusantara a local independent professional valuer associated with CB Richard Ellis) in its reports dated 20th April, 2012 and 14th April, 2011. The valuations of the Mature & Immature Plantation assets were performed in accordance with Indonesian Valuation Standards ("Standards Penilaian Indonesia/SPI") which are based on the International Valuation Standards. The valuations were based on the following significant assumption:

- Projected economic production life of palm oil plants is 22 years after maturity.
- Discount rate per annum of 12.41% in 2012 (2011: 13.53%).
- FFB Selling price for the first year is Rs.19,086/- (US \$ 149 per Ton) (2011: FFB selling price for the first year is Rs.17,744/- (US \$ 161 per Ton).



(Amounts expressed in Sri Lankan Rs.'000)

**(j) Biological Valuation of Indonesian Plantations.**

The Indonesian Palm Oil plantation companies of the group account for the biological assets owned by them at fair value less estimated point of sale cost in accordance with IAS 41 "Agriculture", being the applicable accounting treatment in Indonesia based on valuations conducted by independent professional valuers.

However, since Sri Lanka is yet to adopt IAS 41, the applicable Sri Lanka Accounting Standard would be SLAS 32 - "Plantations" which does not recognize adoption of fair value concept for Oil Palm plantations. Consequently, the Company has reversed the fair value gain on oil palm plantation assets and report under property, plant and equipment, while capitalizing the cost in accordance with SLAS 32 - "Plantations".

Had the Company continued to apply the previous accounting policy, by measuring the Indonesian plantation at fair value less estimated point of sale cost in accordance with IAS 41 - "Agriculture", the value of the said Plantation and the gain on fair value of the same would have been as follows:

	2012		2011	
	As per SLAS	As per IAS	As per SLAS	As per IAS
(i) Value of Indonesian Plantation as at 31st March	20,894,783	33,678,024	14,247,982	22,911,201
(ii) Gain in fair value included in the Income Statement during the year	-	3,807,613	-	1,762,122
(iii) Cumulative gain in fair value included in Retained earnings	-	11,614,263	-	5,889,481

**(k) Capitalization of borrowing costs**

The Group's property, plant and equipment includes borrowing costs arising from bank term loans borrowed specifically for the development of such assets. During the financial year, the borrowing costs capitalized as cost of property, plant & equipment amounted to approximately Rs 75.27 mn (2011: Rs 127.58 mn).

**(l) Assets pledged as security**

**Indonesian Assets**

Property, plant and equipment of PT Agro Indomas, PT Agro Bukit and PT Karya Makmur Sejahtera with net book values of Rs.4,420.35 mn. (US\$34,507,000), [2011: Rs.3,581.04mn. (US\$32,437,000)] have been pledged as security for the bank borrowings with Standard Chartered Bank .

**Malaysian Properties**

Malaysian properties of Indo-Malay PLC and Selinsing PLC with net book values of Rs.2,886.09 mn. ( US\$22,530,000) [2011: Rs.2,494.15 mn (US\$22,592,000)] have been pledged as security for the bank borrowings with Standard Chartered Bank.

**(m) During the year, Lion Brewery (Ceylon) PLC (a subsidiary) changed the classification of returnable containers comprising of bottles, crates, pallets and kegs from Inventories to Property, Plant and Equipment to reflect more appropriately the nature and the way in which the said assets are used in its business operations.**

Up to 31st March 2011, Returnable Containers were classified under inventories at its cost/net realisable value and was written off to the Income Statement only in the event they were damaged within the premises of the company. All Returnable Containers in the custody of the Agents were supported by deposits which represents its cost / net realisable value in full. These deposits are returned to an Agent upon them ceasing operations or in the event of a contraction in sales.

**(n) Land acquisition of Company's subsidiary Pegasus Hotels of Ceylon PLC (PEG)**

During the financial year 2008/09, the government acquired approximately 1,605 perches of the land owned by the PEG, out of which 353.89 perches of land was subject to Supreme Court order as explained below. The market value of the said net land extent (1,251 perches) as at the date of acquisition amounting to Rs.187,800,000/- has been removed from the value of the freehold land classified under the property, plant, and equipment in the balance sheet of the PEG. The removal of the said land has been accounted for as a disposal of an asset in the financial statements in the year.

(Amounts expressed in Sri Lankan Rs.'000)

**Land acquisition of Company's subsidiary Pegasus Hotels of Ceylon PLC (PEG) (Contd.)**

PEG filed a fundamental rights application in the Supreme Court regarding the acquisition of approximately 353.89 perches of land (described as mangrove) owned by the Company. As per the Supreme Court ruling dated 20th November 2008, the said land is to be returned to the Company on completion of the construction work of the fisheries harbour project.

Accordingly, the market value of the said land amounting to Rs. 52,950,000/- (2011 - Rs.52,950,000/-) as at the balance sheet date has not been removed from Property, Plant and Equipment.

On 15th March 2011, the Sri Lanka Navy has approached the Fisheries Harbour Corporation through which they have requested for a portion of 80 perches from and out of the said 353.89 perches in order to establish a coast guard unit. PEG is expected to regain title to the balance 273.89 perches and make an additional claim for compensation for the said 80 perches, after referring the said request to the Supreme Court. Until determination of the aforesaid legal steps, the entire land extent in question will continue to be accounted in the Balance Sheet of PEG under property, plant & equipment at market value.

**(o) Land compensation received**

During the financial year 2002/03, a portion of freehold land of a subsidiary, Good Hope PLC was compulsorily acquired by the Government of Malaysia pursuant to the Land Acquisition Act, of 1960.

In 2010, the amount accrued as compensation receivable from the Government of US\$827,000 in respect of the compulsory acquisition of a portion of the Malaysian operations freehold land was received by the Company. An additional income of US\$132,000 was received and included in sundry income, during the year.

The Company, however, has objected to this offer and submitted a claim US\$1,975,000. This claim has been decided in favour of the Company and the Company has been awarded a sum of Rs. US\$77,000 with interest at 8% per annum from the date of possession.

The Company has filed a further claim in Shah Alam High Court to recover outstanding late payment charges amounting to a sum of US\$ 422,000 and is now in legal proceedings.

**23 PREPAID LEASE PAYMENT FOR LAND**

	2012	2011
<b>Cost/Valuation</b>		
Balance as at the beginning of the year	1,742,310	674,669
On consolidation	1,342,388	782,510
Additions	281,655	306,872
Transfers	-	(50,366)
Exchange translation difference	303,556	28,625
Balance as at the end of the year	3,669,909	1,742,310
<b>Accumulated amortization</b>		
Balance as at the beginning of the year	111,096	56,030
On consolidation	40,102	6,977
Amortization	70,136	49,951
Transfers	-	(3,358)
Exchange translation difference	22,393	1,496
Balance as at the end of the year	243,727	111,096
Balance as at the end of the year	3,426,182	1,631,214

**(a) Details of prepaid Lease payment for land**

The Company's subsidiary, PT Agro Indomas's land rights in the form of "Hak Guna Usaha" (HGU) will expire in the following years

Property	Land Extent (in Ha)	Amount		Year of Expiration	Location
		2012	2011		
PT Agro Indomas	12,104	464,219	355,081	2028	Kotawaringin Timur
	3,760			2033	Kotawaringin Timur
	15,864	464,219	355,081		

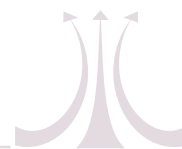
Land rights represent amounts paid on obtaining land rights certificate under "Hak Guna Usaha (HGU)" or "Right to cultivate" and expenses incurred in obtaining operating licenses. The land rights have an average remaining amortization period of 30 years.

Management believes that the existing land rights will be renewed by the Government of Indonesia upon expiration because under the laws of Indonesia the land rights can be renewed upon the request of the HGU holder (subject to the Government of Indonesia approval).

The subsidiaries of the Group, PT Agro Bukit, PT Nabire Baru, PT Agro Wana lastari and PT Rim Capital are still in the process of obtaining land right certificates (HGU).

Amortization of prepaid lease payment on land capitalized to Property plant equipment amounted to Rs.42.48 mn. (2011: Rs.10.59mn ).





(Amounts expressed in Sri Lankan Rs.'000)

## 24 INVESTMENT PROPERTIES

	Land Freehold	Building Freehold	Group			
			As at 31st March 2012	As at 31st March 2011		
<b>(a) Investment Property holding Companies of the Group;</b>						
Equity One PLC	1,421,805	190,173	1,611,978	1,118,979		
Equity Three (Private) Limited	185,000	65,500	250,500	238,000		
	1,606,805	255,673	1,862,478	1,356,979		
	Freehold Land		Freehold Building			
	2012	2011	2012	2011		
<b>(b) Movements of Investment Properties</b>						
Balance as at the beginning of the year	1,105,478	1,048,360	251,501	278,371	1,356,979	1,326,731
Additions during the year	-	-	5,209	-	5,209	-
Gain on fair value adjustment	31,327	57,118	(6,420)	(26,870)	24,907	30,248
Transfer from inventories	470,000	-	5,383	-	475,383	-
Balance as at end of the year	1,606,805	1,105,478	255,673	251,501	1,862,478	1,356,979
<b>(c) Change in fair value of investment properties</b>						
Equity One PLC	18,800	48,905	(6,393)	(26,126)	12,407	22,779
Equity Three (Private) Limited	12,527	8,213	(27)	(744)	12,500	7,469
	31,327	57,118	(6,420)	(26,870)	24,907	30,248

### (d) Valuation of investment property

Investment properties were stated based on a valuation performed by Mr K. Arthur perera, A.M.I.V (Sri Lanka), an independent professional valuer as at 31st March 2012.

### (e) Properties pledged as security

There were no restrictions on title of investment properties as at the balance sheet date.

### (f) Details of Investment Properties - Group

Name of building/location	Tenure of land	Description	Extent (in Acres)	Net rentable area sq.ft.	Fair Value 31st March 2012	Historical Cost 2012	Effective Date of Valuation
Equity One PLC. Dharmapala Mw., Colombo 7	Freehold	Office complex	0.60	44,163	680,000	55,852	31st March 2012
Equity One PLC. Vauxhall Lane, Colombo 2	Freehold	Warehouse complex	1.36	32,353	461,978	270,000	31st March 2012
Equity One PLC. Mt. Lavinia	Freehold	Land	6.00	-	470,000	624,000	31st March 2012
Equity Three (Private) Limited George R. De Silva Mw., Colombo 13	Freehold	Office complex	0.51	33,400	250,500	76,126	31st March 2012
			8.47	109,916	1,862,478	1,025,978	

The investment properties are valued using 'Market approach'.

(Amounts expressed in Sri Lankan Rs.'000)

- (g) The land located at No.7, De Soysa Mawatha, Mount Lavinia, being property acquired for development activities of the Group, which was previously classified as inventory, was recognized as an investment property held for capital appreciation, during the year upon discontinuation of property development activities.

Accordingly, an amount of Rs.470mn was recognised in to investment property, which reflects the fair value of the property at the date of the transfer, based on a professional valuation performed by Mr K. Arthur Perera, A.M.I.V (Sri Lanka), an independent professional valuer as at 31st March 2012.

The Company recognized land and building owned by the subsidiary company Equity Two PLC though held to earn rental income and capital appreciation as property, plant and equipment as opposed to investment property, since the Company's subsidiary, Carsons Management Services (Private) Limited occupies a substantial portion of the said property for administration purposes.

## 25 INTANGIBLE ASSETS

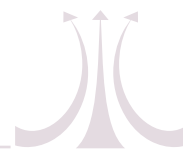
	Goodwill		Computer Software		Excise License		Patent / Trademark	Customer relationship	Total	
	2012	2011	2012	2011	2012	2011	2012	2012	2012	2011
<b>Cost/Valuation</b>										
Balance as at the beginning of the year	477,567	524,443	435,424	397,132	25,960	22,098	-	-	938,951	943,673
On consolidation	1,454,652	-	297	587	-	-	38,665	565,882	2,059,496	587
Additions	-	-	303,857	127,493	20,119	3,862	-	-	323,976	131,355
Written-off-software Development Cost	-	-	-	(78,241)	-	-	-	-	-	(78,241)
Transfers /Adjustments	-	(46,876)	(58,951)	(14,797)	-	-	-	-	(58,951)	(61,673)
Exchange translation difference	-	-	44,724	3,250	-	-	5,888	-	50,612	3,250
	1,932,219	477,567	725,351	435,424	46,079	25,960	44,553	565,882	3,314,084	938,951
<b>Accumulated Amortization</b>										
Balance as at the beginning of the year	-	-	126,096	122,930	5,731	3,124	-	-	131,827	126,054
On consolidation	-	-	9	90	-	-	-	-	9	-
Amortization	-	-	38,187	45,114	4,101	2,607	-	43,420	85,708	47,721
Transfers /Adjustments	-	-	(653)	(42,488)	-	-	-	-	(653)	(42,488)
Exchange translation difference	-	-	5,054	450	-	-	-	-	5,054	450
	-	-	168,693	126,096	9,832	5,731	-	43,420	221,945	131,737
Balance as at the end of the year	1,932,219	477,567	556,658	309,328	36,247	20,229	44,553	522,462	3,092,139	807,214

### (a) Goodwill

Goodwill is allocated to cash generating units (CGU) identified according to its business segment. When testing for impairment for goodwill, the recoverable amount of a cash generating unit is determined on the basis of value-in-use calculations. These calculations use cash flow projections based on financial budgets, which are approved by management, typically covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates. The cash flows were discounted at an appropriate pre-tax discount rate.

As from 1st April 2006, goodwill is no longer amortized but tested for impairment annually. Goodwill acquired through Business Combinations have been allocated to five cash generating units (CGU's) for impairment testing as follows:

	2012	2011
Investment holdings	182,740	182,740
Beverage	267,243	267,243
Real estate	27,584	27,584
Plantation	9,430	-
Oil & fats	1,445,222	-
	1,932,219	477,567



(Amounts expressed in Sri Lankan Rs.'000)

**(b) Computer software**

Software with a finite life is amortized over the period of expected economic benefit.

Details of software are as follows

	2012	2011
Purchased software	381,332	86,084
Software licenses	175,327	223,244
	556,659	309,328

Computer software represent software licences and Enterprise Resource Planning (ERP) systems that are used to generate financial and management information.

**(c) Customer relationships**

Customer relationships on acquisition of Premium Vegetable Oils Sdn. Bhd. and Arani Agro Oil Industries Limited as part of a business combination was initially recognised at their fair value at the date of acquisition and are subsequently carried at cost less accumulated amortisation. Customer relationships are amortised over 10 years and tested for impairment, when an event dictates.

**26 LONG-TERM INVESTMENTS**

**Investment Portfolio**

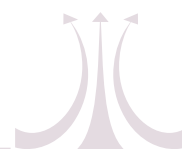
**Summary**

As at 31st March	Group				Company	
	2012 Cost/ Carrying Value	2012 Market Value/ Valuation	2011 Cost/ Carrying Value	2011 Market Value/ Valuation	2012 Cost	2011 Cost
<b>A. Investments in Subsidiaries</b>						
Quoted	-	-	-	-	691,655	700,855
Unquoted	-	-	-	-	6,447,409	5,493,837
Total investment in subsidiary companies	-	-	-	-	7,139,064	6,194,692
<b>B. Investments in Joint Venture</b>						
Unquoted	19,477	20,000	-	-	-	-
Total investment in Joint Venture Company	19,477	20,000	-	-	-	-

Market value of these subsidiary companies investments were Rs. 109,380 mn (2011 - Rs. 121,642 mn) and Rs. 42,635 mn (2011 - Rs. 49,915 mn) for the Group and the Company respectively.

*(Amounts expressed in Sri Lankan Rs.'000)***(A) Investment in subsidiaries**

	Group			Company		
	No. of Shares as at 31st March 2012	Cost as at 31st March 2012	Cost as at 31st March 2011	No. of Shares as at 31st March 2012	Cost Valuation at 31st March 2012	Cost Valuation at 31st March 2011
<b>(i) Quoted Investments</b>						
Investments in ordinary shares						
Carson Cumberbatch PLC	89,706,431	579,363	588,563	89,706,431	579,363	588,563
Equity One PLC	38,818,252	1,026,274	1,026,274	-	-	-
Equity Two PLC	27,532,935	448,839	448,839	-	-	-
Pegasus Hotels of Ceylon PLC	25,369,210	322,140	322,140	-	-	-
Selinsing PLC	6,639,623	687,143	49,687	-	-	-
Good Hope PLC	6,473,738	466,742	79,649	-	-	-
Indo-Malay PLC	6,289,722	1,321,657	76,831	-	-	-
Shalimar (Malay) PLC	6,696,936	298,663	40,468	-	-	-
Ceylon Guardian Investment Trust PLC	55,131,341	591,113	591,113	-	-	-
Ceylon Investment PLC	63,407,519	444,538	444,538	-	-	-
Guardian Capital Partners PLC	22,275,025	10,121	10,121	-	-	-
Ceylon Beverage Holdings PLC	15,726,922	713,414	713,414	-	-	-
Lion Brewery (Ceylon) PLC	48,190,428	1,938,094	1,538,648	1,300,000	112,292	112,292
Total investment in subsidiaries - quoted		8,848,101	5,930,285		691,655	700,855



(Amounts expressed in Sri Lankan Rs.'000)

	Group			Company		
	No. of Shares as at 31st March 2012	Cost as at 31st March 2012	Cost as at 31st March 2011	No. of Shares as at 31st March 2012	Cost Valuation at 31st March 2012	Cost Valuation at 31st March 2011
<b>(ii) Unquoted Investment</b>						
Goodhope Asia Holding Ltd.	96,703,312	12,034,423	9,650,509	36,638,043	6,447,409	5,493,837
Shalimar Developments Sdn. Bhd.	3,942,169	2,652,588	2,652,588	-	-	-
Rubber Investment Trust Limited	9,298,888	593	593	-	-	-
Leechman & Company (Private) Limited	5,160,000	849	849	-	-	-
Mylands Investments Limited	115,268	5,340	5,340	-	-	-
Weniwella Investments Limited	93,352	4,501	4,501	-	-	-
Guardian Fund Management Limited	1,045,015	10,450	10,450	-	-	-
PT Agro Bukit	23,591,472	4,785,831	4,785,831	-	-	-
PT Agro Indomas	41,087	1,713,106	1,713,106	-	-	-
PT Karya Makmur Sejahtera	19,000	1,127,370	1,127,370	-	-	-
PT Agro Asia Pacific	1,500	15,313	15,313	-	-	-
Agro Asia Pacific Limited	249,999	20,296	20,296	-	-	-
PT Agro Wana Lestari	23,750	226,522	226,522	-	-	-
PT Rim Capital	8,792,470	1,293,075	1,293,075	-	-	-
PT Nabire baru	11,875	148,983	148,983	-	-	-
PT Agrajaya Baktitama	23,750	292,135	292,135	-	-	-
PT Agro Harapan Lestari	250,000	117,664	117,664	-	-	-
PT Batu Mas Sejahtera	47,500	284,638	-	-	-	-
PT Sawit Makmur Sejahtera	47,500	293,587	-	-	-	-
PT Sumber Hasil Prima	23,750	331,124	-	-	-	-
Agro Harapan Lestari Sdn Bhd	280,000	75,857	75,857	-	-	-
Agro Harapan Lestari (Private) Limited	2,689,901	26,865	26,865	-	-	-
AHL Business Solution (Private) Limited	750,000	7,488	7,488	-	-	-
Premium Nutrients Pte Ltd	250,000	22,469	-	-	-	-
Premium Oils & Fats Sdn Bhd	1,000,000	36,504	-	-	-	-
Premium Vegetable Oils Sdn Bhd	54,862,500	3,568,789	-	-	-	-
Premium Fats Sdn Bhd	2,500,002	91,648	-	-	-	-
Arani Agro Oil Industries Ltd	30,000,000	1,944,464	-	-	-	-
Carsons Airline Services (Private) Limited	399,999	4,000	-	-	-	-
CBL Retailers (Private) Ltd.	1,200,000	12,000	12,000	-	-	-
Carsons Management Services (Private) Limited	16,334,138	163,341	-	-	-	-
Equity Hotels Ltd.	685,368	6,710	6,710	-	-	-
Equity Three (Private) Limited	5,400,000	103,214	103,214	-	-	-
Equity Seven Limited	3,271,882	43,148	43,148	-	-	-
		31,464,885	22,340,407		6,447,409	5,493,837
<b>(iii) Investments in Unquoted Deferred Shares</b>						
Ceylon Guardian Investment Trust PLC	5,739,770	115,384	115,384	-	-	-
Total Investment in Subsidiaries- Unquoted		31,580,269	22,455,791		6,447,409	5,493,837
Total Investment in Subsidiaries		40,428,370	28,386,076		7,139,064	6,194,692

**(a) Acquisition of subsidiaries**

**Formation of new companies**

**Formation of Premium Nutrients Pte Ltd and Premium Oils and Fats Sdn. Bhd.**

In financial year 2012, Goodhope Asia Holdings Ltd. formed Premium Nutrients Pte Ltd ("PNL") in Singapore as the investment holding company for the Oils and Fats business and Premium Oils and Fats Sdn. Bhd. ("POF") in Malaysia as the operational headquarters of the downstream business. The Company holds 100% equity interest in PNPL which in turn holds 100% equity interest in POF.

**Acquisition of Premium Vegetable Oil Sdn. Bhd., Premium Fats Sdn. Bhd. and Arani Agro Oil Industries Ltd.**

On 7 July 2011, the Group acquired 100% equity interest in Premium Vegetable Oil Sdn. Bhd. ("PVO") and Premium Fats Sdn. Bhd. ("PFSB") in Malaysia and Arani Agro Oil Industries Ltd. ("AAO") in India at a total purchase consideration of Rs.4,324 mn. (US\$ 39.4 mn). The Group has acquired these companies to expand the scope of operations into edible oils and fats business segment. These acquisitions have been accounted for using the acquisition method. The financial statements include the results of PVO, PFSB and AAO for the nine-month period from the acquisition date.

(Amounts expressed in Sri Lankan Rs.'000)

**Acquisition of PT Batu Mas Sejahtera**

On 16 September 2011, the Group acquired 95% equity interest in PT Batu Mas Sejahtera ("PTBMS") in Indonesia, at a purchase consideration of Rs.284 mn. (US\$ 2.6 mn). The Group has acquired PTBMS as part of its plantation business expansion plan. The acquisition has been accounted for using the acquisition method. The Group's consolidated financial statements include the results of PT BMS for the six-month period from the acquisition date.

**Acquisition of PT Sawit Makmur Sejahtera**

On 12 January 2012, the Group acquired 95% equity interest in PT Sawit Makmur Sejahtera ("PTSMS"), a company incorporated in Indonesia, for a purchase consideration of Rs.293.6 mn. (US\$ 2.58 mn.). The Group has acquired PTSMS as part of its plantation business expansion plan. The acquisition has been accounted for using the acquisition method. The Group's financial statements include the results of PTSMS for the two-month period from the acquisition date.

**Acquisition of PT Sumber Hasil Prima**

On 29 March 2012, the Group acquired 95% equity interest in PT Sumber Hasil Prima ("PTSHP"), a company incorporated in Indonesia, at a purchase consideration of Rs.331 mn. (US\$2.56 mn). The Group has acquired PTSHP as part of its plantation business expansion plan.

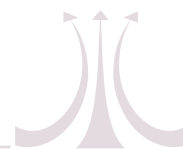
The following represents the fair values of the identifiable assets and liabilities of subsidiaries acquired as at the date of acquisition:

	2012
<b>ASSETS</b>	
Property, Plant & Equipment	8,102,872
Prepaid Lease Assets	1,302,286
Intangible Assets	38,307
Deferred Tax Assets	43,743
Inventories	2,344,212
Trade and other receivables	4,169,492
Cash and cash equivalents	898,580
<b>Total assets</b>	<b>16,899,492</b>
<b>LIABILITIES</b>	
Long - term borrowings	157,482
Deferred tax liabilities	871,486
Retirement benefit obligation	13,804
Finance Lease	141,741
Short term borrowings	6,641,219
Trade and other payables	6,884,728
	<b>14,710,460</b>
Net identifiable assets	2,189,032
Less: Non-controlling interest	(906,353)
<b>Identifiable net assets acquired</b>	<b>1,282,679</b>
Add: Positive goodwill arising from acquisition	1,454,652
Customer relationship	565,882
Less: Bargain purchase (negative goodwill)	(124,495)
Consideration for acquisition of non - controlling interest	2,134,582
<b>Total consideration for acquisitions</b>	<b>5,313,300</b>
<b>(b) The effects of acquisition on cash flow statement is as follows:</b>	
Consideration settled in cash	5,313,300
Less: Cash and cash equivalents of subsidiaries acquired	(898,580)
Acquisition of subsidiaries net of cash	4,414,720

**(c) Impact of acquisition on income statement**

From the date of acquisition, the acquirees have contributed an additional revenue and losses of approximately Rs. 20,099 mn and Rs. 892 mn respectively for the financial year ended 31st March 2012.





(Amounts expressed in Sri Lankan Rs.'000)

**(d) Acquisition of non-controlling interests**

During the year, the Group acquired further stake in the following subsidiaries from the existing non controlling shareholders:

Acquirer	Acquiree	Stake acquired %	Total acquired stake %	Consideration
Carson Cumberbatch PLC & Ceylon Beverage Holdings PLC	Lion Brewery (Ceylon) PLC	3.47	58.61	399,446
Good Hope Asia Holdings Limited	Selinsing PLC	8.40	95.67	637,456
Good Hope Asia Holdings Limited	Good Hope PLC	4.81	94.21	387,093
Good Hope Asia Holdings Limited	Indo - Malay PLC	12.62	89.87	1,244,826
Good Hope Asia Holdings Limited	Shalimar (Malay) PLC	4.21	96.50	258,195

**(B) Investment in Joint Venture Company**

	No. of Shares	Group		Company	
		Carrying Value As at 31 <sup>st</sup> March 2012	Market Value/ Valuation As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
On Unquoted Shares					
Guardian Acuity Asset Management Limited	2,000,000	20,000	20,000	-	-
Group Share of net results of Joint venture Company		(523)	-	-	-
		19,477	20,000	-	-

**27 Long-term investments**

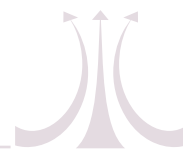
**(i) Movement in Long-term investments Group**

	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Balance as at the beginning of the year	13,542,272	7,973,037
Additions during the year	1,831,886	2,238,491
Disposals/Redemptions	(3,153,917)	(579,028)
Transfer to short term investment (Note 31 a)	(252,194)	-
Gain / (Loss) on mark to market value adjustment	(3,611,771)	3,909,772
Balance as at the end of the year	8,356,276	13,542,272

(Amounts expressed in Sri Lankan Rs.'000)

(ii) Measurement of Long-Term Investments - Group

	No of Shares 2012	Market Value / Valuation as at 31 <sup>st</sup> March 2012	Cost as at 31 <sup>st</sup> March 2012	No. of Shares 2011	Market Value / Valuation as at 31 <sup>st</sup> March 2011	Cost as at 31 <sup>st</sup> March 2011
<b>(a) Quoted Investments</b>						
<b>Bank &amp; Finance</b>						
Hatton National Bank PLC	-	-	-	2,000,000	760,000	341,368
HNB Assurance PLC	2,000,000	91,600	106,360	1,500,000	120,000	90,735
Commercial Bank of Ceylon PLC	11,415,548	1,141,555	748,440	4,484,335	1,191,936	463,946
People's Leasing Company PLC	22,907,300	265,725	412,332	-	-	-
Sampath Bank PLC	1,679,593	301,991	495,704	1,604,500	462,577	479,421
		1,800,870	1,762,836		2,534,513	1,375,470
<b>Beverage, Food &amp; Tobacco</b>						
Nestle Lanka PLC	274,500	250,015	185,386	100,000	64,080	32,590
Cargills (Ceylon) PLC	6,650,300	1,157,152	197,372	6,650,300	1,518,263	197,372
		1,407,167	382,758		1,582,343	229,962
<b>Construction &amp; Engineering</b>						
Access Engineering PLC	8,000,000	213,600	200,280	-	-	-
<b>Diversified Holdings</b>						
Aitken Spence PLC	-	-	-	10,245,000	1,662,764	299,555
John Keells Holdings PLC	16,629,878	3,425,755	531,727	12,491,159	3,567,475	532,790
Expolanka Holdings PLC	50,600,000	313,720	380,493	-	-	-
		3,739,475	912,220		5,230,239	832,345
<b>Health care</b>						
Asiri Hospital PLC	8,677,800	65,951	84,779	-	-	-
Ceylon Hospitals PLC (Durdans)	756,915	54,876	39,942	756,915	75,692	39,942
		120,827	124,721		75,692	39,942
<b>Hotels &amp; Travels</b>						
Aitken Spence Hotels Holding PLC	3,000,000	210,000	197,730	6,447,050	631,811	252,935
		210,000	197,730		631,811	252,935
<b>Manufacturing</b>						
Textured Jersey Lanka PLC	2,343,300	16,872	35,325			
Tokyo Cement Company (Lanka) PLC (Non voting)	6,706,500	181,076	290,592	4,449,600	195,782	181,332
		197,948	325,917		195,782	181,332
<b>Total net carrying value of long-term Investments - quoted</b>		7,689,887	3,906,462		10,250,380	2,911,986



(Amounts expressed in Sri Lankan Rs.'000)

	No of Shares 2012	Market Value / Valuation as at 31 <sup>st</sup> March 2012	Cost as at 31 <sup>st</sup> March 2012	No. of Shares 2011	Market Value / Valuation as at 31 <sup>st</sup> March 2011	Cost as at 31 <sup>st</sup> March 2011
<b>(b) Unquoted</b>						
Durdans Medical & Surgical Hospital (Private) Ltd.	22,285,715	280,797	280,797	21,000,000	262,797	262,797
Hsenid Business Solutions (Pvt) Ltd.	163,419	40,005	40,005	-	-	-
Softlogic Holdings (Private) Ltd.	-	-	-	2,777,000	199,944	199,944
South Asian Breweries (Private) Limited - Singapore	-	-	-	-	2,187,086	2,187,086
Lanka Communication Services Limited	1,428,496	15,713	15,713	1,428,496	15,713	15,713
Vallibel One Limited	-	-	-	2,090,000	52,250	52,250
The Sri Lanka Fund	2,531,646	227,374	224,560	2,531,646	285,051	224,564
Guardian Acquity Equity Fund	2,500,000	25,126	25,000	-	-	-
Guardian Acquity Fixed Income Fund	7,500,000	75,750	75,000	-	-	-
Expolanka Holdings Limited	-	-	-	41,600,000	252,102	252,102
Textured Jersey Lanka (Private) Limited	-	-	-	2,343,300	35,325	35,325
DFCC Vardhana Bank	128,925	1,600	1,600	128,925	1,600	1,600
Kandy Private Hospitals Limited	1,200	20	20	1,200	20	20
<b>Dormant Companies</b>						
International Grocer's Alliance (Pvt) Limited	5,100,000	-	-	5,100,000	-	-
Capital Reach Holding Ltd.	200,000	-	-	200,000	-	-
Equity Investments Lanka Limited	22,500	-	-	22,500	-	-
Colombo Brick Company Limited	1,000	-	-	1,000	-	-
Fantasia Stock & Stockings Limited	1,000	-	-	1,000	-	-
Glow weave Rubber Company Limited	1,000	-	-	1,000	-	-
Lady Havelock Gardens Limited	6,000	-	-	6,000	-	-
Mahaweli Construction Consortium Limited	1,500	-	-	1,500	-	-
Rowlands Limited	35,330	-	-	35,330	-	-
Rubberite Limited	10,000	-	-	10,000	-	-
<b>Total unquoted investments in shares</b>		666,385	662,695		3,291,888	3,231,401
<b>Debentures</b>						
Riverina Hotels Limited - Zero Coupon	56	-	-	56	-	-
Ocean View Limited - 6%	360	4	4	360	4	4
Total investments in debentures		4	4		4	4
<b>Preference Shares</b>						
Ceylon Cold Stores PLC - 7%	1,362	-	-	1,362	-	-
Richard Pieris & Company PLC - 8% - Cumulative	1,375	-	-	1,375	-	-
Rowlands Limited - 8% - Cumulative	1,125	-	-	1,125	-	-
Total Investment in Preference Shares		-	-		-	-
Total Unquoted Investments		666,389	662,699		3,291,892	3,231,405
Total Long-term other Investments		8,356,276	4,569,161		13,542,272	6,143,391

(Amounts expressed in Sri Lankan Rs.'000)

## 28. LAND COMPENSATION RECEIVABLE Pegasus Hotels of Ceylon PLC (PEG)

The government of Sri Lanka acquired approximately 1,251 perches of land owned by the Company under Section 38 proviso (a) of the Land Acquisition Act, No.28 of 1964 by gazette notification dated 14th May 2008 for the public purpose of a fisheries harbour project. The Divisional Secretary called for claim of compensation in response to which Company submitted a claim of compensation for the compulsory acquisition of the said land on 16th July 2008. The final claim stands at Rs.563 mn taking into account the market value of the property, potential economic value lost for hotel expansion and the nuisance value that will be created for hotel operation by the said project. However, as a matter of prudence the Company has accounted for the compensation receivable of Rs.189.5mn in the financial statements based only on the market value and related costs supported by a professional valuation dated 4th April 2009 conducted by Mr. K Arthur Perera, A.M.I.V.(Sri Lanka), Valuer & Consultant.

A valuation was carried out by Mr. K. Arthur Perera as at 31st March 2012 and according to the said valuation, the said acquired property is valued at Rs.250.4mn (2011 - Rs.250.4mn).

No adjustment has been made to the compensation receivable on prudent basis, however this will further justify the Company's claim on the property. As at balance sheet date, Company has not received any confirmation from the Divisional Secretary on the value determination of the said claim.

## 29. INVENTORIES

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011 (Restated)	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Raw materials	5,048,840	1,524,930	-	-
Work-in-progress	100,407	59,534	-	-
Land held for development and sale [Note (a)]	10,913	502,925	-	-
Finished goods	1,448,543	1,314,255	-	-
Nursery	1,565,942	582,238	-	-
	8,174,645	3,983,882	-	-

### (a) Details of Land held for Development and Sale

Company	Location	Extent (in Acres)	Fair Value 31 <sup>st</sup> March 2012	Fair Value 31 <sup>st</sup> March 2011
Equity One PLC	Mirihana Estate, Mirihana	0.11	10,913	32,925
Equity One PLC	No. 7, De Soysa Mawatha, Mount-Lavinia	6.00	-	470,000
		6.11	10,913	502,925

Land located at No. 7, De Soysa Mawatha, Mount Lavinia was transferred to Investments Property during the year, in view of discontinuation of development activities of the sector.

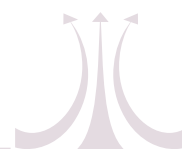
### Assets pledged as security

The Group has pledged inventories amounting to approximately Rs. 3,378 mn (2011:Nil) as security for bank borrowings.

## 30. TRADE AND OTHER RECEIVABLES

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011 (Restated)	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Trade receivables (net of provisions) (Note c)	4,075,656	781,486	-	-
Plasma receivables (Note d)	741,827	330,317	-	-
Other receivables	2,493,304	2,667,914	984	870
Loans given to employees	33,407	23,305	-	-
	7,344,194	3,803,022	984	870

(a) Trade receivables are generally non-interest bearing and have 15 to 90 days term. Other credit terms are assessed and approved on a case-by-case basis. They are recognized at their original invoice amounts which represent the fair value at initial recognition and subsequently tested for impairment.



(Amounts expressed in Sri Lankan Rs.'000)

(b) The carrying amount of the group's trade receivables are denominated in the following currencies:

**Group**

	2012	2011
<b>Currency</b>		
Sri Lankan Rupees	1,500,461	506,811
US Dollar	74,939	-
Malaysian Ringgit	1,949,426	69,773
Indonesian Rupiah	234,807	204,902
Indian Rupee	316,023	-
	4,075,656	781,486
<b>(c) Provision for Impairment of Trade Receivable - Movement during the year</b>		
Balance as at beginning of the year	19,777	15,710
Provisions during the year	1,748	5,568
Write-offs against provisions during the year	(675)	(1,501)
Balance as at end of the year	20,850	19,777

The above trade receivables that are individually determined to be impaired at the Balance Sheet date relate to debtors that are in significant financial difficulties and have defaulted on settlement. These receivables are not secured by any collateral.

**(d) Plasma receivables**

In accordance with the Indonesian government's policy, oil palm plantation companies are required to develop new plantations for local communities within and around the Company. A cooperative establishment is formed to take care of the landholder's rights and obligations and this form of assistance to local communities is generally known as the "Plasma Programme".

Plasma receivables represent costs incurred for plasma plantation development and advances to Plasma farmers for working capital purposes during the early maturity stage. These include biological assets and their infrastructures, covering costs incurred for land clearing, planting, upkeep, fertilisation, mature plantation management, harvesting and other indirect expenses. The advances will be subsequently recovered through revenue generated from the Plasma plantations.

Land rights of the Plasma plantation are mortgaged and kept as security for obtaining bank loans from commercial banks in Indonesia. These land rights will be handed over to the Group upon completion of the loan period. As per management agreement signed with the Plasma Co-operative, which represents the Plasma members and the Group's subsidiary companies, these land titles can be retained by the group as security until advances provided are paid in full through Plasma revenue.

**31 SHORT-TERM INVESTMENTS**

**(a) Group**

**Movement in short-term Investments**

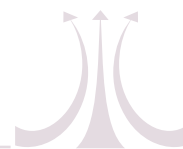
	As at 31 <sup>st</sup> March 2012			As at 31 <sup>st</sup> March 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Balance as at the beginning of the year	1,194,252	7,972	1,202,224	664,405	6,103	670,508
Additions	506,413	-	506,413	1,408,333	1,869	1,410,202
Transfer from Long term Investments (Note 27)	252,194	-	252,194	-	-	-
Disposals	(889,299)	-	(889,299)	(1,477,057)	-	(1,477,057)
Gain / (Loss) on mark to market value adjustments	(258,185)	-	(258,185)	598,571	-	598,571
Balance as at the end of the year	805,375	7,972	813,347	1,194,252	7,972	1,202,224

(Amounts expressed in Sri Lankan Rs.'000)

**(i) Short-Term Investments - Quoted**

	No of shares	Market Value as at 31st March 2012	No of shares	Market Value as at 31st March 2011
<b>Banks, Finance &amp; Insurance</b>				
National Development Bank PLC	387,200	47,548	193,600	65,901
Sampath Bank PLC	-	-	480,884	138,639
Housing Development Finance Corporation Bank of Sri Lanka	110,000	7,524	11,000	12,385
Commercial Bank of Ceylon PLC	2,371,099	237,110	153,881	40,902
Central Finance Company PLC	-	-	40,000	50,948
Hatton National Bank PLC	-	-	100,000	38,000
Lanka Orix Leasing Company PLC	-	-	100,000	11,960
L B Finance PLC	-	-	53,800	9,420
Merchant Bank of Sri Lanka PLC	-	-	664,200	63,630
		292,182		431,785
<b>Beverage, Food &amp; Tobacco</b>				
Distilleries Company of Sri Lanka PLC	902,000	130,790	852,000	153,360
Ceylon Cold Stores PLC	880	79	200	150
		130,869		153,510
<b>Chemicals &amp; Pharmaceuticals</b>				
Union Chemicals Lanka PLC	200	139	200	132
		139		132
<b>Diversified</b>				
Hemas Holdings PLC	98,125	2,581	98,125	4,514
John Keells Holdings PLC	1,061,129	218,593	1,181,172	337,343
Expolanka Holdings PLC	4,198,600	26,032	-	-
C T Holdings PLC	521,512	78,279	298,000	59,600
Richard Pieris and Company PLC	-	-	2,000,000	27,200
		325,485		428,657
<b>Land &amp; Property</b>				
Colombo Land & Development Company PLC	87,500	3,413	-	-
		3,413		-
<b>Hotels</b>				
Trans Asia Hotels PLC	-	-	187,600	36,732
				36,732
<b>Manufacturing</b>				
Royal Ceramic Lanka PLC	460,000	52,900	200,000	31,400
Piramal Glass Ceylon PLC	-	-	1,400,000	15,540
Lanka Floortile PLC	-	-	431,900	56,622
		52,900		103,562
<b>Plantations</b>				
Kegalle Plantations PLC	-	-	107,900	22,389
Namunukula Plantations PLC	-	-	149,500	17,133
				39,522
<b>Power &amp; Energy</b>				
Lanka IOC PLC	20,000	388	200,000	352
		388		352
<b>Total short-term quoted investments</b>		805,375		1,194,252

	No of Shares	Market Value/ Valuation as at 31st March 2012	No of Shares	Market Value/ Valuation as at 31st March 2011
<b>(ii) Short-Term Investments - Unquoted</b>				
Asia Pacific Golf Course Limited	10	2,500	10	2,500
Produce Transport Limited	1	-	1	-
Serendib Agro Products Limited	2,500	3	2,500	3
The Unit Trust Management Company (Private) Limited	360,001	3,600	360,001	3,600
ACW Insurance (Private) Limited	449,999	1,869	449,999	1,869
<b>Total short-term investments - unquoted</b>		7,972		7,972
<b>Total short-term Investments</b>		813,347		1,202,224



(Amounts expressed in Sri Lankan Rs.'000)

### 32 CASH AND CASH EQUIVALENTS

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
<b>Fixed deposits</b>				
FCBU Deposits	52,488	30,473	37,222	19,339
Call Deposits	1,768,991	778,234	-	-
Treasury Bills	25,767	15,646	7,000	-
Fixed deposits	1,259,156	434,196	-	-
Short-term deposits	3,106,402	1,258,549	44,222	19,339
Cash-in-hand and at Bank	5,450,174	9,869,226	5,559	53,690
	8,556,576	11,127,775	49,781	73,029

(a) Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Sri Lankan Rupee	5,417,226	1,888,761	12,559	53,690
US Dollar	572,607	7,604,683	36,983	19,133
Sterling Pound	2,178	1,766	239	206
Indonesian Rupiah	1,281,512	579,490	-	-
Malaysian Ringgit	940,766	1,006,186	-	-
Singapore Dollar	29,463	21,528	-	-
Euro	52,269	25,361	-	-
Indian Rupee	260,555	-	-	-
	8,556,576	11,127,775	49,781	73,029

Short-term deposits earn interest at floating rates based on daily bank deposits rates and are made for varying periods between one day and three months, depending on timing of the cash requirement of the Group. In 2012, interest earned ranged from 7.5% to 11% per annum (2011 - 6.5% - 7.5%) for Sri Lankan Rupees short-term deposits and ranged 0.1% to 0.5% (2011 : 0.05% to 0.23% ) per annum for US Dollar short term deposits, 2.% to 2.3% per annum (2011: 1.15% to 1.25%) per annum for Malaysian Ringgit short-term deposits and 3.5.% to 4.25.% per annum (2011: 4.5% to 7%) for Indonesian Rupiah short-term deposits.

Certain Indonesian Bank accounts of PT Agro Indomas, PT Agro Bukit PT Karya Makmur Sejantera and PT Agro Asia Pacific have been pledged as security for bank loans with Standard Chartered Bank, Singapore. As at 31 March 2012, these accounts have a total deposits amounting to of Rs . 303.60 mn. (2011: 6,155 mn)

(b) For the purpose of the cash flow statement, cash equivalent comprise of the following:

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Short-term deposits	3,106,402	1,258,549	44,222	19,339
Cash-in-hand and at bank	5,450,174	9,869,226	5,559	53,690
	8,556,576	11,127,775	49,781	73,029
Short-term borrowings	(7,534,409)	(552,000)	-	-
Bank overdrafts	(1,212,707)	(1,804,727)	-	-
	(190,540)	8,771,048	49,781	73,029



(Amounts expressed in Sri Lankan Rs.'000)

**33 STATED CAPITAL**

	As at the beginning of the year 01.04.2011	Sub - division during the year	Capitalizing / (cancelation) during the year	As at the end of the year 31.03.2012	As at the beginning of the year 01.04.2010	Shares issued/ Sub-division during the year	Capitalization / (redemptions) during the year	As at the end of the year 31.03.2011
Ordinary Shares	371,880	-	-	371,880	100,000	-	271,880	371,880
Preference Shares	40,755	-	-	40,755	1,804	-	38,951	40,755
	412,635	-	-	412,635	101,804	-	310,831	412,635

**Movement of No of shares**

Ordinary Shares	102,000,000	-	-	102,000,000	10,000,000	90,000,000	2,000,000	102,000,000
Preference Shares	1,839,568	-	-	1,839,568	180,350	1,623,150	36,068	1,839,568

The Company has in issue 1,839,568 Eight Percent (8%) Participating Cumulative Preference Shares, which have 8 votes per share at a poll, eight percent (8%) cumulative preference dividend and in addition the right to participate with the Ordinary Shares in the surplus in excess of 0.625% the dividend on Ordinary Shares but at eight (8) times the rate of dividend in the Ordinary Shares in excess of 0.625% of the dividend on such shares, but not entitled to participate in the surplus assets in a winding up.

**34 CAPITAL RESERVES**

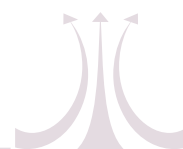
	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Balance as at the beginning of the year	2,284,413	1,292,043	40,000	40,000
Revaluation - property, plant & equipment	48,329	232,879	-	-
Redemption of Preference shares	-	(29,604)	-	-
Exchange translation differences	882,135	55,349	-	-
Changes in equity/transfers/adjustments	441,748	733,746	-	-
Balance as at the end of the year	3,656,625	2,284,413	40,000	40,000
Represented by				
Capital redemption reserve	40,000	40,000	40,000	40,000
Revaluation reserve	449,278	400,949	-	-
Other capital reserves	3,167,347	1,843,464	-	-
	3,656,625	2,284,413	40,000	40,000

The movements in the above reserves are shown in the Statements of Changes in Equity.

**Revaluation reserve** - Created to set aside revaluation surplus on immovable assets. Not utilised for distribution on prudence

**Capital redemption reserve** - created to be used against redeeming of redeemable preference shares. Not utilised for distribution.

**Other capital reserves** - represents the amounts set aside by the Directors for future expansion and to meet any contingencies



(Amounts expressed in Sri Lankan Rs.'000)

### 35 REVENUE RESERVES

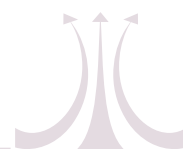
	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Balance as at the beginning of the year	17,572,818	11,365,506	5,739,686	2,476,748
Capitalization of reserves	-	(310,831)	-	(310,831)
Exchange translation differences	97,048	187,351	-	-
Redemption of Preference shares	(25,124)	(22,016)	-	-
Profit for the period	5,803,801	5,110,775	1,252,025	3,676,810
Goodwill on change in shareholdings	(2,867,079)	(1,461,087)	-	-
Negative goodwill on change in shareholdings	-	510,675	-	-
Appreciation / (Depreciation) of Long - term investments	(819,132)	1,075,125	-	-
Changes in equity/transfers	14,483	1,220,361	-	-
Dividend paid	(291,844)	(103,040)	(291,844)	(103,040)
Balance as at the end of the year	19,484,971	17,572,818	6,699,867	5,739,686
General reserve	205,581	205,581	9,283	9,283
Currency translation reserve	1,451,675	1,340,144	-	-
Investment property fair value adjustment reserve	372,018	372,018	-	-
Long-term investment market revaluation reserve	1,223,194	2,042,326	-	-
Retained earnings	16,232,503	13,612,749	6,690,584	5,730,403
	19,484,971	17,572,818	6,699,867	5,739,686

- (a) **General Reserve** represents the amounts set aside by the Directors for future expansion, and to meet any contingencies.
- (b) **Currency translation reserve** comprises the net exchange movement arising on the translation of net equity investments of overseas subsidiaries into Sri Lankan Rupees.
- (c) **Investment property fair value adjustment reserve** Companies any gains arising from fair value adjustment of investment properties will be transferred from retained earnings/accumulated loss to fair value adjustment reserve and any losses arising will be transferred to fair value adjustment reserve to the extent that loss does not exceed the balance held in the said reserve.
- (d) **Long - term investments revaluation reserve** Consists of unrealised surplus on revaluation of long term investments.

(Amounts expressed in Sri Lankan Rs.'000)

**36 LONG – TERM BORROWINGS**

	Group	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
<b>Current</b>		
<b>Long-term borrowings falling due within one year</b>		
Bank borrowings [Note 36 (a)]	2,581,033	2,153,270
Preference Share capital [Note 36 (b)]	55,000	55,000
Finance lease payables (Note 36 (g))	79,280	15,714
	2,715,313	2,223,984
<b>Non-Current</b>		
<b>Long-term borrowings falling after one year</b>		
Bank borrowings [Note 36 (a)]	25,879,049	18,814,549
Preference Share capital [Note 36 (b)]	55,000	110,000
Finance lease [Note 36 (g)]	6,454	-
	25,940,503	18,924,549
	28,655,816	21,148,533
<b>(a) Bank Borrowings</b>		
<b>Movements in long-terms borrowings</b>		
Balance as at the beginning of the year	20,967,819	3,123,484
On Consolidation	157,481	7,029,054
Obtained during the year	6,499,267	13,466,990
	27,624,567	23,619,528
Impact of exchange rate changes on conversion	3,454,404	(460,411)
Repayments during the year	(2,618,889)	(2,191,298)
Balance as at the end of the year	28,460,082	20,967,819
Amounts falling due within one year	(2,581,033)	(2,153,270)
Amounts falling due after one year	25,879,049	18,814,549
<b>(b) Movement in Preference share capital</b>		
Balance as at the beginning of the year	165,000	276,250
Repayments during the year	(55,000)	(111,250)
Balance as at the end of the year	110,000	165,000
Amounts falling due within one year - Short term borrowings	(55,000)	(55,000)
Amounts falling due after one year	55,000	110,000



(Amounts expressed in Sri Lankan Rs.'000)

**Details of long - term borrowings**

Company	Lender/Rate of	Balance as at	Balance as at Interest (p.a.)	Repayment Terms 31st March 2012	Security 31st March 2012
Carson Cumberbatch PLC	HSBC LIBOR plus 3.87% p.a.	277,550	257,600	The term loan USD 5mn (Rs. 205 mn) to be repaid in 6 equal semi - annual installment of USD 1.08 mn ( Rs.138.7 mn) (excluding interest)	Unsecured.
Equity One PLC	Hatton National Bank AWPLR + 2.25% (to be reviewed quarterly)	-	142,000	To be repaid in 60 months with an initial grace period of 24 months in 11 equal quarterly installments of Rs. 36 mn and a final installment of Rs. 34 mn plus interest. Interest to be serviced monthly. The loan was repaid in full by January 2012	Registered primary floating mortgage bond (RPFMB) executed over the project property at Mount Lavinia and Primary mortgage executed over the immovable property owned by the Equity One PLC situated in Dharmapala Mawatha.
PT Agro Indomas (PTAI)	Standard Chartered Bank, Term loan (Refer note c)	1,537,200	1,766,400	The term loan matured on April 2015 with an extension option to extend the maturity for a further five years.	Secured by Plantation Property, certain plant and equipment other than leased assets and corporate guarantees (Refer Note 37 c for details)
PT Agro Bukit (PTAB)	Standard Chartered Bank, Term loan (Refer note c)	8,787,660	8,920,320	The term loan facility will mature in April 2015 with an extension option to extend the maturity for further five years	Secured by Plantation Property, certain plant and equipment other than leased assets and corporate guarantees (Refer Note 37 c for details)
P T Karya Makmur Sejahtera (KMS)	Standard Chartered Bank, Term loan (Refer note c)	5,380,200	4,084,800	The term loan facility will mature in April 2015, with an option to extend the maturity for a further period of 5 years	Secured by Plantation Property, certain plant and equipment other than leased assets and corporate guarantees (Refer Note 37 c for details)
GoodHope Asia Holdings Ltd	Standard Chartered Bank, Term loan (Refer note c)	7,045,500	4,416,000	The term loan facility will mature in April 2015, with an option to extend the maturity for a further period of 5 years	Secured by Plantation Property, certain plant and equipment other than leased assets and corporate guarantees (Refer Note 37 c for details)
Premium Vegetable Oils Sdn. Bhd.	Standard Chartered Bank & Hong Leong Bank Malaysia COF + 1.50% per annum (Refer note d)	3,891,120	-	First ranking legal mortgage over the property, plant and equipment, first ranking fixed and floating charge over the existing and future assets excluding intangible assets, charge over Revenue Collection Accounts (RCA), charge over the borrower's Debt Service Reserve Accounts (DSRA) and Goodhope Asia Holdings Ltd Corporate Guarantee.	Company Property plant & equipments and Future assets excluding the intangible assets have been pledged as security.

*(Amounts expressed in Sri Lankan Rs.'000)***36 LONG – TERM BORROWINGS (CONTD.)****Details of long - term borrowings**

Company	Lender/Rate of	Balance as at	Balance as at Interest (p.a.)	Repayment Terms 31st March 2012	Security 31st March 2012
Lion Brewery (Ceylon) PLC	DFCC Bank - 6.5% p. a.	11,577	22,265	To be settled in 57 equal monthly instalments commencing from June 2008.	Unsecured.
	HSBC 1month LIBRO+3.87%	60,466	96,484	To be repaid in equal monthly instalments USD 33,333/33 commencing from July '2010	Unsecured. (Instalment)
	HSBC 1month LIBRO+3.17%	1,360,229	1,113,300	Payable in 20 equal quarterly instalments commencing from March 2012	Unsecured.
Ceylon Beverage Holdings PLC	Hatton National Bank AWPLR + 1.25% p.a.	75,000	105,000	To be settled in 24 equal monthly installments commencing from October 2009.	Unsecured.
Pegasus Hotels of Ceylon PLC	Commercial Bank 9% p.a.	33,580	42,150	To be repaid in 58 equal installments of Rs. 714,000 and final installment amounting to Rs.738,000.	Corporate guarantee given by Carson Cumberbatch PLC
Equity Hotels Limited	Commercial Bank AWPLR + 1%	-	1,500	To be repaid within three years after a grace period of one year commencing from December 2009.	Corporate guarantees given by Carson Cumberbatch PLC
		28,460,082	20,967,819		

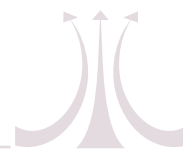
**(c) US\$ 200 M Credit Facility with Standard Chartered Bank, Singapore**

On October 1, 2009, the Company's subsidiary Goodhope Asia Holdings Ltd. ("GAHL"), as the is plantation sector holding company, together with other plantation sector companies within the Group, namely PT agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera and PT Agro Asia Pacific (the "Borrowers"), entered into a Credit Facility Agreement (CFA) with Standard Chartered Bank (SCB) Singapore Branch for a total facility amounting to US\$ 200,000,000. This credit facility is used to finance the expansion program of the plantation assets and to refinance some of the previous bank borrowings to SCB.

On February 23, 2012, GAHL together with other plantation sector companies within the Group - PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejahtera and PT Agro Asia Pacific (the "Borrowers") - executed a term loan facility agreement that amended the initial CFA by reinstating US\$32,400,000 to the existing facility with SCB Singapore, categorised as Facility A2.

The loans are subject to interest at SCB's Cost of Fund (COF) plus a margin as noted below for each facility:

- Facility A Loan - COF + 3.00% per annum
- Facility B1 and B2 Loans - COF + 3.25% per annum
- Facility A2 - COF + 3.25% per annum
- Revolving Credit Facility - COF + 2.75% per annum



(Amounts expressed in Sri Lankan Rs.'000)

The term loan facility will mature in April 2015, with an option to extend the maturity for a further period of 5 (five) years. The revolving credit facility carries a maximum maturity period of 6 months for each drawdown.

#### **Security Provided**

##### **Indonesian Assets of the Group**

The plantation properties, certain plant and equipment other than leased assets, certain bank accounts of PT Agro Indomas, PT Agro Bukit, PT Karya Makmur Sejantera have been pledged as security for the above loan facilities.

##### **Malaysian Assets of the Group**

The Malaysian plantation properties of Indo Malay PLC and Selinsing PLC have also been pledged as security for the above loan facility. However, the lender has agreed to release these mortgages at their discretion in the event of fresh equity capital (of a minimum of US\$100,000,000) to the Group.

##### **Corporate Guarantees**

All the borrowers under the facility together with the Company's subsidiaries namely Shalimar Developments Sdn Bhd, Agro Harapan Lestari Sdn Bhd and PT Agro Harapan Lestari have also provided corporate guarantees, for the value of / and all obligations of the facilities, by each borrower.

#### **(d) Financing Facilities with Standard Chartered Bank, Malaysia and Hong Leong Bank, Malaysia**

On March 2012, Premium Vegetable Oils Sdn Bhd jointly with Premium Fats Sdn Bhd (subsidiaries of Goodhope Asia Holdings Ltd.) executed a Club Loan Credit Facility Agreement of RM 162,000,000 (US\$ 52,863,000) with Standard Chartered Bank, Malaysia ("SCB Malaysia") and Hong Leong Bank, Malaysia ("HLB Malaysia").

Furthermore, on March 2012, Premium Vegetable Oils Sdn Bhd jointly with Premium Fats Sdn Bhd executed Banking Facility Letters (BFL) for bi-lateral trade facilities of RM 120,000,000 (US\$ 39,158,000) each from Standard Chartered Bank, Malaysia ("SCB Malaysia") and Hong Leong Bank, Malaysia ("HLB Malaysia").

The loans (funded facilities) are subject to the following interest rates:

##### **Term Loan Facility**

- Facility A – COF + 1.50% per annum
- Facility B – COF + 1.50% per annum

##### **Trade Facility**

- Funded facilities – COF + 1.50% per annum
- Non – Funded facilities – 0.10% per month
- Overdraft – Base Lending Rate + 2.00% per annum

The Club Term Loan facility will mature on April 2015, with an extension option being available for a further period of 2 (two) years. The trade finance instruments carry a tenure of 3-6 months.

##### **Security provided**

Assets of the Borrowers

The Club Term Loan facility share the following Securities on pari passu basis with the bi-lateral trade facilities provided by SCB Malaysia and HLB Malaysia:

- First ranking legal mortgage over the property, plant and equipment of the Borrowers;
- First ranking fixed and floating charge over all the Borrowers' existing and future assets, excluding intangible assets;
- Charge over Revenue Collection Accounts ("RCA") of the Borrowers.

(Amounts expressed in Sri Lankan Rs.'000)

In addition, the Club Loan Facility is secured with a charge over the Borrowers' Debt Service Reserve Accounts ("DSRA"), which is not shared with the trade facilities provided by SCB and HLB.

#### Corporate Guarantees

GAHL has provided corporate guarantees for the aforementioned credit facilities (Club term loan and bi-lateral trade facilities) as security.

**(e) The carrying amounts of the Group's borrowings are denominated in the following currencies:**

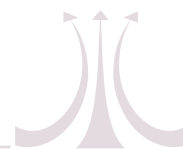
	Secured		Unsecured		Balance as at	
	2012	2011	2012	2011	31st March 2012	31st March 2011
US dollar	26,641,680	19,187,520	1,698,245	1,467,384	28,339,925	20,654,904
Sri Lankan Rupees	33,580	185,650	86,577	127,265	120,157	312,915
	26,675,260	19,373,170	1,784,822	1,594,649	28,460,082	20,967,819

**(f) Maturity Profile of Long - Term Borrowings**

The profile of the maturity of the long-term borrowings included in the Group's Balance Sheet as at 31st March is shown in the table below:

	Bank	Group	Company	
	Borrowings	Finance Lease	Total 31.03.2012	Total 31.03.2012
Due within				
1 year	2,636,033	79,280	2,715,313	-
1 to 2 years	3,025,145	6,454	3,031,599	-
2 to 5 years	22,908,904	-	22,908,904	-
	28,570,082	85,734	28,655,816	-





(Amounts expressed in Sri Lankan Rs.'000)

**(g) Obligations under Finance Leases**

	<b>As at 31st March 2012</b>	<b>Group As at 31st March 2011</b>
<b>Movements in Finance Leases</b>		
Balance as at the beginning of the year	-	43,016
On Consolidation	141,739	-
Obtained during the year	(4,835)	-
	136,904	43,016
Impact of exchange rate changes on conversion	18,131	4,074
Re - payments during the year	(69,301)	(31,916)
Balance as at the end of the year	85,734	15,714

In 2012, Premium Vegetable Oil Sdn. Bhd., a subsidiary of the Group, had entered into hire purchase agreements for certain plant equipment and motor vehicles with hire purchase terms of 3 to 5 years. The hire purchase obligations are subject to an effective interest rate of 3.5% per annum.

In 2011, PT Agro Indomas and PT Agro Bukit, subsidiaries of the Group, entered into lease agreements for certain heavy equipment and motor vehicles, which were subject to an effective interest rate of 11.67% per annum. These had been fully settled during the year.

	<b>As at 31st March 2012</b>	<b>Group As at 31st March 2011</b>
Analysis of finance obligation by the year of re - payment		
<b>Minimum lease payments:</b>		
Due within one year	79,293	16,802
Due within two years	9,259	-
Future lease payments	88,552	16,802
Less: Future finance charges	(2,818)	(1,088)
Present value of minimum lease payable	85,734	15,714
Less: Current portion of obligations due under finance lease	(79,280)	(15,714)
	6,454	-

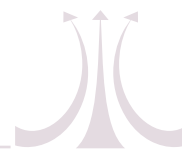
(Amounts expressed in Sri Lankan Rs.'000)

(h) The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2012.

	Currency	Weighted Average Interest Rate	Fixed Rate Weighted Average time for which rate is fixed years	Amount As at 31st March 2012 Rs.	Floating Rate Weighted Average Interest Rate	Amount 31.03.2012 Rs.	Total Rs.
Long-Terms Borrowings	US \$				LIBOR+2.4% p.a	22,750,560	22,750,560
	US \$				PLR+1% p.a	277,550	277,550
	US \$				LIBOR+3.87% p.a	60,466	60,466
	US \$				LIBOR+3.17% p.a	1,360,229	1,360,229
	US \$				COF + 1.50%	3,891,120	3,891,120
	Sri Lankan Rupees				PLR+1% - PLR+2%	33,580	33,580
	Sri Lankan Rupees				AWPLR + 1.25% p.a	75,000	75,000
Lease Creditors	Sri Lankan Rupees	10.5% p.a	3 years	11,577		-	11,577
	Indonesian Rupiah		2 years		8.85% to 11.67% per annum	-	-
						85,734	85,734
				11,577		28,534,239	28,545,816
Short-Terms Borrowings	US \$					1,281,000	1,281,000
	Indian Rupee					1,226,000	1,226,000
	Malaysian Ringgit					4,202,409	4,202,409
	Sri Lankan Rupee					825,000	825,000
Bank Overdraft	Sri Lankan Rupees				PLR+1% p.a	1,212,707	1,212,707
				11,577		37,281,355	37,292,932

The following table shows the interest rate profiles and currency analysis of the Group's Bank Borrowings as at 31st March 2011.

	Currency	Weighted Average Interest Rate	Fixed Rate Weighted Average time for which rate is fixed years	Amount 31.03.2011 Rs.	Floating Rate Weighted Average Interest Rate	Amount 31.03.2011 Rs.	Total Rs.
Long-Terms Borrowings	US \$				LIBOR+2.4% p.a	19,187,520	19,187,520
	US \$				PLR+1% p.a	257,600	257,600
	US \$				LIBOR+3.87% p.a	96,484	96,484
	US \$				LIBOR+3.17% p.a	1,113,300	1,113,300
	Sri Lankan Rupees				AWPLR + 2.25%	142,000	142,000
	Sri Lankan Rupees				PLR+1% - PLR+2%	42,150	42,150
	Sri Lankan Rupees				AWPLR + 1.25% p.a	105,000	105,000
	Sri Lankan Rupees	10.5% p.a	3 years	22,265			22,265
Lease Creditors	Sri Lankan Rupees	13.5% p.a	5 years	1,500			1,500
	Indonesian Rupiah		3 years		7.75% to 10.25% p.a	-	-
			3 years		8.85% to 11.67% p.a	15,714	15,714
				23,765		20,959,769	20,983,534
Short-Terms Borrowings	Sri Lankan Rupees			-		552,000	552,000
Bank Overdraft	Sri Lankan Rupees				PLR+1% p.a	1,804,727	1,804,727
				23,765		23,316,495	23,340,260



(Amounts expressed in Sri Lankan Rs.'000)

### 37 TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
<b>Current</b>				
Trade payables	3,348,277	609,931	-	-
Other creditors including accrued expenses	5,360,906	3,103,407	2,870	1,795
Unclaimed dividend	131,975	75,444	35,199	25,413
	8,841,158	3,788,782	38,069	27,208
<b>Non-Current</b>				
Rental deposits [Note 37 (a)]	30,770	28,726	-	-
Customer deposits [Note 37 (b)]	858,737	744,326	-	-
	889,507	773,052	-	-
	9,730,665	4,561,834	38,069	27,208

Terms and conditions of the above current Financial liabilities, are as follows;

- Trade payables are non-interest bearing and normally settled on 60 to 90 day terms.
- Other payables are non-interest bearing and have an average term of six months.
- Interest payables are normally settled monthly throughout the financial year.

	Group	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
<b>(a) Rental Deposits</b>		
Balance as at the beginning of the year	28,726	23,330
Receipts during the year	6,444	8,565
Refunds made during the year	(4,400)	(3,169)
Balance as at the end of the year	30,770	28,726
The above rental and telephone deposits are repayable on termination of the tenancy agreements in the property sector.		
<b>(b) Customer Deposits</b>		
Balance as at the beginning of the year	744,326	627,838
Receipts during the year	126,560	117,557
Refunds made during the year	(12,149)	(1,069)
Balance as at the end of the year	858,737	744,326

Customer deposits are taken as security against containers with the distributors in beverage sector.

### 38 AMOUNTS DUE TO RELATED COMPANIES

	Group		Company	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Amounts due to subsidiaries				
Carson Cumberbatch PLC	-	-	-	50,050
<b>Total amount due to related companies</b>	-	-	-	50,050

Amount due to subsidiaries carry an interest rate of 8% per annum and repayable on demand.

(Amounts expressed in Sri Lankan Rs.'000)

### 39 EMPLOYEE BENEFITS

The amounts recognized in the income statement are as follows;

	As at 31 <sup>st</sup> March 2012	Group As at 31 <sup>st</sup> March 2011
Current service cost	133,230	96,973
Interest cost	39,436	28,200
Amortization of past service costs	19	22
Amortization of actuarial loss	4,290	1,416
Immediate recognition of new entrants	104,105	39,495
Curtailment gain/loss	(105,788)	(50,851)
Settlement loss	86	765
<b>Total employee benefit expense</b>	<b>175,378</b>	<b>116,020</b>

The details of employee benefit liability at 31st March 2012 and 2011 are as follows:

	As at 31 <sup>st</sup> March 2012	Group As at 31 <sup>st</sup> March 2011
Present value of unfunded obligations	634,353	425,751
Unrecognized past service cost	(775)	(35)
Unrecognized actuarial loss	(87,947)	(91,623)
	<b>545,631</b>	<b>334,093</b>

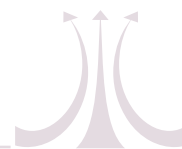
The movement in the liabilities recognized in the balance sheet is as follows:

Balance as at the beginning of the year	334,093	222,393
On consolidation	13,804	5,391
Provision for the year	175,378	116,020
Payments made during the year	(15,934)	(12,381)
Impact of exchange rate changes on conversions	38,290	2,670
<b>Balance as at the end of the year</b>	<b>545,631</b>	<b>334,093</b>

A separate fund has not been established to accommodate the liability arising in respect of gratuity. The above gratuity provision of Rs.175.37 mn (2011 -Rs 110.42mn) is based on an actuarial valuation carried out by Mr. M. Poopalanathan (AIA) of Messers. Actuarial & Management Consultants (Private) Limited, as at 31st March 2012, for Sri Lankan Subsidiaries and the provision for Malaysian operations is in accordance with the formula method as described in schedule 'E' of Sri Lanka Accounting Standard 16 (Revised) "Employee Benefit" for the year ended 31st March 2012. The Indonesian Subsidiaries, engaged an independent actuary, PT Dayamandiri Dharmakonsilindo to conduct actuarial valuation of employee benefits liability as at 31st March 2012 using the projected unit credit actuarial valuation method.

The actuarial valuation was made using the following assumption:

	Sri Lanka	Indonesia	Malaysia
Discount rate	10% per annum	6.75% per annum	4% per annum
Future salary increment rate	10-12% per annum	8% per annum	3% per annum
Mortality rate	A 67/70 mortality table issued by the Institute of Actuaries, London	CSO 1980	-
Disability rate	-	10% of mortality rate	-
Withdrawal	5% per annum for age up to 49 and thereafter zero.	3% per annum from age 20 and reducing linearly to 1% per annum at age 45 and thereafter.	9% per annum
Retirement age	55 years	100% at normal retirement (55 years)	-



(Amounts expressed in Sri Lankan Rs.'000)

**40. COMPANIES WITHIN GROUP WHICH ARE NOT AUDITED BY MESSERS KPMG**

Goodhope Asia Holdings Ltd	Ernst & Young - Singapore
Agro Asia Pacific Limited	Ernst & Young - Singapore
Indo-Malay PLC	Ernst & Young - Sri Lanka
Selinsing PLC	Ernst & Young - Sri Lanka
Good Hope PLC	Ernst & Young - Sri Lanka
Shalimar (Malay) PLC	Ernst & Young - Sri Lanka
Agro Harapan Lestari (Private) Limited	Ernst & Young - Sri Lanka
AHL Business Solutions (Private) Limited	Ernst & Young - Sri Lanka
Shalimar Developments Sdn. Bhd.	Ernst & Young - Malaysia
Agro Harapan Lestari Sdn. Bhd.	Ernst & Young - Malaysia
PT Agro Indomas	Ernst & Young - Indonesia
PT Agro Bukit	Ernst & Young - Indonesia
PT Agro Harapan Lestari	Ernst & Young - Indonesia
PT Agro Asia Pacific	Ernst & Young - Indonesia
PT Karya Makmur Sejahtera	Ernst & Young - Indonesia
PT Nabire Baru	Ernst & Young - Indonesia
PT Agrajaya Baktitama	Ernst & Young - Indonesia
PT Rim Capital	Ernst & Young - Indonesia
PT Agro Wana Lestari	Ernst & Young - Indonesia
PT Batu Mas Sejahtera	Ernst & Young - Indonesia
PT Sawit Makmur Sejahtera	Ernst & Young - Indonesia
PT Sumber Hasil Prima	Ernst & Young - Indonesia
Premium Nutrients Pte Ltd	Ernst & Young - Singapore
Premium Oils & Fats Sdn Bhd	Ernst & Young - Malaysia
Premium Vegetable Oils Sdn Bhd	Ernst & Young - Malaysia
Premium Fats Sdn Bhd	Ernst & Young - Malaysia
Arani Agro Oil Industries Ltd	Ernst & Young - India

**41. CAPITAL COMMITMENTS**

	Group	
	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
<b>Oil Palm Plantations</b>		
Approved and contracted for	5,741,570	191,986
	5,741,570	191,986
<b>Beverage</b>		
Approved and contracted for	723,354	-
	723,354	-
<b>Real Estate</b>		
Approved and contracted for	10,300	-
Total capital commitment	6,475,224	191,986

There were no material contracts for capital expenditure as at the Balance Sheet date other than the above.

(Amounts expressed in Sri Lankan Rs.'000)

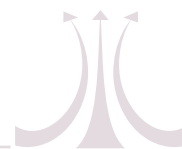
#### 42. CONTINGENCIES

- (a) Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank Singapore to secure a financing facility under Goodhope Asia Holdings Ltd., in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar Malay PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in an event of a successful claim on properties mortgaged by Indo-Malay PLC and Selinsing PLC. As such total loss incurred by Good Hope PLC in the event of a successful claim is limited to 25% of the combined loss.

- (b) In 2008, the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company's subsidiary, Ceylon Beverage Holdings PLC and its Directors for the recovery of Rs.48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/IVq to 2001/IIIq and Rs. 25,059,553/86 as its penalty. The subsidiary and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. Pending the conclusion of the CA case the CA ordered the payment of Rs.23,062,080/43 to Sri Lanka Customs which is the duty amount in dispute which has been paid by the subsidiary. However, no provision has been made for the penalty of Rs.25,059,553/86 since the CA case is still on going.
- (c) Contingent liabilities of Lion Brewery (Ceylon) PLC as at 31st March 2012 amounting to Rs.717,204,525/- (2011 - Rs.184,186,442/-), being bank guarantees given to government bodies for operational & shipping guarantees given for clearing imports pending original shipping documents.
- (d) The Customs Department instituted a prosecution in the Magistrate's Court of Kaduwela in Case No. 11303/Customs against the Company's subsidiary Lion Brewery (Ceylon) PLC and its Directors to recover Excise Duty amounting to Rs.58,753,582/94 comprising of the disputed Excise Duty of Rs.29,376,791/47 and its penalty of Rs.29,376,791/47. The subsidiary and the Directors have filed an application for Writ in the Court of Appeal to quash the Certificate Excise Duty in Default issued by the DG of Customs and Excise Duty to recover the said sum and obtained a Stay Order in respect of the proceedings of the MC Kaduwela Case. The Court of Appeal matter is currently pending.
- (e) An employee of company's subsidiary Pegasus Hotels of Ceylon PLC had filed action in the Labour Tribunal against on the termination of his services on disciplinary grounds and was awarded damages of Rs.392,000/- against the company. The subsidiary had appealed against the decision to the High Court of the Western Province (Gampaha) and the court held in favour of the subsidiary, against which order the employee has proffered an appeal to the Supreme Court. This is to be taken up in the Supreme Court on 11th June 2012.
- (f) A case has been filed against the company's subsidiary Pegasus Hotels of Ceylon PLC by an individual in the District Court of Negombo seeking a declaratory title from court stating that he is a co-owner of 127.5 perches of the Land belonging to Pegasus Hotels of Ceylon PLC. This matter is still pending. However, the company is confident that it can establish title to the said land it holds. In any case the land portion claimed falls within the land extent acquired by the Government for building a fisheries harbour.
- (g) An ex-parte judgement (in default of appearance) has been made against the Company's subsidiary Carson Cumberbatch PLC by an overseas Court for a sum of Sterling pound 271,323.38 in an action filed by a former consultant of the Company. The Company has challenged the enforceability of the said overseas judgement in an action filed by the Company in the District Court of Colombo. .
- (h) The contingent liabilities as at 31st March 2012 on corporate guarantees given to third parties by companies forming part of the Group in respect of facilities granted are as follows:

	As at 31 <sup>st</sup> March 2012	As at 31 <sup>st</sup> March 2011
Carson Cumberbatch PLC	75,000	75,000
Good Hope Asia Holdings Ltd - (Group)	33,362,108	17,382,701
	33,437,108	17,457,701



(Amounts expressed in Sri Lankan Rs.'000)

#### 43 NET ASSETS PER ORDINARY SHARE

Company and Group net asset per share calculation as follows.

As at 31st March	Group		Company	
	2012	2011 (Restated)	2012	2011
<b>Current</b>				
Total Equity	51,135,644	46,217,142	7,152,502	6,192,321
Less				
Non -controlling interest	(27,581,413)	(25,947,276)	-	-
Outstanding preference share capital	(40,755)	(40,755)	(40,755)	(40,755)
<b>Total</b>	<b>23,513,476</b>	<b>20,229,111</b>	<b>7,111,747</b>	<b>6,151,566</b>
<b>Number of ordinary shares used as the denomination</b>				
Ordinary share in issue	102,000,000	102,000,000	102,000,000	102,000,000
Net Asset per share (Rs.)	230.52	198.32	69.72	60.31

#### 44 EVENTS OCCURRING AFTER THE REPORTING PERIOD

##### Rights issue of shares - Pegasus Hotels of Ceylon PLC (PEG)

The Board of Directors of PEG, on 10th February 2012, recommended a rights issue of shares at a ratio of one (1) share for each nine (9) shares held at a price of Rs.36/50 per share, with a view to raise a sum of Rs.110.9mn. The funds raised through this rights issue were to be utilized to settle the amounts borrowed for the acquisition of Equity Hotels Limited in full and use the remaining balance to part settle the amount due to related company, Carsons Management Services (Private) Limited.

The shareholders of the Company, at its extra-ordinary general meeting held on 20th March 2012 resolved in favour of the above rights issue of shares.

Subsequent to the balance sheet date, the rights issue was fully subscribed and accordingly 3,039,153 ordinary shares were allotted.

Other than those disclosed above, no circumstances have arisen subsequent to the Balance Sheet date which require adjustments to or disclosures in the financial statements.

#### 45 RELATED PARTY DISCLOSURES

The Bukit Darah PLC carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures", the details of which are given below.

##### (i) Non Recurring Transactions

###### (a) Transactions with Subsidiaries

There were no material non recurring transactions during the year.

##### Financial year - 2010/11

###### 1 Transfer of Equity Hotels Limited.

During the year 2010/11, to consolidate the group's leisure sector under one holding company, the Company's subsidiary, Carson Cumberbatch PLC (CCPLC) transferred its fully owned subsidiary Equity Hotels Limited (EHL) to the subsidiary, Pegasus Hotels of Ceylon PLC for a consideration of Rs.109.6mn. This transaction was based on a business valuation of EHL carried out by Messers. KPMG.

###### 2 Transfer of Guardian Capital Partners PLC (formerly known as Watapota Investments PLC)

During the year 2010/11 the Group restructured its investment business portfolio by identifying Guardian Capital Partners PLC (GCP), formerly known as Watapota Investments PLC, to specialise in private equity investments. To execute this strategy the Group transferred its rights entitlement in GCP rights issue to the Company's subsidiary Ceylon Guardian Investment Trust PLC (CGITPLC), thereby transferring the direct controlling interest of GCP to CGITPLC. The rights were transferred at Rs.10.30 per share for a total consideration of Rs.224.8mn.



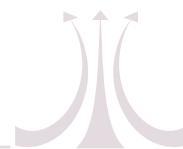
(Amounts expressed in Sri Lankan Rs.'000)

**45 RELATED PARTY DISCLOSURES (Contd)**

- 3 Company purchased a further 8.3% stake in Ceylon Beverage Holdings PLC and a 4.07% stake in Lion Brewery (Ceylon) PLC from both Ceylon Guardian Investment Trust PLC (CGITPLC) & Ceylon Investment PLC (CIPLC) at values of Rs.453.2mn and Rs.504.1mn respectively on the trading floor.
- 4 Company disposed of its 10.62% holding in Ceylon Investment PLC (CIPLC) in its entirety to Ceylon Guardian Investment Trust PLC (CGITPLC) for Rs.999.7mn on the trading floor as part of the restructuring of Group's investment business.

**(ii) Recurring Transactions****(a) Inter Company Lending**

Lender	Borrower	Relationship	Outstanding as at 31.03.2012	Outstanding as at 31.03.2011
Carson Cumberbatch PLC	Carsons Management Services (Private) Limited	Affiliate	230,542	217,705
	Equity One PLC	"	762,493	637,643
	Pegasus Hotels of Ceylon PLC	"	109,638	109,638
Leachman & Company (Private) Limited	Carson Cumberbatch PLC	Affiliate	38,943	45,270
Carsons Management Services (Private) Limited	Pegasus Hotels of Ceylon PLC	Affiliate	67,455	78,871
	Equity Hotels Limited	"	29,764	28,082
Equity Two PLC	Equity One PLC	Parent	26,833	31,379
Equity Three Limited	Equity One PLC	Parent	8,114	12,549
Ceylon Beverage Holdings PLC	CBL Retailers (Private) Limited	Subsidiary	234,006	91,982
Equity Seven Limited	Carson Cumberbatch PLC	Affiliate	41,099	41,678
Good Hope Asia Holdings LTD	Premium Nutrients (Pte) Ltd	Subsidiary	6,386,034	-
	Premium Vegetable Oil Sdn. Bhd.	"	78,488	-
	PT Agro Wana Lestari	"	141,109	121,611
	PT Karya Makmur Sejahtera	"	108,894	93,848
	PT Sawit Makmur Sejahtera	"	92,649	79,847
	PT Batu Mass Sejahtera	"	104,492	90,054
Shalima Developments Sdn. Bhd.	Good Hope Asia Holdings Ltd	Parent	1,113,342	1,562,766
Agro Harapan Lestari Sdn Bhd	Premium Oils & Fats Sdn. Bhd.	Affiliate	173,520	-
PT Agro Harapan Lestari	PT Agro Indomas	Affiliate	70,010	120,974
	PT Agro Bukit	"	256,216	17,969
	PT Karya Makmur Sejahtera	"	56,863	20,678
	PT Agro Wana Lestari	"	104,577	54,335
	PT Sumber Hasil Prima	"	26,505	-
PT Agro Indomas	PT Agro Bukit	Affiliate	301,923	-
	Good Hope Asia Holdings Ltd	Parent	4,041,160	-
	PT Agrajaya Baktitama	Affiliate	3,063,616	816,739
	PT Agro Wana Lestari	"	1,901,485	-
	PT Karya Makmur Sejahtera	"	1,144,612	-
	PT Rim capital	"	589,929	349,743
	PT Batu Mass Sejahtera	"	485,018	-
	PT Sawit Makmur Sejahtera	"	233,137	-
	PT Sumber Hasil Prima	"	214,451	-
	PT Nabire Bar	"	1,355,876	-
	Agro Harapan Lestari (Private) Limited	"	93,224	120,974
PT Agro Bukit	Good Hope Asia Holdings Ltd	Parent	467,099	-
	PT Agro Indomas	Affiliate	978,035	-
	PT Karya Makmur Sejahtera	"	43,426	-
PT Karya Makmur Sejahtera	PT Agro Bukit	Affiliate	88,634	2,925,622
	PT Agro Wana Lestari	"	4,286,121	-
	PT Sumber Hasil Prima	"	43,956	-
PT Agrajaya Baktitma	PT Sumber Hasil Prima	Affiliate	1,184,676	-
	PT Batu Mass Sejahtera	"	289,656	-
	PT Sawit Makmur Sejahtera	"	297,272	-
Premium Vegetable Oil Sdn Bhd	Arani Agro Oil Industries Ltd.	Affiliate	320,563	-
	Premium Fats Sdn. Bhd.	"	124,011	-
	Premium Oils & Fats Sdn. Bhd.	"	150,590	-
Arani Agro Oil Industries Ltd.	Premium Vegetable Oils Sdn. Bhd.	Affiliate	162,081	-



(Amounts expressed in Sri Lankan Rs.'000)

**(b) Inter Company Transactions**

Service Provider	Beneficiary	Relationship	Nature of Transaction	Value 2012	Value 2011
Carson Cumberbatch PLC	PT Karya Makmar Sejahtera	Subsidiary	Professional Fees	-	28,244
Ceylon Beverage Holdings PLC	Lion Brewery (Ceylon) PLC.	Subsidiary	Royalty	117,221	79,582
Carsons Management Services (Private) Limited	Bukit Darah PLC	Parent	Management, Secretarial, Administration Fees & Commissions	990	900
	Carson Cumberbatch PLC	Affiliate	"	900	600
	Ceylon Guardian Investment Trust PLC	"	"	6,400	9,128
	Ceylon Investment PLC	"	"	6,792	9,453
	Rubber Investment Trust Limited	"	"	6,401	7,644
	Guardian Fund Management Limited	"	"	180	66
	Leechman & Company (Private) Limited	"	"	86	68
	Weniwella Investments Limited	"	"	68	164
	Guardian Capital Partners PLC	"	"	2,663	343
	Mylands Investments Limited	"	"	68	164
	Indo - Malay PLC	"	"	300	60
	Selinsing PLC	"	"	300	60
	Shalimar (Malay) PLC	"	"	300	60
	Good Hope PLC	"	"	300	60
	Agro Harapan Lestari (Private) Limited	"	"	43	-
	Ceylon Beverage Holdings PLC	"	"	300	-
	Lion Brewery (Ceylon) PLC	"	"	194,076	149,893
	Equity One PLC	"	"	1,800	1,572
	Equity Two PLC	"	"	1,080	852
	Equity Three Limited	"	"	432	414
Pegasus Hotels of Ceylon PLC	"	"	5,450	10,222	
Equity Hotels Limited	"	"	1,209	42	
Carsons Airline Services (Private) Limited	"	"	342	330	
P T Agro Harapan Lestari	PT Agro Bukit	Affiliate	Management Services, administration of Commission	444,024	243,769
	PT Agro Indomas	"	"	703,077	602,208
	PT Agro Asia Pacific	"	"	2,693	2,705
	Agro Asia Pacific Limited	"	"	2,693	2,704
	PT Karya Makmar Sejahtera	"	"	62,577	99,871
	PT Rim Capital	"	"	5,235	-
	PT Agro Wana Lestari	"	"	132,918	100,401
PT Agrajaya Baktitama	"	"	4,318	-	
Agro Harapan Lestari Sdn Bhd	Indo - Malay PLC	"	"	12,694	10,739
	Selinsing PLC	"	"	21,903	19,074
	Shalimar (Malay) PLC	"	"	15,723	12,745
	Good Hope PLC	"	"	11,674	12,608
Agro Harapan Lestari (Pvt) Ltd	PT Agro Bukit	"	"	114,960	110,518
	PT Agro Indomas	"	"	159,039	151,363
	PT Karya Makmar Sejahtera	"	"	15,691	-
	PT Agro Wana Lestari	"	"	13,896	-
PT Agro Asia Pacific	PT Agro Bukit	"	"	37,050	25,310
	PT Agro Indomas	"	"	38,794	40,267
Premium Oils & Fats Sdn. Bhd.	PT Agro Bukit	"	"	28,521	-
	PT Agro Indomas	"	"	30,341	-
	Agro Asia Pacific Limited	"	"	8,693	-
	PT Rim Capital	"	"	823	-
Equity Two PLC	Guardian Fund Management Limited	"	Tenancy	741	582
	Agro Harapan Lestari (Private) Limited	"	"	7,183	8,533
	Carsons Management Services (Private) Limited	"	"	5,628	5,787

*(Amounts expressed in Sri Lankan Rs.'000)***(b) Inter Company Transactions Contd.**

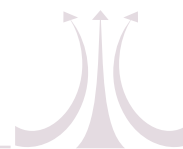
Service Provider	Beneficiary	Relationship	Nature of Transaction	Value 2012	Value 2011
Guardian Fund Management Limited	Ceylon Guardian Investment Trust PLC	Affiliate	Portfolio	6,829	7,397
	Ceylon Investment PLC	"	Management	12,813	12,023
	Rubber Investment Trust Limited	"	Services	10,294	8,576
	Guardian Capital Partners PLC	"	"	7,000	-
	Carsons Management Services (Private) Limited	"	"	-	4,350
AHL Business Solution (Private) Limited	Shalimar Developments Sdn. Bhd.	"	IT Related	152	95
	Indo - Malay PLC	"	Services	813	863
	Selinsing PLC	"	"	876	917
	Shalimar (Malay) PLC	"	"	825	893
	Good Hope PLC	"	"	796	880
	PT Agro Harapan Lestari	"	"	146,950	15,114
	Agro Harapan Lestari Sdn Bhd	"	"	874	959

**(c) Dividend and Interest**

Receiver	Payer	Relationship	Nature of Transaction	Value 2012	Value 2011
Bukit Darah PLC	Form subsidiaries	Subsidiary	Dividend Income	344,656	126,244
Carson Cumberbatch PLC	"	"	"	475,569	709,634
Ceylon Beverage Holdings PLC	"	"	"	202,570	164,736
Ceylon Guardian Investment Trust PLC	"	"	"	104,105	107,881
Ceylon Investment PLC	"	"	"	41,251	30,389
Good Hope Asia Holdings Ltd	"	"	"	973,289	475,438
Good Hope PLC	From related companies	Affiliate	"	39,206	38,855
Indo-Malay PLC	"	"	"	37,951	38,855
Shalimar (Malay) PLC	"	"	"	34,821	36,919
Selinsing PLC	"	"	"	50,006	43,624
Shalimar Developments Sdn. Bhd	"	"	"	267,616	286,217
Equity One PLC	"	"	"	15,890	4,178
Equity Two PLC	From related companies	Affiliate	Interest Income	2,110	2,377
PT Agro Indomas	"	"	"	76,859	-
PT Karya Makmar	"	"	"	143,372	-
PT Agrajaya Baktitama	"	"	"	13,989	-

(iii) Carson Cumberbatch PLC has provided letters of comfort to the following subsidiaries confirmings its intention to continue to provide financial and other support and meet liabilities to enable the subsidiaries to continue as a going concern for audit purposes.

- a) Carson Airline Services (Private) Limited - Wholly owned
- b) Carson Management Services (Private) Limited - Wholly owned



(Amounts expressed in Sri Lankan Rs.'000)

**(iv) Transaction with Key Management Personnel (KMP)**

According to Sri Lanka Accounting Standard 30 (Revised 2006) "Related Party Disclosures", key management personnel are those having authority and responsibility for planning and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (including executive and Non Executive Director) and their immediate family members have been classified as KMP of the Company.

The compensation paid to key management Personnel and other short term employment benefits are disclosed in aggregate in Note 18 to the Financial Statements. No other payments such as post employment benefits, termination benefits and share based payments have been paid to key management personnel during the year.

**46 COMPARATIVE INFORMATION**

During the financial year Lion Brewery (Ceylon) PLC, a group entity modified the classification of refundable containers comprising of bottles, crates, pallets and kegs from inventories to property, plant and equipment to reflect more appropriately the nature and the way in which the said assets are used in business operations. Accordingly the presentation and classification of the following items in the financial statements are amended to ensure the comparability with current year.

	<b>Current Presentation 2012</b>	<b>As Reported Previously 2011</b>	<b>Change</b>
Property Plant & Equipment	39,082,956	38,545,119	537,837
Inventories	3,983,882	4,331,179	(347,297)
Trade & Other Receivable	3,803,022	4,667,967	(864,945)
Deferred Tax Liabilities	1,643,956	1,705,346	(61,390)

# Value of Real Estate and Properties

The values of land & buildings owned and leased by companies within the Group and which have been revalued by qualified valuers are indicated below together with the last date of valuation:

## As at 31st March 2012

Company	Location	Extent (in acres)	Land & Building		Date of last Valuation
			Market Value Rs.'000	Book Value Rs.'000	
Equity One PLC.	Colombo 7	0.60	680,000	680,000	31-Mar-12
Equity One PLC	Colombo 2	1.36	461,978	461,978	31-Mar-12
Equity One PLC	Mount - Lavinia	6.00	470,000	470,000	31-Mar-12
Equity Three (Private) Limited	Colombo 13	0.51	250,500	250,500	31-Mar-12
		8.47	1,862,478	1,862,478	
PT Agro Indomas * * * * *	Indonesia	68,596	19,521,509	9,004,579	31-Mar-12
PT Agro bukit * * * * *	Indonesia	61,606	16,336,596	13,242,228	31-Mar-12
PT Karya Makmur Sejahtera* * * * *	Indonesia	25,351	3,524,052	3,061,972	31-Mar-12
PT Agro wana lastari* * * * *	Indonesia	36,693	5,113,340	3,716,831	31-Mar-12
PT Agro jaya Baktitama* * * * *	Indonesia	21,683	1,059,611	887,475	31-Mar-12
PT Rim* * * * *	Indonesia	9,719	1,876,971	1,327,307	31-Mar-12
PT Nabire baru* * * * *	Indonesia	33,606	548,302	342,114	31-Mar-12
PT Batu Mas Sejahtera* * * * *	Indonesia	25,538	880,452	603,040	31-Mar-12
PT Sawith Makmur Sejahtera* * * * *	Indonesia	27,337	747,549	428,856	31-Mar-12
PT Sumber Hasil Prima* * * * * [Note 1]	Indonesia	34,595	1,002,866	1,002,866	31-Mar-12
		344,724	50,611,248	33,617,268	
Good Hope PLC	Malaysia	771	1,324,915	1,099,576	31-Mar-12
Selinsing PLC	Malaysia	1218	1,989,990	1,674,061	31-Mar-12
Shalimar (Malay) PLC	Malaysia	756	2,122,710	1,551,784	31-Mar-12
Indo-Malay PLC	Malaysia	724	1,481,684	1,216,512	31-Mar-12
		3,469	6,919,299	5,541,933	
Premium Vegetable Oils Sdn.Bhd.	Malaysia	11.95	1,032,443	1,011,048	31-Aug-11
Premium Fats Oils Sdn.Bhd.	Malaysia	0.059	34,356	33,695	31-Aug-11
Arani Agro Oil Industries Limited	India	2.30	389,696	384,394	24-Sep-11
		14.31	1,456,495	1,429,137	
Ceylon Beverage Holdings PLC	Nuwara-Eliya	3.51	123,522	123,522	31-Mar-11
Lion Brewery (Ceylon) PLC	Biyagama	17.63	1,708,320	1,708,320	31-Mar-11
		21.14	1,831,842	1,831,842	
Pegasus Hotels of Ceylon Ltd.	Wattala	12.37	950,138	950,138	31-Mar-12
Equity Hotels Ltd. **	Giritale	14.91	18,217	18,217	31-Mar-12
		22.28	968,355	968,355	
Total value		348,264	63,649,717	45,251,013	

There has been no permanent reduction in the value of land & buildings which may require provision.

\* These valuations have not been incorporated in the books of account.

\*\* Leasehold property.

\*\*\* These values Includes the Valuation of Land & Buildings and Biological Assets.

Note 1: No value is obtained as the plantation is at initial stage of operation

Note 2: Following land information were not incorporated as those are in project status yet and stated at cost

	Ha
PTSSA	9,827
PTSAP	7,160
	16,987



## US \$ Financials

Preparation of US Dollar Financials  
The Financial Statements of the Group are reported in Sri Lankan Rupees. The translation of the Sri Lankan Rupees amounts into US Dollars is included solely for the convenience of Shareholders, Investors, Bankers and other users of Financial Statements. US Dollar Financials do not form part of the Audited Financial Statements of the Company.

# Income Statements

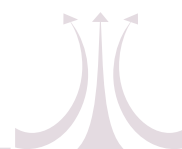
(All figures in Notes are in US Dollars unless otherwise stated)

For the year ended 31st March	Group	
	2012	2011
<b>Revenue</b>	615,744,562	336,462,392
Direct operating expenses	(393,557,906)	(165,808,098)
	222,186,655	170,654,294
Gain on disposal of non current investments	20,784,044	199,260
Change in fair value of investment properties	222,027	269,758
Mark to market value adjustments - Unrealized	(6,234,596)	1,938,491
Other income	8,457,604	2,250,771
Distribution expenses	(38,764,441)	(30,240,605)
Administrative expenses	(57,593,020)	(38,051,315)
Other operating expenses	(1,763,692)	(1,379,702)
Finance expenses	(17,868,978)	(6,915,304)
Foreign exchange loss	(6,608,201)	4,874,057
Share of net results of Associate	(4,662)	-
<b>Profit before taxation</b>	122,812,738	114,117,506
Taxation - Current taxation	(28,901,301)	(20,398,332)
Deferred taxation	1,521,403	(4,764,604)
	(27,379,898)	(25,162,936)
<b>Profit for the period</b>	95,432,840	88,954,511
<b>Profit Attributable to</b>		
Owners of the Company	51,736,504	45,579,015
Non controlling interest	43,696,336	43,375,555
	95,432,840	88,954,571
Exchange Rates	112.18	112.13

Figures in brackets indicate deductions.



# Balance Sheets



(All figures in Notes are in US Dollars unless otherwise stated)

As at 31st March	Group	
	2012	2011
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	498,889,703	368,787,772
Investment properties	14,539,251	12,291,476
Intangible assets	24,138,478	7,311,721
Investment in associates	152,045	-
Long-term investments	65,232,443	122,665,506
Asset held-for-sale	-	-
Land compensation receivable	1,479,024	1,716,150
Deferred tax asset	6,345,628	3,594,774
<b>Total non-current assets</b>	<b>610,776,573</b>	<b>516,367,399</b>
<b>Current Assets</b>		
Inventories	63,814,559	36,085,288
Trade and other receivables	57,331,725	34,447,661
Tax receivables	624,465	948,904
Short-term investments	6,349,314	10,889,710
Cash and cash equivalents	66,796,066	100,795,063
<b>Total current assets</b>	<b>194,916,129</b>	<b>183,167,226</b>
<b>Total assets</b>	<b>805,692,702</b>	<b>699,534,625</b>
<b>Equity</b>		
Stated capital	3,762,724	3,762,724
Capital reserves	28,545,090	20,692,148
Revenue reserves	151,565,957	159,148,971
Total equity attributable to equity holders of the parent	183,873,771	183,603,843
<b>Non controlling interest</b>	<b>215,311,585</b>	<b>235,029,686</b>
<b>Total equity</b>	<b>399,185,356</b>	<b>418,633,529</b>
<b>Investment through subsidiaries</b>	<b>(83,435)</b>	<b>(111,712)</b>
	399,101,921	418,521,817
<b>Non-Current Liabilities</b>		
Long-term borrowings	202,501,975	170,919,828
Trade and other payables	6,943,849	7,002,283
Retirement benefit obligations	4,259,415	3,026,205
Deferred tax liability	22,377,299	14,890,906
<b>Total non-current liabilities</b>	<b>236,082,537</b>	<b>195,839,221</b>
<b>Current Liabilities</b>		
Trade and other payables	69,017,627	34,318,678
Current tax liabilities	12,010,297	8,864,774
Long-term borrowings falling due within one year	21,196,823	20,642,971
Short-term borrowings	58,816,620	5,000,000
Bank overdraft	9,466,877	16,347,165
<b>Total current liabilities</b>	<b>170,508,244</b>	<b>85,173,587</b>
<b>Total liabilities</b>	<b>406,590,781</b>	<b>281,012,808</b>
<b>Total equity and liabilities</b>	<b>805,692,702</b>	<b>699,534,625</b>
Exchange Rates	128.10	110.40

This information does not constitute a full set of Financial Statements in compliance with SLAS.

# Glossary of Financial Terminology

## A. ACCOUNTING POLICIES

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

### ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

### AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

### ASSOCIATE

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

## C. CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

### CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### CONTINGENT LIABILITIES

Conditions or situations at the balance sheet date, the financial effect of which are to be determined by the future events which may or may not occur.

### CURRENT RATIO

Current Assets over Current Liabilities

### CAPITAL EMPLOYED

Shareholders' Funds plus Debt

### CURRENT SERVICE COST

is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

## D. DEFERRED TAXATION

The tax effect of timing differences deferred to/from other periods, which would only qualify for inclusion on a tax return at a future date.

### DEPRECIATION

The systematic allocation of the depreciable amount of an asset over its useful life.

### DIVIDENDS

Distribution of profits to holders of equity investments.

### DIVIDEND COVER

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

### DIVIDEND YIELD

Dividend earned per share as a percentage of its market value.

### DEBT/EQUITY RATIO

Debt as a percentage of Shareholders Funds

### DIVIDEND PAYOUT RATIO

Total Dividend interest and Tax as percentage of Capital Employed

## E. EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders, divided by the number of ordinary shares in issue.

## F. FAIR VALUE

Fair value is the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

### FINANCE LEASE

A contract whereby a lessor conveys to the lessee the right to use an asset for rent over an agreed period of time which is sufficient to amortise the capital outlay of the lessor. The lessor retains ownership of the asset but transfers substantially all the risks and rewards of ownership to the lessee.

## G. GROSS DIVIDENDS

The portion of profit inclusive of tax withheld distributed to shareholders.

### GROUP

A group is a parent and all its subsidiaries.

## I. IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

### INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance held for use in the production / supply of goods / services or for rental to others or for administrative purposes.

## K. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

## L. LIQUID ASSETS

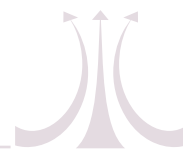
Assets that are held in cash or in a form that can be converted to cash readily, such as deposits with other banks, bills of exchange and treasury bills.

## M. MARKET CAPITALISATION

Number of Shares in issue at the end of the period multiplied by the Market price at end of period

## N. NET ASSETS

Total assets minus Current Liabilities minus Long Term Liabilities minus Minority Interest

**NET ASSET VALUE PER SHARE**

Shareholders' funds divided by the number of ordinary shares in issue.

**NET DEBT**

Debt minus Cash plus Short Term Deposits

**P. PARENT**

A parent is an entity that has one or more subsidiaries.

**PRICE EARNINGS RATIO (P/E RATIO)**

Market price of an ordinary share divided by earnings per share (EPS).

**R. RETURN ON AVERAGE ASSETS (ROA)**

Net income expressed as a percentage of average total assets, used along with ROE, as a measure of profitability and as a basis of intra-industry performance comparison.

**RETIREMENT BENEFITS**

Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

**REVENUE RESERVE**

Reserves set aside for future distribution and investment.

**RETURN ON EQUITY**

Profit after Tax as a percentage of Average Shareholder's Funds

**RETURN ON CAPITAL EMPLOYED**

Earning before interest and tax as percentage of Capital Employed

**RELATED PARTIES**

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

**S. SHAREHOLDERS' FUNDS**

Shareholders' funds consist of stated capital plus capital and revenue reserves.

**SUBSIDIARY**

A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

**SEGMENTS**

Constituent business units grouped in terms of similarity of operations and location.

**T. TOTAL VALUE ADDED**

The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources

**TOTAL ASSETS**

Fixed Assets plus Investments plus Non Current Assets plus Current Assets

**V. VALUE ADDED**

Value added is the wealth created by providing products and services less the cost of providing such services. The value added is allocated among the employees, the providers of capital, to government by way of taxes and retained for expansion and growth.

# Notice of Meeting

---

NOTICE IS HEREBY GIVEN that the Ninety Sixth Annual General Meeting of Bukit Darah PLC will be held on Friday the 6th day of July 2012 at 4.30 p.m. at the "Crystal Room", Upper Floor, Taj Samudra, No.25, Galle Face Centre Road, Colombo 3 for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012 together with the report of the Auditors thereon.
2. To re-elect Mr. H. Selvanathan who retires by rotation in term of Articles 82 and 83 of the Articles of Association of the Company.
3. To re-elect Mr. L. R. De Lanerolle who retires by rotation in term of Article 89 of the Articles of Association of the Company.
4. To re-appoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution :

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is seventy five years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year".

5. To re-appoint Messrs. KPMG Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board

**CARSONS MANAGEMENT SERVICES (PVT) LIMITED**

*Secretaries*

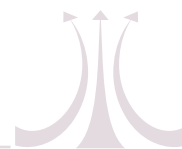
*Colombo,*

*24th May 2012*

## Notes :

1. A member is entitled to appoint a proxy to attend and vote instead of him/herself. A proxy need not be a member of the Company. A Form of Proxy accompanies this Notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 4.30 p.m. on 4th July 2012.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check - We shall be obliged if the shareholders/proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance lobby.

# Form of Proxy



\*I/ We .....  
of .....  
being \*a Member/Members of BUKIT DARAH PLC hereby appoint .....  
.....  
of ..... bearing NIC  
No./Passport No ..... or failing him/her

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Kurukulasuriya Calisanctus Nalake Fernando	or failing him,
Leslie Ralph De Lanerolle	

as \*my/our proxy to attend at the 96th Annual General Meeting of the Company to be held on Friday the 6th July 2012 at 4.30 p.m., at the "Crystal Room", Upper Floor, Taj Samudra, No.25, Galle Face Centre Road, Colombo 3 and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
(1) To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2012, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(2) To re-elect Mr. H. Selvanathan who retires in terms of Articles 82 & 83 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(3) To re-elect Mr. L. R. De Lanerolle who retires in terms of Article 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(4) To re-appoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(5) To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act. No. 07 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... Two Thousand and Twelve.

.....  
Signature /s

**Note:**

- (a) \* Please delete the inappropriate words.
- (b) A shareholder entitled to attend and vote at a General meeting of the company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the general meeting of the shareholders.
- (c) A shareholder is not entitled to appoint more than one proxy to attend on the same occasion.
- (d) Instructions are noted on the reverse hereof.

**INSTRUCTIONS AS TO COMPLETION**

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
3. In terms of Article 67 of the Articles of Association of the Company:

The instrument appointing a proxy shall be in writing and :

- (i) in the case of an individual shall be signed by the appointor or by his attorney;  
and
- (ii) in the case of a corporation shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation. The Company may, but shall not be bound to, require evidence of the authority of any such attorney or officer.

A proxy need not be a member of the company.

4. In terms of Article 62 of the Articles of Association of the Company :  
In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders an for this purpose seniority shall be determined by the order in which the names stands in the Register of members in respect of the joint holding.
5. To be valid the completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 4.30 p.m. on 4th July 2012.

Please fill in the following details

Name : .....

Address : .....

.....

Jointly with

Share folio no. : .....

This report has been produced by Emagewise (Pvt) Limited, a Certified Carbon Neutral Company



Designed & Produced by [emagewise](#)  
Photography by Studio Times  
Digital Plates & Printed by Aitken Spence Printing & Packaging (Pvt) Ltd



