

(Amounts expressed in Sri Lankan Rupees)

(1) REVENUE - SEGMENTAL ANALYSIS

The following analysis shows revenue and profit or loss before taxation of the Group based on Company, Industry and Geographical location. In the case of geographical segmentation, it is based on the location where the business operations take place.

For the year ended	Revenue		Profit/(Loss) before Taxation	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
(a) By Company				
Carson Cumberbatch & Co. Ltd.	509,769,280	128,079,787	405,995,524	59,904,429
The Ceylon Guardian Investment Trust Ltd.	65,146,963	34,896,189	40,584,156	32,353,623
The Ceylon Investment Co. Ltd.	30,545,208	27,340,191	20,484,537	25,133,122
Rubber Investment Trust Ltd.	132,815,388	33,051,355	64,373,184	13,838,832
Shalimar Developments Sdn. Bhd	1,414,973	1,200,226	716,430	851,618
Leechman & Co. Ltd.	53,218,219	994,521	1,708,650	621,505
Weniwella Investments Ltd.	30,112,444	168,874	19,703,463	20,274
Watapota Investments Ltd.	2,666,885	1,134,010	1,045,424	957,243
Mylands Investments Ltd.	32,771,577	546,349	22,361,770	375,010
Nuwara Eliya (Holdings) Plc.	243,413	272,259	(1,047,578)	(1,126,827)
The Indo-Malay Estates Ltd.	111,488,895	21,826,166	23,356,732	6,100,931
The Selinsing Co. Ltd.	325,898,431	35,425,094	120,556,535	9,688,028
The Shalimar (Malay) Estate Co. Ltd.	201,632,855	47,598,869	56,522,133	23,426,826
The Good Hope Co. Ltd.	128,362,120	25,508,308	46,595,689	6,659,725
PT Agro Indomas (Refer Note 6)	626,833,187	6,892,576	(19,816,705)	(93,553,827)
The Ceylon Brewery Ltd.	190,975,498	589,674,309	(101,812,640)	6,730,721
The Lion Brewery Ceylon Ltd.	1,756,481,574	1,349,526,417	208,525,569	154,353,070
Equity One Ltd.	33,381,538	30,910,314	12,626,297	14,985,395
Equity Two Ltd.	10,604,490	24,576,685	(5,113,044)	5,459,711
Equity Three (Pvt) Ltd.	4,773,900	6,000,000	(339,264)	478,183
Equity Five Ltd.	8,091,565	12,133,268	1,903,900	6,418,639
Equity Seven Ltd.	12,928,056	13,348,490	9,065,631	9,089,267
Pegasus Hotels of Ceylon Ltd.	59,170,833	90,869,472	(32,636,280)	(13,954,495)
Equity Hotels Ltd.	18,781,898	22,550,966	(753,042)	(487,004)
Carsons Airline Services (Pvt) Ltd.	23,711,288	18,768,075	10,490,481	4,405,763
Guardian Fund Management Ltd.	1,123,888	370,016	50,700	(4,673,560)
Carsons Management Services (Pvt) Ltd.	61,108,021	63,845,888	(12,424,968)	(7,669,470)
Share of associate companies' profits before tax (Note 7)	-	-	30,016,406	24,548,800
	4,434,052,387	2,587,508,674	922,739,690	284,935,532
Intra-group transactions	(1,128,659,063)	(217,532,689)	(599,162,780)	(109,122,777)
Amortisation of goodwill (Note 20a)	-	-	(2,366,409)	(10,588,606)
	3,305,393,324	2,369,975,985	321,210,501	165,224,149

(Amounts expressed in Sri Lankan Rupees)

(1) REVENUE - SEGMENTAL ANALYSIS (Contd.)

For the year ended	Revenue		Profit/(Loss) before Taxation	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
(b) By Industry				
Investment Holdings	1,532,114,557	265,135,089	825,961,159	189,948,862
Overseas Plantations	720,805,280	99,799,685	7,195,189	(80,149,550)
Brewery	1,947,457,072	1,939,200,726	106,712,929	161,083,791
Real Estate	69,779,550	86,968,757	18,143,520	36,431,195
Hotels	77,952,731	113,420,438	(33,389,322)	(14,441,499)
Airlines	23,711,288	18,768,075	10,490,481	4,405,763
Management Services	62,231,909	64,215,904	(12,374,266)	(12,343,030)
	<u>4,434,052,387</u>	<u>2,587,508,674</u>	<u>922,739,690</u>	<u>284,935,532</u>
Intra-group transactions	(1,128,659,063)	(217,532,689)	(599,162,780)	(109,122,777)
Amortisation of goodwill (Note 20a)	-	-	(2,366,409)	(10,588,606)
	<u>3,305,393,324</u>	<u>2,369,975,985</u>	<u>321,210,501</u>	<u>165,224,149</u>
(c) By Geographical Location				
Sri Lanka	3,711,588,720	2,486,236,504	915,875,649	365,360,291
Malaysia	95,387,067	94,107,335	27,728,324	14,255,895
Indonesia	626,833,187	6,892,576	(19,816,705)	(93,553,827)
United Kingdom	243,413	272,259	(1,047,578)	(1,126,827)
	<u>4,434,052,387</u>	<u>2,587,508,674</u>	<u>922,739,690</u>	<u>284,935,532</u>
Intra-group transactions	(1,128,659,063)	(217,532,689)	(599,162,780)	(109,122,777)
Amortisation of goodwill (Note 20a)	-	-	(2,366,409)	(10,588,606)
	<u>3,305,393,324</u>	<u>2,369,975,985</u>	<u>321,210,501</u>	<u>165,224,149</u>

(2) OTHER OPERATING INCOME

For the year ended	Company		Group	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
Reversal for appreciation in carrying value of investments	3,099,426	-	9,694,029	-
Profit on disposal of property, plant & equipment	-	-	1,769,237	2,109,355
Foreign exchange gain	-	-	6,228,643	8,796,227
Sundry income	64,330	-	2,514,331	2,806,747
	<u>3,163,756</u>	<u>-</u>	<u>20,206,240</u>	<u>13,712,329</u>

(3) NET RESTRUCTURING COSTS

(a) Net cost of restructuring exercise undertaken

by The Ceylon Brewery Ltd. consist of the following:

Compensation for loss of employment	130,970,356	48,645,101
Write off of property, plant & equipment	31,488,413	-
	<u>162,458,769</u>	<u>48,645,101</u>

(Amounts expressed in Sri Lankan Rupees)

(3) NET RESTRUCTURING COSTS (Contd.)**(b) Transferred from Property, Plant & Equipment Replacement Reserve**

As a result of the restructuring exercise undertaken by The Ceylon Brewery Ltd. (CBL) a total of Rs. 31.49 Million representing property, plant & equipment was written-off by CBL during the year. An amount of Rs. 17,400,649/- was transferred from Property, Plant & Equipment Replacement Reserve, representing the Group's share of such write-offs, while the minority shareholders' share is Rs. 14,087,764/-.

(4) PROFIT FROM OPERATIONS

	Company		Group	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
<i>For the year ended</i>				
Profit from operations is stated after charging/(crediting) all expenses/(income) including the following:				
Depreciation on property, plant & equipment	264,410	259,649	189,633,113	175,338,751
Auditors' remuneration and expenses	109,060	84,161	5,504,346	4,528,672
Donations	1,230,175	2,850,000	1,547,097	5,631,936
Reversal for appreciation/(provision for diminution) in carrying value of investments	(3,099,426)	1,112,077	(9,694,029)	3,515,444
Royalty	-	-	25,240,670	21,941,515
(Profit)/loss on disposal of investments	(379,488,329)	(408,797)	(199,436,454)	444,362
* Personnel costs	210,000	100,000	410,392,018	419,689,753
* Personnel Costs				
+ Salaries, fees, wages and other related expenses	210,000	100,000	374,382,046	389,538,234
Defined contribution plan cost - EPF & ETF	-	-	23,842,162	24,293,570
Defined benefit plan cost - Gratuity	-	-	12,167,810	5,857,949
	210,000	100,000	410,392,018	419,689,753

+ Salaries, wages and other related expenses paid in Indonesia to employees involved in immature area development are not included and have been capitalised under property, plant & equipment, in line with the Subsidiary Company's accounting policy.

The above include:

Directors' fees	210,000	100,000	1,671,789	1,505,282
Directors' emoluments	-	-	21,877,640	28,262,763

(5) FINANCE COSTS

Interest expenses - Financial institutions	76,988,545	46,432,669	261,562,776	125,398,781
Interest expenses - Related companies	9,145,337	7,601,048	-	-
	86,133,882	54,033,717	261,562,776	125,398,781

(6) FOREIGN EXCHANGE LOSSES

As at 31st March 2002, P.T. Agro Indomas reversed the foreign exchange differences previously capitalised as at 31st March 2001. Such reversal resulted in a write off of foreign exchange losses of Rp 33,209,355,157 previously capitalised which amounted to Rs. 301,042,615/-. This loss was netted-off against the foreign exchange gain arising from the revaluation of long term bank loans and shareholder loans.

	31st March 2002	31st March 2001
Foreign exchange gain/(loss) - net	218,622,507	(19,633,048)
Write off of capitalised foreign exchange losses	(301,042,615)	-
Net impact on the Income Statements	(82,420,108)	(19,633,048)

(Amounts expressed in Sri Lankan Rupees)

(7) SHARE OF ASSOCIATE COMPANIES' PROFITS

	Associate Companies'				Group's Share of Profit/ (Loss) before Tax	
	Revenue		Profit before Tax			
	31st March 2002	31st March 2001	31st March 2002	31st March 2001	31st March 2002	31st March 2001
<i>For the year ended</i>						
** ACW Insurance (Pvt) Ltd.	625,704	661,863	450,000	722,425	149,985	240,784
* Federal Securities (Pvt) Ltd.	-	3,546,473	-	3,199,607	-	420,187
The Bukit Darah Co. Ltd.	28,469,126	29,692,219	1,592,398	10,001,928	(1,103,176)	(140,673)
** The Unit Trust Management Co. (Pvt) Ltd.	11,885,203	17,226,004	9,236,893	2,846,758	2,309,223	711,690
Union Assurance Ltd.	1,861,662,000	1,718,792,000	179,403,000	147,141,000	28,660,374	23,316,812
	<u>1,902,642,033</u>	<u>1,769,918,559</u>	<u>190,682,291</u>	<u>163,911,718</u>	<u>30,016,406</u>	<u>24,548,800</u>

* During the year, the entire investment in Federal Securities (Pvt) Ltd. was disposed to The Bukit Darah Co. Ltd.

** Unaudited financial statements of these companies have been used in preparing the Consolidated Financial Statements.

(8) TAXATION

<i>For the year ended</i>	Group	
	31st March 2002	31st March 2001
(a) Taxation on current year profits		
Income tax on profits		
Company	-	-
Subsidiary Companies		
- Sri Lankan taxes	15,028,852	19,877,090
- Overseas taxes	4,073,350	(1,658,141)
Associate Companies	486,430	(543,614)
	<u>19,588,632</u>	<u>17,675,335</u>
(Reversal)/provision for deferred taxation	(52,373,799)	5,947,801
	<u>(32,785,167)</u>	<u>23,623,136</u>

Deferred taxation has been computed using current effective tax rates.

	Company	
	31st March 2002	31st March 2001
(b) (i) Reconciliation of the accounting profit with the taxable profit		
Accounting profits	405,955,524	59,904,429
Aggregate tax disallowable items	3,025,570	4,885,738
Aggregate tax disallowable income	(458,014,298)	(99,840,282)
Tax loss	(49,033,204)	(35,050,115)
Tax losses brought forward - Operations	(61,995,228)	(26,945,113)
- Capital	(87,056,254)	(87,465,050)
Capital gains/(Capital losses)	(1,371,239)	408,797
Tax loss carried forward [Note (b)(ii)]	<u>(199,455,925)</u>	<u>(149,051,481)</u>

- (ii) 1. Loss of Rs. 1,120,128/- is available for carry forward indefinitely.
2. Loss of Rs. 48,742,704/- is available for carry forward for a further period of 6 years.
3. Loss of Rs. 34,744,278/- is available for carry forward for a further period of 5 years.
4. Loss of Rs. 15,241,335/- is available for carry forward for a further period of 4 years.
5. Loss of Rs. 11,179,987/- is available for carry forward for a further period of 3 years.
6. Capital loss of Rs. 88,427,493/- is carried forward and can be set-off against future capital gains.

(Amounts expressed in Sri Lankan Rupees)

(8) TAXATION (Contd.)

(c) Income tax on profits

In accordance with provisions of the Inland Revenue Act, No. 38 of 2000, the Company and all other companies of the Group, other than those entities disclosed under Note (f), are liable to income tax at 35%.

All quoted Companies in the Group with a minimum of 300 shareholders throughout the year, have claimed the 5% tax credit afforded by Section 42 of the Inland Revenue Act, No. 38 of 2000.

In terms of Surcharge on Income Tax Act, No. 6 of 2001, all taxable companies within the Group are liable to a 20% surcharge on corporate income tax during the year 2001/2002. Profits derived in Malaysia are excluded from chargeability.

(d) 2002 Budget proposals

In terms of Budget proposals announced for 2002:

- from 1st April 2002, interest income accruing to all companies within the Group were to be entitled to a concessionary tax rate of 10%. In terms of the proposed amending law, this would not apply to companies.
- from 1st April 2002, small and medium scale companies (with taxable income of less than Rs. 5 Million) would be entitled to a concessionary corporate tax rate of 20%.
- the surcharge of 20% on corporate income tax as given in Note (8) (c) above was removed with effect from year 2002/2003.
- it is proposed to abolish income tax on capital gains (refer Note (8) (g)). Proposed date of withdrawal is 1st April 2002.
- the dividend distributions made after 1st April 2002 out of taxable profits will be subject to a 10% withholding tax at source.
- distributions made after 1st April 2002 will not be liable to Advance Company Tax (ACT).

(e) Tax Losses of Group Companies as at 31st March 2002

Company Name	Tax Losses - Operations	Capital Loss	Total Tax Losses	Investment Tax Allowances Claimable
Carson Cumberbatch & Co. Ltd.	111,028,432	88,427,493	199,455,925	-
Leechman & Co. Ltd.	1,548,767	-	1,548,767	-
Watapota Investments Ltd.	-	1,704,118	1,704,118	-
Weniwella Investments Ltd.	-	1,276,617	1,276,617	-
Mylands Investments Ltd.	-	1,329,268	1,329,268	-
Rubber Investment Trust Ltd.	2,167,585	-	2,167,585	-
Equity Two Ltd.	5,849,043	-	5,849,043	-
Equity Three (Pvt) Ltd.	1,038,039	-	1,038,039	-
The Ceylon Brewery Ltd.	54,739,091	-	54,739,091	-
The Lion Brewery Ceylon Ltd.	22,086,981	-	22,086,981	-
Pegasus Hotels of Ceylon Ltd.	148,528,734	-	148,528,734	9,359,123
Equity Hotels Ltd.	11,739,133	-	11,739,133	8,405,933
Carsons Management Services (Pvt) Ltd.	18,620,480	-	18,620,480	11,186,519
Guardian Fund Management Ltd.	4,602,293	-	4,602,293	-
Nuwara Eliya (Holdings) Plc.	6,311,026	83,882,292	90,193,318	-
PT Agro Indomas	651,106,766	-	651,106,766	-
The Bukit Darah Co. Ltd.	2,147,097	-	2,147,097	-
	<u>1,041,513,467</u>	<u>176,619,788</u>	<u>1,218,133,255</u>	<u>28,951,575</u>

(f) Companies enjoying tax concessions

- (i) In terms of the agreement with the Board of Investment, the business profits of Lion Brewery Ceylon Ltd., are exempt from income tax for a period of 12 years. The tax holiday ends in May 2010.
- (ii) The business profits of Equity Seven Ltd., are liable to tax at a concessionary rate of 15% in terms of the agreement with the Board of Investment. Period covered by the agreement ended in March 2002.

(Amounts expressed in Sri Lankan Rupees)

(8) TAXATION (Contd.)

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

In computing the tax liability of these companies, tax-sparing credit has been claimed as provided by the double tax treaty between Sri Lanka and Malaysia.

Other income of the above companies enjoying tax concessions will be taxed at the normal rate which is 35%.

(g) Capital gain tax (Group)

The Capital gain tax in connection with the surplus arising on the revaluation of freehold land and buildings as given in Note 12(h) to the financial statements, of approximately Rs. 276.16 Million has not been provided out of the revaluation surplus credited to the capital reserve, as there is no intention to dispose these revalued properties in the foreseeable future.

(h) Investment Tax Allowance

Investment tax allowance has been claimed under Section 31A of the Inland Revenue Act, No. 28 of 1979 during the year 1999/2000. In the event assets on which the claim has been made are disposed within three years, the respective investing companies would be liable to additional taxes as set out below.

	Investment Relief Claimed Rs.	Additional Taxes Payable Rs.
Carsons Management Services (Pvt) Ltd.	8,109,869	2,838,454
Ceylon Brewery Ltd.	18,649,578	6,527,352

(9) RECONCILIATION OF RETAINED PROFIT BROUGHT FORWARD

	Company	Subsidiaries	Associates	Group
As at 31st March 2001	36,541,824	78,098,290	94,598,865	209,238,979
Disposal of Associates	-	-	(2,421,441)	(2,421,441)
Transfers/adjustments	-	(18,975,444)	-	(18,975,444)
As at 1st April 2001	<u>36,541,824</u>	<u>59,122,846</u>	<u>92,177,424</u>	<u>187,842,094</u>

(10) DIVIDEND

	Company	
	31st March 2002	31st March 2001
Preference - 15.25% (2001 - 14.75%)	44,937,328	44,250,000
Ordinary		
First & final proposed - 50% (2001 - 50%)	5,093,550	5,093,550
	<u>50,030,878</u>	<u>49,343,550</u>

(a) A preference dividend of 14.75% and 15.25% p.a. on non-voting redeemable cumulative preference shares was paid on 30th September 2001 and 31st March 2002 respectively.

(b) A first and final dividend of 50% out of dividend income received, 100% of which is tax free, is proposed on ordinary shares (2001 - 50%).

(c) As stated in Note 8 (d), the dividend distributions out of taxable profits made to all the shareholders after 1st April 2002 will be subject to a 10% withholding tax at source, and will not be liable to ACT.

(Amounts expressed in Sri Lankan Rupees)

(11) EARNINGS PER ORDINARY SHARE

The Group's earnings per ordinary share of Rs. 93.61 (2001 - Rs. (21.23)) and Company's earnings per ordinary share of Rs. 354.43 (2001 - Rs. 15.37) are calculated by dividing the profit attributable to the ordinary shareholders of Carson Cumberbatch & Co. Ltd., after deducting preference dividend by the number of ordinary shares in issue as at the Balance Sheet date. Amounts used in calculating the earnings per share are as follows:

For the year ended	Company		Group	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
Amount used as the Numerator				
Profit for the year after taxation	405,995,524	59,904,429	353,995,668	141,601,013
Dividend on Redeemable Preference Shares	(44,937,328)	(44,250,000)	(44,937,328)	(44,250,000)
Minority Interest	-	-	(213,700,306)	(118,973,193)
Net Profit/(loss) Attributable to Ordinary Shareholders	361,058,196	15,654,429	95,358,034	(21,622,180)
Number of Ordinary Shares used as the Denominator				
Ordinary Shares in issue	1,018,710	1,018,710	1,018,710	1,018,710
Earnings per Ordinary Share	354.43	15.37	93.61	(21.23)

(12) PROPERTY, PLANT & EQUIPMENT**(a) Company**

	Freehold Land	Freehold Buildings	Leasehold Land	Leasehold Buildings	Total as at 31st March 2002	Total as at 31st March 2001
	Cost/Valuation					
Balance as at the beginning of the year	254,120,700	18,800,000	2,595,732	632,504	276,148,936	72,329,347
Revaluation	-	-	-	-	-	203,819,589
Disposal	-	-	(2,595,732)	(632,504)	(3,228,236)	-
Balance as at the end of the year	254,120,700	18,800,000	-	-	272,920,700	276,148,936
Depreciation						
Balance as at the beginning of the year	-	-	1,318,001	160,905	1,478,906	6,786,398
Charge for the year	-	188,000	70,085	6,325	264,410	259,649
Revaluation	-	-	-	-	-	(5,567,141)
Disposals	-	-	(1,388,086)	(167,230)	(1,555,316)	-
Balance as at the end of the year	-	188,000	-	-	188,000	1,478,906
Net Book Value						
As at 31st March 2002	254,120,700	18,612,000	-	-	272,732,700	
As at 31st March 2001	254,120,700	18,800,000	1,277,731	471,599		274,670,030

- (i) During the year, leasehold land and buildings held by the Company in Giritale, Polonnaruwa were disposed to the fully owned subsidiary Equity Hotels Ltd.
- (ii) Freehold land and buildings of the Company were revalued in the books to conform with the market values as at 31st March 2001 which were assessed on a going concern basis by a firm of independent professional valuers M/s. A.Y. Daniel & Son and the resultant surplus arising therefrom has been transferred to the revaluation reserve and included under capital reserves.
- (iii) The carrying value of the revalued property, if carried at historical cost would be approximately Rs. 29.35 Million.

(Amounts expressed in Sri Lankan Rupees)

(12) PROPERTY, PLANT & EQUIPMENT (Contd.)

(b) Group

	Freehold Land	Freehold Buildings	Leasehold Land	Leasehold Buildings	Mature Plantation	Immature Plantation	Roads & Bridges
Cost/Valuation							
Balance as at the beginning							
of the year	3,142,551,444	1,345,920,936	42,010,286	100,843,012	265,438,701	2,068,396,618	51,128,817
On consolidation	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Additions	283,919	2,665,706	10,657,287	15,460,790	-	354,814,598	3,087,516
Acquisition/Disposals/Written-off	(3,792,359)	-	-	-	-	-	-
Write off of capitalised foreign exchange loss (Note 12 (c))	-	-	-	-	-	(301,042,615)	-
Transfers/adjustments	-	24,932,168	95,182	368,681,554	488,763,264	(478,608,584)	(10,154,680)
Impact of exchange rate changes on conversion	-	-	7,839,126	60,522,334	97,255,285	290,277,103	7,639,979
Balance as at the end of the year	<u>3,139,043,004</u>	<u>1,373,518,810</u>	<u>60,601,881</u>	<u>545,507,690</u>	<u>851,457,250</u>	<u>1,933,837,120</u>	<u>51,701,632</u>
Depreciation							
Balance as at the beginning							
of the year	-	11,810,964	16,731,997	1,199,554	11,775,878	-	96,800
On consolidation	-	-	-	-	-	-	-
Charge for the year	-	19,405,382	544,098	990,251	16,941,489	-	9,717
On disposals/Written-off	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Impact of exchange rate changes on conversion	-	-	2,631,419	288,313	3,630,559	-	-
Balance as at the end of the year	<u>-</u>	<u>31,216,346</u>	<u>19,907,514</u>	<u>2,478,118</u>	<u>32,347,926</u>	<u>-</u>	<u>106,517</u>
Net Book Value							
As at 31st March 2002	<u>3,139,043,004</u>	<u>1,342,302,464</u>	<u>40,694,367</u>	<u>543,029,572</u>	<u>819,109,324</u>	<u>1,933,837,120</u>	<u>51,595,115</u>
As at 31st March 2001	<u>3,142,551,444</u>	<u>1,334,109,972</u>	<u>25,278,289</u>	<u>99,643,458</u>	<u>253,662,823</u>	<u>2,068,396,618</u>	<u>51,032,017</u>

Plant & Machinery	Motor Vehicles	Office Equipment	Furniture & Fittings	Computers	Capital Work-in-progress	Total as at 31st March 2002	Total as at 31st March 2001
1,645,608,026	82,460,792	51,123,959	59,548,957	96,367,333	926,898,709	9,878,297,590	5,494,120,472
-	-	-	-	-	-	-	1,851,356,164
-	-	-	-	-	-	-	791,190,483
11,687,861	11,237,348	1,355,512	6,431,520	14,921,708	223,873,544	656,477,309	1,757,495,346
(221,758,243)	(1,336,085)	(8,581,405)	(37,590)	(18,713,238)	(1,501,170)	(255,720,090)	(15,237,167)
-	-	-	-	-	-	(301,042,615)	(627,708)
765,609,976	16,371,428	-	3,425,860	685,851	(1,179,802,019)	-	-
100,995,266	6,379,346	372,100	2,932,804	1,047,693	41,487,857	616,748,893	-
2,302,142,886	115,112,829	44,270,166	72,301,551	94,309,347	10,956,921	10,594,761,087	9,878,297,590
384,151,604	44,296,590	22,223,204	13,879,009	37,307,282	-	543,472,876	410,648,944
-	-	-	-	-	-	-	32,223,520
103,239,622	16,313,458	4,832,125	5,755,022	21,601,949	-	189,633,113	175,338,751
(189,262,830)	(4,011,074)	(5,889,476)	(7,518)	(15,555,741)	-	(214,726,639)	(12,417,921)
-	-	-	-	-	-	-	(62,320,418)
4,845,731	3,059,950	144,144	951,560	452,210	-	16,003,894	-
302,974,127	59,658,924	21,309,997	20,578,073	43,805,700	-	534,383,244	543,472,876
1,999,168,759	55,453,905	22,960,169	51,723,478	50,503,647	10,956,921	10,060,377,843	
1,261,456,422	38,164,202	28,900,755	45,669,948	59,060,051	926,898,709		9,334,824,714

(Amounts expressed in Sri Lankan Rupees)

(12) PROPERTY, PLANT & EQUIPMENT (Contd.)

- (c) PT Agro Indomas (PTAI) is a subsidiary of Carson Cumberbatch & Co. Ltd. The Group's effective holding over PTAI is 44.25% (2001-40%).

PT Agro Indomas Auditor's opinion stated that, generally accepted accounting principles require that foreign exchange differences arising from revaluation of foreign currency borrowings should be capitalized to the extent that are regarded as an adjustment to interest expenses.

PT Agro Indomas capitalized all foreign exchange losses generated from revaluation of bank borrowings during the year ended 31st March 2001 into investment in plantations and oil mill construction in progress that are included in property, plant & equipment.

If foreign exchange differences were capitalized to the extent that they are an adjustment to interest expense, property, plant & equipment would be decreased and accumulated deficit increased by Rs. 288,024,858/- (Rp 33,209,355,157) respectively, in the PTAI's Balance Sheet as at 31st March 2001. Foreign exchange loss and net loss would be increased by Rs. 288,024,858/- (Rp 33,209,355,157) respectively in the PTAI's income statements for the year ended 31st March 2001.

As of 31st March 2002, PTAI reversed the foreign exchange differences of Rs. 301,042,615/- (Rp 33,209,355,157) previously capitalized in 31st March 2001. Such reversal resulted in a write-off of foreign exchange loss previously capitalized and increased loss before tax by Rs. 301,042,615/- (Rp 33,209,355,157) in the subsidiary's income statement for the year then ended.

However, the effective impact to the group shareholders would be Rs. 133,211,357/- (2001- Rs.115, 209,943/-).

- (d) Property, plant & equipment of PT Agro Indomas have been revalued as at 31st March 2002, by PT Heburinas Nusantara (associated with CB Richard Ellis, USA), a professional valuer in Jakarta. The value attributed of Rs. 4,696,000,000/- has not been incorporated into the subsidiary company's financial statements as the revaluation surplus is subjected to taxation according to Indonesian law.
- (e) Freehold land and buildings of the following companies of the Group were revalued in the respective books of account to reflect the corresponding market values as at 31st March 2001, which were assessed on a going concern basis by a firm of independent professional valuers. The resultant surplus arising therefrom was transferred to the revaluation reserve included under Capital Reserves. The details of these revaluations are as follows:

Company	Location	Carrying value prior to revaluation	Post revaluation carrying amount as at 31.03.02	Surplus on revaluation carried forward as at 31.03.01
Carson Cumberbatch & Co. Ltd.	Colombo & Biyagama	29,350,000	272,732,700	209,386,730
Pegasus Hotels of Ceylon Ltd.	Wattala	127,443,933	389,554,340	162,481,280
Equity One Ltd.	Colombo 7	92,399,802	325,966,880	137,421,234
Equity Two Ltd.	Colombo 1	98,098,622	287,934,914	104,383,834
Equity Five Ltd.	Colombo 2	68,708,647	113,855,647	45,691,353
Equity Seven Ltd.	Kolonnawa	48,911,884	108,036,725	59,871,116
The Ceylon Brewery Ltd.	Nuwara Eliya	4,855,460	20,294,075	7,818,859
The Lion Brewery Ceylon Ltd.	Biyagama	649,770,295	700,414,813	34,807,265
The Selinsing Co. Ltd.	Katunayake	10,487,966	102,523,919	91,649,230
		<u>1,130,026,609</u>	<u>2,321,314,013</u>	<u>853,510,901</u>
Revaluation reserve attributable to minority shareholders.				<u>(214,750,131)</u>
				<u>638,760,770</u>

The amount shown under surplus on revaluation as at 31st March 2002, represents only such surpluses arising out of the revaluations carried out as at 31st March 2001.

- (f) The carrying value of the revalued property, if carried at historical cost would be approximately Rs. 1,191.76 Million.
- (g) There has been no permanent fall in the value of property, plant & equipment which require a provision.

(Amounts expressed in Sri Lankan Rupees)

(12) PROPERTY, PLANT & EQUIPMENT (Contd.)

- (h) The tax effect in connection with the surplus arising on the revaluation of freehold land and buildings of approximately Rs. 276.16 Million has not been provided out of the revaluation surplus credited to the capital reserve, as there is no intention to dispose these assets in the foreseeable future. Also refer Note 8 (d).
- (i) The Group Companies have capitalised all foreign exchange differences and finance costs related to acquisition/ development/ construction of property, plant & equipment in line with the Group accounting policy.

(13) SUMMARY OF INVESTMENTS

As at 31st March	Note	Company		Group	
		2002	2001	2002	2001
Investments in Subsidiaries					
Quoted	13.1	646,836,139	287,648,634	-	-
Unquoted	13.2	401,466,830	346,910,610	-	-
Total Investments in Subsidiaries	13.3	1,048,302,969	634,559,244	-	-
Investments in Associate Companies					
Quoted		117,860,020	107,533,730	242,592,803	206,126,617
Unquoted		46,100,000	46,100,000	45,003,408	84,095,989
Total Investments in Associate Companies	13.4 & 13.7	163,960,020	153,633,730	287,596,211	290,222,606
Other Investments					
Long term Investments					
Quoted	13.8	-	-	564,069,214	540,792,268
Unquoted	13.9	-	-	4,893,901	4,424,566
		-	-	568,963,115	545,216,834
Less - Provision for diminution in carrying value of investments	13.8 & 13.9	-	-	(2,368,442)	(4,111,706)
	13.8 & 13.9	-	-	566,594,673	541,105,128
Short term investments					
Quoted	17.1 & 17.3	2,000	2,000	10,223,456	58,100
Unquoted	17.2 & 17.4	29,323,249	28,866,490	53,801,849	51,999,757
		29,325,249	28,868,490	64,025,305	52,057,857
Less - Provision for diminution in carrying value of investments	17.2 & 17.4	(3,329,902)	(6,429,328)	(9,609,861)	(18,380,681)
	17.2 & 17.4	25,995,347	22,439,162	54,415,444	33,677,176
Book value of investments		1,238,258,336	810,632,136	908,606,327	865,004,910

COMPANY**Movements in Short Term and Long Term Investments**

	Quoted Companies	Unquoted Companies	Associate Companies	Deferred Shares	Preference Shares	Total as at 31st March 2002	Total as at 31st March 2001
Balance as at the beginning of the year	287,650,634	28,077,362	153,633,730	81,126,410	260,144,000	810,632,136	815,873,128
Additions	372,023,904	55,156,979	10,326,290	-	-	437,507,173	383,165
Write off of investments	-	-	-	-	-	-	(212,080)
Disposals/redemptions	(12,836,399)	-	-	-	(144,000)	(12,980,399)	(4,300,000)
Provision for/(gain in) diminution in carrying value of investments	-	3,099,426	-	-	-	3,099,426	(1,112,077)
Balance as at the year end	646,838,139	86,333,767	163,960,020	81,126,410	260,000,000	1,238,258,336	810,632,136

(Amounts expressed in Sri Lankan Rupees)

(13) SUMMARY OF INVESTMENTS (Contd.)

13.1 Investments in Subsidiaries - Quoted

	No. of Shares	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
Investments in Ordinary Shares						
Equity One Ltd.	3,214,021	34,266,401	53,031,347	3,214,021	34,266,401	44,996,294
Equity Two Ltd.	95	1,254	546	694,295	9,171,366	3,297,901
Pegasus Hotels of Ceylon Ltd.	5,649,914	42,639,553	56,499,140	1,939,349	13,392,490	9,696,745
The Selinsing Co. Ltd.	1,612,192	26,937,413	212,406,296	1,425,150	2,223,060	216,622,800
The Good Hope Co. Ltd.	1,418,752	3,369,843	283,750,400	1,407,817	1,184,404	267,485,230
The Indo-Malay Estates Ltd.	1,233,856	8,862,480	308,464,000	1,206,256	1,883,130	379,970,640
The Shalimar (Malay) Estate Co. Ltd.	2,410,205	17,138,291	1,831,755,800	2,925,805	20,804,578	2,048,063,500
The Ceylon Guardian Investment Trust Ltd.	1,496,086	105,646,491	142,128,170	1,115,964	69,237,305	94,856,940
The Ceylon Investment Co. Ltd.	82,448	5,375,152	4,534,640	13,898	51,367	434,313
The Ceylon Brewery Ltd.	10,630,005	390,068,749	499,610,235	3,395,656	122,904,021	66,215,292
The Lion Brewery Ceylon Ltd.	234,600	12,530,512	12,081,900	234,600	12,530,512	2,346,000
		<u>646,836,139</u>	<u>3,404,262,474</u>		<u>287,648,634</u>	<u>3,133,985,655</u>

13.2 Investments in Subsidiaries - Unquoted

Investments in Ordinary Shares						
Carsons Airline Services (Pvt) Ltd.	99,999	999,990	999,990	99,999	999,990	999,990
Carsons Management Services (Pvt) Ltd.	199,998	1,999,980	1,999,980	199,998	1,999,980	1,999,980
Equity Five Ltd.	6	60	60	6	60	60
Equity Seven Ltd.	6	30	30	6	30	30
Equity Hotels Ltd.	685,237	6,710,032	6,710,032	68,325	539,902	539,902
Leechman & Co. Ltd.	59,999	848,580	848,580	60,000	848,580	848,580
Mylands Investments Ltd.	115,268	5,339,675	5,339,675	11,318	142,175	142,175
Watapota Investments Ltd.	360,016	9,941,260	9,941,260	63,863	1,056,670	1,056,670
Weniwella Investments Ltd.	93,352	4,500,813	4,500,813	4,392	52,813	52,813
Nuwara Eliya (Holdings) Plc.	722,079	30,000,000	30,000,000	-	-	-
		<u>60,340,420</u>	<u>60,340,420</u>		<u>5,640,200</u>	<u>5,640,200</u>
Unquoted Investments in Preference Shares						
The Selinsing Co. Ltd.	6,000,000	60,000,000	60,000,000	6,000,000	60,000,000	60,000,000
The Good Hope Co. Ltd.	4,000,000	40,000,000	40,000,000	4,000,000	40,000,000	40,000,000
The Indo-Malay Estates Ltd.	4,000,000	40,000,000	40,000,000	4,000,000	40,000,000	40,000,000
The Shalimar (Malay) Estate Co. Ltd.	12,000,000	120,000,000	120,000,000	12,000,000	120,000,000	120,000,000
The Ceylon Guardian Investment Trust Ltd.	-	-	-	14,000	144,000	144,000
		<u>260,000,000</u>	<u>260,000,000</u>		<u>260,144,000</u>	<u>260,144,000</u>
Unquoted Investments in Deferred Shares						
The Ceylon Guardian Investment Trust Ltd.	2,107	81,126,410	81,126,410	2,107	81,126,410	81,126,410
Total Unquoted Investments in Subsidiaries		<u>401,466,830</u>	<u>401,466,830</u>		<u>346,910,610</u>	<u>346,910,610</u>
13.3 Total Investments in Subsidiaries		<u>1,048,302,969</u>	<u>3,805,729,304</u>		<u>634,559,244</u>	<u>3,480,896,265</u>

(Amounts expressed in Sri Lankan Rupees)

(13) SUMMARY OF INVESTMENTS (Contd.)

13.4 Investment in Associate Companies

	No. of Shares	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
On Ordinary Shares						
ACW Insurance (Pvt) Ltd.	300,000	600,000	600,000	300,000	600,000	600,000
The Bukit Darah Co. Ltd.	29,205	10,397,948	12,412,125	901	77,735	360,400
The Unit Trust Management Co. (Pvt) Ltd.	550,000	5,500,000	5,500,000	550,000	5,500,000	5,500,000
Union Assurance Ltd.	4,800,778	107,462,072	204,033,065	4,800,612	107,455,995	145,218,513
		<u>123,960,020</u>	<u>222,545,190</u>		<u>113,633,730</u>	<u>151,678,913</u>
On Preference Shares						
The Bukit Darah Co. Ltd.	4,000,000	40,000,000	40,000,000	4,000,000	40,000,000	40,000,000
Total investments in Associate Companies		<u>163,960,020</u>	<u>262,545,190</u>		<u>153,633,730</u>	<u>191,678,913</u>

GROUP

13.5 Movements in Short Term and Long Term Investments

	Quoted Companies	Unquoted Companies	Unit Trusts	Associate Companies	Debentures	Preference Shares	Total as at 31st March 2002	Total as at 31st March 2001
Balance as at the beginning								
of the year	538,907,328	16,833,671	18,937,572	290,222,606	103,730	3	865,004,910	1,258,347,182
Additions	163,808,721	899,968	1,385,881	8,728,869	-	-	174,823,439	83,402,017
Disposals/redemptions	(129,546,367)	-	-	(38,463,800)	(14,420)	-	(168,024,587)	(20,758,097)
On consolidation	-	-	-	-	-	-	-	(476,932,814)
Elimination of retained earnings								
on disposal of Associates	-	-	-	(2,421,441)	-	-	(2,421,441)	(630,349)
Share of Associate Companies' profits	-	-	-	29,529,977	-	-	29,529,977	25,092,415
Provision for/(gain in) diminution in carrying value of investments	-	-	9,694,029	-	-	-	9,694,029	(3,515,444)
Balance as at the end of the year	573,169,682	17,733,639	30,017,482	287,596,211	89,310	3	908,606,327	865,004,910

Note: The Market value of the total investment portfolio made up of short term and long term investments held as at 06th May 2002 amounted to Rs. 2,013 Million.

13.6 Significant Shareholdings in Quoted Investments

Investee	% of Group Holding	Cost as at 31st March 2002	Market Value as at 31st March 2002	% of Market Value as at 31st March 2002	Cost as at 31st March 2001	Market Value as at 31st March 2001	% of Market Value as at 31st March 2001
The Bukit Darah Co. Ltd.	27.33	12,325,457	46,454,625	2.53	3,602,665	43,722,000	3.35
Union Assurance Ltd.	24.00	107,462,072	204,033,065	11.12	107,455,995	145,218,513	11.12
Ceylon Cold Stores Ltd.	12.95	104,871,064	158,098,300	8.62	82,666,575	94,259,000	7.21
John Keells Ltd.	10.89	9,935,853	47,190,300	2.57	3,881,879	26,714,000	2.05
Hayleys Ltd.	7.74	68,457,121	374,554,048	20.42	63,514,801	216,439,500	16.57
John Keells Holdings Ltd.	3.69	305,732,330	396,244,400	21.60	332,553,981	245,488,000	18.80
National Development Bank	2.30	50,622,903	83,952,800	4.58	4,965,653	3,003,000	0.23
		<u>659,406,800</u>	<u>1,310,527,538</u>	<u>71.44</u>	<u>598,641,549</u>	<u>774,864,013</u>	<u>59.33</u>
Total Quoted Investments in other Companies and Associates		<u>33,550,441</u>	<u>523,860,177</u>	<u>28.56</u>	<u>51,324,439</u>	<u>531,194,216</u>	<u>40.67</u>
		<u>692,957,241</u>	<u>1,834,387,715</u>	<u>100.00</u>	<u>649,965,988</u>	<u>1,306,058,229</u>	<u>100.00</u>

(Amounts expressed in Sri Lankan Rupees)

(13) SUMMARY OF INVESTMENTS (Contd.)

	No. of Shares	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
13.7 Investment in Associate Companies						
on Ordinary Shares						
ACW Insurance (Pvt) Ltd.	300,000	600,000	600,000	300,000	600,000	600,000
CDIC Sassoon Cumberbatch Stock Brokers (Pvt) Ltd.	-	-	-	-	-	-
Federal Securities (Pvt) Ltd.	-	-	-	3,846,380	38,463,800	38,463,800
The Bukit Darah Co. Ltd.	109,305	12,325,457	46,454,625	109,355	3,602,665	43,742,000
The Unit Trust Management Co. (Pvt) Ltd.	550,000	5,500,000	5,500,000	550,000	5,500,000	5,500,000
Union Assurance Ltd.	4,800,778	107,462,072	204,033,065	4,800,612	107,455,995	145,218,513
		<u>125,887,529</u>	<u>256,587,690</u>		<u>155,622,460</u>	<u>233,524,313</u>
Group Share of Associate Companies' Retained Assets						
ACW Insurance (Pvt) Ltd.		(6,270,601)			(6,420,586)	
Federal Securities (Pvt) Ltd.		-			2,421,441	
The Bukit Darah Co. Ltd.		6,675,145			7,598,202	
The Unit Trust Management Co. (Pvt) Ltd.		5,172,728			3,530,053	
Union Assurance Ltd.		116,130,129			87,469,755	
		<u>121,707,401</u>			<u>94,598,865</u>	
Investments in Associate Companies (Equity Basis)		<u>247,594,930</u>			<u>250,221,325</u>	
On Preference Shares						
The Bukit Darah Co. Ltd. - 16.5% & 8%	4,000,125	40,001,281	40,001,281	4,000,125	40,001,281	40,001,281
Total Investments in Associate Companies		<u>287,596,211</u>	<u>296,588,971</u>		<u>290,222,606</u>	<u>273,525,594</u>
13.8 Other Long Term Investments - Quoted						
Diversified						
Carson Cumberbatch & Co. Ltd.	354,285	894,279	460,659,071	397,126	9,638,182	476,551,200
Hayleys Ltd.	3,095,488	68,457,121	374,554,048	2,766,000	63,514,801	216,439,500
John Keells Holdings Ltd.	6,831,800	305,732,330	396,244,400	7,328,000	332,553,981	245,488,000
		<u>375,083,730</u>	<u>1,231,457,519</u>		<u>405,706,964</u>	<u>938,478,700</u>
Healthcare						
Asiri Hospitals Ltd.	48,500	983,580	1,018,500	-	-	-
Hotels & Travels						
Sigiriya Village Hotels Ltd.	6,666	259,705	219,978	6,666	259,705	298,304
Land & Property						
Huejay International Investments Ltd.	78,000	1,470,308	1,716,000	78,000	1,470,308	1,950,000
Beverage, Food & Tobacco						
Ceylon Cold Stores Ltd.	2,798,200	104,871,064	158,098,300	2,299,000	82,666,575	94,259,000
Ceylon Tea Services Ltd.	14,856	1,588,095	1,218,192	14,856	1,588,094	1,114,200
Ceylon Tobacco Co. Ltd.	379,000	366,364	11,749,000	379,000	366,365	10,043,500
Distilleries Company of Sri Lanka Ltd.	121,400	974,009	940,850	-	-	-
Nestle Lanka Ltd.	5,000	304,015	255,000	5,000	304,017	337,500
		<u>108,103,547</u>	<u>172,261,342</u>		<u>84,925,051</u>	<u>105,754,200</u>

(Amounts expressed in Sri Lankan Rupees)

(13) SUMMARY OF INVESTMENTS (Contd.)

	No. of Share Debentures	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Share Debentures	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
13.8 Other Long Term Investments - Quoted (Contd.)						
Banks, Finance & Insurance						
Asia Capital Ltd.	88,000	602,370	616,000	-	-	-
Commercial Bank of Ceylon Ltd. (Voting)	112,800	8,659,178	16,694,400	94,000	8,659,178	8,554,000
Commercial Bank of Ceylon Ltd. (Non-Voting)	19,200	615,529	1,785,600	16,000	615,529	1,136,000
Hatton National Bank Ltd.	-	-	-	297,000	6,269,983	11,880,000
* Mercantile Credit Ltd.	43,690	2	-	43,690	2	-
National Development Bank of Sri Lanka	1,067,800	40,457,547	72,610,400	77,000	4,965,653	3,003,000
		50,334,626	91,706,400		20,510,345	24,573,000
Manufacturing						
* Compak Morison (Lanka) Ltd.	2,000	1	-	2000	1	-
Metal Recyclers Colombo Ltd.	11,500	484,200	115,000	11,500	484,200	115,000
* Mikechris Industries Ltd.	1,300	12,001	-	1,300	12,001	-
Tokyo Cement Ltd.	207,997	8,045,730	15,911,771	220,997	8,548,570	7,734,895
		8,541,932	16,026,771		9,044,772	7,849,895
Construction & Engineering						
Colombo Dockyard Ltd.	-	-	-	149,000	2,719,248	1,564,500
Services						
John Keells Ltd.	827,900	9,935,853	47,190,300	722,000	3,881,879	26,714,000
Stores & Supplies						
Hunter & Co. Ltd.	609,189	3,213,533	4,721,215	609,189	3,213,533	1,827,567
Trading						
Eastern Merchants Ltd.	24,000	1,642,400	2,400,000	24,000	1,642,400	2,400,000
Haytech Marketing Ltd.	-	-	-	59,800	1,418,063	612,950
		1,642,400	2,400,000		3,060,463	3,012,950
Debentures						
Sri Lanka Telecom Ltd. - 14.5%	4,500	4,500,000	3,712,500	6,000	6,000,000	4,950,000
Provision for diminution in carrying value of investments		(1,122,988)			(1,943,040)	
Total other Long Term Investments - Quoted		562,946,226	1,572,430,525		538,849,228	1,116,973,116

* These have now been delisted.

13.9 Other Long Term Investments - Unquoted

Equity Investments Lanka Ltd.	22,500	2	2	22,500	2	2
Janashakthi Life Insurance Co. Ltd.	75,000	3	3	75,000	3	3
Kandy Private Hospitals Ltd.	1,200	19,500	19,500	1,200	19,500	19,500
National Mercantile Bank Ltd.	150,000	3	3	150,000	3	3
The Sri Lanka Fund	1,002	91,968	91,968	-	-	-
NDB Bank	30,800	308,000	308,000	-	-	-
Dormant Companies						
Colombo Brick Co. Ltd.	1,000	1	1	1,000	1	1
Fantasia Stock & Stockings Ltd.	1,000	1	1	1,000	1	1
Glowweave Rubber Co. Ltd.	1,000	2	2	1,000	2	2
Lady Havelock Gardens Ltd.	6,000	2	2	6,000	2	2
Mahaweli Construction Consortium Ltd.	1,500	3	3	1,500	3	3
Rowlands Ltd.	35,330	2	2	35,330	2	2
Rubberite Ltd.	10,000	2	2	10,000	2	2
Total Unquoted Investments		419,489	419,489		19,521	19,521

(Amounts expressed in Sri Lankan Rupees)

(13) SUMMARY OF INVESTMENTS (Contd.)

13.9 Other Long Term Investments - Unquoted (Contd.)

	No. of Shares/ Debtures/ Units	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares/ Debtures/ Units	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
Unit Trusts						
Ceybank Century Growth Fund	30,000	300,000	295,500	30,000	300,000	196,800
Ceybank Unit Trust	75,000	750,000	501,000	75,000	750,000	337,500
Comtrust Equity Fund	107,589	997,944	571,298	107,589	997,944	405,611
National Equity Fund	166,393	1,587,155	1,312,841	149,417	1,503,368	878,572
Pyramid Unit Trust	75,000	750,000	459,000	75,000	750,000	324,000
Total Investments in Unit Trusts		4,385,099	3,139,639		4,301,312	2,142,483
Provision for diminution in carrying value of investments		(1,245,454)			(2,168,666)	-
		3,139,645	3,139,639		2,132,646	2,142,483
Debtures						
Riverina Hotels Ltd. - Zero Coupon	87	870	870	115	1,150	1,150
Tangerine Beach Hotels Ltd. - Zero Coupon	852	84,840	84,840	992	98,980	98,980
Ocean View Ltd. - 6%	360	3,600	3,600	360	3,600	3,600
Total Investments in Debtures		89,310	89,310		103,730	103,730
Preference Shares						
Ceylon Cold Stores Ltd. - 7%	1,362	1	1	1,362	1	1
Richard Pieris & Co. Ltd. - 8% - Cumulative	1,375	1	1	1,375	1	1
Rowlands Ltd. - 8% - Cumulative	1,125	1	1	1,125	1	1
Total Investment in Preference Shares		3	3		3	3
Total Long Term other Investments		566,594,673	1,576,078,966		541,105,128	1,119,238,853

(14) INVENTORIES

	Group	
	As at	As at
	31st March 2002	31st March 2001
Raw materials	42,082,135	43,242,151
Work-in-progress	9,751,006	16,140,871
Food & beverage	1,275,446	1,878,994
Finished goods	85,916,592	26,237,902
Bottles & crates	77,653,669	78,746,285
Maintenance	94,482,232	61,376,100
Others	14,868,150	17,761,107
	326,029,230	245,383,410

Amounts expressed in Sri Lankan Rupees)

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
(15) TRADE AND OTHER RECEIVABLES				
Trade debtors	1,646,845	871,819	218,064,767	224,024,954
Less: Provision for bad and doubtful debts	-	-	(1,089,882)	(587,490)
	<u>1,646,845</u>	<u>871,819</u>	<u>216,974,885</u>	<u>223,437,464</u>
Other receivables	2,004,318	1,599,575	314,437,464	321,932,668
Loans given to employees in the Group (Note 15.1)	-	-	3,242,456	5,173,172
	<u>3,651,163</u>	<u>2,471,394</u>	<u>534,654,805</u>	<u>550,543,304</u>

15.1 Loans given to employees in the Group

Balance as at the beginning of the year	5,173,172	3,349,697
Advanced during the year	1,456,911	4,110,254
Recovered during the year	(3,387,627)	(2,286,779)
Balance as at the end of the year	<u>3,242,456</u>	<u>5,173,172</u>

(16) AMOUNTS DUE FROM RELATED COMPANIES

Carsons Management Services (Pvt) Ltd.	125,850,150	129,674,246	-	-
The Good Hope Co. Ltd.	13,028,025	5,096,697	-	-
The Indo-Malay Estates Ltd.	22,867,386	27,808,305	-	-
The Selinsing Co. Ltd.	1,539,128	-	-	-
The Shalimar (Malay) Estate Co. Ltd.	32,289,116	45,194,596	-	-
The Bukit Darah Co. Ltd.	144,229,943	3,251,972	144,229,943	3,251,972
Equity Two Ltd.	6,463,726	-	-	-
Equity Three (Pvt) Ltd.	8,383,890	-	-	-
	<u>354,651,364</u>	<u>211,025,816</u>	<u>144,229,943</u>	<u>3,251,972</u>

(17) SHORT TERM INVESTMENTS**(a) Company**

	No. of Shares	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
	17.1 Quoted					
Chemicals & Pharmaceuticals						
Union Carbide Lanka Ltd.	200	2,000	6,600	200	2,000	4,100
Total Quoted Investments		<u>2,000</u>	<u>6,600</u>		<u>2,000</u>	<u>4,100</u>
17.2 Unquoted						
Econsult (Pvt) Ltd.	70,000	1,050,000	1,050,000	70,000	1,050,000	1,050,000
Janashakthi Life Insurance Co. Ltd.	50,000	500,000	500,000	50,000	500,000	500,000
Lanka Communications Services Ltd.	1,428,496	15,011,913	15,011,913	1,428,496	15,011,913	15,011,913
Produce Transport Ltd.	1	150	150	1	150	150
Serendib Agro Products Ltd.	2,500	2,500	2,500	2,500	2,500	2,500
Total Unquoted Investments		<u>16,564,563</u>	<u>16,564,563</u>		<u>16,564,563</u>	<u>16,564,563</u>

(Amounts expressed in Sri Lankan Rupees)

(17) SHORT TERM INVESTMENTS (Contd.)

	No. of Shares/ Units	Cost as at 31st March 2002	Market Value/ Valuation as at 31st March 2002	No. of Shares/ Units	Cost as at 31st March 2001	Market Value/ Valuation as at 31st March 2001
Unit Trusts						
Ceybank Unit Trust	1,411,495	12,758,686	9,424,184	1,305,025	12,301,927	5,870,499
Total Quoted and Unquoted Investments		29,325,249	25,995,347		28,868,490	22,439,162
Provision for diminution in carrying value of investments		(3,329,902)	-		(6,429,328)	-
Total Short Term Investments		<u>25,995,347</u>	<u>25,995,347</u>		<u>22,439,162</u>	<u>22,439,162</u>

(b) Group

17.3 Quoted

Banks, Finance & Insurance						
National Development Bank	166,800	10,165,356	11,342,400	-	-	-
Manufacturing						
Statcon Rubber Co. Ltd.	5,000	50,000	90,000	5,000	50,000	90,000
Upali Enterprises Ltd.	610	6,100	30,500	610	6,100	30,500
		56,100	120,500		56,100	120,500
Chemicals & Pharmaceuticals						
Union Carbide Lanka Ltd.	200	2,000	6,600	200	2,000	4,100
Total Quoted Investments		<u>10,223,456</u>	<u>11,469,500</u>		<u>58,100</u>	<u>124,600</u>

17.4 Unquoted

Beverage Dispensing Ltd.	60,000	700,000	700,000	20,000	200,000	200,000
Econsult (Pvt) Ltd.	70,000	1,050,000	1,050,000	70,000	1,050,000	1,050,000
Golden Hope Plantations Ltd.	10,630	43,854	43,854	10,630	43,854	43,854
Grand Central Industries Ltd.	3,400	5,732	5,732	3,400	5,733	5,733
Janashakthi Life Insurance Co. Ltd.	50,000	500,000	500,000	50,000	500,000	500,000
Lanka Communication Services Ltd.	1,428,496	15,011,913	15,011,913	1,428,496	15,011,913	15,011,913
Produce Transport Ltd.	1	150	150	1	150	150
Serendib Agro Products Ltd.	2,500	2,500	2,500	2,500	2,500	2,500
Total Unquoted Investments		<u>17,314,149</u>	<u>17,314,149</u>		<u>16,814,150</u>	<u>16,814,150</u>
Unit Trusts						
Ceybank Unit Trust	4,023,628	36,487,700	26,837,599	3,709,248	35,185,606	16,691,617
		64,025,305	55,621,248		52,057,856	33,630,367
Provision for diminution in carrying value of investments		(9,609,861)	-		(18,380,680)	-
Total Short Term Investments		<u>54,415,444</u>	<u>55,621,248</u>		<u>33,677,176</u>	<u>33,630,367</u>

(18) SHORT TERM DEPOSITS

	Group	
	As at 31st March 2002	As at 31st March 2001
F.C.B.U deposits	22,252,239	22,311,761
Fixed deposits - Malaysia	1,167,337	1,918,463
Call deposits - Indonesia	17,555,987	44,368,125
Call deposits - Sri Lanka	20,963,770	85,373,504
	<u>61,939,333</u>	<u>153,971,853</u>

(Amounts expressed in Sri Lankan Rupees)

(19) SHARE CAPITAL

	Company & Group	
	As at 31st March 2002	As at 31st March 2001
Authorised		
<i>Ordinary</i>		
20,000,000 ordinary shares of Rs.10/- each	200,000,000	200,000,000
<i>Preference</i>		
30,000,000 non-voting 14.75% redeemable cumulative preference shares of Rs.10/- each	300,000,000	300,000,000
	500,000,000	500,000,000
Issued & Fully Paid		
<i>Ordinary</i>		
1,018,710 ordinary shares of Rs.10/- each	10,187,100	10,187,100
<i>Preference</i>		
30,000,000 non-voting 14.75% (revised to 15.25%) redeemable cumulative preference shares of Rs.10/- each	300,000,000	300,000,000
	310,187,100	310,187,100

The preference shares, equally subscribed by DFCC Bank, National Development Bank and Bank of Ceylon on 13th January 1998, were to be redeemed in 4 bi-annual instalments commencing 30th September 2001.

The consent given by the preference shareholders to defer the redemption plan was later reversed and a new redemption plan negotiated. Accordingly, the redemption was due to commence back on 30th September 2002 with revised redemption plan extending up to March 2004 at a revised rate of dividend of 15.25%. However, the formal agreement to this new plan was signed only in April 2002 hence, the redemption did not take place as planned during the financial year. Accordingly, the preference dividend payable on 30th September 2001 and 31st March 2002 were based on the full value of the preference share capital. The first redemption instalment of Rs. 27 Million was settled in end April 2002. Originally, preference shareholders consented to defer the redemption to take place in eight (8) quarterly instalments commencing 30th September 2002.

(20) CAPITAL RESERVES

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
Balance as at the beginning of the year	454,220,468	244,833,738	2,830,797,380	2,225,251,457
Revaluation	-	209,386,730	-	603,831,577
Reversal of revaluation	-	-	(2,253,402)	-
Appropriations	120,000,000	-	120,000,000	55,750,598
Changes in Equity/transfers/adjustments	-	-	195,846,475	(54,036,252)
Balance as at the end of the year	574,220,468	454,220,468	3,144,390,453	2,830,797,380
Capital accretion reserve	16,988,150	16,988,150	49,710,110	49,710,110
Capital redemption reserve	300,000,000	180,000,000	493,418,191	373,418,191
Revaluation reserve	257,232,318	257,232,318	1,968,090,929	1,970,344,331
Other capital reserves	-	-	642,636,856	479,679,171
Goodwill on consolidation (Note 20a)	-	-	(9,465,633)	(42,354,423)
	574,220,468	454,220,468	3,144,390,453	2,830,797,380

The movements in the above reserves are shown in the Statements of Changes in Equity.

*(Amounts expressed in Sri Lankan Rupees)***(20) CAPITAL RESERVES (Contd.)****20 (a) Reconciliation for Goodwill on consolidation**

	Group	
	31st March 2002	31st March 2001
(Goodwill)/negative goodwill as at the beginning of the year	(42,354,423)	17,764,917
Goodwill arising from Changes in equity holdings and acquisition of subsidiaries	30,522,381	(70,707,946)
Balance available for amortisation	(11,832,042)	(52,943,029)
Goodwill amortised during the year	2,366,409	10,588,606
Balance as at the end of the year	(9,465,633)	(42,354,423)

(21) REVENUE RESERVE

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
General Reserve				
Balance as at the beginning of the year	54,384,886	54,384,886	208,417,246	240,799,839
Appropriations	-	-	-	26,121,400
Changes in Equity/transfers/adjustments	-	-	45,669,806	(58,503,993)
Balance as at the end of the year	54,384,886	54,384,886	254,087,052	208,417,246
Retained profit				
Holding Company	272,506,470	36,541,824	(106,981,859)	36,541,824
Subsidiaries	-	-	160,781,686	78,098,290
Associates	-	-	121,707,400	94,598,864
	272,506,470	36,541,824	175,507,227	209,238,978
Total revenue reserve	326,891,356	90,926,710	429,594,279	417,656,224

The movements in the above reserves are shown in the Statements of Changes in Equity.

(22) INTEREST BEARING BORROWINGS**Movements in interest bearing borrowings**

Balance as at the beginning of the year	136,421,325	117,931,290	2,848,860,093	454,767,617
On consolidation	-	-	-	1,382,311,290
Obtained during the year	-	-	165,940,818	1,106,698,938
Interest accrued during the year	3,578,675	18,490,035	3,578,675	18,490,035
	140,000,000	136,421,325	3,018,379,586	2,962,267,880
Impact of exchange rate changes on conversions	-	-	234,680,772	-
Repayments during the year	(140,000,000)	-	(244,177,480)	(113,407,787)
	-	136,421,325	3,008,882,878	2,848,860,093
Amounts falling due within one year	-	(136,421,325)	(53,581,288)	(249,421,857)
Amounts falling due after one year	-	-	2,955,301,590	2,599,438,236

(Amounts expressed in Sri Lankan Rupees)

(22) INTEREST BEARING BORROWINGS (Contd.)

Details of interest bearing borrowings falling due after one year

Company	Lender/Rate of Interest (p.a.)	Balance as at 31st March 2002	Balance as at 31st March 2001	Repayment Terms	Security
Equity Two Ltd.	Bank of Ceylon 7% per annum in the first year and 8.5% per annum thereafter	21,548,000	24,764,000	125 monthly instalments over ten years from September 1999	Primary mortgage over the Company's land and buildings
The Lion Brewery Ceylon Ltd.	NDB - 15%	-	5,554,000	12 months grace period and payable in 36 monthly instalments commencing from June 1999	Mortgage over freehold land, buildings and plant & machinery and 50 Mn Promissory Note.
	DFCC Bank - 18%	10,000,000	25,000,000	24 months grace period and payable in 60 monthly instalments commencing from January 1999	Mortgage over freehold land, buildings and plant & machinery.
	NDB - 18%	15,000,000	30,000,000	24 months grace period and payable in 60 monthly instalments commencing from April 1999	Mortgage over freehold land, buildings and plant & machinery.
PT Agro Indomas	Rabobank of the Netherlands 7% - 9.865%	1,523,865,000 (US \$ 16.1 Mn)	1,240,168,859 (US \$ 14.3 Mn)	10 semi-annual instalments commencing from June 2003	Mortgaged over project assets and landed property as given in Note 34 (a) to the financial statements.
	Commonwealth Development Corporation-United Kingdom 5.4% - 9.4%	1,362,960,000 (US \$ 14.4 Mn)	1,248,841,370 (US \$ 14.4 Mn)	10 semi-annual instalments commencing from June 2003	
Pegasus Hotels of Ceylon Ltd.	DFCC Bank - 2% - 11%	722,992	1,084,487	120 monthly instalments commencing from 1993	Hotel's land, buildings and plant & machinery.
	NDB - 2% - 16.5%	1,207,998	1,023,120	120 monthly instalments commencing from 1993	
	NDB - 17% - 2%	15,000,000	16,875,000	48 monthly instalments commencing from 31st July 2000	
	Commercial Bank-19%	4,330,000	4,960,000	48 monthly instalments commencing from 30th April 2000	Corporate guarantee given by Carson Cumberbatch & Co. Ltd.
Equity Hotels Ltd.	Commercial Bank-15.5%	667,600	1,167,400	36 monthly instalments commencing from 21st May 2000	
		2,955,301,590	2,599,438,236		

(Amounts expressed in Sri Lankan Rupees)

(23) LONG TERM CREDITORS

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
Long term loans repayable after one year (Note 23.1)	-	-	464,352,143	339,156,663
Rental and telephone deposits (Note 23.2)	3,397,420	3,667,596	21,034,036	17,284,023
Customer deposits (Note 23.3)	-	-	185,273,128	160,365,038
	3,397,420	3,667,596	670,659,307	516,805,724

23.1 Long term loans repayable after one year

Long term loans repayable after one year, represent loans received from shareholders of PT Agro Indomas amounting to Rs. 464.35 Million (US\$ 4.91 Million) (2001 - US\$ 3.86 Million), which is pending capitalisation.

23.2 Rental and Telephone Deposits

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
Balance as at the beginning of the year	3,667,596	3,179,196	31,066,388	30,611,116
Receipts during the year	702,612	488,400	11,499,177	5,093,389
Refunds during the year	(972,788)	-	(16,050,191)	(4,638,177)
	3,397,420	3,667,596	26,515,374	31,066,328
Amounts falling due within one year	-	-	(5,481,338)	(13,782,305)
Amounts falling due after one year	3,397,420	3,667,596	21,034,036	17,284,023

The above rental and telephone deposits are repayable on termination of the tenancy agreements.

23.3 Customer Deposits

	Group	
	As at 31st March 2002	As at 31st March 2001
Balance as at the beginning of the year	160,365,038	134,513,804
Receipts during the year	29,138,372	49,862,443
Refunds during the year	(4,230,282)	(24,011,209)
Balance as at the end of the year	185,273,128	160,365,038

Customer deposits are taken as security against the containers with the distributors.

(24) DEFERRED TAX (ASSETS)/LIABILITIES

Balance at the beginning of the year	54,765,032	47,757,454
Over provision in respect of prior year	(4,419,175)	(12,440,717)
On consolidation	-	13,500,494
Impact of exchange rate changes on conversions	(1,124,056)	-
	49,221,801	48,817,231
Provision made/(released) during the year	(52,373,799)	5,947,801
Balance as at the end of the year	(3,151,998)	54,765,032

Subject to the approval of tax authorities, tax loss of the Subsidiary Company (PT Agro Indomas) may be carried forward and used to offset future taxable income during any of the five (5) years succeeding the year in which the tax loss was incurred.

(Amounts expressed in Sri Lankan Rupees)

(25) RETIREMENT BENEFIT OBLIGATIONS

	Group	
	As at 31st March 2002	As at 31st March 2001
Gratuity		
Balance as at the beginning of the year	21,662,484	23,384,294
Provision for the year	12,167,810	5,857,949
Payments made during the year	(17,676,874)	(7,579,759)
Balance as at the end of the year	<u>16,153,420</u>	<u>21,662,484</u>

A separate fund has not been established to accommodate the liability arising in respect of gratuity.

The above gratuity provision of Rs. 16.15 Million is based on an actuarial valuation carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd., on 31st March 2001 as adjusted for the liabilities as at 31st March 2002.

In the absence of any legislative enactments pertaining to gratuity liabilities in Malaysia and Indonesia, no provision has been made in the financial statements.

	Company		Group	
	As at 31st March 2002	As at 31st March 2001	As at 31st March 2002	As at 31st March 2001
(26) TRADE AND OTHER CREDITORS				
Trade creditors	-	-	469,344,017	420,491,410
Other creditors including accrued expenses	658,721	2,289,145	359,532,159	338,098,847
Unclaimed dividend	642,534	883,485	14,300,340	15,669,095
	<u>1,301,255</u>	<u>3,172,630</u>	<u>843,176,516</u>	<u>774,259,352</u>
(27) AMOUNTS DUE TO RELATED COMPANIES				
The Bukit Darah Co. Ltd.	-	-	-	20,631,060
(28) SHORT TERM BORROWINGS				
Short term loans	279,300,000	-	361,500,000	2,000,000
Commercial papers	187,546,304	30,450,245	187,546,305	30,450,245
	<u>466,846,304</u>	<u>30,450,245</u>	<u>549,046,305</u>	<u>32,450,245</u>
(29) NET ASSETS - SEGMENTAL ANALYSIS				
The following analysis shows net assets of the Group, based on Industry and Geographical location:				
(a) By Industry				
Investment Holdings			2,602,482,411	2,312,448,699
Overseas Plantations			1,956,595,566	1,922,365,713
Brewery			1,484,725,109	1,528,510,340
Real Estate			653,130,709	670,339,434
Hotels			216,092,310	255,949,175
Airlines			3,725,711	(2,628,593)
Management Services			(17,384,066)	(9,428,996)
			<u>6,899,367,750</u>	<u>6,677,555,772</u>
(b) By Geographical Location				
Sri Lanka			4,171,981,481	4,015,937,837
Malaysia			2,205,389,901	2,215,104,925
Indonesia			412,865,812	345,534,438
United Kingdom			109,130,556	100,978,572
			<u>6,899,367,750</u>	<u>6,677,555,772</u>

(30) COMPANIES WITHIN THE GROUP WHICH ARE NOT AUDITED BY MESSRS. KPMG FORD, RHODES, THORNTON & CO.

(a)	Watapota Investments Ltd.	}	Ernst & Young - Sri Lanka
	The Indo-Malay Estates Ltd.		
	Equity Five Ltd.		
	Equity Seven Ltd.		
	Nuwara Eliya (Holdings) Plc.	}	Kingston Smith - United Kingdom
	The Nuwara Eliya Tea Estate Co. Ltd.		
	Shalimar Developments Sdn. Bhd.		- Ernst & Young - Malaysia
	PT Agro Indomas		- Ernst & Young - Indonesia

(b) The following Subsidiaries and Associates have been consolidated based on unaudited financial statements:

Subsidiaries

1. Nuwara Eliya (Holdings) Plc.
2. The Nuwara Eliya Tea Estate Co. Ltd.

Associates

1. ACW Insurance (Pvt) Ltd.
2. The Unit Trust Management Co. (Pvt) Ltd.

(31) COMPANIES WITH DIFFERENT ACCOUNTING PERIODS

Union Assurance Ltd. - 1st January to 31st December.

(32) FOREIGN CURRENCY TRANSLATIONS

The principal exchange rates used for the translation of amounts denominated in foreign currencies to Sri Lankan Rupees are as follows:

	Average Rate		Closing Rate	
	Year ended 31st March 2002 Rs.	Year ended 31st March 2001 Rs.	As at 31st March 2002 Rs.	As at 31st March 2001 Rs.
Malaysian Ringgit	23.85	20.95	24.90	22.81
US Dollar	90.63	79.62	94.65	86.67
Sterling Pound	128.79	117.00	134.26	123.00
Indonesian Rupiah	0.0091	0.0091	0.0101	0.0088

(33) CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for but not provided for in the financial statements as at 31st March 2002 was approximately Rs. 62.10 Million (2001 - Rs. 37.80 Million).

(34) CONTINGENCIES

- (a) In addition to PT Agro Indomas providing mortgages on its project assets, the landed properties in Malaysia of The Shalimar Malay (Estate) Co. Ltd., The Good Hope Co. Ltd., and The Indo-Malay Estates Ltd., were mortgaged 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 Million obtained by PT Agro Indomas. The Selinsing Co. Ltd., and The Bukit Darah Co. Ltd., have consented to counter indemnify the mortgages.

(Amounts expressed in Sri Lankan Rupees)

(34) CONTINGENCIES (Contd)

- (b) The contingent liabilities as at 31st March 2001 on corporate guarantees given to third parties by companies forming part of the Group in respect of facilities granted are as follows:

	As at 31st March 2002 Rs. Million	As at 31st March 2001 Rs. Million
Carson Cumberbatch & Co. Ltd.	50.00	54.33
The Ceylon Brewery Ltd.	8.00	8.00
The Lion Brewery Ceylon Ltd.	0.86	1.86
	<u>58.86</u>	<u>64.19</u>

- (c) The Ceylon Brewery Ltd., has provided an undertaking to make payments to the consortium of banks comprising of DFCC Bank and NDB, in the event of its Subsidiary Company The Lion Brewery Ceylon Ltd., defaults in payment of preference dividends or redemption of the preference shares. The total preference shares of Rs. 350 Million issued on 1st April 1998, partly fell due for redemption on 1st July 2001. However, the preference shareholders have given consent to defer the redemption to commence from 1st July 2002 instead of 1st July 2001 as scheduled. Accordingly, the redemption would take place in five (5) bi-annual instalments. In order for the extension of redemption to be considered the preference shareholders require the preference dividend rate to be increased to 15.5% effective 1st July 2001. This increase in preference dividend rate was approved by the shareholders at an Extraordinary General Meeting held on 17th August 2001.
- (d) A Group of people around the Company's Subsidiary - PT Agro Indomas' (PTAI's) plantations has filed a legal case to local court of Sampit district in relation with a plot of a cemetery land (approximately 1 hectare) in the area of the PTAI's plantation. As the case is in progress, PTAI and its lawyer are not in a position to estimate whether there will be any payments.
- (e) The Company's Subsidiary - PT Agro Indomas involves in several claims relating to 635 hectares in PTAI's plantation areas which have not yet been finalised. As the claims are still under negotiation process, PTAI is not in a position to estimate whether there will be any payments.

There were no material contingent liabilities as at the Balance Sheet date other than those disclosed above and in Note 12(h) to the financial statements.

(35) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- (a) The following scrip issues were approved by the respective shareholders subsequent to the Balance Sheet date:

Name of the Company	Date of EGM	Basis of Allotment	No. of new shares to be issued and paid up share capital after the issue
Watapota Investments Ltd.	2nd April 2002	3 ordinary shares for every 5 ordinary shares held as at 18th March 2002.	251,628 ordinary shares of Rs. 10/-, issued & paid up capital after scrip issue is Rs. 6.71 Million.
The Ceylon Guardian Investment Trust Ltd.	7th May 2002	1 ordinary share for every 4 ordinary shares held as at 22nd April 2002. 1 deferred share for every 4 fully paid and partly paid deferred shares of Rs. 1,000/- held as at 22nd April 2002.	760,906 ordinary shares of Rs. 10/- and 108 fully paid deferred shares of Rs. 1,000/- each. Paid up capital after the share issue - Rs. 38.04 Million. 108 fully paid deferred shares of Rs. 1,000/- in respect of fully paid deferred shares held. The bonus entitlement in respect of partly paid deferred shares were utilised in increasing the paid up value of such shares by Rs. 87/-.
The Ceylon Investment Company Ltd.	7th May 2002	1 ordinary share for every 4 ordinary shares held as at 22nd April 2002.	776,115 ordinary shares of Rs. 10/- issued & paid up capital after scrip issue - Rs. 38.81 Million.
Leechman & Co. Ltd.	5th April 2002	85 ordinary shares of Rs. 10/- for every one ordinary share of Rs. 10/- held as at 14th March 2002	5,100,000, fully paid ordinary shares of Rs. 10/- each. Paid up capital after the share issue - Rs. 51.6 Million.

(Amounts expressed in Sri Lankan Rupees)

(35) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE (Contd.)

Name of the Company	Date of EGM	Basis of Allotment	No. of new shares to be issued and paid up share capital after the issue
The Good Hope Co. Ltd.	2nd April 2002	1 ordinary share of Rs. 10/- for every five ordinary shares of Rs. 10/- held as at 18th March 2002.	530,193 fully paid ordinary shares of Rs. 10/- each. Paid up value after this issue Rs. 31.81 Million.
The Indo-Malay Co. Ltd.			486,000 fully paid ordinary shares of Rs. 10/- each. Paid up value after this issue Rs. 29.16 Million.
The Selinsing Co. Ltd.			642,600 fully paid ordinary shares of Rs. 10/- each. Paid up value after this issue Rs. 38.55 Million.
The Shalimar Malay Co. Ltd.			642,600 fully paid ordinary shares of Rs. 10/- each. Paid up value after this issue Rs. 38.55 Million.

(b) On 29th April 2002, Company paid the first redemption instalment of Rs. 27 Million to the preference shareholders.

Subsequent to the Balance Sheet date, no circumstances have arisen which would require adjustments to or disclosure in the financial statements other than those disclosed above.

(36) RESTATEMENT OF COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the classifications and presentations as at 31st March 2001.

(37) DIRECTORS' INTERESTS IN CONTRACTS

Messrs. H. Selvanathan, M. Selvanathan, W. Unamboowe (resigned w.e.f. 31st March 2002), I. Paulraj, Suresh K. Shah (appointed w.e.f. 1st April 2002), Chandana Tissera (appointed w.e.f. 1st April 2002) and D.C.R. Gunawardena Directors of the Company, have an interest in all or some of the transactions referred to in Note 38 to these financial statements. They either individually or indirectly have share ownership of companies forming part of the Carsons Group and/or hold Directorates in such related companies.

The Directors have no direct or indirect interests in any contracts or proposed contracts of the Company, other than those disclosed in Note 38.

(38) RELATED PARTY TRANSACTIONS

Name of Company	Names of Directors	Nature of Transactions
Carsons Management Services (Pvt) Ltd.	Ref. Nature of transactions note	Carsons Management Services (Pvt) Ltd., incurs common expenses in relation to provision of services such as managerial, secretarial, accounting and data processing to all Subsidiary and Associate Companies of the Carsons Group, excluding Union Assurance Ltd. and ACW Insurance (Pvt) Ltd. These costs are allocated to respective Subsidiary and Associate Companies, recovering the related costs in full. Further, all transactions within the Group took place under normal commercial terms. The names of the Directors of Carsons Management Services (Pvt) Ltd., who also hold Directorates in those Subsidiary and Associate Companies are stated in pages 10 and 11.
The Bukit Darah Co. Ltd. (BDCL)	H. Selvanathan M. Selvanathan W. Unamboowe I. Paulraj D.C.R. Gunawardena	A sum totalling to Rs. 144,747,181/- was lent by the Company to BDCL. An interest totalling to Rs. 4,679,373/- was charged on these lendings during the financial year.
Union Assurance Ltd.	H. Selvanathan D.C.R. Gunawardena	The Subsidiary Companies within the Group obtained insurance policies paying a total premium of Rs. 41.38 Million.

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

(All figures in Notes are in US Dollars unless otherwise stated)

(1) GROUP REVENUE AND OPERATING RESULTS

	Revenue		Profit before Tax	
	31st March 2002	31st March 2001	31st March 2002	31st March 2001
<i>For the year ended</i>				
(a) By Industry				
Investment Holdings	16,905,159	3,330,180	9,113,550	2,385,818
Overseas Plantations	7,953,275	1,253,516	79,391	(1,006,704)
Brewery	21,487,996	24,356,973	1,177,457	2,023,263
Real Estate	769,939	1,092,355	200,193	457,588
Hotels	860,121	1,424,597	(368,414)	(181,390)
Airlines	261,627	235,733	115,751	55,337
Management Services	686,658	806,572	(136,536)	(155,032)
	<u>48,924,775</u>	<u>32,499,926</u>	<u>10,181,392</u>	<u>3,578,881</u>
Intra-group transactions	(12,453,482)	(2,732,279)	(6,611,087)	(1,370,617)
Amortisation of goodwill	-	-	(26,111)	(132,996)
	<u>36,471,293</u>	<u>29,767,647</u>	<u>3,544,194</u>	<u>2,075,268</u>
(b) By Geographical Location				
Sri Lanka	40,953,202	31,227,915	10,105,655	4,589,041
Malaysia	1,052,489	1,182,018	305,951	179,059
Indonesia	6,916,398	86,573	(218,655)	(1,175,066)
United Kingdom	2,686	3,420	(11,559)	(14,153)
	<u>48,924,775</u>	<u>32,499,926</u>	<u>10,181,392</u>	<u>3,578,881</u>
Intra-group transactions	(12,453,482)	(2,732,279)	(6,611,087)	(1,370,617)
Amortisation of goodwill	-	-	(26,111)	(132,996)
	<u>36,471,293</u>	<u>29,767,647</u>	<u>3,544,194</u>	<u>2,075,268</u>

(2) NET ASSETS - SEGMENTAL ANALYSIS

(a) By Industry		
Investment Holdings	27,495,852	26,681,075
Plantations	20,671,902	22,180,290
Brewery	15,686,478	17,635,979
Real Estate	6,900,484	7,734,388
Hotels	2,283,067	2,953,146
Airlines	39,363	(30,329)
Services	(183,667)	(108,792)
	<u>72,893,479</u>	<u>77,045,757</u>
(b) By Geographical Location		
Sri Lanka	44,077,986	46,335,962
Malaysia	23,300,474	25,557,919
Indonesia	4,362,027	3,986,783
United Kingdom	1,152,992	1,165,093
	<u>72,893,479</u>	<u>77,045,757</u>