

Corporate Information



NAME OF THE COMPANY

The Bukit Darah Company Limited
(A Carson Cumberbatch Company)

LEGAL FORM

A Public Quoted Company with Limited Liability
Incorporated in Sri Lanka in 1916

DIRECTORS

Hari Selvanathan (*Chairman*)
Mano Selvanathan
Wijaya Unamboowe
(Resigned w.e.f. 13th March 2003)
Israel Paulraj
D. Chandima R. Gunawardena

ALTERNATE DIRECTOR

Nataraj Ramaiah (for Hari Selvanathan)

BANKERS

Standard Chartered Bank
HSBC Bank Malaysia Berhad
Indian Bank

AUDITORS

Messrs. KPMG Ford, Rhodes, Thornton & Company
Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka.

AUDITORS IN MALAYSIA

PricewaterhouseCoopers
Public Accountants
11th Floor,
Wisma Sime Darby, Jalan Raja Laut
P.O. Box 10192
50706, Kuala Lumpur
Malaysia.

MANAGERS & SECRETARIES

Carsons Management Services (Private) Limited
61, Janadhipathi Mawatha
Colombo 1
Sri Lanka.
Tel: + 94 1 337665 (6 Lines)
Fax: + 94 1 337685

AGENTS IN MALAYSIA

Agro Hope Sendirian Berhad
P.O. Box 75, 47007 Sg. Buloh
Selangor Darul Ehsan
Malaysia.
Tel: + 00 603 603 83285
Fax: + 00 603 603 83040

REGISTERED OFFICE

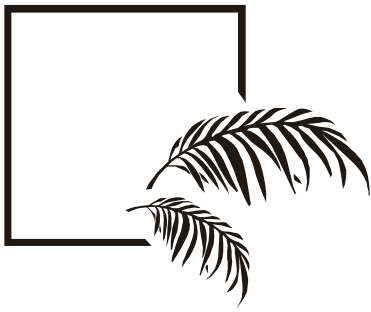
61, Janadhipathi Mawatha
Colombo 1
Sri Lanka.
Tel: + 94 1 337665 (6 Lines)
Fax: + 91 1 337685

PRINCIPAL PLACE OF BUSINESS

Bukit Darah Estate
P.O. Box 75
47007, Sungai Buloh
Selangor Darul Ehsan
Malaysia.

CORPORATE WEBSITE

www.carsoncumberbatch.com



Information to Shareholders and Investors

I. STOCK EXCHANGE LISTING

The Bukit Darah Company Limited is a Public Quoted Company, the issued ordinary shares of which are listed with the Colombo Stock Exchange of Sri Lanka.

2. SHARE VALUATION

The market value of the Company's shares as at 31st March, 2003 was Rs. 1,500/- per share (2002 - Rs. 425/- per share). The market value as at 30th April, 2003 was Rs. 1,500/- per share.

3. SHAREHOLDERS

<i>As at 31st March</i>	2003	2002
No. of Ordinary Shareholders	93	91
No. of Preference Shareholders	1	1

The number of ordinary shares held by non-residents as at 31st March, 2003 was 79,168 which amounts to 19.79% of the issued ordinary share capital.

Distribution of Shares	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 – 1,000	57	8,591	2.15	11	4,128	1.03	68	12,719	3.18
1,001 – 5,000	5	10,691	2.67	4	7,140	1.78	9	17,831	4.45
5,001 – 10,000	1	8,332	2.08	–	–	–	1	8,332	2.08
10,001 – 50,000	12	213,068	53.27	2	67,900	16.98	14	280,968	70.25
50,001 – 100,000	1	80,150	20.04	–	–	–	1	80,150	20.04
100,001 – 500,000	–	–	–	–	–	–	–	–	–
500,001 – 1,000,000	–	–	–	–	–	–	–	–	–
Above 1,000,000	–	–	–	–	–	–	–	–	–
Total	76	320,832	80.21	17	79,168	19.79	93	400,000	100.00

Categories of Shareholders	Ordinary			Redeemable Preference		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	71	39,118	9.78	–	–	–
Institutions	22	360,882	90.22	01	4,000,000	100.00
Total	93	400,000	100.00	01	4,000,000	100.00

Percentage of issued ordinary share capital held by the public as at 31st March, 2003 was 30.71%.

Information to Shareholders and Investors (Contd.)



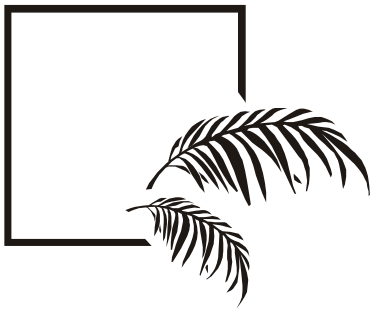
4. SUBSTANTIAL SHAREHOLDINGS

<i>As at 31st March</i>	2003		2002	
Name of Shareholder	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary				
Rubber Investment Trust Ltd.	80,150	20.04	80,150	20.04
Bukit Investments Ltd.	37,357	9.34	37,357	9.34
Krish Investment Ltd.	37,237	9.31	37,237	9.31
Portelet Ltd.	36,900	9.23	–	–
Newgreens Ltd.	31,000	7.75	–	–
Carson Cumberbatch & Co. Ltd.	29,005	7.25	29,005	7.25
Gee Gee Properties (Pvt) Ltd.	14,644	3.66	14,644	3.66
Mrs. V. Sivaprakasapillai	14,644	3.66	14,644	3.66
Skan Investments Ltd.	13,638	3.41	13,638	3.41
Good Hope Holdings Ltd.	13,637	3.41	13,637	3.41
Neuchatel Investments Ltd.	10,997	2.75	10,997	2.75
Natwest Nominees Ltd.	10,997	2.75	10,997	2.75
Wardley Investments Ltd.	10,907	2.73	10,907	2.73
Hambros Investments Ltd.	10,003	2.50	10,003	2.50
Interkrish Investments Ltd.	10,002	2.50	10,002	2.50
S. Kanapathy Chetty Ltd.	8,332	2.08	8,332	2.08
Ceylon Finance & Securities Ltd.	3,944	0.99	3,944	0.99
Mrs. H. Pope (decd.)	2,400	0.60	2,400	0.60
Mr. E. A. Samaraweera	2,400	0.60	2,400	0.60
Mr. W. Tippetts	2,040	0.51	2,040	0.51
Redeemable Preference				
Carson Cumberbatch & Co. Ltd.	4,000,000	100.00	4,000,000	100.00

5. 16.5% REDEEMABLE CUMULATIVE PREFERENCE SHARES

The 4,000,000 non-voting 16.5% redeemable cumulative preference shares issued by the Company is to be redeemed in four equal semi-annual instalments commencing from 30th September, 2003. The dividend thereon is payable bi-annually.

However, the Company has agreed with the preference shareholder to defer the redemption until 30th September, 2004 at the same rate of preference dividend.



Information to Shareholders and Investors (Contd.)

6. MARKET PERFORMANCE - ORDINARY SHARES

<i>For the year ended 31st March</i>	2003	2002
Highest (Rs.)	2,200	425
Lowest (Rs.)	900	360
Volume traded (No. of shares)	69,100	33,200
No. of trades	8	9
Value of shares traded (Rs.)	62,967,900	12,042,625

7. MARKET CAPITALISATION

Market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 600 mn as at 31st March, 2003 (2002 - Rs. 170 mn).

8. DIVIDENDS

8.1 Preference

A preference dividend of 16.5% per annum on non-voting redeemable cumulative preference share was paid on 30th September, 2002 and 31st March, 2003. The 8% preference dividend on participating preference shares was payable as at 31st March, 2003 (2002 - 8%).

8.2 Ordinary

The Directors do not recommend any dividend on ordinary shares for the year ended 31st March, 2003.

9. MALAYSIAN PROPERTY

9.1 The oil palm plantation is 404.27 hectares.

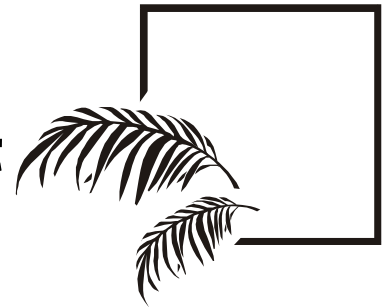
9.2 The plantation is situated in the State of Selangor, District Gombak.

9.3 The value of the property, plant & equipment as at the Balance Sheet date stands at Rs. 685.17 mn on an existing use basis.

10. MATURE AND IMMATURE PLANTATION AGE ANALYSIS

Years	Mature					Immature	Total
	1-10	11-15	16-20	21-25	Over 25		
Hectares	–	131.51	–	61.44	149.47	58.30	400.72

Chairman's Statement to Shareholders



I am pleased to welcome members to the Eighty Seventh Annual General Meeting of the Company and present on behalf of the Board of Directors, the Annual Report and Audited Financial Statements for the year ended 31st March 2003.

Mr. W. Unamboowe, who has served on the Board of the Group's Malaysian Plantation Companies for over 15 years, has resigned from his position with effect from 13th March 2003. He has served the Group's Malaysian Plantation Companies in various positions for many decades. On behalf of the Board, I wish to thank Mr. W. Unamboowe for the services rendered over such long period.

The Malaysian and the Indonesian economies gained momentum in 2002 with real Gross Domestic Product expanding by 4.2% and 3.5% respectively. Economic growth was broad based, driven by strong domestic demand and supported by favourable export performance. Continued fiscal and monetary stimulus as well as a significant improvement in commodity prices supported growth in domestic demand.

However, the agricultural sector registered a slower growth of 0.3% in 2002 as expansion in the production of crude palm oil slowed due to lower yields and increased replanting activities. The government incentive of RM 1,000/- per hectare accelerated replanting activities. The government had targeted 200,000 hectares to be felled as a result of this incentive and the response was encouraging with 170,000 hectares being felled. Exports of palm oil also increased due to increased buying by China and increase in palm oil consumption in India, where domestic oil production was severely affected due to the drought conditions prevailed for the second successive year. A combination of all these factors led to average Crude Palm Oil (CPO) prices showing an increase of 52% when compared with the previous year. It should be highlighted that the agricultural sector still occupies an important position in the economy, employing about 15% of the workforce in Malaysia.

The FY 2002/2003 was a successful year for the Company. After two years of extremely low market prices, a recovery in CPO prices was experienced, which had a beneficial impact on Company revenues. Cost management, which is a key determinant of profitability in a commodity business such as palm oil yielded good results as reported in the review of operations.

The Company recorded a turnover of Rs. 59.97 mn for the year under review, an increase of 127% mainly due to the higher prices obtained for Fresh Fruit Bunches (FFB) and dividend income received from a subsidiary company during the year. The profit before tax was Rs. 15.77 mn compared with Rs. 0.44 mn recorded in the preceding financial year. Profits have increased mainly due to the increase in the turnover as explained above. In view of the heavy investments made, Directors do not recommend any dividend for the year.

Shareholders will be pleased to note that PT Agro Indomas, the Indonesian Plantation Company, in which your Company is a co-promoter, recorded a second successful year of commercial operations. An area of over 9,741 hectares has now reached maturity. The mature palms, which are aged from 4 to 7 years, have yields ranging from 5.8 tonnes per hectare to 17.50 tonnes per hectare. During the year the total crop processed including outside crop, amounted to 142,771 tonnes of which own crop amounted to 126,132 tonnes.

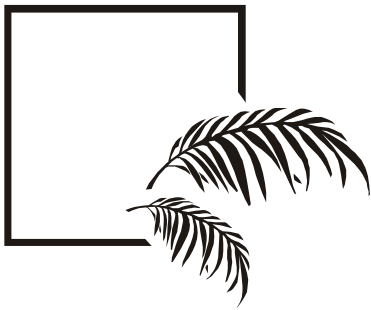
The mill produced 32,203 tonnes of Crude Palm Oil (CPO) and 6,431 tonnes of Palm kernel (PK). PT Agro Indomas recorded a turnover of US\$ 13.15 mn and an operating profit before tax of US\$ 3.28 mn. We are also pleased to inform shareholders that it became a self-financing Company during the year.

The value added risk based internal audit assignment for the year done by KPMG Malaysia was completed as planned. This continuous risk based audit will add immense value to the stakeholders in the medium to long-term by highlighting the vital areas where the Company has to put in place new strategies to mitigate critical business risks.

On behalf of the Board, I wish to also record my appreciation for the continued contribution and commitment of all employees both in Malaysia and Sri Lanka. To our shareholders, business associates, financial institutions, managing agents and other governmental authorities, I would like to convey our sincere gratitude for their continued co-operation and support.

Hari Selvanathan
Chairman

Colombo, 2nd May, 2003



Review of Operations

INDUSTRY OVERVIEW

Malaysia, the world's largest producer of oil palm had 3.67mn hectares under cultivation as at the end of 2002 compared with 3.50 mn hectares as at the end of the preceding year. The world's second largest producer, Indonesia had an area of 3.2 mn hectares in 2001 and this is expected to grow at a rapid pace due to the extensive land bank available in Indonesia. The Indonesian production of Crude Palm Oil (CPO) which reached 75% of Malaysian output in 2002, is expected to surpass Malaysian output within the next 4-6 years.

The Malaysian oil palm industry recorded a significant recovery due to the increase in CPO prices. CPO production in 2002 increased only marginally to 11.9 mn tonnes compared with 11.8 mn tonnes recorded in the year 2001. Palm oil exports too were increased from 10.6 mn tonnes in 2001 to 10.9 mn tonnes in the year 2002. The average CPO prices for 2002 was RM 1,364/- per tonne signifying an increase of 52% compared with the average price of RM 897/- recorded in 2001. Increased exports was achieved due to the competitive prices of palm oil, liberalization of export duties and the encouragement of counter trade by the government. The marginal increase in production was achieved by expansion in mature area and higher oil extraction rate achieved by the millers.

ECONOMY

Both the Malaysian and Indonesian economies registered moderate rates of growth of 4.2% and 3.5% respectively, with Indonesia falling a little short of expectations. Government spending as well as increased consumer expenditure fuelled economic expansion in both countries, although private sector investment has been somewhat slow to respond.

Agricultural sector is the third largest contributor to the Malaysian Economy. Palm Oil is the second largest contributor to the Malaysian agricultural sector.

The Malaysian ringitt remained pegged at RM 3.80 to a dollar, which gave the country an advantage in enhancing trade and investment. Low interest and inflation rates as well as several fiscal incentives are expected to stimulate private investment in Malaysia in 2003.

ESTATE PERFORMANCE

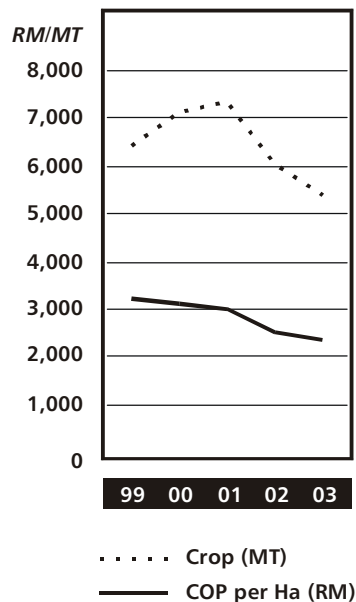
Plantation

An area of 342.42 hectares was mature as at the end of the financial year. Total immature area was 58.30 hectares.

Crop and Yield

The crop production for the year was 5,449 tonnes compared with 6,060 tonnes for the previous financial year. The yield per hectare was 15.91 metric tonnes compared with 17.70 metric tonnes in the previous year.

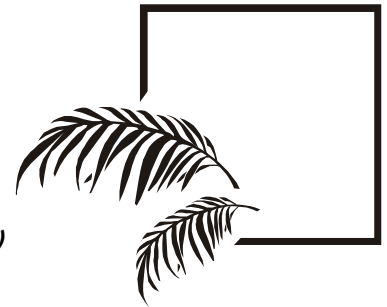
CROP VS COP PER HA



Presently 62% of the plantation is over 20 years old, of which 44% is over 25 years old. The yield is on a declining trend in most of the old fields. Fertilization has been completely suspended since the Company intends disposing of the plantation property.

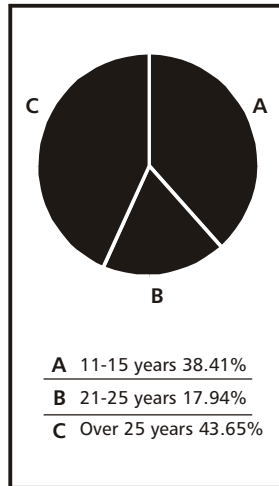
Replanting

As planned no replanting activity will be carried out in Bukit Darah Estate. But the Estate will maintain the existing immature area since the palms have started bearing. One round of fertilizer has been applied and circle and selective weeding is also being carried out. All the other activities are carried out only on a need basis.



Review of Operations (Contd.)

PLANTATION AGE ANALYSIS



Labour Requirements

Bukit Darah Estate is on a hilly terrain and most of the area palms are very tall. Harvesting tall palms on hilly areas required skilled harvesters. Due to the acute shortage of labour, the Malaysian estate operation is becoming more dependent on foreign workforce. However, mainly due to social and security issues, the government is discouraging dependency on foreign workers. This problem has been further aggravated as the estate being situated closer to many busy urban areas.

We are also looking into the possibility of giving work on contract without compromising on agronomy practices. This will also ease the pressure on estate infrastructure and amenities.

DISPOSAL OF THE MALAYSIAN PROPERTY

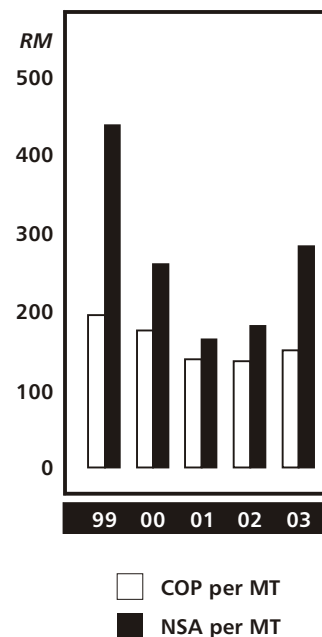
The Company is still on the look out for possible buyers for this valuable property. Negotiations are being going on with few interested parties. But so far the Company has not agreed with any of these parties.

COST OF PRODUCTION (COP) AND NET SALES AVERAGE (NSA)

The cost of production per tonne of FFB was RM 147/-, which reflects an increase of 9%, compared with the COP of RM 135/- achieved in the preceding financial year. Previous year the COP was lower since some of the costs were not incurred due to low CPO prices, which prevailed during the last financial year.

The NSA per tonne of FFB was RM 287/-, which shows a significant increase of 59% compared with the NSA of RM 181/- recorded in the previous year.

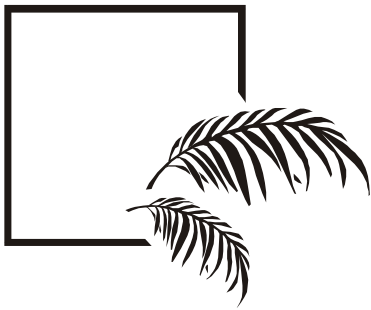
COST OF PRODUCTION VS NET SALES AVERAGE



The increase in NSA is a result of increase in CPO prices. We do not have any control over this and hence much emphasis needs to be placed on increasing yield and productivity and keeping costs under control.

The other two factors which play a role in determining NSA is the oil extraction rate (OER) and the processing charge levied by the millers.

Our FFB quantity supplied to any one miller is less than 5% of the total crop processed by the respective millers. Hence, we have limited bargaining power and our crop also does not influence the overall OER achieved by mills. Therefore, we ensure that quality of FFB despatched is of high standard to avoid deductions for low quality and lower OER.



Review of Operations (Contd.)

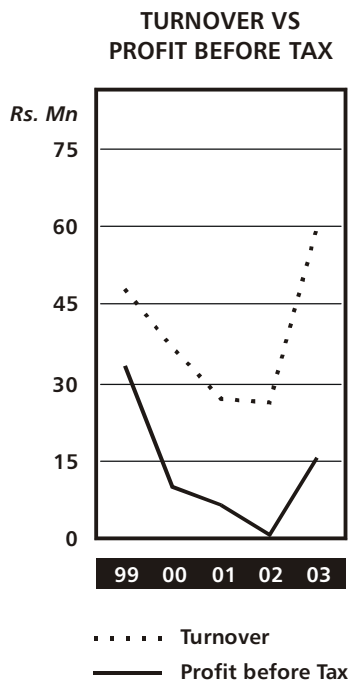
FINANCIAL RESULTS

Revenue

Revenue of the Company has increased by 127% to Rs. 59.97 mn during the year under review compared to Rs. 26.46 mn recorded in the preceding year. Increase in palm oil prices in the world and a dividend received from a subsidiary company were the major contributing factors towards this.

Profitability

The profit before tax was Rs. 15.77 mn compared with Rs. 0.44 mn recorded in the previous financial year. Reasons for the increase in profit before tax is explained above.



INDONESIAN PLANTATION - PT AGRO INDOMAS

The management of PT Agro Indomas is presently focussed on improving productivity and being a low cost producer through cost rationalization. This will ensure that the full benefits are reaped when the entire plantation reaches its prime yielding age in 3 to 4 years. The Company recruited an inexperienced workforce and has been successful in training and motivating them. High productivity targets have been set and good

progress has been shown towards achieving these targets. At the same time the management is also following the best-established agronomy practices. To ensure that the full potential of the land is exploited infilling of the present plantings is undertaken to bring the stand per hectare to 136.

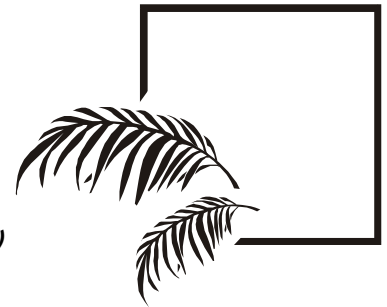
Effective mechanization programmes are also critical to ensure increased productivity and reduction in costs. However, mechanization of operations such as fertilizer application and spraying can be undertaken only after the palms reach a certain height. We envisage that fertilizer and spraying operations will be mechanized in approximately 3,000 hectares in the forthcoming financial year.

At present there are various training programmes conducted in-house for the operational managers. The Balanced Scorecard system, an effective management tool, has also been implemented.

In keeping with the Group's vision, emphasis is also given to the health, safety and environmental duties and obligations of the Company. Functioning in a remote area the management will also ensure that the Company's operations have a positive impact on the surrounding area and people. During the year Company commenced a Farmers Oil Palm Out Growers Scheme (Plasma) covering 150 hectares. The regional government funds this scheme while the Company provides all technical services.

The operations of PT Agro Indomas for the year were encouraging. This year the Company mainly focussed completing the pending project development stage activities. Attention was given to improve the field conditions, yield and focusing on quality of output both in the plantation and mill. Total crop processed was 142,771 tonnes, which included outside crop of 16,639 tonnes. With palms getting mature, plantation expects to have much higher internal crop during the next financial year.

The mill output amounted to 33,203 metric tonnes of CPO and 6,431 metric tonnes of Palm Kernel (PK). The average processing throughput for the year was 39 metric tonne per hour (mt/hr) compared with a rated throughput of 45 metric tonne per hour (mt/hr).



The quality of CPO and PK was maintained within standard. The Company achieved an average price of US\$ 350 for its CPO and US\$ 160 for its PK.

As a part of the social responsibilities to be fulfilled by the Company, some of the work in the plantation has been outsourced to surrounding villagers thus enhancing entrepreneurship of the people.

The Company recorded a turnover of Rp.115.54 bn (US\$ 13.15 mn) [year 2002 - Rp 69.15 bn (US\$ 6.92 mn)], a profit before deferred tax of Rp. 28.86 bn (US\$ 3.28 mn) and a net of profit of Rp. 20.02 bn (US\$ 2.28 mn) [year 2002 - Rp 1.01 bn (US\$ 0.10 mn)] for the year under review.

The Plantation Company benefited from the recent recovery in palm oil prices worldwide. During the next two to three years PT Agro Indomas will focus the deployment of good agronomy practices, setting in place business processes which support productivity and cost consciousness and developing an effective management team which can take the business forward.

PT Agro Indomas engaged independent professional valuer, PT Heburinas Nusantara to carry out a valuation of its property. The valuation as at 31st January 2003, valued the plantation property at US\$ 57.1 mn (2002 - US\$ 49.3 mn).

Presently the Company is funding its activities including servicing of loans through its internally generated funds as planned.

The shareholders funding as at 31st March 2003 including shareholder loans amounted to US\$ 18 mn whereas loan funding including quasi-equity of US\$ 3.6 mn remained at US\$ 30.50 mn. The first instalment of loan is falling due for repayment in June 2003.

VALUE ADDED INTERNAL AUDIT AND RISK MANAGEMENT

KPMG Malaysia who has been appointed as internal auditors for both the Malaysian and Indonesian plantations carried out the value added internal audit during the financial year. This includes identifying Risk Parameter, monitoring these risks and formulating a risk management team for the Company. These will improve the operational efficiencies and the stakeholder value of the Company. For the year under review one cycle for Malaysia and two cycles for Indonesia were carried out. Audit Committee meetings were held in November 2002 and April 2003 to discuss the findings and follow up steps needed.

We are also in the process of implementing the balanced scorecard in Malaysia and the Human Resources unit based in Colombo will provide the necessary technical input.

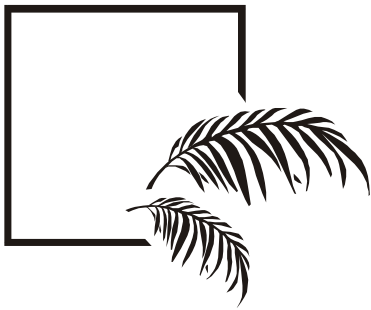
Palm oil industry being commodity based, has an inherent risk of volatile prices based on various external factors. Further it has the agricultural risk of dependency on the weather. Genetically modified crops like Soya Bean is also seen as a threat to this industry. But palm oil being a perennial crop with the lowest Cost of Production has an inherent advantage of recouping the temporary seasonal set backs with the change in the weather over the remaining life of the palm. We feel that the demand for palm oil will continue to grow as in the past. Therefore, as stated above we are mindful of our cost of production to be competitive and profitable.

FUTURE OUTLOOK

Given the encouraging outlook for the overall oil palm industry, coupled with increasing production in PT Agro Indomas which will give rise to economies of scale, we are confident that the Company would remain profitable and generate attractive returns to shareholders.

Carsons Management Services (Pvt) Limited
Managers

Colombo, 2nd May, 2003



Report of the Directors

The Directors are pleased to submit their Report for the year ended 31st March, 2003 together with the audited Financial Statements of the Company.

REVIEW OF THE YEAR AND FUTURE DEVELOPMENTS

The Chairman's Statement to the Shareholders and the Review of Operations describe in detail, the performance during the year with comments on the financial results and future developments of the Company.

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company continues to be the cultivation of oil palm and managing and holding of an Investment Portfolio.

FINANCIAL RESULTS

<i>For the year ended 31st March</i>	2003	2002
	Rs.	Rs.
The profit available for appropriation is	13,387,266	9,656,800
From which the following appropriations have been made :		
Preference dividend of 16.5% (2002 - 16.5%)	(6,600,000)	(6,600,000)
Preference dividend of 8% on participating cumulative preference shares	(5,771)	(5,771)
Leaving a balance to be carried forward of	6,781,495	3,051,029

RESERVES

Total reserves of the Company stood at Rs. 762.74 mn (2002 - Rs. 759.00 mn) comprising capital reserves of Rs. 721.67 mn and revenue reserve of Rs. 41.07 mn. The movements are shown in the Statements of Changes in Equity given on page 19 to these Financial Statements.

CAPITAL EXPENDITURE AND INVESTMENTS

The total expenditure on acquisition of property, plant & equipment during the year amounted to Rs. 1.93 mn (2002 - Rs. 2.49 mn). Purchase of investments during the year amounted to Rs. 206.2 mn (2002 - 107.7 mn).

The movements in property, plant & equipment and investments during the year are set out in Notes 9, 10 and 11 to these Financial Statements.

VALUE OF THE PROPERTIES

The market value of land owned by the Company is included in these Financial Statements at Rs. 671.89 mn based on a valuation carried out by an independent professional valuer.

VALUE OF THE INVESTMENT PORTFOLIO

The market value of the Company's investment portfolio as at 31st March, 2003 was Rs. 655.00 mn (2002 - Rs. 213.39 mn).

STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the employees and the Government have been paid up to date, or have been provided for in these Financial Statements.

EMPLOYMENT

The number of persons employed by the Company was 36 as at 31st March, 2003 (2002 - 39). All employees are employed in Malaysia.

DIVIDEND

Your Directors do not recommend any dividend on ordinary shares for the year ended 31st March, 2003.

Report of the Directors (Contd.)



A preference dividend of 16.5% per annum on redeemable cumulative preference shares was paid on 30th September, 2002 and 31st March, 2003 (2002 - 16.5%). A preference dividend of 8% on participating preference shares was payable as at 31st March, 2003 (2002 - 8%).

DIRECTORATE

The names of the Directors who served during the year are shown on page 1.

In terms of Articles 82 & 83 of the Articles of Association of the Company, Mr. I. Paulraj retires from the Board and being eligible offers himself for re-election.

Mr. W. Unamboowe resigned from the Board with effect from 13th March 2003.

DIRECTORS' INTERESTS IN CONTRACTS AND SHARES

Directors' interests in contracts of the Company are disclosed in Note 26 to these Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interests in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in the shares of the Company:

<i>As at 31st March</i>	No. of Shares 2003	No. of Shares 2002
Ordinary		
H. Selvanathan	592	592
M. Selvanathan	160	160
W. Unamboowe	100	100
(Resigned with effect from 13th March 2003)		
I. Paulraj	100	100
D. C. R. Gunawardena	-	-
N. Ramaiah	-	-
<i>(Alternate to H. Selvanathan)</i>		
Preference - 8% Participating		
H. Selvanathan	2,726	2,726
M. Selvanathan	2,726	2,726

AUDIT COMMITTEE

The Audit Committee comprises of following members.

Mr. Tilak de Zoysa (*Non-Executive Chairman - Carson Cumberbatch & Co. Ltd.*)

Mr. Roger Gillbanks (*Plantation Group - Agronomy Consultant*),

Mr. D.C.R. Gunawardena

Audit Committee meetings were held in November 2002 and April 2003 to discuss the findings and follow-up steps needed.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date, no material circumstances have arisen, which would require adjustments to or disclosure in these Financial Statements other than those disclosed in Note 24 to these Financial Statements.

SUBSTANTIAL SHAREHOLDINGS

The substantial shareholdings of the Company have been disclosed in Note 4 of the Information to Shareholders and Investors. As at 31st March, 2003, the Company had 93 ordinary shareholders (2002 - 91), whose distribution of holdings is indicated in Note 3 of the Information to Shareholders and Investors.

SHARE INFORMATION

Information relating to earnings, dividends, net assets and market price per share is given on page 42 of the Annual Report. Information on share trading is given on page 4 of the Annual Report.

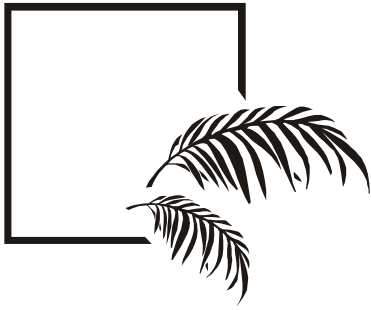
AUDITORS

Messrs. KPMG Ford, Rhodes, Thornton & Co., are eligible for re-appointment.

By Order of the Board

Carsons Management Services (Pvt) Limited
Managers & Secretaries

Colombo, 2nd May, 2003



Statement of Directors' Responsibilities

The responsibilities of the Directors, in relation to the Financial Statements, are detailed in the following paragraphs while the responsibilities of the Auditors are set out in the Report of the Auditors.

According to the Companies Act, No. 17 of 1982 and the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, Directors are required to prepare Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the said period.

In preparing these Financial Statements the Directors are required to ensure that:

- appropriate accounting policies have been selected and applied consistently while material departures, if any, have been disclosed and explained,
- all applicable Accounting Standards have been complied with and,
- reasonable and prudent judgements and estimates have been made.

The Directors are responsible for ensuring that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company in order to ensure that the Financial Statements of the Company meet with the requirements of the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and the Companies Act, No. 17 of 1982. They are also responsible for taking reasonable measures to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate systems of internal controls with a view to prevent, detect and rectify frauds and other irregularities.

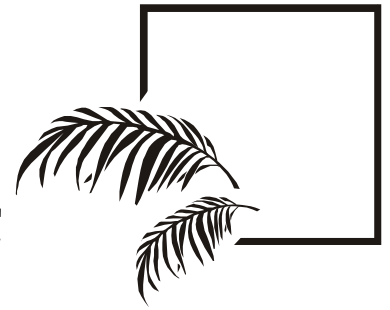
These Financial Statements have been prepared on a going concern basis, after reviewing the financial position and the cash flow, since the Directors are of the view that the Company has adequate resources to continue in operations, for the foreseeable future.

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

By Order of the Board
Carsons Management Services (Pvt) Limited
Managers & Secretaries

Colombo, 2nd May, 2003

Audit Committee Report



The Audit Committee of the Company comprises of three members, one Executive Member and two Non-Executive Members as follows :

Mr.Tilak de Zoysa
Mr. D.C.R. Gunawardena
Mr.Roger Gillbanks, MBE

Mr.Tilak de Zoysa is the Non-Executive Chairman of Carson Cumberbatch & Co. Ltd., and is the Deputy Chairman/Managing Director of Associated Motorways Group of Companies. Mr.Chandima Gunawardena is a Director of Carson Cumberbatch & Co. Ltd., The Indo-Malay Estates Ltd., The Shalimar (Malay) Estate Co. Ltd. and The Bukit Darah Co. Ltd. Mr.Roger Gillbanks, MBE, is a Plantation Advisor with considerable experience. He is a consultant to CDC Group plc. and Rabobank among several others. He is also the Plantation Advisor on Agronomy matters to PT Agro Indomas, the Group's plantation subsidiary in Indonesia.

During the financial year under review the Audit Committee engaged the services of KPMG, Malaysia to carryout an Enterprise Risk Management Audit (ERM) and Value Added Internal Audit Services. The ERM was carried out for all of the groups plantation companies.

Based on the ERM-Risk Assessment results, KPMG Malaysia formulated a 3 year Strategic Internal Audit Plan for the five plantation companies in Malaysia.. The First Audit Cycle of the plantation companies was concluded in October 2002 and the report has been submitted to the Audit Committee. The management is now in the process of implementing the recommendations that arose out of both the ERM assessment and the Audit Cycle.

The creation of a risk aware culture within the Company will lead to business units having ownership of the processes. The units do already have individual informal risks awareness practices, hence the ERM process will provide a framework to assist the Company to identify measures, controls and monitor risk and to develop prioritised action plans to address identified risks.

Following the ERM Audit the Company formed a Risk Management Committee for the Plantation Sector and implemented the Risk Management process through which the Risk Register and Risk Profiles based on pre-defined criteria were generated. To facilitate the Risk Management process, a software package branded RiMS (Risk information Management System) was installed.

The Audit Committee confirms their concurrence to the Board of Directors' recommendation to re-appoint Messrs. KPMG Ford, Rhodes, Thornton & Company as Auditors for the financial year ending 31st March 2004, subject to the approval of the shareholders at the Annual General Meeting.

The Board of Directors have approved and established the Audit Committee charter as follows:

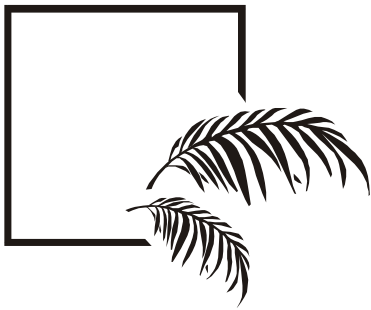
PURPOSE

To assist the board of Directors in fulfilling its 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 laws and regulations and the code of conduct.

AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters within the scope of responsibility. It is empowered to:

- Retain outside counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from employees-all of whom are directed to cooperate with the Committee's request or external parties.
- Meet with Company officers, external auditors or outside counsel, as necessary.



Audit Committee Report (Contd.)

COMPOSITION

The audit committee will consist of at least three and no more than six members. The Board of Directors will appoint committee members and the Chair.

MEETINGS

The Committee will meet at least four times a year and may convene further meetings as circumstances require. Two members will constitute the quorum for the time being and such members may meet in person or via tele or video conference.

ETHICAL CONDUCT

The members of the Committee are deemed to be citizens of high ethical conduct and they are expected to conduct affairs of the committee adopting highest ethical standards. The Members are also expected not to divulge either directly or indirectly to any person at any time, information acquired during the conduct of Audit Committee affairs.

RESPONSIBILITIES

The Committee will carry out the following responsibilities:

FINANCIAL STATEMENTS:

- Review annual financial statements, significant issues, management letter contents, financial information development process and coordinate with management and external auditors on all matters required to be communicated to the Committee under the generally accepted Auditing/Accounting Standards.

INTERNAL CONTROL:

- Review the effectiveness of the Company's internal control including information technology security and control and review internal control over financial reporting and significant findings.

INTERNAL AUDIT:

- Review with management the charter of the Internal audit assignment/s, plans, activities independency and effectiveness.

EXTERNAL AUDIT:

- Review the performance of the external auditors and recommend appointment, re-appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors on relationships between the auditors and the company, including non audit services proposed and carried out by the external auditors.

COMPLIANCE:

- Review the effectiveness of the system for monitoring compliance.
- Review regular compliance declarations submitted by management and making independent observations.

REPORTING RESPONSIBILITIES:

- Regularly report to the Board of Directors and annually to shareholders.

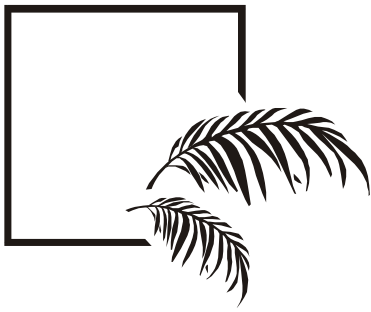
OTHER RESPONSIBILITIES:

- Perform other activities related to this charter as requested by the Board of Directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

Colombo, 2nd May, 2003

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Report of the Auditors

TO THE MEMBERS OF THE BUKIT DARAH COMPANY LIMITED

We have examined the Balance Sheet of The Bukit Darah Company Limited as at 31st March, 2003, the Consolidated Balance Sheet of the Company and its subsidiaries as at that date and the related Statements of Income, Changes in Equity and Cash Flows for the year then ended together, with the Accounting Policies and the Notes as set out on pages 17 to 40 of the Annual Report.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing and presenting these Financial Statements in accordance with the Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these Financial Statements, based on our audit.

Basis of Opinion

We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said Financial Statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said Financial Statements, assessing the accounting principles used and significant estimates made by the Directors, evaluating the overall presentation of the Financial Statements, and determining whether the said Financial Statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 books of account for the year ended 31st March, 2003 and to the best of our information and according to the explanations given to us, the said Balance Sheet and related Statements of Income and Cash Flow and the Accounting Policies and Notes thereto, which are in agreement with the said

books and have been prepared and presented in accordance with the Sri Lanka Accounting Standards, provide the information required by the Companies Act, No. 17 of 1982 and give a true and fair view of the Company's state of affairs as at 31st March, 2003 and of its Profit and Cash Flows for the year then ended.

Special resolutions were passed to wind-up subsidiaries Federal Securities (Pvt) Ltd. and Delwood Investments (Pvt) Ltd. at an Extraordinary General Meeting held on 1st January, 2003. However, no application was made to court for winding up as at the Balance Sheet date. The financial statements of both subsidiaries have been consolidated with the Company based on the assumption that the subsidiaries are going concerns. However, no significant adjustment is expected as discussed in Note 10.3 to these Financial Statements.

Except for any adjustment that would be required for events stated in the preceding paragraph, in our opinion, the Consolidated Balance Sheet and the related Statements of Income and Cash Flows and the Accounting Policies and Notes thereto have been properly prepared and presented in accordance with the Companies Act, No. 17 of 1982 and the Sri Lanka Accounting Standards, and give a true and fair view of the state of affairs as at 31st March, 2003 and the profit and Cash Flows for the year then ended of the Company and its subsidiaries dealt with thereby, so far as concerns the members of the Company.

Directors' Interests in Contracts with the Company

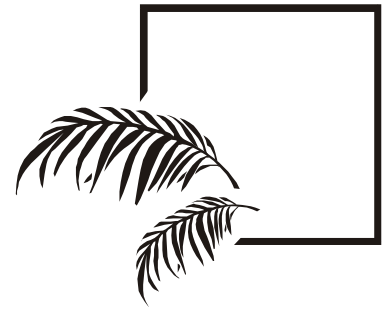
According to the information made available to us, the Directors of the Company were not directly or indirectly interested in contracts with the Company during the year ended 31st March, 2003 except as stated in Note 26 to these Financial Statements.

(Sgd.)

KPMG Ford, Rhodes, Thornton & Company
Chartered Accountants

Colombo, 2nd May, 2003

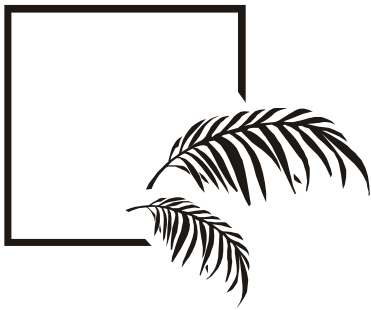
Income Statements



	Note	Company		Group	Restated
		2003 Rs.	2002 Rs.	2003 Rs.	2002 Rs.
<i>For the year ended 31st March</i>					
Revenue	1	59,967,629	26,455,895	41,620,354	28,469,126
Direct operating costs		(14,331,063)	(14,631,680)	(15,366,327)	(14,631,680)
Gross profit		45,636,566	11,824,215	26,254,027	13,837,446
Other operating income	2	2,414,576	1,312,840	69,908,131	80,898,240
		48,051,142	13,137,055	96,162,158	94,735,686
Administrative expenses		(7,336,146)	(8,016,584)	(7,661,813)	(8,336,420)
Profit from operations	3	40,714,996	5,120,471	88,500,345	86,399,266
Finance costs	4	(24,945,536)	(4,679,373)	(24,945,536)	(4,684,665)
Profit before taxation and share of associate's profit		15,769,460	441,098	63,554,809	81,714,601
Share of associate's profit		–	–	61,707,045	18,041,471
Profit before taxation		15,769,460	441,098	125,261,854	99,756,072
Taxation	5	(5,433,223)	1,434,511	(14,270,003)	2,964,602
Profit after taxation		10,336,237	1,875,609	110,991,851	102,720,674
Pre-acquisition profit/minority interest		–	–	–	(1,792,154)
Profit attributable to the shareholders of The Bukit Darah Co. Ltd.		10,336,237	1,875,609	110,991,851	100,928,520
Unappropriated profit brought forward		3,051,029	7,781,191	174,316,904	79,994,155
Profit available for appropriation		13,387,266	9,656,800	285,308,755	180,922,675
Appropriations					
Preference dividend	6	6,605,771	6,605,771	6,605,771	6,605,771
Retained in the business		6,781,495	3,051,029	278,702,984	174,316,904
		13,387,266	9,656,800	285,308,755	180,922,675
Earnings/(Loss) per ordinary share	7	9.33	(11.83)	260.97	235.81
Dividend per ordinary share		–	–	–	–

The Accounting Policies and Notes from pages 21 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



Balance Sheets

As at 31st March	Note	Company		Group	
		2003 Rs.	2002 Rs.	2003 Rs.	Restated 2002 Rs.
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	9	685,168,998	683,735,708	685,168,998	683,735,708
Investment in subsidiaries	10	152,476,640	143,334,840	–	–
Investment in associate	11	197,052,458	–	971,378,036	941,118,401
Long term investments	10	69,632,169	69,632,169	69,632,169	70,667,433
Amounts due from related Company	13	24,042,123	–	24,042,123	–
		1,128,372,388	896,702,717	1,750,221,326	1,695,521,542
Current Assets					
Inventories		1,085,864	744,653	1,085,864	744,653
Debtors and other receivables	12	3,108,245	1,973,798	3,108,245	2,069,673
Taxation recoverable		5,573,728	5,707,415	5,626,700	5,707,415
Amounts due from related Company	13	–	39,327,136	–	–
Short-term investments	10	15,250	421,035	15,250	421,035
Short-term deposits		1,165,986	1,123,940	1,165,986	1,123,940
Bank and cash balances		1,933,026	3,566,913	2,017,240	8,378,432
		12,882,099	52,864,890	13,019,285	18,445,148
Total Assets		1,141,254,487	949,567,607	1,763,240,611	1,713,966,690
EQUITY AND LIABILITIES					
Share Capital and Reserves					
Share capital	14	44,072,140	44,072,140	44,072,140	44,072,140
Capital reserves	15	721,672,068	721,672,068	1,224,625,210	1,314,762,329
Revenue reserve	17	41,064,031	37,333,565	312,985,520	208,599,440
		806,808,239	803,077,773	1,581,682,870	1,567,433,909
Non-Current Liabilities					
Deferred Taxation	18	228,198	286,441	228,198	286,441
Current Liabilities					
Creditors and accruals	19	2,450,008	1,970,565	2,475,915	2,013,512
Amounts due to related Companies	20	331,765,157	144,229,943	178,850,743	144,229,943
Dividend payable		2,885	2,885	2,885	2,885
		334,218,050	146,203,393	181,329,543	146,246,340
Total Equity and Liabilities		1,141,254,487	949,567,607	1,763,240,611	1,713,966,690
Net assets per ordinary share		1,916.84	1,907.51	3,854.03	3,818.40

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

The Accounting Policies and Notes from pages 21 to 40 form an integral part of these Financial Statements.

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

D.C.R. Gunawardena
Director

(Sgd.)

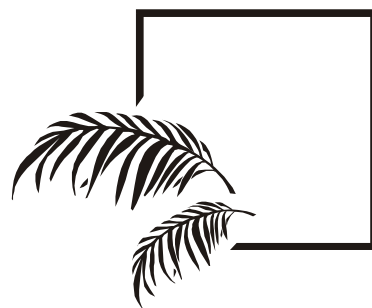
M. Selvanathan
Director

(Sgd.)

I. Paulraj
Director

Carsons Management Services (Pvt) Limited
Colombo, 2nd May, 2003

Statements of Changes in Equity

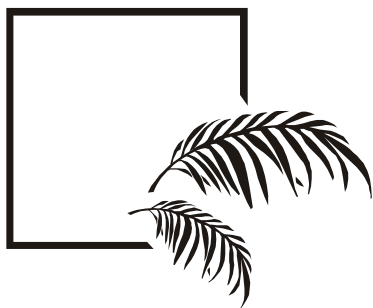


	Share Capital	Capital Redemption Reserve	Capital Accretion Reserve	Consolidation Reserve	Revenue Reserve	Retained Profits	Total Equity	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Company								
Balance as at 1st April, 2001	4,000,000	40,000,000	681,672,068	–	34,282,536	7,781,191	767,735,795	
Profit after taxation	–	–	–	–	–	1,875,609	1,875,609	
Preference dividend (Note 6)	–	–	–	–	–	(6,605,771)	(6,605,771)	
Balance as at 31st March, 2002	4,000,000	40,000,000	681,672,068	–	34,282,536	3,051,029	763,005,633	
Balance as at 1st April, 2002	4,000,000	40,000,000	681,672,068	–	34,282,536	3,051,029	763,005,633	
Profit after taxation	–	–	–	–	–	10,336,237	10,336,237	
Preference dividend (Note 6)	–	–	–	–	–	(6,605,771)	(6,605,771)	
Balance as at 31st March, 2003	4,000,000	40,000,000	681,672,068	–	34,282,536	6,781,495	766,736,099	
	Share Capital	Capital Redemption Reserve	Capital Accretion Reserve	Consolidation Reserve	Other Capital Reserve	Revenue Reserve	Retained Profits	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group								
Balance as previously stated	4,000,000	40,000,000	681,672,068	–	–	34,282,536	17,918,614	777,873,218
Associate on equity method of accounting (Note 11.1)	–	–	–	–	265,765,319	–	62,075,541	327,840,860
Restated balance as at 1st April, 2001	4,000,000	40,000,000	681,672,068	–	265,765,319	34,282,536	79,994,155	1,105,714,078
Net profit after taxation	–	–	–	–	–	–	100,928,520	100,928,520
Negative goodwill on acquisition (Note 16)	–	–	–	337,467,773	–	–	–	337,467,773
Changes in equity of associate	–	–	–	–	57,350,724	–	–	57,350,724
Amortisation of negative goodwill (Note 16)	–	–	–	(67,493,555)	–	–	–	(67,493,555)
Preference dividend (Note 6)	–	–	–	–	–	–	(6,605,771)	(6,605,771)
Balance as at 31st March, 2002	4,000,000	40,000,000	681,672,068	269,974,218	323,116,043	34,282,536	174,316,904	1,527,361,769
Balance as at 1st April, 2002	4,000,000	40,000,000	681,672,068	269,974,218	323,116,043	34,282,536	174,316,904	1,527,361,769
Net profit after taxation	–	–	–	–	–	–	110,991,851	110,991,851
Changes in equity of associate	–	–	–	–	(22,643,564)	–	–	(22,643,564)
Amortisation of negative goodwill (Note 16)	–	–	–	(67,493,555)	–	–	–	(67,493,555)
Preference dividend (Note 6)	–	–	–	–	–	–	(6,605,771)	(6,605,771)
Balance as at 31st March, 2003	4,000,000	40,000,000	681,672,068	202,480,663	300,472,479	34,282,536	278,702,984	1,541,610,730

* Preference share capital of Rs. 40,072,140/- has not been included in the Statements of Changes in Equity.

The Accounting Policies and Notes from pages 21 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



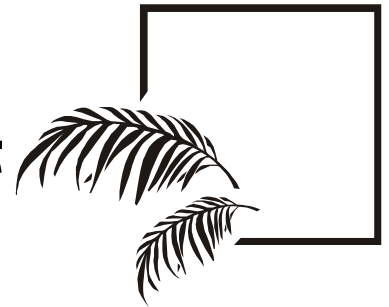
Cash Flow Statements

	Note	Company		Group	
		2003 Rs.	2002 Rs.	2003 Rs.	Restated 2002 Rs.
<i>For the year ended 31st March</i>					
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		15,769,460	441,098	125,261,854	99,756,072
Adjustments for:					
Forfeited unclaimed dividend		–	(189,386)	–	(189,386)
<i>Provision for diminution/(gain) in carrying value of investments</i>		20,480	(144,548)	20,480	(144,548)
Depreciation	9	387,318	852,198	387,318	852,198
Finance costs	4	24,945,536	4,679,373	24,945,536	4,684,665
Profit on disposal of property, plant & equipment	2	(2,286,801)	–	(2,286,801)	–
Dividend reinvestment	10	–	(19,367)	–	(19,367)
Loss/(profit) on disposal of investments		18,554	(760,304)	18,554	(12,850,835)
Share of Associate Company profit		–	–	(61,707,045)	(18,041,471)
Write off of surplus on acquisition	16	–	–	(67,493,555)	(67,493,555)
Operating cash flows before working capital changes		38,854,547	4,859,064	19,146,341	6,553,773
(Increase)/decrease in inventories		(341,211)	393,909	(341,211)	393,909
(Increase)/decrease in debtors and other receivables		(1,134,447)	639,405	(1,038,572)	639,405
Decrease/(Increase) in amounts due from related companies	13	39,327,136	(38,562,025)	–	765,111
Increase/(decrease) in creditors and accruals		473,710	(3,784,908)	456,670	(3,756,139)
Increase in amounts due to related companies	20	187,535,214	140,212,860	34,620,800	140,212,860
Net cash generated from operating activities		264,714,949	103,758,305	52,844,028	144,808,919
Finance costs paid	4	(24,945,536)	(4,679,373)	(24,945,536)	(4,684,665)
Tax paid		(5,357,779)	(2,186,903)	(5,443,685)	(2,635,171)
Net cash inflows from operating activities		234,411,634	96,892,029	22,454,807	137,489,083
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant & Equipment	9	(1,927,467)	(2,485,303)	(1,927,467)	(2,485,303)
Purchase of investments	10	(206,194,258)	(107,698,640)	–	(173,737,565)
Proceeds from disposal of investments		366,751	2,422,230	1,402,015	24,788,396
Proceeds from disposal of property, plant & equipment		2,393,660	–	2,393,660	–
Long term loans received/(granted) from/(to) related Company	13	(24,042,123)	20,631,060	(24,042,123)	20,631,060
Net cash outflow from investing activities		(229,403,437)	(87,130,653)	(22,173,915)	(130,803,412)
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend paid	6	(6,600,038)	(6,613,557)	(6,600,038)	(6,613,557)
Net cash outflow from financing activities		(6,600,038)	(6,613,557)	(6,600,038)	(6,613,557)
Increase/(decrease) in cash and cash equivalents		(1,591,841)	3,147,819	(6,319,146)	72,114
Cash and cash equivalents at the beginning of the year		4,690,853	1,543,034	9,502,372	9,430,258
Cash and cash equivalents at the end of the year		3,099,012	4,690,853	3,183,226	9,502,372
Cash and cash equivalents					
Bank and cash balance		1,933,026	3,566,913	2,017,240	8,378,432
Short-term deposits		1,165,986	1,123,940	1,165,986	1,123,940
		3,099,012	4,690,853	3,183,226	9,502,372

The Accounting Policies and Notes from pages 21 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Significant Accounting Policies



I. GENERAL

I.1 Basis of Preparation

The Financial Statements of The Bukit Darah Company Limited and of its subsidiaries, comprise the Balance Sheets and the Statements of Income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes to the Financial Statements. These statements are prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

The accounting policies have been consistently applied by the Company and its subsidiaries and are consistent, except as stated in Note 11 with those used in the previous year. The previous year figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

The Financial Statements of the Company and its subsidiaries are prepared under the historical cost convention except for the revaluation of freehold land in Malaysia as disclosed in Note 9 to the Financial Statements.

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

I.2 Consolidation Policy

(i) Subsidiaries

The Financial Statements of the Group represent the consolidated Financial Statements of The Bukit Darah Company Limited, and its subsidiaries Federal Securities (Pvt) Limited, and Delwood Investments (Pvt) Limited, in accordance with Section 150(1) (a) of the Companies Act No. 17 of 1982 and the Sri Lanka Accounting Standard No. 26.

Special resolutions were passed to wind-up the subsidiaries Federal Securities (Pvt) Limited and Delwood Investments (Pvt) Limited at the Extraordinary General Meeting held on 1st January 2003. However, no applications were made to court for wind-up as at the Balance Sheet date. The Financial Statements of both subsidiaries have been consolidated with the Company, based on the assumption that the subsidiaries are going concerns.

(ii) Financial Period

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

(iii) Profits & Losses

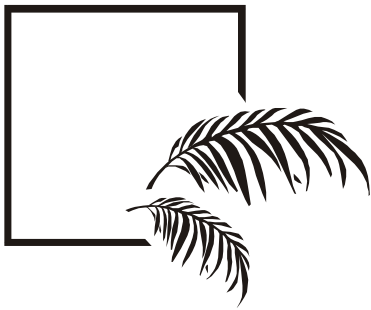
The total profits and losses of the Company and its subsidiaries, for the year are included in the Consolidated Income Statement. The proportion of profit or loss after taxation pertaining to the non-group shareholders of the subsidiaries are deducted as 'Minority Interest'.

(iv) Assets & Liabilities

All the assets and liabilities of the Company and its subsidiaries are included in the Consolidated Balance Sheet. The proportionate interest of the non-group shareholders in the net assets employed is stated separately in the Consolidated Balance Sheet under the heading 'Minority interest'.

(v) Intra-Group Transactions

Intra-group balances and transactions and resulting unrealised profits are eliminated in full in the consolidated Financial Statements and any



Significant Accounting Policies (Contd.)

unrealised losses resulting from Intra-group transactions are eliminated unless the cost cannot be recovered.

(vi) **Goodwill**

Goodwill, arising in connection with the acquisition of subsidiaries, which is the excess of the purchase price or consideration over the net assets acquired at the date of acquisition is recognised as goodwill and is amortised to the Income Statement over a period of five (5) years.

The excess of the net assets of the subsidiaries acquired over the purchase price or consideration at the date of acquisition is treated as deferred income. Such deferred income is treated as surplus on acquisition and is recognised as income on a systematic basis over a period of five (5) years.

1.3 Investments in Associates

- (i) Investments in companies where the investors' share of holding is more than 20% and where the investor has a significant influence on financial and operating decisions/policies have been treated as associate companies.

The results of the associate companies of the Group have been accounted for on the equity method of accounting, where the Group's share of profits or losses from the date of acquisition are incorporated in the Consolidated Income Statement, and the related investments presented in the Balance Sheet at values adjusted to reflect the Group's share of retained assets. The carrying amount of the group's investment is reduced to the extent of the dividends received from these associate companies.

Investments in companies where the

Group's investment is less than 20% and where the Group does not exercise significant influence and/or control over the financial and operating policies/decisions, have been accounted for on the basis stated in 2.2 below. The income from these investments are recognised only to the extent of dividend received.

(ii) **Goodwill - Associate**

The excess of the purchase price or consideration over the net assets acquired is recognised as goodwill and is amortized to the Income Statement over a period of five (5) years.

The excess of the net assets acquired over the purchase price or consideration at the date of acquisition is treated as deferred income. Such deferred income is treated as surplus on acquisition and is recognised as income on a systematic basis over a period of five (5) years.

1.4 Conversion of Foreign Currencies

- (i) Monetary assets and liabilities denominated in foreign currencies have been translated into Sri Lankan Rupees, which is the reporting currency, at rates of exchange prevailing at the Balance Sheet date.
- (ii) Long-term investments in shares and Property, Plant & Equipment that are carried at historical cost are translated into Sri Lankan Rupees at the rates of exchange prevailing at the date on which the transactions were effected, and where such assets are carried at fair value, translation into reporting currency is done using the exchange rates that exist when such values are determined.

Significant Accounting Policies (Contd.)



(iii) Profits or losses from Malaysian operations are incorporated into the Income Statement by translating the foreign currencies into Sri Lankan Rupees at the monthly average rates. The brought forward profits or losses are incorporated at the reporting currency amounts disclosed in the corresponding years' Financial Statements.

The exchange differences arising therefrom are dealt within the Income Statement.

1.5 Taxes on Income

The Group's liability to taxation is computed according to the provisions of the Inland Revenue Act No. 38 of 2000 and subsequent amendments thereto. Full consideration is given to the tax laws prevailing in the countries of incorporation and operation.

Liability to taxation of the Company is made after deducting any relief available in terms of the Double Taxation Agreement entered into between the Governments of Malaysia and Sri Lanka.

1.6 Deferred Taxation

Deferred taxation is provided on the liability method for all timing differences to the extent that they are expected to reverse in the future. The balance in the deferred taxation account represents, income tax applicable to the difference between the written down values for tax purposes of the assets on which tax depreciation has been claimed and the net book values of such assets.

1.7 Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred except those that are directly attributable to the acquisition/construction of the Property, Plant & Equipment, which are capitalised as a part of the cost of the asset during the period of construction/development.

1.8 Research and Development Costs

Expenditure in respect of research is charged to revenue while business/product development costs are recognised as an asset in accordance with Sri Lanka Accounting Standard No. 11, and is charged to revenue equally over a period of five (5) years, at the commencement of commercial harvest.

1.9 Events occurring after the Balance Sheet date

The materiality of the events occurring after the Balance Sheet date are considered and appropriate adjustments or disclosures are made in the Financial Statements where necessary.

2. ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Balance Sheet are cash and those which are expected to be realised 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.

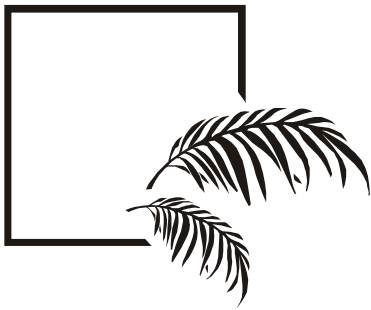
2.1 Property, Plant & Equipment and Depreciation

(i) Valuation

Property, Plant & Equipment are stated at cost or valuation less accumulated depreciation, provided on the basis stated in (iv).

(ii) Cost

Cost of Property, Plant & Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working condition for its intended use.



Significant Accounting Policies (Contd.)

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earnings capacity of the business, has been treated as capital expenditure.

(iii) Revaluation of Land

Revaluation of the freehold land in Malaysia is carried out at least once in every five years in order to ensure that the book value reflect the realisable value. Any surplus or deficit arising therefrom is adjusted through the Capital Accretion Reserve.

(iv) Depreciation

Depreciation is provided on a straight line basis over periods appropriate to the estimated lives of different types of assets on their cost or revalued amounts as follows:

	% per annum
Roads & Bridges	2
Freehold buildings	5
Plant & machinery	10
Furniture, fittings & office equipment	12.5
Motor vehicles	25
Mature plantation	3.33

No depreciation is provided on freehold land.

No depreciation is provided in the year of acquisition while a full year's depreciation is provided in the year of disposal.

(v) Construction-in-Progress

Construction in-progress is transferred to the respective asset accounts at the time of the first utilisation of the asset or at the time the asset is commissioned.

(vi) Plantations

(a) Permanent Land Development Costs

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

(b) Limited Life Land Development Costs

Limited life land development costs incurred in respect of new planting, replanting, inter-planting and crop diversifying including infilling costs of the oil palm plantation are capitalised in accordance with the Sri Lanka Accounting Standard No. 32.

The limited life land development costs are amortised over the estimated productive lives of the commercial harvest, which has the following characteristics:

Time lag between planting and commercial harvest - 3 years
Duration of commercial harvest - 30 years

2.2 Investments

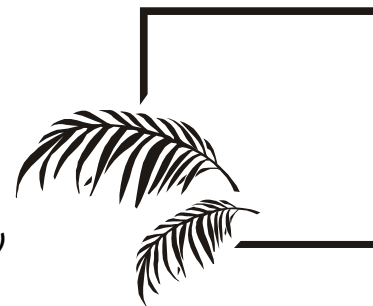
(i) Classifications

Investments in subsidiaries and associate companies of the Carsons Group are classified as long-term investments while all other investments are classified as current assets.

(ii) Valuation

All long-term investments and unquoted investments are stated in the Balance Sheet at cost less any amounts written off to reflect any permanent diminution in value of such investments.

Significant Accounting Policies (Contd.)



Quoted investments and units purchased from Unit Trusts classified as short-term investments are stated at the lower of cost and market value determined on an aggregate portfolio basis.

(iii) Market Value/Valuation of the Investment Portfolio

The market values 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 as at the Balance Sheet date. Where an 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.
- (c) *Unquoted investments* are stated at cost unless otherwise stated.

2.3 Inventories

Inventories except for fresh fruit bunches are stated at cost and net realisable value whichever is lower, after making due allowance for obsolete and slow moving items. Fresh fruit bunches are stated at since realised values.

The value of consumables is determined on a weighted average basis.

2.4 Debtors and other Receivables

Debtors and other receivables are stated at the amounts estimated to be realised. Where necessary, provisions are made for bad and doubtful debts.

2.5 Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise of cash at banks and in hand, short-term deposits with banks, net of bank overdrafts and overnight borrowings.

Interest paid and received and dividend received are classified as operating cash flows while dividends paid are classified as financing cash flows for the purpose of presentation of the Cash Flow Statement reported based on the indirect method.

3. LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one year from the Balance Sheet date. Items classified as non-current liabilities are those obligations, which become payable beyond a period of one year from the Balance Sheet date.

All known liabilities have been accounted for in preparing these Financial Statements. Provisions and liabilities are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

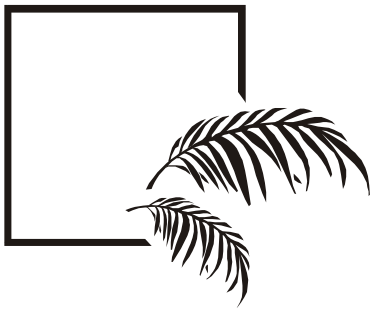
3.1 Retirement Benefit Costs

(i) Defined Benefit Plans - Gratuity

In the absence of any legislative enactment pertaining to gratuity liability in Malaysia, provision has not been made in the Financial Statements.

(ii) Defined Contribution Plans - EPF

All employees who are eligible for Defined Provident Fund contributions in Malaysia are covered by relevant contribution funds in line with the relevant statutes.



Significant Accounting Policies (Contd.)

Contribution to Provident Funds covering the employees are recognised as an expense in the Income Statement, in the period in which it is incurred.

3.2 Capital Commitments and Contingencies

All material capital commitments and contingent liabilities which exist as at the Balance Sheet date are disclosed in the respective Notes to the Financial Statements.

4. INCOME STATEMENT

4.1 Revenue

Group revenue represents proceeds from sale of fresh fruit bunches in Malaysia and investment income from the Sri Lankan operations.

4.2 Revenue Recognition

Revenue is matched with the related expenditure and is recognised in accordance with the Sri Lanka Accounting Standard No. 29 in the following manner:

Sale of fresh fruit bunches - upon delivery and acceptance by customers.

Dividend income - when the shareholders' right to receive, is established.

Interest income - accrued on a time proportionate basis.

Other Income - on an accrual basis.

Net gains and losses of a revenue nature, resulting from disposal of property, plant & equipment have been accounted for in the Income Statement, where the gain is on immovable property, such gain is appropriated to the Capital Accretion Reserve.

Gains or losses on the disposal of investments are accounted for in the Income Statement on the basis of realised net profit or loss.

4.3 Expenditure Recognition

All expenditure incurred in running the business, and in maintaining the capital assets in a state of efficiency, has been charged to revenue in arriving at the profit or loss for the year.

4.4 For the purpose of presentation of the Income Statement, the Directors are of the view that Function of Expenses Method fairly presents the elements of the Company's performance, hence such a presentation method is adopted.

5. SEGMENT REPORTING

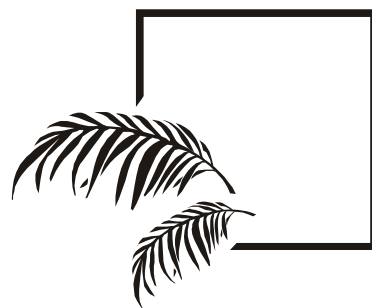
A segment is a distinguishable component of the Group that is engaged either in providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment) which is subject to risks and rewards that are different from those of the other segments. Segment information for identifiable operating units of the Group are disclosed in Note 21 to the Financial Statements.

The primary segment of the Group is considered as the Industry Segment.

6. RELATED PARTY TRANSACTIONS

Disclosures are 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 being charged.

Notes to the Financial Statements



I. REVENUE - GROUP

	%	31st March 2003 Rs.	%	31st March 2002 Rs.
The Bukit Darah Company Limited	144.08	59,967,629	92.93	26,455,895
Federal Securities (Pvt) Limited	478.88	199,312,038	10.87	3,094,312
Delwood Investments (Pvt) Limited	22.66	9,431,888	0.73	208,875
	645.62	268,711,555	104.53	29,759,082
Intra-group transactions	(545.62)	(227,091,201)	(4.53)	(1,289,956)
	100.00	41,620,354	100.00	28,469,126

Revenue	Company		Group	
	31st March 2003 Rs.	31st March 2002 Rs.	31st March 2003 Rs.	31st March 2002 Rs.
Oil Palm:				
Sale of fresh fruit bunches	39,029,757	26,150,512	39,029,757	26,150,512
Investment:				
Dividend income	20,923,781	281,702	22,272,361	2,707,083
Interest income	14,091	23,681	182,623	901,487
Disposal of shares	–	–	207,226,814	–
	59,967,629	26,455,895	268,711,555	29,759,082
Intra-group transactions	–	–	(227,091,201)	(1,289,956)
	59,967,629	26,455,895	41,620,354	28,469,126

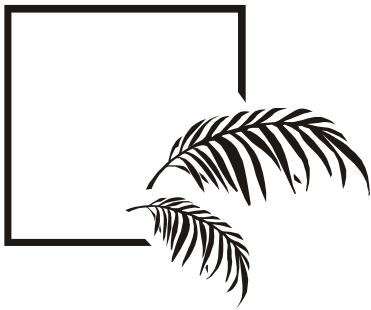
2. OTHER OPERATING INCOME

Profit on disposal of investments	–	760,304	–	12,850,835
Surplus on revaluation of foreign currency operations	127,775	101,930	127,775	101,930
Profit on disposal of Property, Plant & Equipment	2,286,801	–	2,286,801	–
Sundry income	–	116,672	–	117,986
Forfeited unclaimed dividend	–	189,386	–	189,386
Writeback of provision for diminution in carrying value of investments	–	144,548	–	144,548
Amortisation of surplus on acquisition	–	–	67,493,555	67,493,555
	2,414,576	1,312,840	69,908,131	80,898,240

3. PROFIT FROM OPERATIONS

Profit from Operations is stated after charging all expenses including following:

Depreciation	387,318	852,198	387,318	852,198
Management & Secretarial fees	218,581	274,091	388,423	501,529
Auditors' remuneration	534,763	495,268	572,032	516,163
Loss on disposal of investments	18,554	–	18,554	–
Provision for diminution in carrying value of investments	20,480	–	20,480	–
Personnel cost (Note 3.1)	8,386,431	8,601,375	8,386,431	8,601,375



Notes to the Financial Statements (Contd.)

3. PROFIT FROM OPERATIONS (CONTD.)

	Company		Group	
	31st March 2003 Rs.	31st March 2002 Rs.	31st March 2003 Rs.	31st March 2002 Rs.
3.1 Personnel Costs				
Salaries, wages and other staff related expenses	7,846,073	8,064,404	7,846,073	8,064,404
Defined contribution plans - EPF	540,358	536,971	540,358	536,971
	8,386,431	8,601,375	8,386,431	8,601,375
The above includes:				
Directors' emoluments	–	–	–	–
Directors' fees	10,000	70,000	10,000	70,000
	10,000	70,000	10,000	70,000

4. FINANCE COSTS

On Loans from related Company	24,945,536	4,679,373	24,945,536	4,684,665
	24,945,536	4,679,373	24,945,536	4,684,665

5. TAXATION

5.1 Current Income Tax

Provision for the year (Note 5.2 & 5.3)	5,491,466	904,223	14,328,246	(625,868)
Refund due/over provision in respect of previous years	–	(2,328,662)	–	(2,328,662)
Deferred Income Tax				
Release made on deferred tax	(58,243)	(10,072)	(58,243)	(10,072)
	5,433,223	(1,434,511)	14,270,003	(2,964,602)

	Company	
	31st March 2003 Rs.	31st March 2002 Rs.
5.2 Reconciliation of Accounting Profits with Taxable Profits		
Profit before taxation	15,769,460	441,098
Aggregate exempt profits, dividends, FCBU interest etc.	(20,937,872)	(1,065,688)
Aggregate tax allowable expenditure	(4,512,406)	(3,196,993)
Aggregate tax disallowable expenditure	27,928,251	2,968,092
Tax loss brought forward	(4,060,628)	(2,302,914)
Taxable profit	14,186,805	(3,156,405)

Notes to the Financial Statements (Contd.)



5. TAXATION (CONTD.)

5.2 Reconciliation of Accounting Profits with Taxable Profits (Contd.)

	Company	
	31st March 2003 Rs.	31st March 2002 Rs.
Tax payable		
Ordinary activities on plantation income @ 15%	2,128,021	–
Tax paid in Malaysia	5,491,466	904,223
Total tax charge	5,491,466	904,223

The provision for taxation for the year ended 31st March, 2003 on profit from plantation activities is based on the tax payable in Malaysia @ 28% as this is higher than the Sri Lankan tax payable @ 15%. Tax unrecouped can be carried forward as tax losses. Tax losses carried forward as at 31st March 2003 was Rs. 3,363,445/- (2002 Rs. 4,060,628/-).

5.3 Tax Provision of Group Companies

	Group	
	31st March 2003 Rs.	31st March 2002 Rs.
The Bukit Darah Company Ltd.	5,491,466	904,223
Federal Securities (Pvt) Ltd.	32,935	323,353
Delwood Investments (Pvt) Ltd.	–	–
Carson Cumberbatch & Co. Ltd.	8,803,845	(1,853,444)
	14,328,246	(625,868)

5.4 Taxation of Profits

(a) In terms of Section 40 of the Inland Revenue Act, No. 38 of 2000, profits of the Company from plantation activities enjoy a concessionary rate of tax of 15%. These profits are however, subject to income tax in Malaysia calculated at a rate of 28%. The Company's tax liability stated in the accounts reflect the tax incurred in Malaysia.

Other sources are chargeable to income tax at a rate of 35%.

(b) In terms of the double tax agreement entered into between Malaysia and Sri Lanka, the Company on its plantation profits is entitled to claim credit for tax paid in Malaysia against tax that is payable in Sri Lanka.

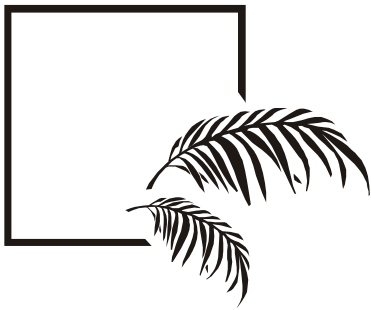
5.5 Dividend

Dividend declared out of taxable profits of the Company are subject to a dividend tax of 10%.

5.6 Taxation of Subsidiaries

Subsidiaries with taxable profits in excess of Rs. 5 mn are chargeable to income tax at 35%. If taxable profits are below this threshold, the tax rate applicable is 20%. Legislation also provides for marginal relief.

During the current year the tax rate applicable to Federal Securities (Pvt) Limited is 20%. No provision has been made for Delwood Investments (Pvt) Limited as the Company is incurring tax losses.



Notes to the Financial Statements (Contd.)

	Company & Group	
	31st March 2003 Rs.	31st March 2002 Rs.
6. DIVIDENDS		
Preference		
16.5% (2002 - 16.5%)	6,600,000	6,600,000
Participating preference		
8% (2002 - 8%)	5,771	5,771
	6,605,771	6,605,771

7. EARNINGS/(LOSS) PER ORDINARY SHARE

The Company's and Group's Earnings/(Loss) Per Share of Rs. 9.33 and Rs. 260.97 [2002 - Company Rs. (11.83) and Group Rs. 235.81] is based on the profits after tax, minority interests and preference dividend over the number of ordinary shares in issue as at the Balance Sheet date.

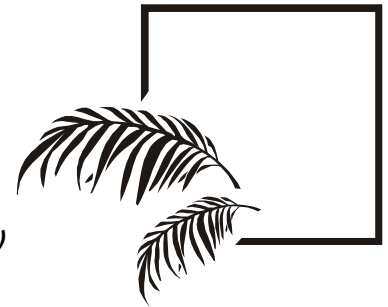
The following reflects the income and share issue data used for the computation of earnings per share:

	Company		Group	
	31st March 2003 Rs.	31st March 2002 Rs.	31st March 2003 Rs.	Restated 31st March 2002 Rs.
Amount used as the Numerator				
Net profit after minority interest	10,336,237	1,875,609	110,991,851	100,928,520
Less:				
Dividend on preference shares	(6,605,771)	(6,605,771)	(6,605,771)	(6,605,771)
Net profit/(loss) attributable to ordinary shareholders	3,730,466	(4,730,162)	104,386,080	94,322,749
Number of ordinary shares used as the Denominator	400,000	400,000	400,000	400,000

8. FOREIGN CURRENCY TRANSLATIONS

The principal exchange rates used for conversion of foreign currency balances are as follows:

	Closing Rate	
	Year ended 31st March 2003	Year ended 31st March 2002
Malaysian Ringgit	25.36	24.91
Sterling Pound	151.00	134.26
U.S. Dollar	96.35	94.65



Notes to the Financial Statements (Contd.)

9. PROPERTY, PLANT & EQUIPMENT

Company and Group

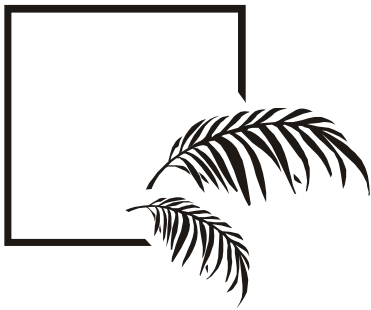
	Freehold Land	Freehold Buildings	Roads & Bridges	Immature Plantation	Plant & Machinery	Equipment	Motor Vehicles	Total as at 31st March 2003	Total as at 31st March 2002
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/Valuation									
Beginning of the year	671,886,108	7,579,880	361,338	7,757,351	174,443	1,531,597	4,777,774	694,068,491	691,614,969
Additions	-	-	-	1,927,467	-	-	-	1,927,467	2,485,303
Transfers	-	401,205	-	-	-	-	-	401,205	-
Disposals	-	-	-	-	(174,443)	(179,822)	(4,777,774)	(5,132,039)	(31,781)
End of the year	671,886,108	7,981,085	361,338	9,684,818	-	1,351,775	-	691,265,124	694,068,491
Depreciation									
Beginning of the year	-	4,138,949	7,227	-	90,681	1,370,485	4,725,441	10,332,783	9,512,366
Charge for the year	-	259,243	7,227	-	12,169	56,346	52,333	387,318	852,198
On transfers	-	401,188	-	-	-	-	-	401,188	-
On disposals	-	-	-	-	(102,850)	(144,539)	(4,777,774)	(5,025,163)	(31,781)
End of the year	-	4,799,380	14,454	-	-	1,282,292	-	6,096,126	10,332,783
Net Book Value									
As at 31st March 2003	671,886,108	3,181,705	346,884	9,684,818	-	69,483	-	685,168,998	-
As at 31st March 2002	671,886,108	3,440,931	354,111	7,757,351	83,762	161,112	52,333	-	683,735,708

Immature Plantation - Replanting and Maintenance Costs Analysis

Year of Planting	Cost - Rs. 58.3 Ha.
2000/01	5,272,048
2001/02	2,485,303
2002/03	1,927,467
Total	9,684,818

- (i) The carrying value of the freehold land, if it was carried at historical cost would be Rs. 3,394,489/-.
- (ii) Property, Plant & Equipment includes fully depreciated assets having a historical cost of Rs. 3,589,119/- (2002 - Rs. 8,102,772/-).
- (iii) The revaluation was incorporated into the Malaysian operations of the Company, which is audited by another firm of Chartered Accountants.
- (iv) The freehold land in Malaysia was revalued at Rs. 674,598,060/- as at 31st March, 1998 on an existing use basis by W.M. Malik Kamaruzuman, Chartered Surveyors & Valuers of Malaysia and incorporated into these Financial Statements. However, an amount of Rs. 2,711,952/-, which is the revaluation attributable to the palm trees, was reversed as at 31st March, 2000.

The freehold land was revalued on an existing used basis on 31st March, 2003 subsequent to the last revaluation on 31st March, 1998 by Encik W. M. Malik, member of the Institution of Surveyors, Malaysia a partner with W. M. Malik and Kamaruzaman. The carrying value of the freehold land at 31st March, 2003 approximates its fair value.
- (v) The total surplus over the book value has been credited to the Capital Accretion Reserve and included under Capital Reserves. Title to the property in Malaysia has been verified by Malaysian Certified Public Accountants.
- (vi) The tax effect in connection with the surplus arising on the revaluation of freehold land of approximately Rs. 48,970,160/- has not been provided out of the revaluation surplus credited to the Capital Accretion Reserve. This tax is payable in Malaysia.
- (vii) The subsidiary companies do not own Property, Plant & Equipment.



Notes to the Financial Statements (Contd.)

9. PROPERTY, PLANT & EQUIPMENT (CONTD.)

(viii) In view of the Malaysian Government's move to acquire a substantial portion of the estate to locate a waste disposal yard, the Directors considered it fit to recommend that the property be sold in its entirety, subject to obtaining the necessary approvals required from the Government of Sri Lanka.

Further, the shareholders of the Company have at an Extraordinary General Meeting of the Company held on 29th October 2001, given their approval that the property in its entirety be disposed of by the Company.

The Directors of the Company are of the view that the value of the estate is higher than the carrying value, as at the date of signing these Financial Statements, hence no adjustments have been made to these Financial Statements as at the Balance Sheet date.

(ix) All the Property, Plant & Equipment are located in Malaysia.

10. INVESTMENTS

10.1 Movements in Long-Term and Short-Term Investments - Company

	Unquoted Investments Subsidiaries Rs.	Quoted Investments Related Rs.	Unquoted Foreign Company Rs.	Short-Term Investments Rs.	Total as at 31st March 2003 Rs.	Total as at 31st March 2002 Rs.
Beginning of the year (cost)	143,334,840	-	69,632,169	633,331	213,600,340	107,544,259
Additions	9,141,800	197,052,458	-	-	206,194,258	107,698,640
Dividend re-investment	-	-	-	-	-	19,367
Disposals	-	-	-	(597,601)	(597,601)	(1,661,926)
	152,476,640	197,052,458	69,632,169	35,730	419,196,997	213,600,340
Provision for diminution in carrying value	-	-	-	(20,480)	(20,480)	(212,296)
End of the year	152,476,640	197,052,458	69,632,169	15,250	419,176,517	213,388,044

10.2 Holding in Subsidiaries

Name of Company	Group Holding	Description of Business
Federal Securities (Pvt) Limited	100%	Managing and holding an investment portfolio
Delwood Investments (Pvt) Limited	100%	Managing and holding an investment portfolio

10.3 Investment Portfolio - Company

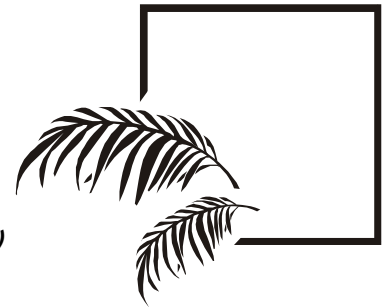
	No. of Shares	Cost as at 31st March 2003 Rs.	Market Value/ Valuation as at 31st March 2003 Rs.	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.
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(1) LONG-TERM INVESTMENTS

(A) INVESTMENT IN SUBSIDIARIES

*UNQUOTED

Federal Securities (Pvt) Limited	7,962,000	143,334,840	143,334,840	7,962,000	143,334,840	143,334,840
Delwood Investments (Pvt) Limited	720,002	9,141,800	9,141,800	-	-	-
Total Investment in Subsidiaries		152,476,640	152,476,640		143,334,840	143,334,840



Notes to the Financial Statements (Contd.)

10. INVESTMENTS (CONTD.)

Special Resolutions were passed to wind-up subsidiaries Federal Securities (Pvt) Limited and Delwood Investments (Pvt) Limited at an Extraordinary General Meeting held on 1st January, 2003. However, no application was made to court for winding-up as at the Balance Sheet date. On liquidation of subsidiaries, the Directors are of the view that the disposal proceeds would exceed its investment carrying value in the Financial Statements as follows:

	Investment at cost	Assets amount exceeding the liabilities (Net Assets)
	Rs.	Rs.
Federal Securities (Pvt) Limited	143,334,840	143,726,672
Delwood Investments (Pvt) Limited	9,141,800	9,299,022

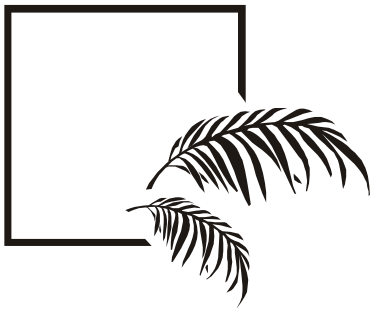
* Expenses on liquidation has not been incorporated into the Financial Statements of the Federal Securities (Pvt) Limited and Delwood Investments (Pvt) Limited. However, they are not considered to be material.

	No. of Shares	Cost as at 31st March 2003 Rs.	Market Value/ Valuation as at 31st March 2003 Rs.	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.
(B) OTHER INVESTMENTS						
QUOTED INVESTMENTS - RELATED						
Diversified						
Carson Cumberbatch & Co. Limited	269,666	197,052,458	432,881,346	-	-	-
	269,666	197,052,458	432,881,346	-	-	-
*UNQUOTED INVESTMENT - RELATED						
Foreign Company						
Shalimar Developments Sdn. Bhd.	417,696	69,632,169	69,632,169	417,696	69,632,169	69,632,169
Total other Investments		69,632,169	69,632,169		69,632,169	69,632,169
(2) SHORT-TERM INVESTMENTS - QUOTED						
Banks, Finance & Insurance						
Union Assurance Limited	500	35,730	15,250	500	35,730	21,250
Unit Trust						
Ceybank Unit Trust		-	-	59,848	597,601	399,785
		35,730	15,250		633,331	421,035
Provision for diminution in carrying value of investments		(20,480)	-		(212,296)	-
Total Short-Term Investments		15,250	15,250		421,035	421,035
TOTAL INVESTMENT PORTFOLIO [(1)+(2)]		419,176,517	655,005,405		213,388,044	213,388,044

The market value of the Company's investment portfolio has been obtained from the Official Valuation List as at 31st March, 2003 published by the Colombo Stock Exchange.

The Company holds 17.49% in Shalimar Developments Sdn. Bhd.

* The unquoted investments are reflected at cost, which in the view of the Directors represents a reasonable value of such investment.



Notes to the Financial Statements (Contd.)

10 INVESTMENTS (CONTD.)

10.4 Movement in Long-Term and Short-Term Investments - Group

	Quoted Investments Related Rs.	Unquoted Foreign Company Rs.	Debentures Quoted Rs.	Short-Term Investments Rs.	Total as at 31st March 2003 Rs.	Total as at 31st March 2002 Rs.
Beginning of the year (Cost)	10,148	69,632,169	1,025,116	633,331	71,300,764	72,943,323
Additions	-	-	-	-	-	10,275,634
Dividend re-investment	-	-	-	-	-	19,367
Disposals	(10,148)	-	(1,025,116)	(597,601)	(1,632,865)	(11,937,560)
Provision for diminution in carrying value	-	69,632,169	-	35,730	69,667,899	71,300,764
	-	-	-	(20,480)	(20,480)	(212,296)
End of the year	-	69,632,169	-	15,250	69,647,419	71,088,468

10.5 Investment Portfolio - Group

	No. of Shares	Cost as at 31st March 2003 Rs.	Market Value/ Valuation as at 31st March 2003 Rs.	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.
(1) LONG-TERM INVESTMENTS						
QUOTED COMPANIES - RELATED						
Investment Trust						
The Ceylon Investment Company Limited		-	-	200	10,148	11,000
Total Quoted Investments		-	-		10,148	11,000
UNQUOTED INVESTMENT - RELATED						
Foreign Company						
Shalimar Developments Sdn. Bhd.	417,696	69,632,169	69,632,169	417,696	69,632,169	69,632,169
Total Unquoted Investments		69,632,169	69,632,169		69,632,169	69,632,169
INVESTMENT IN DEBENTURES						
Hatton National Bank	-	-	-	10,100	1,025,116	984,750
					1,025,116	984,750
Total Long-Term Investments		69,632,169	69,632,169		70,667,433	70,616,919
(2) SHORT-TERM INVESTMENTS						
QUOTED						
Banks, Finance & Insurance						
Union Assurance Limited	500	35,730	15,250	500	35,730	21,250
Unit Trust						
Ceybank Unit Trust	-	-	-	59,848	597,601	399,785
		35,730	15,250		633,331	421,035
Provision for diminution in carrying value of investments		(20,480)	-		(212,296)	-
Total Short-Term Investments		15,250	15,250		421,035	421,035
TOTAL INVESTMENT PORTFOLIO		69,647,419	69,647,419		71,088,468	71,037,954

Notes to the Financial Statements (Contd.)



10.6 The market value of the Group's investment portfolio has been obtained from the Official Valuation List as at 31st March, 2003 published by the Colombo Stock Exchange. Provisions have not been made for temporary fluctuations in market prices of long-term investments.

10.7 The Company has invested an amount of Rs. 69,632,169/- in Shalimar Developments Sdn. Bhd., which represents a 17.49% stake of that Company and has further, advanced Rs. 24,042,123/- to the latter Company (Note 13). Shalimar Developments Sdn. Bhd. is an investment company presently holding shares only in PT Agro Indomas (84.5%) incorporated in Indonesia, which Company's main business is cultivation of oil palm plantation for processing of crude palm oil.

Many countries in the Asia Pacific region including Malaysia and Indonesia have experienced adverse economic conditions in the recent past, mainly resulting from currency devaluations in the region. However, the Company does not plan to dispose of this investment in Shalimar Developments Sdn. Bhd. and the Directors after reviewing the fair value of the investment taking into consideration the net assets per share and the forecasted future cash flows of the Company are of the view that the historical cost carried is justifiable.

11. INVESTMENT IN ASSOCIATE - GROUP

	No. of Shares	Cost as at 31st March 2003 Rs.	Market Value/ Valuation as at 31st March 2003 Rs.	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.
QUOTED - RELATED						
Diversified						
Carson Cumberbatch & Co. Ltd.	269,666	197,052,458	432,881,346	269,666	197,052,458	350,633,217
Investor's share of retained assets		774,325,578	-		744,065,943	-
		971,378,036	432,881,346		941,118,401	350,633,217

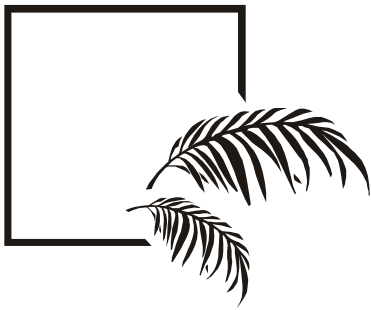
11.1 Figures for the year 2001/02 were restated to reflect the equity method of accounting for its Associate investment, Carson Cumberbatch & Company Limited.

Subsequent to the restructuring process of the Carsons Group of Companies, the Directors were of the view that the Company adopt the equity method of accounting for its associate investment (Carson Cumberbatch & Co. Limited - 26.47%) as it gives a better reflection of the nature and purpose of the carrying value of this investment in the Balance Sheet.

As a consequence, retained earnings and brought forward reserve balances have been restated to accommodate this change relating to previous year.

	Company		Group	
	As at 31st March 2003 Rs.	As at 31st March 2002 Rs.	As at 31st March 2003 Rs.	Restated As at 31st March 2002 Rs.
Trade debtors	2,389,952	1,154,899	2,389,952	1,154,899
Other debtors	-	-	-	95,875
Deposits and prepayments	718,293	818,899	718,293	818,899
	3,108,245	1,973,798	3,108,245	2,069,673

12. DEBTORS AND OTHER RECEIVABLES



Notes to the Financial Statements (Contd.)

	Company		Group	
	As at 31st March 2003 Rs.	As at 31st March 2002 Rs.	As at 31st March 2003 Rs.	Restated As at 31st March 2002 Rs.
13. AMOUNTS DUE FROM RELATED COMPANIES				
Current				
Federal Securities (Pvt) Limited	–	39,327,136	–	–
	–	39,327,136	–	–
Non Current				
Shalimar Developments Sdn. Bhd.				
- Loans given	24,042,123	–	24,042,123	–
	24,042,123	39,327,136	24,042,123	–

14. SHARE CAPITAL

	Company & Group	
	As at 31st March 2003 Rs.	As at 31st March 2002 Rs.
Authorised		
5,000,000 ordinary shares of Rs. 10/- each	50,000,000	50,000,000
20,000,000 non-voting cumulative preference shares of Rs. 10/- each	200,000,000	200,000,000
	250,000,000	250,000,000
Issued and Fully Paid		
Ordinary		
400,000 ordinary shares of Rs. 10/- each	4,000,000	4,000,000
Preference		
4,000,000 non-voting 16.5% redeemable cumulative preference shares of Rs. 10/- each	40,000,000	40,000,000
7,214 - 8% participating cumulative preference shares of Rs. 10/- each	72,140	72,140
	44,072,140	44,072,140

In addition to the 8% cumulative preference dividend, after ordinary shareholders have received a dividend of 0.625%, the holders of participating preference shares are entitled to participate in the surplus with the holders of the ordinary shares but at eight (8) times the rate of dividend on the ordinary shares. They are however, not entitled to participate in the surplus assets of the Company.

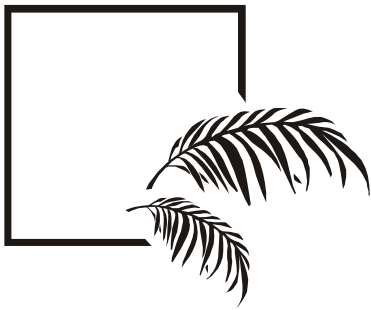
The 16.5% preference shares subscribed by Carson Cumberbatch & Co. Ltd. are to be redeemed in four equal semi-annual instalments commencing from 30th September, 2003. The dividend thereon is payable bi-annually.

However, the Company has agreed with the preference shareholder to extend the redemption until 30th September, 2004 at the same rate of preference dividend.

Notes to the Financial Statements (Contd.)



	Company		Group	
	As at 31st March 2003 Rs.	As at 31st March 2002 Rs.	As at 31st March 2003 Rs.	Restated As at 31st March 2002 Rs.
15. CAPITAL RESERVES				
Capital Redemption Reserve	40,000,000	40,000,000	40,000,000	40,000,000
Capital Accretion Reserve	681,672,068	681,672,068	681,672,068	681,672,068
Consolidation Reserve	–	–	202,480,663	269,974,218
Other Capital Reserve	–	–	300,472,479	323,116,043
	721,672,068	721,672,068	1,224,625,210	1,314,762,329
16. NEGATIVE GOODWILL ON CONSOLIDATION				
Gross value	–	–	337,467,773	337,467,773
Amortisation				
As at 1st April	–	–	(67,493,555)	–
Amortisation during the year	–	–	(67,493,555)	(67,493,555)
As at 31st March	–	–	134,987,110	(67,493,555)
Balance as at 31st March (Net)	–	–	202,480,663	269,974,218
16.1 Negative goodwill has arisen as a consequence of equity accounting for its Associate investment, Carson Cumberbatch & Co. Limited (Note 11.1).				
17. REVENUE RESERVE				
Revenue reserve	34,282,536	34,282,536	34,282,536	34,282,536
Retained profit	6,781,495	3,051,029	278,702,984	174,316,904
	41,064,031	37,333,565	312,985,520	208,599,440
Retained profit				
Holding company	6,781,495	3,051,029	6,781,495	3,051,029
Subsidiaries/Associate	–	–	306,204,025	205,548,411
	6,781,495	3,051,029	312,985,520	208,599,440
The movements in the above reserves are given in the Statements of Changes in Equity.				
18. DEFERRED TAXATION				
Beginning of the year	286,441	296,513	286,441	296,513
Release made during the year	(63,015)	(37,362)	(63,015)	(37,362)
Exchange gain	4,772	27,290	4,772	27,290
End of the year	228,198	286,441	228,198	286,441
19. CREDITORS AND ACCRUALS				
Creditors	1,078,458	686,032	1,090,932	686,032
Accrued expenses	908,053	826,769	921,486	869,716
Unclaimed dividend	463,497	457,764	463,497	457,764
	2,450,008	1,970,565	2,475,915	2,013,512
20. AMOUNTS DUE TO RELATED COMPANIES				
Carson Cumberbatch & Co. Limited	178,850,743	144,229,943	178,850,743	144,229,943
Federal Securities (Pvt) Limited	143,627,939	–	–	–
Delwood Investments (Pvt) Limited	9,286,475	–	–	–
	331,765,157	144,229,943	178,850,743	144,229,943



Notes to the Financial Statements (Contd.)

21. SEGMENT REPORTING

(A) INDUSTRY

	Oil Palm		Investments		Intra-Group Transactions		Group	
	2003	2002	2003	2002	2003	2002	2003	2002
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
External revenue	39,029,757	26,150,512	229,681,798	3,608,570	-	-	268,711,555	29,759,082
Intra-segment revenue	-	-	-	-	(227,091,201)	(1,289,956)	(227,091,201)	(1,289,956)
	39,029,757	26,150,512	229,681,798	3,608,570	(227,091,201)	(1,289,956)	41,620,354	28,469,126
Result								
Segment result	21,350,725	7,194,149	226,747,266	13,001,518	(227,091,201)	(1,289,956)	21,006,790	18,905,711
Finance costs	-	-	(24,945,536)	(4,684,665)	-	-	(24,945,536)	(4,684,665)
Share of Associates profit	-	-	-	-	-	-	61,707,045	18,041,471
Taxation	(5,433,223)	(894,161)	(8,836,780)	3,858,763	-	-	(14,270,003)	2,964,602
Amortisation of surplus on acquisition	-	-	-	-	-	-	67,493,555	67,493,555
Pre acquisition profit/ minority interest	-	-	-	-	-	-	-	(1,792,154)
Profit after Taxation & Minority Interest	15,917,502	6,299,988	192,964,950	12,175,616	(227,091,201)	(1,289,956)	110,991,851	100,928,520

OTHER INFORMATION

Segment assets	693,386,655	692,304,147	1,219,362,744	1,161,077,534	(149,508,788)	(139,414,991)	1,763,240,611	1,713,966,690
Segment liabilities	1,944,192	1,674,374	330,447,740	301,663,091	(150,834,191)	(156,804,684)	181,557,741	146,532,781
Capital expenditure	1,927,467	2,485,303	-	-	-	-	1,927,467	2,485,303
Depreciation	387,318	852,198	-	-	-	-	387,318	852,198
Unallocated non-cash expenses	-	-	-	-	-	(1,792,154)	-	(1,792,154)

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Intra-Group Transactions		Group	
	2003	2002	2003	2002	2003	2002	2003	2002
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue								
External revenue	39,029,757	26,150,512	229,681,798	3,608,570	-	-	268,711,755	29,759,082
Intra-segment revenue	-	-	-	-	(227,091,201)	(1,289,956)	(227,091,201)	(1,289,956)
	39,029,757	26,150,512	229,681,798	3,608,570	(227,091,201)	(1,289,956)	41,620,354	28,469,956
Result								
Segment result	21,350,725	7,194,149	226,747,266	13,001,518	(227,091,201)	(1,289,956)	21,006,790	18,905,711
Finance costs	-	-	(24,945,536)	(4,684,665)	-	-	(24,945,536)	(4,684,665)
Share of Associate's profit	-	-	-	-	-	-	61,707,045	18,041,471
Taxation	(5,433,223)	(894,161)	(8,836,780)	3,858,763	-	-	(14,270,003)	2,964,602
Amortisation of surplus on acquisition	-	-	-	-	-	-	67,493,555	67,493,555
Pre-acquisition profit/ minority interest	-	-	-	-	-	-	-	(1,792,154)
Profit after Taxation & Minority Interest	15,917,502	6,299,988	192,964,950	12,175,616	(227,091,201)	(1,289,956)	110,991,851	100,928,520

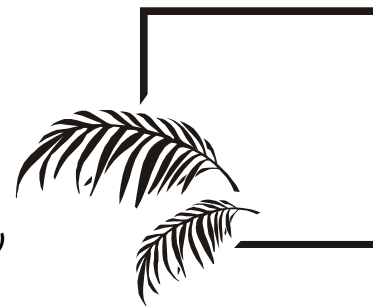
OTHER INFORMATION

Segment assets	693,386,655	692,304,147	1,219,362,744	1,161,077,534	(149,508,788)	(139,414,991)	1,763,240,611	1,713,966,690
Segment liabilities	1,944,192	1,674,374	330,447,740	301,663,091	(150,834,191)	(156,804,684)	181,557,741	146,532,781
Capital expenditure	1,927,467	2,485,303	-	-	-	-	1,927,467	2,485,303
Depreciation	387,318	852,198	-	-	-	-	387,318	852,198
Unallocated non-cash expenses	-	-	-	-	-	(1,792,154)	-	(1,792,154)

22. RESTATEMENT OF COMPARATIVE FIGURES

Previous year figures and phrases have been restated wherever necessary to conform to the current year's presentation.

Notes to the Financial Statements (Contd.)



23. CONTRACTS FOR CAPITAL EXPENDITURE

There were no material contracts for capital expenditure as at the Balance Sheet date.

24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date, no circumstances have arisen which required adjustments to or disclosure in these Financial Statements.

25. CONTINGENT LIABILITIES

The Company and The Selinsing Co. Ltd. have jointly consented to give counter indemnity for the mortgage of the landed property in Malaysia of the The Shalimar (Malay) Estate Co. Ltd., The Good Hope Co. Ltd. and The Indo-Malay Estates Ltd. to the consortium of banks comprising of the Rabobank and the Commonwealth Development Corporation as collateral for the long-term loan of US\$ 30.5 mn obtained by PT Agro Indomas.

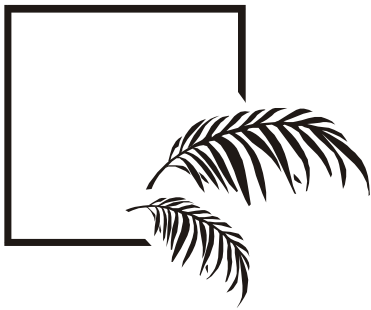
There were no material contingent liabilities as at the Balance Sheet date other than disclosed above and in Note 9 (vi) to these Financial Statements.

26. DIRECTORS' INTERESTS IN CONTRACTS

Messrs. H. Selvanathan, M. Selvanathan, W. Unamboowe (Resigned with effect from 13th March 2003), I. Paulraj, D.C.R. Gunawardena and N. Ramaiah (alternate to Mr. H. Selvanathan), Directors of the Company, have an interest in all or some of the transactions referred to in Note 27 to these Financial Statements. They either individually or indirectly have share ownership in Companies forming part of the Carsons Group and/or hold Directorates in such related Companies.

27. RELATED PARTY TRANSACTIONS

Name of the Company	Names of Directors	Nature of Transactions
Carsons Management Services (Pvt) Limited (CMSL)	H. Selvanathan M. Selvanathan I. Paulraj D.C.R. Gunawardena	The Company and the Group provided charges amounting to Rs. 218,581/- (Group - Rs. 388,423/-) on management and secretarial fees, Rs. 2,168,420/- (Group - Rs. 2,168,420/-) on commission and handling charges, Rs. 148,642/- (Group - Rs. 165,636/-) on charges on printing and Rs. 255,007/- (Group - Rs. 309,071/-) on stationary and computer services during the year.
Carson Cumberbatch & Co Limited (CC&CL)	H. Selvanathan M. Selvanathan I. Paulraj	i) A sum totalling Rs. 34,635,284/- (Group - Rs. 34,635,284/-) was borrowed from CC&CL and Interest totalling Rs. 24,945,536/- (Group - Rs. 24,945,536/-) was charged on these borrowings during the financial year. ii) Preference dividend of Rs. 6,600,000/- was paid to CC&CL during the year.
Federal Securities (Pvt) Limited (FSL)	H. Selvanathan M. Selvanathan	During the year FSL disposed its investment in Carson Cumberbatch & Company Limited (Rs. 187,765,983/-) and Delwood Investments (Pvt) Limited (Rs. 9,141,800/-) to the Company at a price mutually agreed by the Directors of the Companies.



Notes to the Financial Statements *(Contd.)*

27. RELATED PARTY TRANSACTIONS (CONTD.)

Name of the Company	Names of Directors	Nature of Transactions
Delwood Investments (Pvt) Limited (DIL)	H. Selvanathan M. Selvanathan	During the year DIL disposed its investment in Carson Cumberbatch & Company Limited (Rs. 9,286,475/-) to the Company at a price mutually agreed by the Directors of the Companies.
Shalimar Developments Sdn. Bhd. (SDSB)	H. Selvanathan M. Selvanathan W . Unamboowe <i>(Resigned w.e.f. 1st April, 2003)</i>	Long term advances amounting to Rs. 24,042,123/- free of interest with no stipulated repayment period has been made to SDSB.
Shalimar (Malay) Estate Co. Limited (SMECL)	H. Selvanathan M. Selvanathan W . Unamboowe <i>(Resigned w.e.f. 13th March, 2003)</i> I. Paulraj D.C.R. Gunawardena	During the year the Company sold property, plant & equipment at a value of Rs. 1,006,868/- to SMECL at a price mutually agreed by the Companies.
The Indo-Malay Estate Limited (IMEL)	H. Selvanathan M. Selvanathan W . Unamboowe <i>(Resigned w.e.f. 13th March, 2003)</i> I. Paulraj D.C.R. Gunawardena	During the year the Company sold property, plant & equipment at a value of Rs. 755,151/- to IMEL at a price mutually agreed by the Companies.

There were no material related party transactions other than those disclosed above.

Five Year Summary



GROUP

<i>Year ended 31st March</i>	2003	Restated			
	Rs.	2002	2001	2000	1999
		Rs.	Rs.	Rs.	Rs.
OPERATING RESULTS					
Revenue	41,620,354	28,469,126	29,692,219	39,083,207	50,272,521
Share of Associate's profit	61,707,045	18,041,471	–	–	–
Profit before taxation	125,261,854	99,756,072	10,001,928	13,290,632	36,095,997
Taxation	(14,270,003)	2,964,602	1,438,844	(3,785,439)	(8,626,328)
Profit after taxation	110,991,851	102,720,674	11,440,772	9,505,193	27,469,669
Minority interest/pre-acquisition profit	–	1,792,154	1,383,264	1,125,704	956,518
Dividend - Ordinary	–	–	–	1,000,000	3,400,000
Dividend - Preference	6,605,771	6,605,771	6,605,771	6,746,444	7,086,142

As at 31st March

BALANCE SHEETS

ASSETS

Non-Current Assets

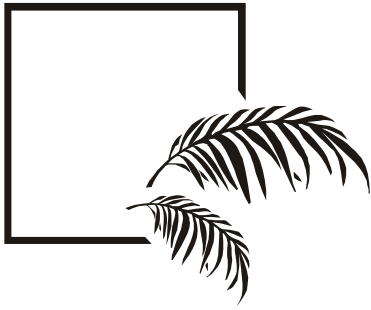
Property, Plant & Equipment	685,168,998	683,735,708	682,102,602	677,403,123	680,837,885
Investment in Associate	971,378,036	941,118,401	–	–	–
Long term Investments	69,632,169	70,667,433	151,974,963	149,186,163	79,698,972
Amounts due from related Company	24,042,123	–	20,631,060	–	–
	1,750,221,326	1,695,521,542	854,708,625	826,589,286	760,536,857
Current assets	13,019,285	18,445,148	16,283,151	38,138,503	145,593,428
TOTAL ASSETS	1,763,240,611	1,713,966,690	870,991,776	864,727,789	906,130,285

EQUITY AND LIABILITIES

Ordinary share capital	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Preference share capital	40,072,140	40,072,140	40,072,140	40,072,140	40,072,140
Reserves	1,537,610,730	1,523,361,759	773,873,218	771,446,713	774,550,854
	1,581,682,870	1,567,433,909	817,945,358	815,518,853	818,622,994
Minority interest	–	–	42,763,114	42,072,196	41,234,917
	1,581,682,870	1,567,433,909	860,708,472	857,591,049	859,857,911
Non-Current Liabilities					
Deferred taxation	228,198	286,441	296,513	310,400	254,950
Current liabilities	181,329,543	146,246,340	9,986,791	6,826,340	46,017,424
Total equity and liabilities	1,763,240,611	1,713,966,690	870,991,776	864,727,789	906,130,285

CASH FLOW STATEMENTS

Net cash inflows/(outflows) from operating activities	22,454,807	137,489,083	12,872,367	35,479,452	(9,434,765)
Net cash (outflows)/inflows from investing activities	(22,173,915)	(130,803,412)	(29,053,246)	699,679	16,976,120
Net cash (outflows)/inflows from financing activities	(6,600,038)	(6,613,557)	(8,504,360)	(10,804,428)	(10,030,051)
(Decrease)/increase in cash & cash equivalents	(6,319,146)	72,114	(24,685,239)	25,374,703	(2,488,696)



Five Year Summary (Contd.)

GROUP

<i>Year ended 31st March</i>	2003	2002	2001	2000	1999
RATIOS & STATISTICS					
Return on ordinary shareholders' funds (%)	6.77	6.18	0.44	0.21	2.50
*Earnings per ordinary share (Rs.)	260.97	235.81	8.63	4.08	48.57
Current ratio (times)	0.07	0.13	1.63	5.59	3.16
Dividend per ordinary share (Rs.)	–	–	–	2.50	8.50
Rate of ordinary dividend (%)	–	–	–	25	85
Market value per share (Rs.)	1,500.00	425.00	400.00	400.00	300.25
P/E ratio (times)	6	2	46	98	6
**Net assets per ordinary share (Rs.)	3,854.03	3,818.40	1,944.68	1,938.62	1,946.38
Market capitalisation (Rs.)	600,000,000	170,000,000	160,000,000	160,000,000	120,100,000
PLANTATION OPERATIONS					
Mature area (Ha.)	342.42	342.42	342.42	400.72	400.72
Immature area (Ha.)	58.3	58.3	58.3	–	–
Crop (Tonnes)	5,449	6,060	7,373	7,111	5,426
Yield per Ha. (Tonnes)	15.91	17.70	20.38	17.75	16.04

Note :

* The Group's earnings per ordinary share is calculated on the profit after minority interest and preference dividends over the number of ordinary shares in issue as at the Balance Sheet date.

** Net assets per ordinary share is calculated by dividing shareholders' funds excluding preference share capital and minority interest by the number of ordinary shares.

Statement of Value Added



GROUP

For the year ended 31st March

	2003 Rs.	%	2002 Rs.	%
Revenue	41,620,354		28,469,126	
Other income	131,615,176		98,939,711	
	173,235,530		127,408,837	
Bought in materials and services	(14,196,148)		(13,504,455)	
	159,039,382		113,904,382	
Distributed as follows:				
To employees				
as remuneration	8,386,431	5.27	8,601,375	7.55
To government				
as taxation	14,328,246	9.01	(2,954,530)	(2.59)
To providers of capital				
as finance cost on loans	24,945,536	15.69	4,684,665	4.11
as minority interest/pre-acquisition profits	-	-	1,792,154	1.57
To shareholders				
as dividends	6,605,771	4.15	6,605,771	5.80
Retained in the business				
as depreciation	387,318	0.24	852,198	0.75
as retained profits	104,386,080	65.64	94,322,749	82.81
	159,039,382	100.00	113,904,382	100.00

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

US \$

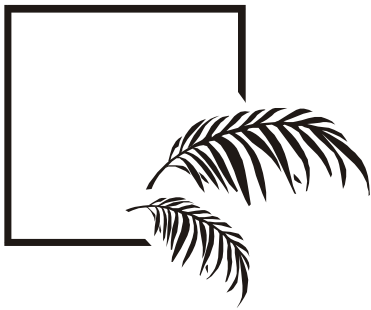
FINANCIALS

PREPARATION OF US DOLLAR FINANCIALS

The Financial Statements of the Group
are stated in US Dollars.

The translation of the Sri Lankan Rupee
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.

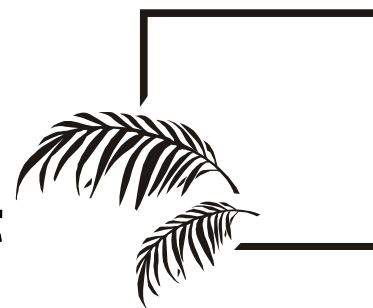


Income Statement

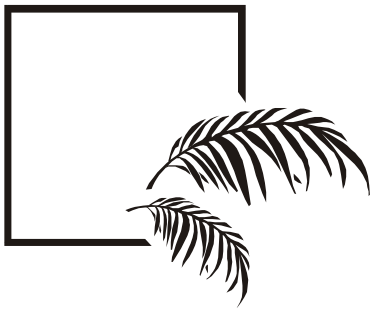
	Group	
	2003 US \$	Restated 2002 US \$
<i>For the year ended 31st March</i>		
Revenue	434,541	314,090
Direct operating costs	(160,434)	(161,427)
Gross profit	274,107	152,663
Other operating income	729,882	892,523
	1,003,989	1,045,186
Administrative expenses	(79,993)	(91,973)
Profit from operations	923,996	953,213
Finance costs	(260,446)	(51,684)
Profit before taxation and associate profit	663,550	901,529
Share of associate company profit	644,258	199,045
Taxation	(148,987)	32,708
Profit after taxation	1,158,821	1,133,282
Pre-acquisition profit/minority interest	–	(19,772)
Profit attributable to the shareholders of		
The Bukit Darah Co. Ltd.	1,158,821	1,113,510
Unappropriated profit brought forward	1,987,719	944,001
Profit available for appropriation	3,146,540	2,057,511
Appropriations		
Dividends	68,560	69,792
Retained in the business	3,077,980	1,987,719
	3,146,540	2,057,511

Figures in brackets indicate deductions.

Balance Sheet



<i>As at 31st March</i>	Note	Group	
		2003 US \$	Restated 2002 US \$
ASSETS			
Non-Current Assets			
Property, Plant & Equipment		7,111,251	7,223,832
Investment in associate		10,081,765	9,943,142
Long term investments		722,700	746,618
Amounts due from related Company		249,529	–
		18,165,245	17,913,592
Current Assets			
Inventories		11,270	7,867
Debtors and other receivables		32,260	21,867
Taxation recoverable		58,399	60,300
Short-term investments		158	4,448
Short-term deposits		12,101	11,875
Bank and cash balances		20,937	88,520
		135,125	194,877
TOTAL ASSETS		18,300,370	18,108,469
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Ordinary share capital		82,532	82,532
Preference share capital		415,902	423,372
Capital reserves		12,710,173	13,890,780
Revenue reserve	2	3,207,407	2,163,631
		16,416,014	16,560,315
Non-Current Liabilities			
Deferred taxation		2,368	3,026
Current Liabilities			
Creditors and accruals		25,697	21,274
Amounts due to related Companies		1,856,261	1,523,824
Dividend payable		30	30
		1,881,988	1,545,128
TOTAL EQUITY AND LIABILITIES		18,300,370	18,108,469



Notes to the Financial Statements

I. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amounts is solely for the convenience of the shareholders, investors, bankers and other users of financial statements. US Dollar financials do not form part of the Audited Financial Statements of the Company.

The translation of the Financial Statements into US Dollar were effected based on the following exchange rates:

		2003	2002
Income Statement	Average rate	95.78	90.64
Monetary assets and liabilities	Closing rate	96.35	94.65
Non-current assets and liabilities	Closing rate	96.35	94.65
Preference share capital	Closing rate	96.35	94.65
Ordinary share capital	Historical rate		

Gains or losses on conversion are accounted for in the revenue reserve.

2. REVENUE RESERVE

	Group	
	As at 31st March 2003 US \$	As at 31st March 2002 US \$
Beginning of the year	175,912	277,760
Currency fluctuation	(46,485)	(101,848)
End of the year	129,427	175,912
Retained Profit	3,077,980	1,987,719
	3,207,407	2,163,631

Notes to the Financial Statements (Contd.)



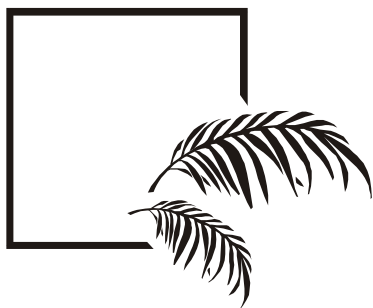
3. SEGMENT REPORTING

(A) INDUSTRY

<i>As at 31st March</i>	Oil Palm		Investments		Intra-Group Transactions		Group	
	2003 US \$	2002 US \$	2003 US \$	2002 US \$	2003 US \$	2002 US \$	2003 US \$	2002 US \$
Revenue								
External revenue	407,494	288,510	2,398,014	39,812	-	-	2,805,508	328,322
Intra-segment revenue	-	-	-	-	(2,370,967)	(14,232)	(2,370,967)	(14,232)
	407,494	288,510	2,398,014	39,812	(2,370,967)	(14,232)	434,541	314,090
Result								
Segment result	222,914	79,371	2,367,376	143,441	(2,370,967)	(14,232)	219,323	208,581
Finance costs	-	-	(260,446)	(51,684)	-	-	(260,446)	(51,684)
Share of Associate's profit	-	-	-	-	-	-	644,258	199,045
Taxation	(56,726)	(9,865)	(92,261)	42,572	-	-	(148,987)	32,707
Amortisation of surplus on acquisition	-	-	-	-	-	-	704,673	744,633
Pre-acquisition profit/ minority interest	-	-	-	-	-	-	-	(19,772)
Profit after Taxation & Minority Interest	166,188	69,506	2,014,669	134,329	(2,370,967)	(14,232)	1,158,821	1,113,510
OTHER INFORMATION								
Segment assets	7,196,540	7,314,360	12,655,556	12,267,063	(1,551,726)	(1,472,953)	18,300,370	18,108,470
Segment liabilities	20,178	17,690	3,429,660	3,187,143	(1,565,482)	(1,656,679)	1,884,356	1,548,154
Capital expenditure	20,124	27,419	-	-	-	-	20,124	27,419
Depreciation	4,044	9,402	-	-	-	-	4,044	9,402
Unallocated non-cash expenses	-	-	-	(19,772)	-	-	-	(19,772)

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Intra-Group Transactions		Group	
	2003 US \$	2002 US \$	2003 US \$	2002 US \$	2003 US \$	2002 US \$	2003 US \$	2002 US \$
Revenue								
External revenue	407,494	288,510	2,398,014	39,812	-	-	2,805,508	328,322
Intra-segment revenue	-	-	-	-	(2,370,967)	(14,232)	(2,370,967)	(14,232)
	407,494	288,510	2,398,014	39,812	(2,370,967)	(14,232)	434,541	314,090
Result								
Segment result	222,914	79,371	2,367,376	143,441	(2,370,967)	(14,232)	219,323	208,581
Finance costs	-	-	(260,446)	(51,684)	-	-	(260,446)	(51,684)
Share of Associate's profit	-	-	-	-	-	-	644,258	199,045
Taxation	(56,726)	(9,865)	(92,261)	42,572	-	-	(148,987)	32,707
Amortisation of surplus on acquisition	-	-	-	-	-	-	704,673	744,633
Pre-acquisition profit/ minority interest	-	-	-	-	-	-	-	(19,772)
Profit after Taxation & Minority Interest	166,188	69,506	2,014,669	134,329	(2,370,967)	(14,232)	1,158,821	1,113,510
OTHER INFORMATION								
Segment assets	7,196,540	7,314,360	12,655,556	12,267,063	(1,551,726)	(1,472,953)	18,300,370	18,108,470
Segment liabilities	20,178	17,690	3,429,660	3,187,143	(1,565,482)	(1,656,679)	1,884,356	1,548,154
Capital expenditure	20,124	27,419	-	-	-	-	20,124	27,419
Depreciation	4,044	9,402	-	-	-	-	4,044	9,402
Unallocated non-cash expenses	-	-	-	(19,772)	-	-	-	(19,772)



Five Year Summary

GROUP

<i>Year ended 31st March</i>	2003	Restated 2002	2001	2000	1999
	US \$	US \$	US \$	US \$	US \$

OPERATING RESULTS

Revenue	434,541	314,090	372,924	547,077	725,644
Profit before taxation	663,550	901,529	125,621	186,039	521,017
Share of Associate Company Profit	644,258	199,045	–	–	–
Taxation	(148,987)	32,708	18,071	(52,988)	(124,514)
Profit after taxation	1,158,821	1,133,282	143,692	133,051	396,503
Minority interest/pre-acquisition profit	–	19,772	17,373	15,757	13,807
Dividend - Ordinary	–	–	–	13,565	49,133
Dividends - Preference	68,560	69,792	76,218	91,514	102,401

As at 31st March

BALANCE SHEETS

ASSETS

Non-Current Assets

Property, Plant & Equipment	7,111,251	7,223,832	7,870,112	9,188,865	9,838,698
Investment in Associate	10,081,765	9,943,142	–	–	–
Long term investments	722,700	746,618	1,753,490	2,023,686	1,151,719
Amounts due from related Company	249,529	–	238,042	–	–
	18,165,245	17,913,592	9,861,644	11,212,551	10,990,417
Current assets	135,125	194,877	187,875	517,343	2,103,951
TOTAL ASSETS	18,300,370	18,108,469	10,049,519	11,729,894	13,094,368

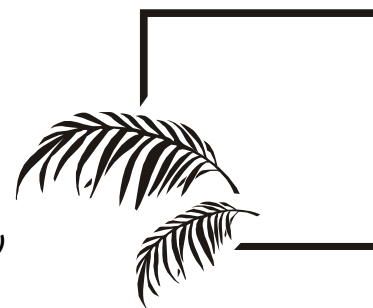
EQUITY AND LIABILITIES

Ordinary share capital	82,532	82,532	82,532	82,532	82,532
Preference share capital	415,902	423,372	462,353	543,572	579,077
Reserves	15,917,580	16,054,411	8,892,583	10,436,278	11,168,203
	16,416,014	16,560,315	9,437,468	11,062,382	11,829,812
Minority Interest	–	–	493,402	570,703	595,880
	16,416,014	16,560,315	9,930,870	11,633,085	12,425,692

Non-Current Liabilities

Deferred taxation	2,368	3,026	3,421	4,211	3,684
Current liabilities	1,881,988	1,545,128	115,228	92,598	664,992
	18,300,370	18,108,469	10,049,519	11,729,894	13,094,368

Five Year Summary (Contd.)



GROUP

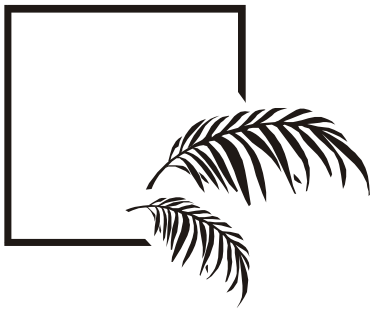
<i>Year ended 31st March</i>	2003	2002	2001	2000	1999
	US \$	US \$	US \$	US \$	US \$

CASH FLOW STATEMENTS

Net cash inflows/(outflows) from operating activities	234,598	1,452,605	148,522	481,273	(136,341)
Net cash (outflows)/inflows from investing activities	(231,665)	(1,381,969)	(335,217)	9,491	245,320
Net cash (outflows)/inflows from financing activities	(68,560)	(69,874)	(98,124)	(146,560)	(144,943)
Increase/(decrease) in cash & cash equivalents	(65,627)	762	(284,819)	344,204	(35,964)

RATIOS & STATISTICS

Return on ordinary shareholders' funds (%)	6.80	6.47	0.56	0.25	2.49
Earnings per ordinary share (US \$)	2.72	2.61	0.13	0.06	0.70
Current ratio (times)	0.07	0.13	1.63	5.59	3.16
Market value per share (US \$)	15.57	4.49	4.62	5.43	4.34
P/E ratio (times)	6	2	36	90	6
Net assets per ordinary share (US \$)	40.00	40.34	22.44	26.30	27.58
Market capitalisation (US \$)	6,227,296	1,796,091	1,846,083	2,168,000	1,735,549



Glossary of Financial Terms

Appropriations

Apportioning of annual earnings for committed outflows.

Capital reserves

Reserves identified for specific purposes and considered not available for distribution.

Cash equivalents

Liquid investments with original maturities of six months or less.

Contingent liabilities

Conditions or situations at the Balance Sheet date, the financial effects of which are to be determined by future events which may or may not occur.

Current ratio

Current assets divided by current liabilities.

Debt

Total borrowing.

Dividend cover

Post tax profit after preference dividends divided by gross dividend. Measures the number of times dividend is covered by distributable profits.

Dividend per share

Dividend paid and proposed, divided by the number of shares in issue which ranked for those dividend.

Earnings per share

Profits attributable to ordinary shareholders before extraordinary items and after preference dividend divided by the number of ordinary shares in issue, ranking for dividend.

Equity

Shareholders' funds.

Events occurring after the Balance Sheet date

Significant events that occur between the Balance Sheet date and the date on which financial statements are authorised for issue.

Extraordinary items

Items or events falling outside the ordinary course of business activities which are material and expected not to recur frequently or regularly.

Interest cover

Profit before tax and interest charges less preference dividends divided by interest charges.

Market capitalisation

The market value of a company at a given date obtained by multiplying the share price by the number of shares in issue.

Net assets per share

Total assets less total liabilities, excluding preference share capital and minority interest divided by the number of ordinary shares in issue.

Net current assets

Current assets less current liabilities. Measure the capital required to finance the day-to-day operations.

Price earnings ratio - (P/E)

Market price of a share divided by earnings per share.

Related parties

Parties who could control or significantly influence the financial and operating policies/decisions of the business.

Return on shareholders' funds

Profit attributable to shareholders less preference dividend divided by shareholders' funds (total of ordinary share capital and reserves).

Revenue reserves

Reserves considered as being available for distribution.

Segment

Constituent business units grouped in terms of nature and similarity of operations.

Value addition

The quantum of wealth generated by the activities of the Group.

Others

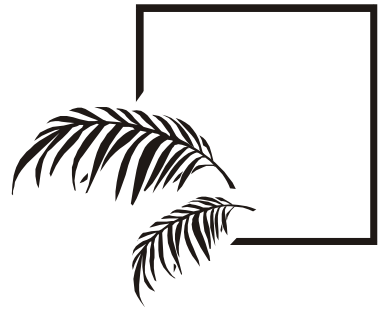
CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

COP - Cost of Production

Notice of Meeting



NOTICE IS HEREBY GIVEN that the EIGHTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held on Thursday the 29th day of May, 2003 at 3.50 p.m., at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7 for the following purposes:

- (1) To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March, 2003 together with the Report of the Auditors thereon.
- (2) To re-elect Mr. I. Paulraj who retires in terms of the Articles of Association of the Company.
- (3) To appoint Auditors and to authorise the Directors to determine their remuneration.

By Order of the Board,
Carsons Management Services (Pvt) Limited
Secretaries

Colombo, 2nd May, 2003

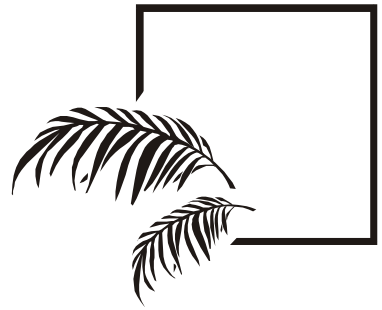
Notes:

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 3.50 p.m. on 27th May, 2002.*
3. *A person representing a corporation is required to carry a certified copy of the resolution authorising 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 be kept open.*

Security Check:

We shall be obliged if the shareholders attending the Annual General Meeting produce their National Identity Cards to the security personnel stationed at the entrance lobby.

Form of Proxy



*I/We
of
being * a Member/Members of **THE BUKIT DARAH COMPANY LIMITED**, hereby appoint:

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,

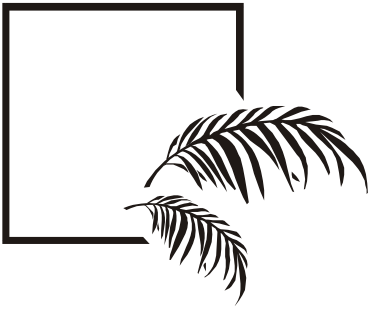
.....
of.....
as *my/our proxy to** vote as indicated hereunder for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on Thursday the 29th day of May, 2003, at 3.50 p.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	For	Against
(i) To adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March, 2003 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(ii) To re-elect Mr. I. Paulraj who retires in terms of Articles 82 & 83 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(iii) To re-appoint as Auditors, Messrs. KPMG Ford, Rhodes, Thornton & Co., and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of Two Thousand and Three.

.....
Signature of Shareholder/s

- Notes:** (a) * Please delete the inappropriate words.
(b) If you wish your proxy to speak at the meeting you should interpolate the words "Speak and" in the place indicated with** and initial such interpolation.
(c) Instructions as to completion are noted on the reverse hereof.



Form of Proxy (Contd.)

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. A proxy need not be a member of the Company.
3. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.
4. In the case of a Company/Corporation, the proxy be executed under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association/Constitution.
5. Please indicate with an "X" in the space provided, how your proxy is to vote on the resolution. If no indication is given, the proxy at his/her discretion will vote as he/she thinks fit.
6. The completed Form of Proxy must be deposited at the Registered Office, No. 61, Janadhipathi Mawatha, Colombo 1, not later than 3.50 p.m. on 27th May, 2003.



The Bukit Darah Company Limited



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