



Corporate Information

NAME OF THE COMPANY

The Selinsing Company Limited
(A Carson Cumberbatch Company)

LEGAL FORM

A Public Quoted Company with Limited Liability
Incorporated in Sri Lanka in 1907

DIRECTORS

Mano Selvanathan - (*Chairman*)
Hari Selvanathan
Wijaya Unamboowe
Chrisanta F. Fernando
Israel Paulraj

BANKERS

Standard Chartered Bank
HSBC Bank Malaysia Berhad

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.

AGENTS IN MALAYSIA

Agro Hope Sendirian Berhad
P.O. Box 75, 47007, Sg. Buloh
Selangor Darul Ehsan
Malaysia.

REGISTERED OFFICE

61, Janadhipathi Mawatha
Colombo 1
Sri Lanka.

PRINCIPAL PLACE OF BUSINESS

Ladang Selinsing
P. O. Box 16
34007 Taiping
Perak Darul Ridzuan

CORPORATE WEBSITE

www.carsoncumberbatch.com

HOLDING COMPANY

Carson Cumberbatch & Company Limited

Information to Shareholders and Investors



1. STOCK EXCHANGE LISTING

The Selinsing 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, 2002 was Rs. 131.75/- per share. (2001 - Rs. 152/- per share).

3. SHAREHOLDERS

<i>As at 31st March</i>	2002	2001
No. of Ordinary Shareholders	147	146
No. of Preference Shareholders	1	1

The number of ordinary shares held by non-residents as at 31st March, 2002 was 97,296 which amounts to 3.03% 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	54	12,039	0.37	–	–	–	54	12,039	0.37
1001 – 5,000	43	109,478	3.41	19	40,518	1.26	62	149,996	4.67
5,001 – 10,000	12	91,514	2.85	01	7,200	0.22	13	98,714	3.07
10,001 – 50,000	11	159,770	4.97	04	49,578	1.55	15	209,348	6.52
50,001 – 100,000	–	–	–	–	–	–	–	–	–
100,001 – 500,000	01	215,836	6.72	–	–	–	01	215,836	6.72
500,001 – 1,000,000	01	915,000	28.48	–	–	–	01	915,000	28.48
Above 1,000,000	01	1,612,067	50.17	–	–	–	01	1,612,067	50.17
Total	123	3,115,704	96.97	24	97,296	3.03	147	3,213,000	100.00

Categories of Shareholders	Ordinary			Preference		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	128	414,693	12.91	–	–	–
Institutions	19	2,798,307	87.09	01	6,000,000	100.00
Total	147	3,213,000	100.00	01	6,000,000	100.00

Percentage of issued ordinary share capital held by the public as at 31st March, 2002 was 11.96%.



4. SUBSTANTIAL SHAREHOLDINGS

<i>As at 31st March</i>	2002		2001	
Name of Shareholder	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary				
Carson Cumberbatch & Co. Ltd.	1,612,067	50.17	1,425,025	44.35
Rubber Investment Trust Ltd.	915,000	28.48	1,037,000	32.28
Watapota Investments Ltd.	215,836	6.72	215,836	6.72
The Indo-Malay Estates Ltd.	-	-	52,566	1.64
Mr. C. F. Fernando	25,800	0.80	25,800	0.80
Admin. of the Estate of T.M. Adamjee (decd.)	18,000	0.56	18,000	0.56
Mr. G. Nadesan	18,000	0.56	18,000	0.56
Mr. D.A. Campbell	17,460	0.54	17,460	0.54
WML/Mr. M.M. Saheed	14,112	0.43	14,112	0.43
Mrs. I.K. De Silva	13,484	0.42	13,484	0.42
Mylands Investments Ltd.	12,600	0.39	12,600	0.39
Mrs. M.A. Kurukulasuriya	12,398	0.39	12,398	0.39
Miss. S.N. Fernando	12,398	0.39	12,398	0.39
Dr. C.J. Fernando	12,398	0.39	12,398	0.39
Mr. J.A. Fernandez	10,620	0.33	10,620	0.33
The Shalimar (Malay) Estate Co. Ltd.	-	-	10,800	0.34
Mr. H.V. Cartwright (decd.)	10,800	0.34	10,800	0.34
Thurston Investments Ltd.	10,698	0.33	10,598	0.32
Mrs. E.C. Rodrigo	10,494	0.33	10,494	0.33
Mr. T. Rodrigo	10,086	0.31	10,086	0.31
Preference				
Carson Cumberbatch & Co. Ltd.	6,000,000	100.00	6,000,000	100.00

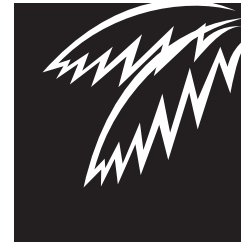
5. 16.5% REDEEMABLE CUMULATIVE PREFERENCE SHARES

The 6,000,000 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, 2002. The dividend thereon is payable bi-annually.

However, the Company has agreed with the preference shareholder to defer the redemption until 30th September, 2003 at the same rate of preference dividend.

6. MARKET PERFORMANCE - ORDINARY SHARES

<i>For the year ended 31st March</i>	2002	2001
Highest (Rs.)	132	152
Lowest (Rs.)	120	152
Volume Traded (Shares)	185,700	200
Number of Trades	5	2
Value of Shares Traded (Rs.)	24,415,825	30,400



7. MARKET CAPITALISATION

Market capitalisation of the Company, which is the number of ordinary shares multiplied by the market value of a share was Rs. 423.31 mn as at 31st March, 2002 (2001 - Rs. 488.38 mn).

8. DIVIDENDS

8.1 Preference

A preference dividend of 16.5% per annum on non-voting redeemable cumulative preference shares was paid on 30th September, 2001 and 31st March, 2002.

8.2 Ordinary

The Directors do not recommend any dividend on ordinary shares for the year ended 31st March, 2002.

9. RECORD OF SCRIP ISSUES

The undermentioned scrip issues have been made by the Company during the last 13 years:

Year ended 31st March	Issue	Basis	No. of Ordinary Shares	Cumulative Ordinary Share Capital Rs.
1988/89	–	–	803,250	8,032,500
1994/95	Bonus	1:3	267,750	10,710,000
1997/98	Bonus	1:2	535,500	16,065,000
1998/99	Bonus	1:1	1,606,500	32,130,000
			3,213,000	
2002 April	Bonus	1:5	642,600	38,556,000
			3,855,600	

A bonus issue of 1 ordinary share for every 5 ordinary shares held was approved by the shareholders on 2nd April 2002 at an Extra-ordinary General Meeting of the Company.

10. MALAYSIAN PROPERTY

10.1 The oil palm plantation is 492.84 hectares.

10.2 The plantation is situated in the State of Perak, District Krian.

10.3 The value of the property, plant & equipment as at the Balance Sheet date stood at Rs. 778.68 mn on an existing use basis.

11. MATURE PLANTATION AGE ANALYSIS

Years	1-10	11-15	16-20	21-25	Over 25
Hectares	72.59	39.61	–	59.67	195.32



Chairman's Statement to Shareholders

I am pleased to welcome members to the Ninety-Fifth 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, 2002.

The Malaysian economy remained resilient in 2001 in the face of a challenging external environment. While the global economic slowdown in 2001 was more severe than earlier expected, Malaysia avoided economic contraction, and managed to sustain a positive growth. The real Gross Domestic Product (GDP) expanded 0.4% in 2001 mainly as a result of domestic sources of growth with public investment expenditure increasing by 15.5% and public consumption expenditure increasing by 11.9%.

The value addition in the Malaysian agricultural sector expanded by 2.5% in 2001, primarily due to higher Crude Palm Oil (CPO) production. CPO production which accounts for 35% of total value added in the agricultural sector increased by 8.9% in 2001. This was mainly due to an increase in mature area, especially in Sabah, and an increase in extraction rates as a result of favourable weather conditions. With increasing production and stock build up the price of CPO continued to remain under pressure with prices trading below RM 1,000/- per tonne up to July 2001. The prices went above RM 1,000/- per tonne in August and has since traded within a narrow range. During the year the Government introduced various measures to reduce production as well as existing stocks. To encourage replanting, a subsidy of RM 1,000/- per hectare was announced. The Government also gave a full waiver of export duties on one million tonnes of crude palm oil and abolished the 5% duty on export of semi-processed palm oil.

The palm oil industry as a whole continues to grow with additional areas being developed both in Malaysia and Indonesia. The absence of positive developments in demand from the two biggest buyers India and China and the continuing high stock levels have resulted in a scenario where prices will remain at just over RM 1,100/Tonne level. However, the Company will remain profitable even at this level of prices. A critical examination of all costs, especially in the past few years when faced with extremely low prices, have resulted in a more efficient and productive cost base. Replanting which was temporarily scaled down in FY 2001/2002 due to cash constraints will recommence in FY 2002/2003. The Company is now looking into accelerating the replanting programme in order to achieve higher yields.

The Company recorded a turnover of Rs. 27.08 mn for the financial year ended 31st March, 2002. This reflects a decrease of 23% compared with the previous year. This is mainly attributable to the Ganoderma infestation, which resulted in a very low stand per hectare in the plantation. But the other operating income of your Company has gone up substantially during the year under review, due to the extraordinary profit from realignment of the Group investment portfolio as explained in detail in the Review of operations. Accordingly profit before tax of Rs. 120.56 mn shows an increase of 1,144% as a result of this extra-ordinary income.

Shareholders will be pleased to note that the Indonesian Project in which your Company is a co-promoter is nearing completion. The crude palm oil mill which was operating since April 2001 was officially commissioned in November 2001. The total production of CPO for the period was approximately 26,000 tonnes. An area of over 5,000 hectares of oil palm is now mature and we expect the project to be self-financing, commencing financial year 2002/2003.

In view of the cash constraints resulting from heavy investment made, no dividend is recommended by the Directors for the year 2001/02. However, the bonus issue of 1 for 5 announced in April 2002 would enhance Shareholder wealth.

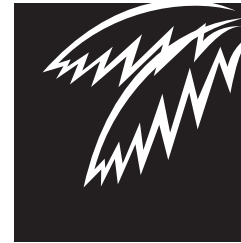
Given the overall status of the industry and the key initiatives undertaken by the Company, we remain confident that shareholders will enjoy attractive returns in the medium to long-term.

On behalf of the Board, I would like to express my appreciation of the continued effort and commitment of all employees both in Malaysia and in Sri Lanka. I also wish to thank our shareholders, business associates, financial institutions and relevant authorities for their confidence placed in the Company and co-operation extended to us as always.

Mano Selvanathan
Chairman

Colombo, 10th May, 2002.

Review of Operations



MALAYSIAN PRODUCTION

Palm oil production in Malaysia continued to increase with 11.8 mn tonnes of Crude Palm Oil (CPO) being produced in the year 2001, a growth of approximately 960,000 tonnes compared with the previous year. This was mainly as a result of increase in mature area in Sabah where CPO yields increased to slightly more than 5.1 metric tonnes per hectare, which compare very favourably with 3.7 metric tonnes per hectare in West Malaysia.

Price

CPO prices, though significantly higher than the fourteen year low of RM 697/- per tonne recorded in February 2001, has been trading within a narrow range over the past six months. The prevailing high levels of stock have been the primary factor for the lackluster performance of CPO prices. An analysis of stock levels indicated that stocks have remained consistently above one million tonnes from June 2000 except for July and August 2001. The absence of any positive signal from the two biggest buyers China and India has also dampened prices. China has allocated a quota of 2.4 mn tonnes for import of palm oil but no permits have been issued as yet. India which at present has a discriminatory tariff structure which favours soya oil is enjoying an increase in its domestic oil seed production. In addition, as a result of a more efficient supply chain, India is now in a position to operate on a much tighter stock - usage ratio.

GOVERNMENT INITIATIVES

Since the oil palm industry plays an important role in the Malaysian economy and provides the sole livelihood for more than 400,000 smallholders, the Government has taken various measures to stabilise and improve palm oil prices. Amongst the measures implemented over the past two years are the replanting incentive of RM 1,000/- per hectare, the burning of CPO as an alternative fuel in power generation plants and other related industries, the abolition of export tax on semi-processed palm oil

products and the granting of duty exemption for export of CPO on a selective basis. Palm oil counter trade arrangements with certain parties are still progressing and some agreements have been reached with new parties in 2001.

ESTATE PERFORMANCE

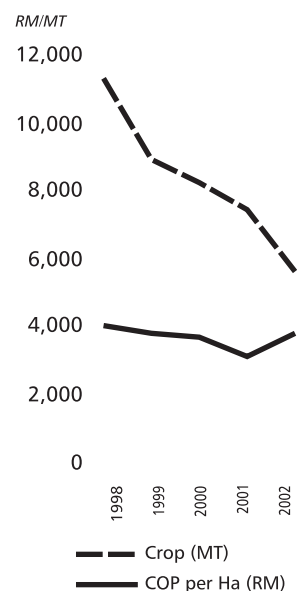
Plantation

An area of 367.19 hectares was mature as at the end of the financial year.

Crop and Yield

The crop production for the year was 5,625 metric tonnes compared with 7,478 metric tonnes in the previous year. This reflects a yield per hectare of 15.16 metric tonnes (2001 - 17.67 metric tonnes). This substantial drop in yield is attributable to the Ganoderma Infestation, which reduced the stand per hectare of the plantation.

CROP VS COP PER HA

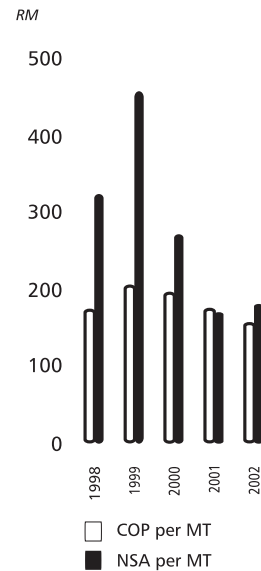




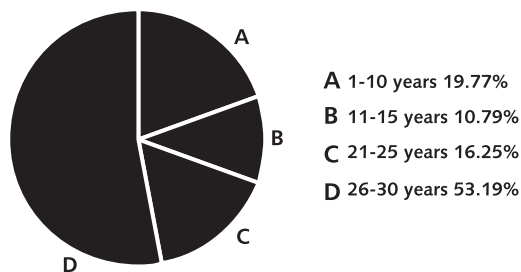
Replanting

Low CPO prices in the past two years once again highlighted the importance of securing higher yields, which can be achieved only by replanting the older fields with high yielding new clones. The Company had to scale down replanting in FY 2001/2002 due to the extremely low CPO prices. However, the replanting programme has been reviewed and replanting will be back on track in FY 2002/2003. At present, although nearly 54% of the plantation is over 25 years old, we are planning to have the entire planted area to be aged below 20 years by FY 2006/2007. Based on the current replanting programme of the Company an average yield of 25 tonnes per hectare is forecast, which will be sustainable in the long-term.

COST OF PRODUCTION VS NET SALES AVERAGE



PLANTATION AGE ANALYSIS



Cost of Production (COP) and Net Sales Average (NSA)

The cost of production per tonne of FFB at RM 155/- depicts a 12% reduction compared with RM 176/- recorded in the preceding financial year. This is mainly due to the continuation of the stringent cost control measures introduced in the previous financial year and reduced fertilizer cost incurred during the current year.

The NSA per tonne of FFB for the year was RM 180, which reflects a 7% increase over RM 168/- recorded in the previous year.

Labour Situation

All plantations in Malaysia continue to face the situation of chronic labour shortage. Most plantations are to a larger extent dependent on foreign workers mainly from Indonesia for field work, especially harvesting. During the year the Government tightened regulation on foreign labour whereby work permits were granted only for a maximum of five years as against the previous period of seven years. This has resulted in loss of skilled workers at a time when the industry is emphasizing on productivity and cost control. Replacement of these workers from overseas is both costly and time consuming and there would be a learning curve to be encountered. Sourcing local workers is difficult and would also require additional infrastructure costs such as family housing and other necessary amenities.

INVESTMENT PORTFOLIO

The Carsons Group, carried out a major realignment exercise of the investment portfolios held by a number of Group companies during the period under review. The main objective of the exercise was to eliminate cross-holdings thus enabling each company within the Carsons Group to concentrate on its core activities. Consequent to the



realignment, Company's long-term investment portfolio consisted of holdings in The Shalimar (Malay) Estate Co. Limited and Shalimar Developments Sdn. Bhd., in line with its plantation sector focus. Further, your Company divested their investments in Nuwara Eliya Holdings Plc and Equity Three (Pvt) Ltd. in entirety during the year.

FINANCIAL RESULTS

Revenue

Revenue of the Company decreased by 23% to Rs. 27.08 mn during the year under review, compared to Rs. 35.43 mn recorded in the preceding year.

Profitability

Other operating income of the Company has gone up substantially during the year under review due to extraordinary profits from realignment of the Group investment portfolio. As a result the operating profit of your Company, after charging all expenses including finance charges, has increased by 1,144% to Rs. 120.56 mn during the year compared with Rs. 9.69 mn achieved in the preceding year. The post-tax profit for the year was Rs. 120.83 mn compared to Rs. 9.86 mn in the preceding year. The Company was not liable for income tax during the year and in the previous year due to the tax losses.

INDONESIAN PROJECT

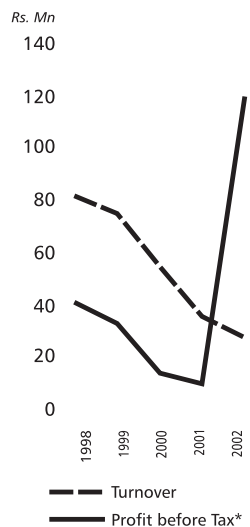
The Indonesian venture in which the Company is a co-promoter showed good progress during the year. Commercial production of CPO and Palm Kernel (PK) commenced in April 2001 and during the financial year the Indonesian Company, PT Agro Indomas produced and shipped out more than 26,000 tonnes of CPO and approximately 3,000 tonnes of PK. The total value of the palm products shipped is US\$ 7.20 mn. Due to the advantageous location of the plantation, it has been possible to ship out CPO direct from the estate to Jakarta using barges. However, during the dry season low water levels prevent barge transport with Company compelled to use land transport incurring an additional US\$ 10 per tonne. PK is shipped from the nearest port, Sampit. The Company's oil mill, which was commissioned in November 2001, is now operating at its rated capacity.

The Company was able to sell their CPO at an average of US\$ 275 per tonne during the year under review. This average is below the present selling price of US\$ 310 per tonne, mainly due to very low prices which prevailed during the first six months of the year. Presently the Company's CPO extraction rate is 23% and PK extraction rate is 3.50%. These rates are slightly above industry levels.

It is also interesting to note that Indonesia is coming out of the economic crisis they were in for the past several years. Indonesia took a longer time to recover than the other countries that were affected by the 1997 currency crisis.

Total loan funding from CDC & Rabobank now stands at US\$ 30.5 mn. The 16,000 hectare plantation which has over 5,000 hectares mature at present is expected to be self-financing in the FY 2002/2003 with mature hectareage increasing to 10,000 hectares by March 2003.

TURNOVER VS PROFIT BEFORE TAX



* Profit on disposal of share of Rs.115.17 mn is included under other income



The Company carried out a revaluation of its Indonesian property by an independent professional valuer, PT Heburinas Nusantara, (associated with CB Richard Ellis, USA) as at 31st March, 2002. The value attributed of US\$ 49.8 mn, was much higher than its cost as at that date.

All the assets of the Company except for land and palms have been fully insured. However, the extension clause to cover terrorism and sabotage, which was there previously, has now been excluded by the insurers after the September 11 calamity in USA. Further the time excess for business interruption is now increased from 3 days to 30 days.

Your Directors have appointed KPMG Malaysia as their Internal Auditors for all the plantation companies in Malaysia and Indonesia. The value added Internal Audit will cover "Business process analysis, Risk assessments, Internal audit and Improvement opportunities".

Further your Directors have taken steps to appoint an Audit Committee headed by Mr. Tilak de Zoysa - Chairman, Carson Cumberbatch & Co. Limited. A clear statement of duties and responsibilities has been drawn up in the Audit Committee Charter, empowering the Audit Committee to act in line with the developments taking place in the corporate governance environment.

As the development stage of the Indonesian project is over, the Company is now concentrating on the cost efficiencies and productivity improvements in order to be competitive and face challenges of the future, since the commodity price is market based.

As one step towards this end, your Directors have evaluated and selected a computer package, which could handle the plantation operations, finance and the consolidated plantation MIS across all the plantations. The selected Enterprise Resource Planning (ERP) solution will be implemented in all the plantation companies of the Carsons Group.

FUTURE OUTLOOK

The world market prices for CPO does not indicate any upward trend in the short-term. Malaysia and Indonesia together are expected to increase output by at least 500,000 tonnes in the year 2002 with most of the increase coming from Indonesia. However, the long-term view of the industry still remain bright as yield is expected to increase due to replanting in West Malaysia and higher yielding areas coming into maturity in East Malaysia and Indonesia. This, coupled with the productivity gains expected due to mechanisation will make palm oil more competitive against its major rivals. It should also be highlighted that the potential yield per hectare indicated through research is significantly higher than the actual yield being achieved at present by plantations.

We are confident that even at current prices the profitability of the Company will be on an upward trend in the future. Based on these considerations, the prospects for improved shareholder returns remain attractive.

Carsons Management Services (Pvt) Limited.
Managers

Colombo, 10th May, 2002.

Report of the Directors



The Directors are pleased to submit their Report for the year ended 31st March, 2002 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 describes 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 continue 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>	2002	2001
	Rs.	Rs.
The profit available for appropriation is	137,294,030	26,360,256
From which the following appropriations have been made:		
Preference dividend of 16.5% (2001 - 16.5%)	(9,900,000)	(9,900,000)
Leaving a balance to be carried forward of	127,394,030	16,460,256

RESERVES

Total reserves of the Company stood at Rs. 1,068.96 mn (2001 - Rs. 958.03 mn) comprising capital reserves of Rs. 833.52 mn and revenue reserve of Rs. 235.44 mn. The movements are shown in the statement of changes in Equity given on page 17 to these Financial Statements.

CAPITAL EXPENDITURE AND INVESTMENTS

The total expenditure on acquisition of Property, Plant & Equipment during the year amounted to Rs. 10.00 mn (2001 - Rs. 7.50 mn). Purchase of investments during the year amounted to Rs. 265.14 mn (2001 - Nil).

The movement in Property, Plant & Equipment and investments during the year are set out in Notes 9 and 10 to these Financial Statements respectively.

VALUE OF THE PROPERTIES

The market value of land owned by the Company in Sri Lanka and in Malaysia is included in these Financial Statements at Rs. 102.52 mn and Rs. 647.87 mn respectively, based on valuations carried out by independent Qualified Valuers.

VALUE OF THE INVESTMENT PORTFOLIO

The market value of the Company's Investment portfolio as at 31st March, 2002 was Rs. 335.20 mn (2001 - Rs. 294.36 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, 2002 (2001 - 36). All employees are employed in Malaysia.

DIVIDENDS

Your Directors do not recommend any dividend on ordinary shares for the year ended 31st March, 2002.

A preference dividend of 16.5% per annum on redeemable cumulative preference shares was paid on 30th September, 2001 and 31st March, 2002 (2001 - 16.5%).



DIRECTORATE

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

In terms of Articles 87 and 88 of the Articles of Association, Mr. C. F. Fernando retires by rotation from the Board, but being eligible offers himself for re-election.

DIRECTORS' INTERESTS IN CONTRACTS AND SHARES

Directors' interests in contracts of the Company are disclosed in Note 25 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 2002	No. of Shares 2001
M. Selvanathan	300	300
H. Selvanathan	300	300
W. Unamboowe	50	50
C. F. Fernando	25,800	25,800
I. Paulraj	75	75

AUDIT AND COMPLIANCE COMMITTEE

An Audit and Compliance Committee comprising of following members was appointed with effect from 1st April, 2002.

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

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

Mr. D. C. R. Gunawadena, *Director - Carson Cumberbatch & Co. Limited.*

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the Balance Sheet date no circumstances have arisen which would require adjustment to or disclosure in these Financial Statements other than those disclosed in Note 22 to these Financial Statements.

SUBSTANTIAL SHAREHOLDINGS

The substantial shareholdings of the Company have been disclosed in Note 4 of the Information to the Shareholders and Investors. As at 31st March, 2002 the Company had 147 ordinary shareholders (2001 - 146), 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 3 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, 10th May, 2002

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 and 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 system 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 operation 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, 10th May, 2002

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Report of the Auditors



TO THE MEMBERS OF THE SELINSING COMPANY LIMITED

We have examined the Balance Sheet of The Selinsing Company Limited as at 31st March, 2002, 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 15 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 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, 2002 and to the best of our information and according to the explanations given to us, the said Balance Sheet and related Statements of Income, Changes in Equity 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, 2002 and of its profit, changes in equity and cash flows for the year then ended.

In our opinion the Consolidated Income Statement 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 profits for the year ended 31st March, 2002 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, 2002 except as stated in Note 25 to these Financial Statements.

Sgd.

KPMG Ford, Rhodes, Thornton & Company
Chartered Accountants

Colombo, 10th May, 2002



Income Statements

For the year ended 31st March	Note	Company		Group	
		2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.
Revenue	1	27,083,714	35,425,095	30,306,352	41,697,354
Direct operating costs		(16,670,971)	(22,590,890)	(18,533,725)	(26,418,130)
Gross profit		10,412,743	12,834,205	11,772,627	15,279,224
Other operating income	2	117,445,594	4,523,963	96,220,000	11,555,446
		127,858,337	17,358,168	107,992,627	26,834,670
Administrative expenses		(5,479,501)	(6,761,452)	(6,948,245)	(9,021,925)
Profit from operations	3	122,378,836	10,596,716	101,044,382	17,812,745
Finance costs	4	(1,822,298)	(908,687)	(2,342,286)	(1,808,834)
Profit from operations after finance costs		120,556,538	9,688,029	98,702,096	16,003,911
Loss on disposal on subsidiaries		-	-	(48,450,993)	-
Share of associate company's profit before taxation	5	-	-	198,552	255,820
Profit before taxation		120,556,538	9,688,029	50,449,655	16,259,731
Taxation	6	277,236	174,562	258,020	(167,373)
Profit after taxation		120,833,774	9,862,591	50,707,675	16,092,358
Unappropriated profit brought forward		16,460,256	16,497,665	58,051,648	51,859,290
Profit available for appropriation		137,294,030	26,360,256	108,759,323	67,951,648
Appropriations:					
Preference Dividend		9,900,000	9,900,000	9,900,000	9,900,000
Retained in the business		127,394,030	16,460,256	98,859,323	58,051,648
		137,294,030	26,360,256	108,759,323	67,951,648
Earnings/(loss) per ordinary share	7	34.53	(0.01)	12.70	1.93
Dividend per ordinary share		-	-	-	-

The Accounting Policies and Notes from pages 19 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Balance Sheets



<i>As at 31st March</i>		Company		Group
	Note	2002 Rs.	2001 Rs.	2001 Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	9	778,681,379	769,225,352	817,334,137
Investment in subsidiaries	10	-	50,723,711	-
Investment in associates	10	-	68,840,828	167,098,370
Long-term investments	10	334,023,108	132,961,326	132,961,326
Amounts due from related company	12	42,851,534	13,078,793	13,078,793
		1,155,556,021	1,034,830,010	1,130,472,626
Current Assets				
Inventories		1,765,003	1,448,564	1,448,564
Debtors and other receivables	11	2,765,493	1,438,094	3,817,033
Amounts due from related companies	12	-	15,702,982	15,702,982
Taxation recoverable		1,911,509	1,114,827	1,144,859
Short-term investments	10	4,195,461	2,613,092	3,264,897
Short-term deposits		1,378,467	529,874	529,874
Bank and cash balances		1,449,049	893,071	6,099,277
		13,464,982	23,740,504	32,007,486
Total assets		1,169,021,003	1,058,570,514	1,162,480,112
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	13	92,130,000	92,130,000	92,130,000
Capital reserves	14	833,524,211	833,524,211	833,524,211
Revenue reserve	15	235,439,333	124,505,559	221,394,027
		1,161,093,544	1,050,159,770	1,147,048,238
Non-Current Liabilities				
Deferred taxation	16	-	182,470	443,006
Current Liabilities				
Creditors and accruals	17	6,388,331	7,363,163	8,406,913
Amounts due to related companies	18	1,539,128	865,111	865,111
Bank overdraft		-	-	5,716,844
		7,927,459	8,228,274	14,988,868
Total equity and liabilities		1,169,021,003	1,058,570,514	1,162,480,112
Net assets per ordinary share		342.70	308.17	338.33

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

The Accounting Policies and Notes from pages 19 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

D.C.R. Gunawardena
Director

M. Selvanathan
Chairman

I. Paulraj
Director

Carsons Management Services (Pvt) Limited
Colombo, 10th May, 2002



Statements of Changes in Equity

	Share Capital	Capital Redemption Reserve	Capital Accretion Reserve	Other Capital Reserves	Consolidation Reserve	Revenue Reserve	Retained Profits	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Company								
Balance as at 1st April, 2000	32,130,000	60,000,000	638,723,226	43,148,951	-	108,045,303	16,497,665	898,545,145
Profit after taxation	-	-	-	-	-	-	9,862,591	9,862,591
Revaluation	-	-	91,652,034	-	-	-	-	91,652,034
Preference dividend	-	-	-	-	-	-	(9,900,000)	(9,900,000)
Balance as at 31st March, 2001	32,130,000	60,000,000	730,375,260	43,148,951	-	108,045,303	16,460,256	990,159,770
Balance as at 1st April, 2001	32,130,000	60,000,000	730,375,260	43,148,951	-	108,045,303	16,460,256	990,159,770
Profit after taxation	-	-	-	-	-	-	120,833,774	120,833,774
Preference dividend	-	-	-	-	-	-	(9,900,000)	(9,900,000)
Balance as at 31st March, 2002	32,130,000	60,000,000	730,375,260	43,148,951	-	108,045,303	127,394,030	1,101,093,544
Group								
Balance as at 1st April, 2000	32,130,000	60,000,000	638,723,226	43,148,951	6,964,527	158,416,595	51,859,290	991,242,589
Profit after taxation	-	-	-	-	-	-	16,092,358	16,092,358
Transfers	-	-	-	-	(6,964,527)	-	-	(6,964,527)
Gain on foreign exchange fluctuations	-	-	-	-	-	4,925,784	-	4,925,784
Revaluation surplus	-	-	91,652,034	-	-	-	-	91,652,034
Preference dividend	-	-	-	-	-	-	(9,900,000)	(9,900,000)
Balance as at 31st March, 2001	32,130,000	60,000,000	730,375,260	43,148,951	-	163,342,379	58,051,648	1,087,048,238

Preference Share Capital of Rs. 60,000,000/- has not been included in the Statements of Changes in Equity.

The Accounting Policies and Notes from pages 19 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statements



For the year ended 31st March		Company		Group
	Note	2002 Rs.	2001 Rs.	2001 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		120,556,538	9,688,029	16,259,731
Adjustments for:				
Profit on disposal of shares		(115,173,534)	-	-
(Write back)/ provision made for the diminution in carrying value of investments		(1,379,128)	476,383	596,635
Depreciation on Property, Plant & Equipment	9	541,896	590,310	1,495,840
Finance costs	4	1,822,298	908,687	1,808,834
Loss on disposal of Property, Plant & Equipment	2	-	10,392	10,392
Amortization of surplus on acquisition		-	-	(6,964,527)
Forfeited unclaimed dividend	2	(370,405)	-	-
Write back of unclaimed compensation	2	(202,822)	-	-
Dividend re-investment	10	(203,241)	(263,158)	(315,790)
Share of associate company profit	5	-	-	(255,820)
Operating profit before working capital changes		5,591,602	11,410,643	12,635,295
Increase in inventories		(316,439)	(680,267)	(680,267)
(Increase)/decrease in debtors and other receivables		(1,327,399)	330,780	(1,565,252)
Decrease/(increase) in amounts due from related companies		15,702,982	(14,937,871)	(14,937,871)
(Decrease)/increase in creditors and accruals		(381,905)	2,095,516	2,195,430
Increase in amounts due to related companies		674,017	100,000	100,000
Net cash generated from/(used in) operating activities		19,942,858	(1,681,199)	(2,252,665)
Finance costs paid		(1,822,298)	(908,687)	(1,808,834)
Tax paid		(701,916)	(3,220,869)	(3,220,872)
Net cash inflows/(outflows) from operating activities		17,418,644	(5,810,755)	(7,282,371)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of shares		298,814,718	-	-
Purchase of Property, Plant & Equipment	9	(9,997,924)	(7,498,429)	(7,554,517)
Purchase of investments	10	(265,138,426)	-	-
Proceeds from disposal of Property, Plant & Equipment		-	4,346	4,346
Loan given to related company	12	(29,772,741)	(13,078,793)	(13,078,793)
Net cash outflows from investing activities		(6,094,373)	(20,572,876)	(20,628,964)
CASH FLOWS FROM FINANCING ACTIVITIES				
Foreign currency reserves		-	-	221,214
Dividend paid		(9,919,700)	(17,751,496)	(17,751,496)
Net cash outflows from financing activities		(9,919,700)	(17,751,496)	(17,530,282)
Increase/(decrease) in cash and cash equivalents		1,404,571	(44,135,127)	(45,441,617)
Cash and cash equivalents at the beginning of the year		1,422,945	45,558,072	46,353,924
Cash and cash equivalents at the end of the year		2,827,516	1,422,945	912,307
Cash and Cash Equivalents				
Bank and cash balances		1,449,049	893,071	6,099,277
Short-term deposits		1,378,467	529,874	529,874
Bank overdraft		-	-	(5,716,844)
		2,827,516	1,422,945	912,307

The Accounting Policies and Notes from pages 19 to 40 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.



Significant Accounting Policies

1. GENERAL

1.1 Basis of Preparation

The Financial Statements of The Selinsing 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 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 Sri Lanka and in Malaysia as disclosed in Note 9 to the Financial Statements.

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

1.2 Consolidation Policy

(i) *Subsidiaries*

The Financial Statements of the Group represent the consolidation of the Financial Statements of The Selinsing Company Limited, and the following wholly owned subsidiary companies in accordance with Section 150 (1) (a) of the Companies Act, No. 17 of 1982 and the Sri Lanka Accounting Standard No. 26.

- (a) The Nuwara Eliya (Holdings) Plc. (Incorporated in the United Kingdom).
- (b) Nuwara Eliya Tea Estates Company Limited - (Incorporated in the United Kingdom) a fully owned subsidiary of the Nuwara Eliya (Holdings) Plc.
- (c) Equity Three (Pvt) Limited (Incorporated in Sri Lanka).

The Financial Statements of Nuwara Eliya (Holdings) Plc and Nuwara Eliya Tea Estates Company Limited, the subsidiaries of the Company, have been consolidated with the Company based on the draft accounts of 28th February, 2002.

In accordance with SLAS - 26, paragraph 22 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries", the results of operations of the subsidiaries disposed have been included in the Consolidated Income Statement until the date of disposal, which is the date on which the Company ceases to have control over their subsidiaries.

However, comparative Group information has been given in view of the operations of last year.



(ii) Financial Period

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

(iii) Profits and losses

In arriving at the profit attributable to the shareholders of The Selinsing Company Limited, the total profits and losses of the subsidiaries are included in the Consolidated Income Statement after eliminating intra-group transactions.

(iv) Assets and Liabilities

All assets and liabilities of the Company and its subsidiaries are included in the Consolidated Balance Sheet.

(v) Intra-Group Transactions

Intra-group balances and transactions and resulting unrealised profits are eliminated in full in the consolidated financial statements and any unrealised losses resulting from Intra-group transactions are eliminated unless the cost cannot be recovered.

(vi) Goodwill - Subsidiaries

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 amortized to the Income Statement over a period of five (5) years.

The excess of the net assets of the subsidiaries 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

- (1)** Investments in companies where the investor's 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 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 Accounting Policy No. 2.2 below. The income from these investments are recognised only to the extent of dividends received.

(2) 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 in the year in which assets were acquired.



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 in the year in which the assets were acquired.

1.4 Conversion of Foreign Currencies Company

- (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 reporting currency at the rates of exchange prevailing at the dates 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.
- (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.

Group

- (iv) Profits or losses from overseas subsidiaries have been incorporated into the Consolidated Income Statement, by translating the foreign currencies into Sri Lankan Rupees, at average rate.
- (v) The brought forward profits or losses have been incorporated at the local currency amounts disclosed in the corresponding years consolidated Financial Statements.
- (vi) All assets and liabilities have been translated at the rates of exchange prevailing at the Balance Sheet date for the purpose of Group consolidation.

Gains or losses arising therefrom have been accounted for under revenue reserve.

1.5 Taxes on Income

The Group liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act, No. 38 of 2000 and the surcharge on Income Tax Act, No. 6 of 2001, at the rates specified in Note 6 to the Financial Statements. Full consideration is given to the tax laws prevailing in the countries of incorporation and operation.

Liability for taxation of the Company is made after deducting any relief available in terms of the Double Taxation Agreement entered into between the Government of Malaysia and the Government of the Democratic Socialist Republic of 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 property, plant & equipment, which are capitalised as 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 the 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 (iii) below.

(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.

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) 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
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 full year's depreciation is provided in the year of disposal.

(iv) 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.

(v) 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 cost incurred in respect of new planting, replanting, interplanting and crop diversifying including infilling cost of the oil palm plantation are capitalised in accordance with the Sri Lanka Accounting Standard No. 32.

The limited life land development costs are amortized 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

(c) Revaluation of Land

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

2.2 Investments

(i) Classifications

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

(ii) Valuation

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

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 the official valuation is not available the market value is stated at the last transacted price.
- (b) *Units purchased from Unit Trusts* are valued at the manager's buying price as at the Balance Sheet date.
- (c) *Unquoted investments* are stated at cost unless otherwise stated.

2.3 Inventories

Inventories except 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 equivalent comprise of cash at bank 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 dividend paid are classified as financing cash flows for the purpose of presentation of 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.

3.1 Retirement Benefit Costs

(i) Defined Benefit Plans Cost - Gratuity
In the absence of any legislative enactment pertaining to the 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.

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 and Rental Income from Sri Lankan and United Kingdom operations.

4.2 Revenue Recognition

Revenue is matched with the related expenditure and is recognised in accordance with 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 and rental 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 are 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.

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 other segments. Segment information for identifiable operating units of the Group is disclosed in Note 19 to the Financial Statements.

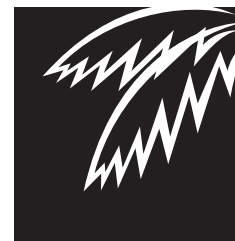
However, Equity Three (Pvt) Limited, Nuwara Eliya (Holdings) Plc and Nuwara Eliya Tea Estates Limited were disposed on 30th September, 2001 and 28th February, 2002 respectively. The respective segmental information of the Group has been presented accordingly.

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

6. RELATED PARTY DISCLOSURES

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



1. REVENUE - GROUP

	%	31st March 2002 Rs.	%	31st March 2001 Rs.
The Selinsing Co. Ltd.	89.37	27,083,714	84.96	35,425,095
Nuwara Eliya (Holdings) Plc. & Nuwara Eliya Tea Estates Co. Ltd.	0.73	222,638	0.65	272,259
Equity Three (Pvt) Ltd.	9.90	3,000,000	14.39	6,000,000
	100.00	30,306,352	100.00	41,697,354
Intra-group transactions	-	-	-	-
	100.00	30,306,352	100.00	41,697,354

REVENUE

	Company		Group	
	31st March 2002 Rs.	31st March 2001 Rs.	31st March 2002 Rs.	31st March 2001 Rs.
Oil Palm:				
Sale of fresh fruit bunches	24,170,842	25,983,456	24,170,842	25,983,456
Investment:				
Dividend income	2,887,406	7,698,556	2,887,406	7,698,556
Interest income	25,466	1,743,083	248,104	2,015,342
Rental Income	-	-	3,000,000	6,000,000
	27,083,714	35,425,095	30,306,352	41,697,354
Intra-group transactions	-	-	-	-
	27,083,714	35,425,095	30,306,352	41,697,354

2. OTHER OPERATING INCOME

Profit on disposal of shares	115,173,534	-	93,897,245	-
Surplus on revaluation of foreign currency operations	157,803	3,711,580	157,803	3,711,580
Sundry income	161,902	822,775	212,597	889,731
Loss on disposal of Property, Plant & Equipment	-	(10,392)	-	(10,392)
Write back of unclaimed compensation	202,822	-	202,822	-
Write back of provision made for the diminution in carrying value of investments	1,379,128	-	1,379,128	-
Forfeited unclaimed dividend	370,405	-	370,405	-
Amortization of surplus on acquisition	-	-	-	6,964,527
	117,445,594	4,523,963	96,220,000	11,555,446



3. PROFIT FROM OPERATIONS

	Company		Group	
	31st March 2002 Rs.	31st March 2001 Rs.	31st March 2002 Rs.	31st March 2001 Rs.
Profit from operations is stated after charging all expenses including the following:				
Depreciation	541,896	590,310	977,629	1,495,840
Management and Secretarial fees	461,798	454,191	625,481	815,343
Auditors' remuneration	451,673	387,136	1,042,476	845,962
Provision for diminution in carrying value of investments	-	476,383	-	596,635
Personnel cost (Note 3.1)	7,459,483	10,168,830	7,459,483	10,168,830

3.1 Personnel Costs

Salaries, wages and other staff related expenses	7,067,142	9,567,663	7,067,142	9,567,663
Defined contribution plans - EPF	392,341	601,167	392,341	601,167
	7,459,483	10,168,830	7,459,483	10,168,830
The above includes:				
Directors' emoluments	-	-	-	-
Directors' fees	60,000	60,000	60,000	60,000
	60,000	60,000	60,000	60,000

4. FINANCE COSTS

On Loan from related company	1,822,298	908,687	2,342,286	1,808,834
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5. SHARE OF ASSOCIATE COMPANY PROFITS

	Profit before Taxation 2002 Rs.	Share of Profit before Tax 2002 Rs.	Share of Profit before Tax 2001 Rs.
Shalimar Developments Sdn. Bhd.	660,958	198,552	255,820



	Company		Group	
	31st March 2002 Rs.	31st March 2001 Rs.	31st March 2002 Rs.	31st March 2001 Rs.
6. TAXATION				
6.1 Current Income Tax				
Provision for the year (Note 6.2)	3,983,259	–	3,983,259	–
Refund due/over provision in respect of previous years	(4,061,232)	(37,710)	(4,091,225)	(37,710)
Share of associate Company tax	–	–	49,209	81,399
Deferred Income Tax				
Equity Three (Pvt) Limited	–	–	–	260,536
Transfer from deferred tax	(199,263)	(136,852)	(199,263)	(136,852)
	(277,236)	(174,562)	(258,020)	167,373

	Company	
	31st March 2002 Rs.	31st March 2001 Rs.
6.2 Reconciliation of Accounting Profit with Taxable Profits		
Profit before taxation	120,556,538	9,688,029
Aggregate exempt profits, dividends, FCBU interest, etc.	(79,513,059)	(9,441,639)
Aggregate tax allowable expenditure	(11,517,400)	(7,859,286)
Aggregate tax disallowable expenditure	659,040	1,200,705
Tax losses available	(11,217,220)	(4,805,029)
	18,967,899	(11,217,220)
Tax payable:		
Ordinary activities - on plantation income @ 15%	–	–
Capital gains @ 17.5%	3,319,383	–
Surcharge thereon @ 20%	663,876	–
	3,983,259	–
Tax payable in Malaysia	–	–
Total tax charge	3,983,259	–

The provision for taxation for the year ended 31st March, 2002 on profits from plantation activities is based on the tax payable in Malaysia @ 28%, as this is higher than the Sri Lankan tax payable @ 15%. However, during the current year there is no tax liability in Malaysia due to the available tax losses.

6.3 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 relating to plantation activities reflects tax incurred in Malaysia.

Capital Gain is chargeable to income tax at 17.5%.

Other sources are subject to tax at the rate of 35%.



6. TAXATION (Contd.)

6.3 Taxation of Profits (contd.)

- (b) The Company does not qualify to claim the 5% tax credit afforded by Section 42 of the Inland Revenue Act, No. 38 of 2000, as it did not have a minimum of 300 persons registered as shareholders throughout the year.
- (c) During the year 2001/02 the Company was chargeable to a 20% surcharge on income tax. However, taxable profits accruing from plantation activities were not subject to the surcharge.
- (d) In terms of the double tax agreement entered into between Malaysia and Sri Lanka, the Company is entitled to claim credit for tax paid in Malaysia against tax that is payable in Sri Lanka.

6.4 Dividends

- (a) The Company is required to withhold and pay dividend tax at 15% on taxable dividends distributed to non-resident shareholders. No dividend tax is payable on distributions made to resident shareholders.

As per the budget proposals, dividend distributions out of taxable profits made on or after 1st April ,2002 will be subject to a 10% withholding tax at source.

- (b) The Company is liable to pay Advance Company Tax (ACT) at 54% on every qualifying distribution. The ACT paid can be set-off in full against income tax payable in that year and unclaimed ACT can be set-off against the tax payable in subsequent years until fully absorbed.

No ACT is payable on distributions made out of profits derived in Malaysia on which double tax credit is available.

Budget proposals for 2002, seek to withdraw ACT with effect from the 1st April, 2002.

7. EARNINGS PER ORDINARY SHARE

The Company's and Group's Earnings/(loss) Per Share of Rs. 34.53 and Rs. 12.70 [2001 - Rs. (0.01) and Rs. 1.93] is calculated on the profit after taxation and preference dividend over the number of ordinary shares in issue as at the Balance Sheet date.

The following reflects the income and share data used for the computation of Earnings Per Share:

	Company		Group	
	31st March 2002 Rs.	31st March 2001 Rs.	31st March 2002 Rs.	31st March 2001 Rs.
Amount used as the Numerator:				
Net profit after taxation	120,833,774	9,862,591	50,707,675	16,092,358
Less:				
Dividend on Redeemable Preference Shares	(9,900,000)	(9,900,000)	(9,900,000)	(9,900,000)
Net profit/(loss) attributable to Ordinary Shareholders	110,933,774	(37,409)	40,807,675	6,192,358
Number of Ordinary Shares used as the Denominator	3,213,000	3,213,000	3,213,000	3,213,000



8. FOREIGN CURRENCY TRANSLATIONS

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

	Closing Rate	
	Year ended 31st March 2002 Rs.	Year ended 31st March 2001 Rs.
Malaysian Ringgit	24.91	22.81
Sterling Pound	134.26	123.14
US Dollar	94.65	86.67

9. PROPERTY, PLANT & EQUIPMENT

9.1 Company

	Sri Lanka	Malaysia							Total as at 31st March 2002 Rs.	Total as at 31st March 2001 Rs.
	Freehold Land Rs.	Immature Plantation Rs.	Mature Plantation Rs.	Freehold Land Rs.	Freehold Buildings Rs.	Plant & Machinery Rs.	Equipment Rs.	Motor Vehicles Rs.		
Cost/Valuation										
Beginning of the year	102,240,000	9,891,803	7,142,941	647,868,384	4,400,527	836,370	2,530,281	5,097,349	780,007,655	682,361,653
Revaluation surplus	-	-	-	-	-	-	-	-	-	91,652,034
Additions	283,919	9,714,005	-	-	-	-	-	-	9,997,924	7,498,429
Disposals	-	-	-	-	-	(177,858)	-	-	(177,858)	(1,504,461)
End of the year	102,523,919	19,605,808	7,142,941	647,868,384	4,400,527	658,512	2,530,281	5,097,349	789,827,721	780,007,655
Depreciation										
Beginning of the year	-	-	-	-	3,416,828	476,453	1,791,674	5,097,348	10,782,303	11,681,717
Charge for the year	-	-	238,098	-	117,544	64,314	121,940	-	541,896	590,310
Disposals	-	-	-	-	-	(177,857)	-	-	(177,857)	(1,489,724)
End of the year	-	-	238,098	-	3,534,372	362,910	1,913,614	5,097,348	11,146,342	10,782,303
Net Book Value										
As at 31st March, 2002	102,523,919	19,605,808	6,904,843	647,868,384	866,155	295,602	616,667	1	778,681,379	
As at 31st March, 2001	102,240,000	9,692,658	7,142,941	647,868,384	983,699	359,917	738,607	1		769,225,352

Mature Plantation

Year of Planting	Area - Ha.	Cost - Rs.
1997/98	42.58	7,142,941

- i) The carrying value of the freehold land, if the assets were carried at historical cost would be Rs. 11,726,395/-.
- ii) Property, Plant & Equipment includes fully depreciated assets at historical cost of Rs. 9,713,563/- (2001 - Rs. 8,894,978/-)
- 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. 681,174,544/- as at 31.03.1998, on an existing use basis by an independent valuer, W M Malik Kamaruzuman, Chartered Surveyor & Valuer of Malaysia and incorporated into these Financial Statements. However an amount of Rs. 33,306,160/-, which is the revaluation attributable to the palm trees was reversed as at 31st March, 2000.



9. PROPERTY, PLANT & EQUIPMENT (Contd.)

- v) The total surplus over the book value has been credited to the Capital Accretion Reserve and included under Capital Reserves.
- vi) The freehold land in Sri Lanka was revalued at Rs. 102,240,000/- as at 31.03.2001 by an independent valuer, A.Y. Daniel & Son and incorporated into these Financial Statements.
- vii) The tax effect in connection with the surplus arising on the revaluation of freehold land in Malaysia and in Sri Lanka of approximately Rs. 46,278,878/- and Rs. 13,747,805/- (2001 - Rs. 42,380,980/- and Rs. 13,747,805/-) respectively, has not been provided out of the revaluation surplus credited to the capital accretion reserve, as there is no intention to dispose of the revalued property in the foreseeable future.

The budget proposals for 2002, seek to abolish income tax on capital gain. Date of proposed withdrawal has not been specified.

viii) Immature Plantation - Replanting and Immature Maintenance Costs Analysis

Year of Planting	Cost - Rs.			Total
	30.01 Ha.	55.38 Ha.	63.12 Ha.	
1999/00	2,549,716	-	-	2,549,716
2000/01	1,598,678	5,743,409	-	7,342,087
2001/02	1,573,151	2,920,244	5,220,610	9,714,005
Total				19,605,808

- ix) Depreciation commences three (3) years after capitalising limited life land development cost.

9.2 Group

	Freehold Land	Immature Plantation	Mature Plantation	Freehold Buildings	Plant & Machinery	Equipment	Motor Vehicles	Total as at 31st March 2001
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/Valuation								
End of the year	764,478,344	9,891,803	7,142,941	40,922,943	5,405,786	5,439,523	5,097,349	838,378,689
Depreciation								
End of the year	-	-	-	9,267,759	2,873,038	3,806,407	5,097,348	21,044,552
Net Book Value								
As at 31st March, 2001	764,478,344	9,891,803	7,142,941	31,655,184	2,532,748	1,633,116	1	817,334,137



10. INVESTMENTS

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

	Unquoted Investments Subsidiary Rs.	Quoted Investments Related Rs.	Unquoted Investments Related/others Rs.	Short-Term Investments Rs.	Total as at 31st March 2002 Rs.	Total as at 31st March 2001 Rs.
Beginning of the year (cost)	50,723,711	110,420,529	91,381,625	5,543,157	258,069,022	257,805,864
Additions	-	265,138,426	-	-	265,138,426	-
Dividend re-investment	-	-	-	203,241	203,241	263,158
Disposals	(50,723,711)	(110,420,529)	(22,496,943)	-	(183,641,183)	-
Provision for diminution in carrying value	-	-	-	(1,550,937)	(1,550,937)	(2,930,065)
End of the year	-	265,138,426	68,884,682	4,195,461	338,218,569	255,138,957

10.2 Holdings in Subsidiaries

Details of subsidiary companies which were consolidated up to the date of disposal and as at 31st March, 2001 with the Company are stated below:

Name of Company	Effective Holding	Description of Business
Nuwara Eliya (Holdings) Plc. (Divested on 28th February, 2002)	100%	Managing and holding an investment portfolio
Nuwara Eliya Tea Estates Co. Ltd. (Divested on 28th February, 2002)	100%	Managing and holding an investment portfolio
Equity Three (Pvt) Ltd. (Divested on 30th September, 2001)	100%	Letting of office space

10.3 Investment Portfolio - Company

	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.	No. of Shares	Cost as at 31st March 2001 RS.	Market Value/ Valuation as at 31st March 2001 Rs.
(1) LONG-TERM INVESTMENTS						
(A) INVESTMENT IN SUBSIDIARIES						
Unquoted*						
Equity Three (Pvt) Ltd.	-	-	-	4,200,000	42,000,000	42,000,000
Nuwara Eliya (Holdings) Plc.	-	-	-	722,079	8,723,711	8,723,711
TOTAL INVESTMENT IN SUBSIDIARIES		-	-		50,723,711	50,723,711
(B) INVESTMENT IN ASSOCIATES						
Unquoted*						
Shalimar Developments Sdn. Bhd.	-	-	-	417,697	68,840,828	68,840,828
TOTAL INVESTMENT IN ASSOCIATES		-	-		68,840,828	68,840,828

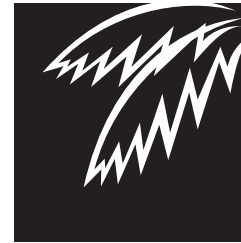


10. INVESTMENTS (Contd.)

10.3 Investment Portfolio - Company (Contd.)

	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.	No. of Shares	Cost as at 31st March 2001 Rs.	Market Value/ Valuation as at 31st March 2001 Rs.
(C) OTHER INVESTMENTS						
QUOTED INVESTMENTS - RELATED						
Hotels & Travels						
Pegasus Hotels of Ceylon Ltd.	-	-	-	1,392,480	6,902,788	6,962,400
Oil Palm						
The Indo-Malay Estates Ltd.	-	-	-	112,578	9,833,168	35,462,070
The Good Hope Co Ltd.	-	-	-	10,800	1,004,850	2,052,000
The Shalimar (Malay) Estates Co. Ltd.	344,900	265,138,426	262,124,000	-	-	-
Land & Property						
Equity One Ltd.	-	-	-	284,466	2,971,410	3,982,524
Beverage, Food & Tobacco						
The Ceylon Brewery Ltd.	-	-	-	2,238,059	62,693,754	43,642,151
Diversified						
Carson Cumberbatch & Co. Ltd.	-	-	-	36,600	5,708,239	43,920,000
Investment Trust						
The Ceylon Guardian Investment Trust Ltd.	-	-	-	160,232	21,301,246	13,619,720
The Ceylon Investment Co. Ltd.	-	-	-	100	5,074	3,125
TOTAL INVESTMENTS IN QUOTED RELATED COMPANIES		265,138,426	262,124,000		110,420,529	149,643,990
UNQUOTED INVESTMENTS - RELATED*						
Ordinary Shares						
Equity Five Ltd.	-	-	-	281,250	5,203,125	5,203,125
Equity Seven Ltd.	-	-	-	408,984	7,566,218	7,566,218
Federal Securities (Pvt.) Ltd.	-	-	-	961,595	9,615,950	9,615,950
Shalimar Development Sdn. Bhd (Note 10.4)	417,697	68,840,828	68,840,828	-	-	-
UNQUOTED INVESTMENT - OTHER						
Golden Hope Plantation Bhd	10,630	43,854	43,854	10,630	43,854	43,854
TOTAL INVESTMENTS IN UNQUOTED RELATED/OTHER COMPANIES		68,884,682	68,884,682		22,429,147	22,429,147
Preference Shares						
The Ceylon Guardian Investment Trust Ltd.	-	-	-	10,000	111,650	111,650
TOTAL UNQUOTED INVESTMENTS		68,884,682	68,884,682		22,540,797	22,540,797
TOTAL OTHER INVESTMENTS		334,023,108	331,008,682		132,961,326	172,184,787

The investment in Shalimar Developments Sdn. Bhd. has been reclassified under unquoted investments - Related, consequent to the disposal of its subsidiary Nuwara Eliya Holdings Plc.



10. INVESTMENTS (Contd.)

10.3 Investment Portfolio - Company (Contd.)

	No. of Shares	Cost as at 31st March 2002 Rs.	Market Value/ Valuation as at 31st March 2002 Rs.	No. of Shares	Cost as at 31st March 2001 Rs.	Market Value/ Valuation as at 31st March 2001 Rs.
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(2) SHORT-TERM INVESTMENTS - QUOTED

Unit Trust

Ceybank Unit Trust	628,063	5,746,398	4,195,461	580,688	5,543,157	2,613,092
Provision for diminution in carrying value of investment		(1,550,937)	-		(2,930,065)	-
Total short-term investments		4,195,461	4,195,461		2,613,092	2,613,092
TOTAL INVESTMENT PORTFOLIO		338,218,569	335,204,143		255,138,957	294,362,418

The market value of the Company's investment portfolio has been obtained from the Official Valuation List as at 27th March, 2002 published by the Colombo Stock Exchange.

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

10.4 Company

The Company has invested an amount of Rs. 68,840,828/- in Shalimar Developments Sdn. Bhd., which represents a 17.49% stake of that Company. Further the Company has also advanced a sum of Rs. 42,851,534/- to the latter company (refer Note 12). 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 long-term project are of the view that the historical cost carried is justifiable.

10.5 Movements in Long-Term and Short-Term Investments - Group*

	Unquoted Investments Associate Rs.	Quoted Investments Related Rs.	Unquoted Investments Related Rs.	Short-Term Investments Rs.	Total as at 31st March 2001 Rs.
End of the year - 2001	167,098,370	110,420,529	22,540,797	3,264,897	303,324,593

*The subsidiary companies which were consolidated as at 31st March, 2001 have been disposed during the year.



	Company		Group
	As at 31st March 2002 Rs.	As at 31st March 2001 Rs.	As at 31st March 2001 Rs.
11. DEBTORS AND OTHER RECEIVABLES			
Trade debtors	2,346,566	1,022,217	2,225,427
Deposits and prepayments	418,927	415,877	1,591,606
	2,765,493	1,438,094	3,817,033

12. AMOUNTS DUE FROM RELATED COMPANIES

Current

Shalimar Developments Sdn. Bhd.	-	765,111	765,111
Shalimar (Malay) Estate Co. Ltd.	-	14,937,871	14,937,871
	-	15,702,982	15,702,982

Non-Current

Shalimar Developments Sdn. Bhd. (loan given)	42,851,534	13,078,793	13,078,793
	42,851,534	28,781,775	28,781,775

	Company	
	As at 31st March 2002	As at 31st March 2001

13. SHARE CAPITAL

Authorised:

10,000,000 Ordinary Shares of Rs. 10/- each	100,000,000	100,000,000
20,000,000 Non-Voting 16.5% Redeemable Cumulative Preference Shares of Rs. 10/- each	200,000,000	200,000,000
	300,000,000	300,000,000

Issued and Fully Paid:

Ordinary

3,213,000 Ordinary Shares of Rs. 10/- each	32,130,000	32,130,000
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Preference

6,000,000 Non-Voting 16.5% Redeemable Cumulative Preference Shares of Rs. 10/- each	60,000,000	60,000,000
	92,130,000	92,130,000

The 16.5% redeemable cumulative preference shares subscribed by Carson Cumberbatch & Co. Limited are to be redeemed in four equal semi-annual instalments commencing from 30th September, 2002. Dividend thereon is payable bi-annually.

However, the Company has agreed with the preference shareholder to defer the redemption until 30th September, 2003, at the same rate of preference dividends.



	Company		Group
	As at 31st March 2002 Rs.	As at 31st March 2001 Rs.	As at 31st March 2001 Rs.
14. CAPITAL RESERVES			
Capital accretion reserve	730,375,260	730,375,260	730,375,260
Capital redemption reserve	60,000,000	60,000,000	60,000,000
Other capital reserve	43,148,951	43,148,951	43,148,951
	833,524,211	833,524,211	833,524,211
15. REVENUE RESERVES			
Revenue reserve	108,045,303	108,045,303	108,045,303
Exchange fluctuation reserve	-	-	55,297,076
Retained profits	127,394,030	16,460,256	58,051,648
	235,439,333	124,505,559	221,394,027
Analysis of Retained Profits			
Holding Company	127,394,030	16,460,256	16,460,256
Subsidiaries	-	-	41,416,971
Associate	-	-	174,421
	127,394,030	16,460,256	58,051,648
Exchange Fluctuation Reserve			
Beginning of the year	-	-	50,371,292
Gain on foreign exchange fluctuation	-	-	4,925,784
End of the year	-	-	55,297,076
16. DEFERRED TAXATION			
Beginning of the year	182,470	271,600	271,600
Transfer (to)/from Income Statement	(199,263)	(136,852)	123,684
Exchange gain	16,793	47,722	47,722
End of the year	-	182,470	443,006



	Company		Group
	As at 31st March 2002 Rs.	As at 31st March 2001 Rs.	As at 31st March 2001 Rs.
17. CREDITORS AND ACCRUALS			
Trade creditors	4,164,344	4,577,737	4,848,787
Accrued expenses	1,026,084	994,596	1,767,296
Unclaimed dividend	1,197,903	1,588,008	1,588,008
Unclaimed compensation	-	202,822	202,822
	6,388,331	7,363,163	8,406,913

18. AMOUNTS DUE TO RELATED COMPANIES

Carson Cumberbatch & Co. Ltd.	1,539,128	100,000	100,000
Shalimar Developments Sdn. Bhd.	-	765,111	765,111
	1,539,128	865,111	865,111

19. SEGMENTAL REPORTING

Industry

	Oil Palm		Investments		Property Development		Intra-Group Transactions		Company/Group	
	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.
REVENUE										
External revenue	24,170,842	25,983,456	3,135,510	9,713,898	3,000,000	6,000,000	-	-	30,306,352	41,697,354
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
	24,170,842	25,983,456	3,135,510	9,713,898	3,000,000	6,000,000	-	-	30,306,352	41,697,354
RESULT										
Segment result	3,511,921	(954,710)	48,153,570	10,424,598	927,898	1,378,330	-	-	52,593,389	10,848,218
Finance costs	-	-	(1,822,298)	(908,688)	(519,988)	(900,146)	-	-	(2,342,286)	(1,808,834)
Taxation	246,224	174,562	11,796	(81,399)	-	(260,536)	-	-	258,020	(167,373)
Amortization of surplus on acquisition	-	-	-	-	-	-	-	-	-	6,964,527
Associate Company share of profit	-	-	198,552	255,820	-	-	-	-	198,552	255,820
	3,758,145	(780,148)	46,541,620	9,690,331	407,910	217,648	-	-	50,707,675	16,092,358
OTHER INFORMATION										
Segment assets	683,224,489	671,826,597	485,796,514	490,191,686	-	51,185,540	-	(50,723,711)	1,169,021,003	1,162,480,112
Segment liabilities	4,194,421	5,565,619	3,733,038	3,500,469	-	6,365,786	-	-	7,927,459	15,431,874
Capital expenditure	9,714,005	7,398,429	283,919	100,000	-	56,088	-	-	9,997,924	7,554,517
Depreciation	541,896	590,310	-	-	-	905,530	-	-	541,896	1,495,840
Unallocated non-cash expenses	-	-	-	-	-	-	-	-	-	6,964,527



19. SEGMENTAL REPORTING (Contd.)

Geographical

	Malaysia		Sri Lanka		United Kingdom		Intra-Group Transactions		Company/Group	
	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.	2002 Rs.	2001 Rs.
REVENUE										
External revenue	24,170,842	25,983,456	5,912,872	15,441,639	222,638	272,259	-	-	30,306,352	41,697,354
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
	24,170,842	25,983,456	5,912,872	15,441,639	222,638	272,259	-	-	30,306,352	41,697,354
RESULT										
Segment result	3,511,921	(954,710)	50,037,538	12,929,755	(956,070)	(1,126,827)	-	-	52,593,389	10,848,218
Finance costs	-	-	(2,342,286)	(1,808,834)	-	-	-	-	(2,342,286)	(1,808,834)
Taxation	246,224	93,163	11,796	(260,536)	-	-	-	-	258,020	(167,373)
Amortization of surplus on acquisition	-	-	-	-	-	-	-	-	-	6,964,527
Associate Company share of profit	198,552	255,820	-	-	-	-	-	-	198,552	255,820
	3,956,697	(605,727)	47,707,048	10,860,385	(956,070)	(1,126,827)	-	-	50,707,675	16,092,358
OTHER INFORMATION										
Segment assets	683,224,489	671,826,597	485,796,514	444,447,880	-	96,929,346	-	(50,723,711)	1,169,021,003	1,162,480,112
Segment liabilities	4,194,421	5,565,619	3,733,038	9,210,911	-	655,344	-	-	7,927,459	15,431,874
Capital expenditure	9,714,005	7,398,429	283,919	156,088	-	-	-	-	9,997,924	7,554,517
Depreciation	541,896	590,310	-	905,530	-	-	-	-	541,896	1,495,840
Unallocated non-cash expenses	-	-	-	-	-	-	-	-	-	6,964,527

20. RESTATEMENT OF COMPARATIVE FIGURES

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

21. CONTRACTS FOR CAPITAL EXPENDITURE

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

22. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

A bonus issue of 1 share each for every 5 shares held as at 18th March, 2002 was offered and was approved by the shareholders at an Extraordinary General Meeting held on 2nd April, 2002.

There were no other circumstances which required adjustments to or disclosure in these Financial Statements, other than the above.

23. CONTINGENT LIABILITIES

The Company and The Bukit Darah Co. Ltd. have jointly consented to give counter indemnity for the mortgage of the landed property of the The Shalimar (Malay) Estate Co. Ltd., The Good Hope Co. Ltd. and The Indo-Malay Estates Ltd. in Malaysia, to the Consortium of banks comprising of the Rabo Bank 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 those disclosed above and in Note 9(vii) to these Financial Statements.

24. SUBSIDIARIES NOT AUDITED BY MESSRS. KPMG FORD, RHODES, THORNTON & COMPANY

Nuwara Eliya (Holdings) Plc.

Nuwara Eliya Tea Estates Company Ltd.

These subsidiaries have been disposed of during the year.

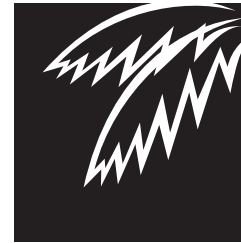


25. DIRECTORS' INTERESTS IN CONTRACTS

Messrs. M. Selvanathan, H. Selvanathan, W. Unamboowe and I. Paulraj Directors of the Company, have an interest in all or some of the transactions referred to in Note 26 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.

26. RELATED PARTY TRANSACTIONS

Name of Company	Names of Directors	Nature of Transactions
Carsons Management Services (Pvt) Ltd. (CMSL)	H. Selvanathan M.Selvanathan W. Unamboowe I. Paulraj	The Company paid/provided charges during the year amounting to Rs. 401,017/- (2001 - Rs. 397,802/-) on management fees, Rs. 1,489,388/- (2001 - Rs. 1,637,069/-) on commission and handling charges, Rs. 60,781/- (2001 - Rs. 56,389/-) on secretarial fees to CMSL.
Carson Cumberbatch & Co. Ltd. (CC&CL)	H. Selvanathan M.Selvanathan W. Unamboowe I. Paulraj	<ul style="list-style-type: none"> i) A sum totalling Rs. 102,064,983/- was borrowed from CC&CL and Rs. 100,625,855/- was repaid during the year. ii) Interest totalling to Rs. 1,822,298/- was charged during the year on the above borrowings. iii) Preference dividend of Rs. 9,900,000/- was paid to CC&CL during the year. iv) The Company purchased quoted related Company shares in The Shalimar (Malay) Estate Co. Ltd. from CC&CL, during the year, at a cost of Rs. 265,138,426/-, the market price prevailed on the date of the transaction. v) The Company disposed quoted related Company shares in Pegasus Hotels of Ceylon Ltd., The Good Hope Co. Ltd., The Ceylon Brewery Ltd., The Ceylon Investment Co. Ltd. and The Ceylon Guardian Investment Trust Ltd. to CC&CL at the market prices (Rs. 108,061,278/-) prevailed on the date of the transaction. vi) The unquoted related Company shares in Nuwara Eliya Holding Plc. was sold to CC&CL at a price (Rs. 30,000,000/-) mutually agreed by the Directors of the Companies. (Refer Note 10 for more details)



26. RELATED PARTY TRANSACTIONS (Contd.)

Name of Company	Names of Directors	Nature of Transactions
The Shalimar (Malay) Estate Co. Ltd. (SMECL)	H. Selvanathan M.Selvanathan W. Unamboowe I. Paulraj	The Company disposed quoted related Company shares in Equity One Ltd., at the market price (Rs. 4,147,630/-) prevailed on the transaction date whilst unquoted related Company shares in Equity Three (Pvt) Ltd., Equity Five Ltd. and Equity Seven Ltd were disposed to SMECL at a price (Rs. 54,769,343/-) mutually agreed by the Directors of the Companies. (Refer Note 10 for more details)
The Bukit Darah Co. Ltd. (BDCL)	H. Selvanathan M. Selvanathan W. Unamboowe I. Paulraj	During the year the Company disposed unquoted related Company shares in Federal Securities (Pvt) Ltd. to BDCL at a price (Rs. 26,924,660/-) mutually agreed by the Directors of the Companies. (Refer Note 10 for more details)
Federal Securities (Pvt) Ltd. (FSL)	H. Selvanathan M. Selvanathan W. Unamboowe	The Company disposed quoted related Company shares in CC&CL and the Ceylon Brewery Ltd. to FSL at the market price (Rs. 46,991,016/-) prevailed on the transaction date. (Refer Note 10 for more details)
Rubber Investment Trust Ltd. (RITL)	I. Paulraj	The Company disposed quoted related Company shares in the Indo Malay Estate Ltd. to RITL at the market price (Rs. 27,820,789/-) prevailed on the transaction date. (Refer Note 10 for more details)
Shalimar Developments Sdn. Bhd. (SDSB)	H. Selvanathan M. Selvanathan W. Unamboowe	Long-term advances amounting to Rs. 29,772,741/- free of interest with no stipulated repayment period has been made to SDSB.
The Ceylon Guardian Investment Trust Ltd. (CGIT)	I. Paulraj	The Company received Rs. 100,000/- from CGIT being the proceeds from redemption of 4.5% cumulative preference shares.



Five Year Summary

COMPANY

Year ended 31st March

	2002	2001	2000	1999	1998
	Rs.	Rs.	Rs.	Rs.	Rs.

OPERATING RESULTS

Revenue	27,083,714	35,425,095	54,886,893	74,956,792	82,207,283
Profit before taxation	120,556,538	9,688,029	13,430,880	32,636,874	40,696,530
Taxation	277,236	174,562	(2,269,948)	(8,033,523)	(5,262,897)
Profit after taxation	120,833,774	9,862,591	11,160,932	24,603,351	35,433,633
Dividend - Ordinary	-	-	8,032,500	11,245,500	8,032,500
Dividend - Preference	9,900,000	9,900,000	9,900,000	9,899,878	2,061,360

As at 31 st March

BALANCE SHEET

ASSETS

Non-current assets

Property, Plant & Equipment	778,681,379	769,225,352	670,679,936	698,591,265	697,341,748
Investments in subsidiaries	-	50,723,711	50,723,711	-	-
Investments in associates	-	68,840,828	68,840,828	-	-
Long term investments	334,023,108	132,961,326	132,961,326	183,840,162	192,678,221
Amount due from related company	42,851,534	13,078,793	-	-	-
	1,155,556,021	1,034,830,010	923,205,801	882,431,427	890,019,969

Current assets	13,464,982	23,740,504	51,686,671	224,811,275	160,982,870
TOTAL ASSETS	1,169,021,003	1,058,570,514	974,892,472	1,107,242,702	1,051,002,839

EQUITY AND LIABILITY

Ordinary share capital	32,130,000	32,130,000	32,130,000	32,130,000	16,065,000
Preference share capital	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
Reserves	1,068,963,544	958,029,770	866,415,145	906,492,873	919,099,900
	1,161,093,544	1,050,159,770	958,545,145	998,622,873	995,164,900

Non Current Liabilities

Deferred tax	-	182,470	271,600	-	881,384
Current liabilities	7,927,459	8,228,274	16,075,727	108,619,829	54,956,555
TOTAL EQUITY AND LIABILITIES	1,169,021,003	1,058,570,514	974,892,472	1,107,242,702	1,051,002,839



Year ended 31st March	2002	2001	2000	1999	1998
	Rs.	Rs.	Rs.	Rs.	Rs.
CASHFLOW STATEMENTS					
Net cash inflows/(outflows) from operating activities	17,418,644	(5,810,755)	66,783,860	11,649,537	(72,372,894)
Net cash (outflows)/inflows from investing activities	(6,094,373)	(20,572,876)	(5,927,668)	5,568,483	25,577,904
Net cash (outflows)/inflows from financing activities	(9,919,700)	(17,751,496)	(20,880,161)	(17,758,056)	49,021,591
Increase/(decrease) in cash and cash equivalents	1,404,571	(44,135,127)	39,976,031	(540,036)	2,226,601
RATIO AND STATISTICS					
Return on ordinary shareholders' funds (%)	10.07	(0.00)	0.14	1.57	3.57
Earnings per ordinary share (Rs.)*	34.53	(0.01)	0.39	4.58	20.77
Current ratio (times)	1.70	2.89	3.22	2.07	2.93
Dividend per ordinary share(Rs.)	-	-	2.50	3.50	5.00
Rate of ordinary dividend (%)	-	-	2.50	3.50	5.00
Market value per share(Rs.)	131.75	152.00	160.00	157.00	150.00
P/E ratio (times)	3.82	(15,200)	410.26	34.28	7.22
Net assets per ordinary share**	342.70	308.17	279.66	292.13	582.11
Market capitalisation (Rs.)	423,312,750	488,376,000	514,080,000	504,441,000	240,975,000
OPERATIONS (PLANTATIONS)					
Mature area (Ha.)	337.18	400.30	413.10	442.61	442.61
Immature area (Ha.)	148.51	85.39	72.59	42.39	42.39
Crop (Tonnes)	5,625	7,477	8,241	8,881	11,314
Yield per Ha. (Tonnes)	15.16	17.67	18.93	20.07	25.56

Note:

* The earnings per ordinary share is calculated on the profit after tax and preference dividend 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 by number of ordinary shares.



Statement of Value Added

<i>For the year ended 31st March</i>	2002	%	2001	%
	Rs.		Rs.	
Revenue	27,083,714		35,425,095	
Other income	117,445,594		4,523,963	
	144,529,308		39,949,058	
Bought in materials and services	(13,949,830)		(18,456,350)	
	130,579,478		21,492,708	
Distributed as follows:				
To employees				
as remuneration	7,459,483	5.71	10,168,830	47.31
To government				
as taxation	(77,973)	(0.06)	(37,710)	(0.17)
To providers of capital				
as finance cost on loans	1,822,298	1.40	908,687	4.23
as dividends	9,900,000	7.58	9,900,000	46.06
Retained in the business				
as depreciation	541,896	0.42	590,310	2.75
as retained profits	110,933,774	84.95	(37,409)	(0.18)
	130,579,478	100.00	21,492,708	100.00

The Statement of Value Added shows the quantum of wealth generated by the activities of the Company and its applications.

US \$ FINANCIALS

PREPARATION OF US DOLLAR FINANCIALS

The Financial Statements of the Company
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.

Income Statement



<i>For the year ended 31st March</i>	Company	
	2002 US \$	2001 US \$
Revenue	298,805	444,927
Direct operating costs	(183,925)	(283,734)
Gross profit	114,880	161,193
Other operating income	1,295,737	56,819
	1,410,617	218,013
Administrative expenses	(60,453)	(84,922)
Profit from operations	1,350,164	133,091
Finance costs	(20,105)	(11,413)
Profit before taxation	1,330,059	121,678
Taxation	3,059	2,192
Profit after taxation	1,333,118	123,871
Unappropriated profit brought forward	233,433	223,788
Profit available for appropriation :	1,566,551	347,659
Appropriations:		
Preference dividend	104,596	114,226
Retained in the business	1,461,955	233,433
	1,566,551	347,659
Earnings per ordinary share	0.38	-
Dividend per share	-	-

Figures in brackets indicate deductions.



Balance Sheet

As at 31st March	Note	Company	
		2002 US \$	2001 US \$
ASSETS			
Non-Current Assets			
Property, Plant & Equipment		8,226,956	8,875,336
Investment in subsidiaries		-	585,251
Investment in associates		-	794,287
Long term investments		3,529,034	1,534,110
Amounts due from related company		452,737	150,903
		12,208,727	11,939,887
Current Assets			
Inventories		18,648	16,714
Debtors and other receivables		29,218	16,593
Amounts due from related companies		-	181,181
Short-term investments		44,326	30,150
Short-term deposits		14,564	6,114
Tax recoverable		20,196	12,863
Bank and cash balances		15,310	10,304
		142,262	273,919
TOTAL ASSETS		12,350,989	12,213,806
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		535,464	535,464
Preference share capital		633,914	692,281
Capital reserves		8,806,384	9,617,217
Revenue reserve	2	2,291,472	1,271,800
		12,267,234	12,116,762
Non-Current Liabilities			
Deferred taxation		-	2,106
Current Liabilities			
Creditors and accruals		67,494	84,956
Amounts due to related companies		16,261	9,982
		83,755	94,938
TOTAL EQUITY AND LIABILITIES		12,350,989	12,213,806
Net assets per ordinary share		3.62	3.56

Notes to the Financial Statements



1. 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.

The translation of the financial statements into US Dollar were effected based on the following exchange rates:

		2002	2001
Income Statement	Average rate	90.64	79.62
Monetary assets and liabilities	Closing rate	94.65	86.67
Non-current assets and liabilities	Closing rate	94.65	86.67
Preference share capital	Closing rate	94.65	86.67
Ordinary share capital	Historical rate		

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

2. REVENUE RESERVE

	Company	
	As at	As at
	31st March	31st March
	2002	2001
	US \$	US \$
Beginning of the year	1,038,367	1,465,617
Appropriations and other movements	-	-
Balance as at the end of the year before reserve		
on foreign currency translation	1,038,367	1,465,617
Currency fluctuations	(208,850)	(427,250)
	829,517	1,038,367
Retained profit	1,461,955	233,433
End of the year	2,291,472	1,271,800



3. SEGMENTAL REPORTING

INDUSTRY

	Oil Palm		Investments		Property Development		Intra-Group Transactions		Company/Group	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
Revenue										
External revenue	266,669	326,343	34,593	122,004	33,098	75,358	-	-	334,360	523,705
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
	266,669	326,343	34,593	122,004	33,098	75,358	-	-	334,360	523,705
Result										
Segment result	38,746	(11,991)	531,261	130,930	10,237	17,311	-	-	580,244	136,250
Finance costs	-	-	(20,105)	(11,412)	(5,737)	(11,306)	-	-	(25,842)	(22,718)
Taxation	2,717	2,192	130	(1,022)	-	(3,272)	-	-	2,847	(2,102)
Amortisation of surplus on acquisition	-	-	-	-	-	-	-	-	-	87,472
Associate Company share of profit	-	-	2,191	3,213	-	-	-	-	2,191	3,213
	41,463	(9,799)	513,477	121,709	4,500	2,733	-	-	559,440	202,115

OTHER INFORMATION

Segment assets	7,218,431	7,751,547	5,132,558	5,655,840		590,580	(585,251)	12,350,989	13,412,716
Segment liabilities	44,315	64,216	39,440	40,388		73,449	-	83,755	178,053
Capital expenditure	107,171	92,922	3,000	1,256		704	-	110,171	94,882
Depreciation	5,979	7,414	-	-		11,373	-	5,979	18,787
Unallocated non-cash expenses	-	-	-	-		-	-	-	87,472

GEOGRAPHICAL

	Malaysia		Sri Lanka		United Kingdom		Intra-Group Transactions		Company/Group	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$	US \$
Revenue										
External revenue	266,669	326,343	65,235	193,943	2,456	3,419	-	-	334,360	523,705
Intra-segment revenue	-	-	-	-	-	-	-	-	-	-
	266,669	326,343	65,235	193,943	2,456	3,419	-	-	334,360	523,705
Result										
Segment result	38,746	(11,991)	552,046	162,394	(10,548)	(14,153)	-	-	580,244	136,250
Finance cost	-	-	(25,842)	(22,718)	-	-	-	-	(25,842)	(22,718)
Taxation	2,717	1,170	130	(3,272)	-	-	-	-	2,847	(2,102)
Amortisation of surplus on acquisition	-	-	-	-	-	-	-	-	-	87,472
Associate Company share of profit	2,191	3,213	-	-	-	-	-	-	2,191	3,213
	43,654	(7,608)	526,334	136,404	(10,548)	(14,153)	-	-	559,440	202,115

OTHER INFORMATION

Segment assets	7,218,431	7,751,547	5,132,558	5,128,047		1,118,373	(585,251)	12,350,989	13,412,716
Segment liabilities	44,315	64,216	39,440	106,276		7,561	-	83,755	178,053
Capital expenditure	107,171	92,922	3,000	1,960		-	-	110,171	94,882
Depreciation	5,979	7,414	-	11,373		-	-	5,979	18,787
Unallocated non-cash expenses	-	-	-	-		-	-	-	87,472

Five Year Summary



COMPANY

<i>Year ended 31st March</i>	2002	2001	2000	1999	1998
	US \$	US \$	US \$	US \$	US \$

OPERATING RESULTS

Revenue	298,805	444,927	768,294	1,081,940	1,380,475
Profit before taxation	1,330,059	121,678	188,002	471,087	683,401
Taxation	3,059	2,192	(31,774)	(115,957)	(88,378)
Profit after taxation	1,333,118	123,871	156,228	355,129	595,023
Dividends - Ordinary	-	-	108,960	162,507	129,369
Dividends - Preference	104,596	114,226	134,292	143,062	33,200

As at 31 st March

BALANCE SHEET

ASSETS

Non-current assets

Property, plant & equipment	8,226,956	8,875,336	9,097,666	10,095,249	11,231,144
Investments in subsidiaries	-	585,251	688,059	-	-
Investments in associates	-	794,287	933,815	-	-
Long term investments	3,529,034	1,534,110	1,803,599	2,656,650	3,103,209
Amount due from related company	452,737	150,903	-	-	-
	12,208,727	11,939,887	12,523,139	12,751,899	14,334,353

Current assets	142,262	273,919	701,121	3,248,718	2,592,734
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TOTAL ASSETS	12,350,989	12,213,806	13,224,260	16,000,617	16,927,087
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EQUITY AND LIABILITY

Ordinary share capital	535,464	535,464	535,464	535,464	303,311
Preference share capital	633,914	692,281	813,890	867,052	966,339
Reserves	11,097,856	10,889,017	11,653,157	13,028,450	14,758,131
	12,267,234	12,116,762	13,002,511	14,430,966	16,027,781

Non-Current liabilities

Deferred tax	-	2,106	3,684	-	14,195
Current liabilities	83,755	94,938	218,065	1,569,651	885,111

TOTAL EQUITY AND LIABILITIES	12,350,989	12,213,806	13,224,260	16,000,617	16,927,087
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Company	2002	2001	2000	1999	1998
<i>Year ended 31st March</i>	US \$	US \$	US \$	US \$	US \$
CASHFLOW STATEMENTS					
Net cash inflows/(outflows) from operating activities	184,032	(67,045)	905,912	168,346	(1,165,613)
Net cash (outflows)/inflows from investing activities	(64,388)	(237,370)	(80,408)	80,469	411,949
Net cash (outflows)/inflows from financing activities	(104,804)	(204,817)	(283,236)	(256,619)	789,525
Increase/(decrease) in cash and cash equivalents	14,840	(509,232)	542,268	(7,804)	35,861
RATIO AND STATISTICS					
Return on ordinary shareholders' funds (%)	10.56	0.08	0.18	1.56	3.73
Earnings per ordinary share (US \$)	0.38	0.00	0.01	0.07	0.35
Current ratio (times)	1.70	2.89	3.22	2.07	2.93
Market value per share(US \$)	1.39	1.75	2.17	2.27	2.42
P/E ratio (times)	3.66	584.27	217.00	32.43	6.91
Net assets per ordinary share	3.62	3.56	3.79	4.22	9.38
Market capitalisation (US \$)	4,466,070	5,622,750	6,972,210	7,293,510	3,887,730

Glossary of Financial Terms



Appropriations

Apportioning of earnings as dividends and to Capital Reserves and Revenue Reserve.

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.

Dividends per share

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

Earnings per share

Profits attributable to ordinary shareholders before extraordinary items and after preference dividends 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 operation.

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 dividends 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.



Notice of Meeting

NOTICE IS HEREBY GIVEN that the NINETY-FIFTH ANNUAL GENERAL MEETING of the Company will be held on Monday the 10th day of June, 2002, at 2.40 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, 2002 with the Report of the Auditors thereon.
- (2) To re-elect Mr. C. F. Fernando 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, 10th May, 2002

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 less than forty-eight hours before the time fixed for the meeting.*

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

being * a Member/Members of **THE SELINSING COMPANY LIMITED** hereby appoint:

Manoharan Selvanathan	or failing him,
Hariharan Selvanathan	or failing him,
Wijaya Unamboowe	or failing him,
Israel Paulraj	or failing him,
Chrisanta Francis Fernando	or failing him,

.....
of.....

as *my /our proxy to speak and / to vote for *me / us on *my /our behalf at the Annual General Meeting of the Company to be held on Monday the 10th day of June, 2002 at 2.40 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, 2002 together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
(ii) To re-elect Mr. C. F. Fernando who retires in terms of Articles 87 and 88 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"/>

In witness *my/our hands thisday

ofTwo Thousand and Two.

.....
Signature of Shareholder/s

Notes: (a) * Please delete the inappropriate words.
(b) Instructions are noted on the reverse hereof.



INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
2. 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. If the Shareholder is a Company or a Body Corporate, the form of proxy should be executed under its common seal in accordance with its Articles of Association or Constitution.
5. The completed form of proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not less than forty-eight hours before the time appointed for the meeting.