



Goodhope

A CARSON CUMBERBATCH COMPANY

Indo-Malay PLC

Annual Report 2012/13



Financial Calendar

Financial Year End 31st March 2013

Announcement of Results

First Quarter ended 30th June 2012 14th August 2012

Second Quarter ended 30th September 2012 14th November 2012

Third Quarter ended 31st December 2012 14th February 2013

Dividend Declaration

Interim 6th December 2012

Final* 22nd April 2013

107th Annual General Meeting 29th May 2013

** Subject to approval from Shareholders*

Contents

Chairman's Statement	1	Financial Reports	
Review of Industry and		Independent Auditors' Report	22
Operational Performance	2	Income Statement	23
Risk Management	5	Statement of Comprehensive Income	24
Profile of the Directors	7	Statement of Financial Position	25
Statement of Directors'		Statement of Changes in Equity	26
Responsibilities	10	Cash Flow Statement	27
Annual Report of the Board of		Notes to the Financial Statements	28
Directors on the Affairs of		Five Year Summary	60
the Company	11	Statement of Value Added	62
Audit Committee Report	19	US Dollar Financials	63
		Information to Shareholders and	
		Investors	70
		Glossary of Financial Terms	73
		Notice of Meeting	75
		Notes	76
		Form of Proxy	77
		Corporate Information	IBC

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Indo-Malay PLC for the year ended 31st March 2013, and welcome you to the One Hundred and Seventh Annual General Meeting of the Company.

The Company's plantations in Malaysia continued to perform well recording a steady improvement in crop production. This is a reflection of the majority of the palms still being at peak production cycle subsequent to the replanting of the plantations. However, the Crude Palm Oil (CPO) prices continue to fluctuate and impact the revenue generation by the Company. The impact of the increased crop production was off-set by comparatively lower sales prices realized due to lower CPO prices that prevailed during the year.

Accordingly, during the year ended 31st March 2013 the Company recorded a profit before tax of Rs. 187.72 mn after taking into consideration other operating income, as compared to Rs. 214.39 mn recorded in the year to 31st March 2012. The net profit after tax for the period under review was Rs. 152.69 mn as compared to Rs. 168.25 mn recorded in the previous financial year.

The review of industry and operational performance in pages 2 to 4 of this Annual Report further elaborates on the financial and operational performance of the Company.

The CPO prices are expected to remain volatile, given the high stock levels in Malaysia and Indonesia, import duty regimes practiced by key consuming markets such as India and China which are structured towards protecting domestic oil seed production as well as low

demand from key consuming markets due to effects of the prolonged economic crisis.

Industry analysts expect palm oil prices to average around MYR 2,300 - MYR 2,500 over the coming year subject to seasonal movements outside of this range. We will continue with our focus on sustaining and extending yield cycles and managing costs through enhanced productivity and efficiency levels.

These Financial Statements have been prepared in accordance with the first time adoption requirements of Sri Lanka Accounting Standards (SLFRS/LKAS) as described in Note 2.10 to the Financial Statements.

In conclusion, I would like to extend my gratitude to business associates, financiers and regulatory authorities in Sri Lanka and Malaysia for their continued support. I would be failing in my duties if I don't extend the appreciation of the Board of Directors of the Company to the shareholders for their continued support and confidence placed in the Directors. I also wish to thank our management and staff in Malaysia and in Sri Lanka for all their hard work and dedication towards improving the performance of the Company. Last but not least, I would like to extend my appreciation to my fellow Board Members for their support and guidance throughout the year, and to the members of the Audit Committee and the Remuneration Committee for their invaluable efforts.

(Sgd.)

H. Selvanathan
Chairman

22nd April 2013

Review of Industry and Operational Performance

Palm Oil Industry Scenario

The year under review was a challenging one for the palm oil industry, with the palm oil prices dropping by about 30% before settling down at a price range of MYR 2,300 - MYR 2,500. The year started off well with prices in the range of MYR 3,000, however the record stock levels both in Malaysia and Indonesia exerted downward pressure on CPO prices. CPO prices were further impacted by lower demand from consuming countries and import duty increases in countries like India towards protecting its domestic palm oil refining industry.

Many short term measures were taken by the industry aimed at stabilizing the CPO prices, the Malaysian government reduced its export tax rates to boost export of CPO. However, the increasing production of CPO both in Indonesia and Malaysia continue to be a critical factor, raising stock levels and

resultantly impacting CPO prices. Palm oil consumption is expected to increase in the coming year and match the incremental CPO supply. Palm oil prices will also mirror movements in the crude petroleum prices, whereby an increase in petroleum prices could boost palm oil consumption for energy purposes and for bio-diesel usage.

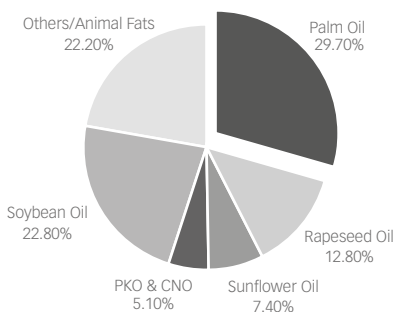
Industry analysts expect the prices would continue to trade around the current levels of MYR 2,300 – MYR 2,500 over the coming year, with seasonal movements outside of this range.

Overview of Financial Performance

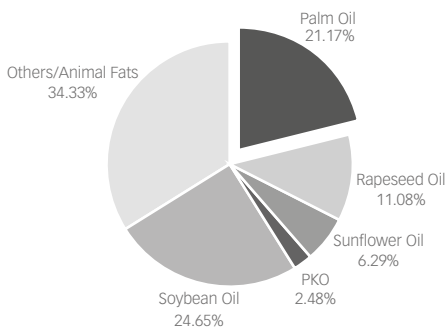
The Company recorded a profit after tax of Rs. 152.69 mn during the year under review, as compared to the Rs. 168.25 mn recorded in the previous year. Profit before tax was Rs. 187.72 mn as compared to Rs. 214.39 mn recorded in the previous year.

World Oil Production

2012/13 - 187.6 mn tonnes (forecast)

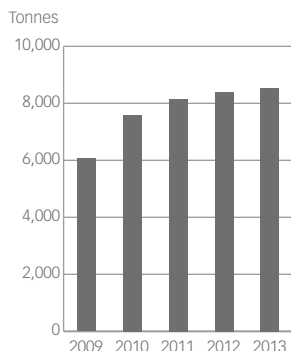


2002 - 120.9 mn tonnes

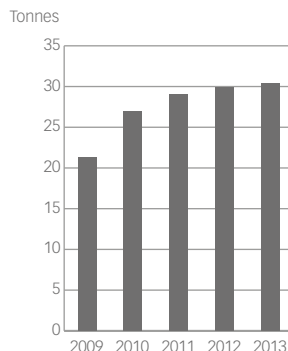


Source : Oil World

Crop Production



Yield per Hectare



As mentioned above, the lower market prices that prevailed during the period resulted in a 16.8% drop in the Net Sales Average (NSA) for the Company. Hence despite an increase in crop, the lower NSA resulted in an overall reduction in profitability during the period. The previous year's profit had a non recurrent gain of Rs. 15.76 mn arising from the repatriation of a long term advance and hence has also contributed towards the adverse variance in comparison with the previous year.

Biological Gains

The net earnings for the year includes a gain of Rs. 25.02 mn (2012 - Rs. 24.15 mn) arising from the change in fair value of biological assets which were assessed based on an independent professional valuation. With the transition into SLFRS, the biological assets which were previously recognized at cost less amortization as part of property, plant and equipment are now measured at fair value. Further details have been described in Note 10 to the Financial Statements.

Investment Income

During the year the Company earned a dividend income of Rs. 48.56 mn (2012 - Rs. 37.95 mn) from its investment portfolio which includes the 13.33% holding in Shalimar Developments Sdn. Bhd. (SDSB). With the transition into SLFRS, these investments which were previously carried at cost are now measured at fair value. The resultant gains have been accounted for in accordance with the transitional provision for the first time adoption of SLFRS as has been described in Note 2.10 to the Financial Statements.

Overview of Operational Performance

FFB production increased by 1.64% during the year, reflecting the peak production cycle of palms. However, it is expected that crop production over the next 2-3 years would be impacted by biological stress preceding higher crop production levels sustained over the last few years. We will continue with our stringent agronomy and plantation management regime complimented with

Review of Industry and operational performance

improved supervision and management of the plantations. Fertilization is carried out towards sustaining the peak yields recorded and emphasis is laid on good agronomy practices, pest and disease management, water and drainage management and improved harvesting standards.

Cost of production has been maintained through higher productivity and improved field conditions. Wage increases continue to be a burden on the cost of production especially as it is not linked to commensurate productivity increases. The challenge would be to sustain the cost of production over the next few years as the palms mature and move out of the peak yielding cycle. Hence, at an operational level we will focus on increasing operational and labour productivity and undertake stringent cost management initiatives to sustain our cost competitiveness.

Another emerging challenge is the availability of workers within the plantations, given stringent conditions being imposed by the

government in the recruitment of foreign workers. Renewal of permits for foreign workers has become difficult and this could lead to a shortage of harvesters within the plantations.

As at 31st March 2013, the total plantation hectareage was 283.89, of which 281.26 Ha was classified as mature. All the areas previously replanted have now reached mature stage and yielding crop.

Agro Harapan Lestari Sdn. Bhd.
Managers

22nd April 2013

Risk Management

The Company is of the view that Risk Management is a driving factor for the sustainability of operations and has identified the following risk profile. Early detection of risks and timely deployment of necessary mitigating actions will ensure that the Company's objectives are accomplished.

The risks are continuously managed and reviewed for effective mitigations at Goodhope Asia Holdings Ltd (GAHL) Group level, while the necessary action plans are carried out at Company level.

The Indonesian plantation, in which the Company has an investment in, also falls under the Risk Management Framework of the GAHL Group.

Commodity Price Risk

Sale of Oil Palm Fresh Fruit Bunches (FFB) is the main source of cash inflow for the Company. The price for Crude Palm Oil (CPO) is determined by international market forces, thus, the Company as a price taker has minimal control over price fluctuations. Our end product is FFB; hence no price hedging is done.

Business Environment Risks

The adverse weather and other natural calamities can cause hindrances to the biological assets at unexpected times. The Company has taken adequate measures to ensure proper water management in flood prone areas so that long term benefits can be reaped through higher yields.

Potential crop production is affected by diseases such as Ganoderma, leaf eating insects and Bagworms ultimately impacting yields. The Company has set in place mechanisms to monitor pest attacks and palms affected by Ganoderma are mounded in order to prolong its productivity life. The Company will also replant areas significantly impacted by Ganoderma considering its future yield potential. Additionally, the Company constantly invests in agronomy and plantation management practices to mitigate the impact that would be caused by any sudden up-rise of these diseases.

Labour Risk

In view of the industry being labour intensive, skilled labour is a critical success factor. Thus, hiring and retention is of strategic importance to improve efficiency of the workforce.

It has become a challenge to attract local workers for plantation work, and to worsen the situation the Malaysian Government has imposed some restrictions on attracting labour from foreign regions, especially from Indonesia. Further, there has been a noticeable shift of employment from plantations to the manufacturing sector creating a void in the labour market. We seek to employ contractors for harvesting activities to bridge these shortages.

Wage increases continue to be a burden on the cost of production especially as it is

Risk Management

not linked to commensurate productivity increases. This creates the need to manage costs through higher productivity and improved field conditions.

Operational Risk

The Company's operations are significantly affected by the dependency on third party millers as we do not own CPO processing mills in Malaysia. The Company has minimal influence as a price taker; nevertheless, we are continuously negotiating with millers for better rates while seeking alternative millers to reduce the bargaining power of existing mill owners.

Financial Risks

Foreign Exchange Risk

The Company's exposure to foreign exchange risk is minimal as the Malaysian and Sri Lankan operations are primarily domestic and transactions are recorded in the respective functional currency, i.e., Malaysian Ringgit and Sri Lankan Rupee. However, a significant element of the risk is generated through the translation of results in to the Rupee as majority of the assets are from the Malaysian operations.

Credit Risk

The credit risk is primarily encountered through trade receivables, which arise from its operating activities and deposits with banking institutions. The Company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on

an on-going basis with the result that the Company's exposure to bad debts is minimal.

Liquidity Risk

The Company manages such liquidity risk exposures through effective working capital management. The Company also has planning guidelines in place to ensure that the short term and medium term liquidity is managed at acceptable levels.

The impact of these financial risks are enumerated in Note 24 to the Financial Statements.

Agro Harapan Lestari Sdn. Bhd.
Managers

22nd April 2013

Profile of the Directors

Hariharan Selvanathan

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

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

Manoharan Selvanathan

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

He is the Past Chairman of the Indo-Lanka Chamber of Commerce & Industry

and has served as the Chairman of the Ceylon Chamber of Commerce and as the President of the Rotary Club of Colombo North.

He was conferred the highest National Honour in Sri Lanka, the 'DESAMANYA' title by H.E. the President of Sri Lanka, in recognition of the services rendered to the nation.

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

He holds a Bachelors Degree in Commerce.

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

Chandima Gunawardena

Chandima Gunawardena serves as a Non-Independent, Non-Executive Director of Carson Cumberbatch PLC and in most of the Carsons Group Companies in Sri Lanka and overseas. He is also a Director of Bukit Darah PLC. Since assuming Non-Executive status in the Group in 2011, he serves as an advisor to the Group's Strategic Planning and Management forums in Sri Lanka; and serves on Board Committees including the Audit Committees of the Group in Sri Lanka and overseas covering all operating sectors of the Group.

He has over four decades of experience in varied fields of business and commercial activities and has held senior positions in the Corporate, Mercantile and State

Profile of the Directors

Institutions. He was appointed to the Carsons Group Directorate in 1990.

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

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

Israel Paulraj

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

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

the Chairman of the Incorporated Trustees of the Church of Ceylon.

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

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

Chandana Tissera

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

He has previously served on the Board of Union Assurance PLC and counts over 28 years of experience in the fields of manufacturing, financial services, capital market operations, overseas plantations, project development and management services. He is a Fellow of the Institute of Management, UK.

Nalake Fernando

Nalake Fernando is a Director of the Property Management Companies of the Carson Cumberbatch Group - Equity One PLC and Equity Two PLC. He is also a Director of Carsons Management Services (Private) Ltd and in some of the Boards of the Malaysian Plantation Companies of the Carsons Group. He was the country representative for Sri Lanka with Dalekeller & Associates Ltd, Designers and Skidmore Owings and Merrill Architects. He was also a Director of SKC Management Services Ltd.

He counts over 39 years of work experience and holds a Technician's Certificate of the Institute of Work Study Practitioners of UK.

Tennyson Rodrigo

Tennyson Rodrigo is a Director of Good Hope PLC. He was the former Managing Director and Chief Executive of Capital Development and Investment Company PLC, Chairman of CDIC Sassoon Cumberbatch Stockbrokers (Pvt) Ltd and the Past Chairman of the Audit Committee of Eagle Insurance PLC. He was the Expert Advisor to the Carson Cumberbatch

PLC - Audit Committee in respect of the Real Estate, Hotels & Airlines, Investment Holding & Financial Services, and Management Services Sector Companies of the Carsons Group.

He holds a Bachelor of Science in Chemistry and Mathematics from the University of Ceylon and a Bachelor of Science (Hons) Degree in Chemical Engineering from the University of New South Wales, Australia. He is a Chartered Engineer and a Member of the Institute of Chemical Engineers, UK.

Subramaniam Mahendrarajah

(Alternate Director to Israel Paulraj)

Subramaniam Mahendrarajah is a Director of Guardian Capital Partners PLC, Equity One PLC and Leechman & Company (Private) Ltd. He is also the Group Finance Director of Sri Krishna Group of Companies. He has wide experience in the fields of manufacturing, trading, financial services and management. He is also the Past President of the Rotary Club of Colombo Down Town and is the recipient of the prestigious 'Service above Self' award from Rotary International.

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. 7 of 2007 and the Sri Lanka Accounting & 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 financial position of the Company as at the end of the financial year and of the financial performance 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 judgments 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 & Auditing Standards Act No. 15 of 1995 and the Companies Act No. 7 of 2007. 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 an 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 flows and 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,

(Sgd)

K. D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd.
Secretaries

22nd April 2013

Annual Report of the Board of Directors on the Affairs of the Company

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and recommended best accounting practices. The Annual Report was approved by the Directors at a meeting held on 22nd April 2013.

1. GENERAL

The Directors have pleasure in presenting to the shareholders their Report together with the audited Financial Statements for the year ended 31st March 2013 of Indo-Malay PLC, a public limited liability company incorporated in Sri Lanka in 1906.

2. THE PRINCIPAL ACTIVITIES OF THE COMPANY

There were no significant changes in the nature of the principal activities of the Company during the financial year under review, where the principal activity of the Company continues to be cultivation of oil palm and managing and holding of an investment portfolio.

3. REVIEW OF OPERATIONS

The review of the Company's operations during the year, with comments on financial results is stated in the Chairman's Statement on page 1 and Review of Industry and Operational Performance on pages 2 to 4. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company.

4. FINANCIAL RESULTS

The Company recorded a net profit after tax of Rs.152.69 mn for the year. An abridgement of the Company's performance is presented in the table below.

5. AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on page 22 of this Annual Report.

6. SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 28 to 40, in the Notes to the Financial Statements.

For the year ended 31st March

	2013 Rs. '000	2012 Rs. '000
Profit after taxation	152,691	168,248
Profit brought forward from previous year	390,935	305,618
Profit available for appropriation	543,626	473,866
Appropriation		
Dividend paid	(290,923)	(82,931)
Unappropriated profit carried forward	252,703	390,935

Annual Report of the Board of Directors on the Affairs of the Company

7. FINANCIAL STATEMENTS

The Company is now compliant with the new Sri Lanka Accounting Standards (SLFRS/ LKAS). These financial statements have been formulated and produced in accordance with the first time adoption requirements of these Accounting Standards as explained in Note 2.10 to the Financial Statements. Further, impact of first time adoption of SLFRS/ LKAS are given in Notes 2.10.1 to 2.10.4 to the Financial Statements.

Financial Statements of the Company comprising the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement together with the accompanying Notes to the Financial Statements for the year ended 31st March 2013 are set out in pages 23 to 59.

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Statement of Directors' Responsibilities for the Financial Statements is given on page 10 of this Annual Report.

9. INTERESTS REGISTER

9.1 Directors' Interests

The Company maintains an Interests Register in conformity with the provisions of the Companies Act No. 7 of 2007.

All Directors have made declarations as provided for in Section 192 (2) of the companies Act aforesaid.

The relevant details as required by the Companies Act No. 7 of 2007 have been entered in the Interests Register during the year under review.

The Interests Register is available for inspection as required under the Companies Act.

9.2 Remuneration of Directors

The Directors' remuneration of the Company for the financial year ended 31st March 2013 is given in Note 5 and Note 23.2 to the Financial Statements, on pages 45 and 59 respectively.

9.3 Directors' Interests in Contracts and Shares

Directors' interest in contracts of the Company are disclosed in Note 23.3 on page 59 to the Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interest in any other contracts or proposed contracts in relation to the business of the Company, while they had the following interests in ordinary shares of the Company.

	No. of shares	
	31st March 2013	1st April 2012
Mr. H. Selvanathan	-	-
Mr. M. Selvanathan	1	-
Mr. I. Paulraj	-	-
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-
Mr. K.C.N. Fernando	-	-
Mr. T. Rodrigo	-	-
Mr. S. Mahendrarajah (Alternate to Mr. I. Paulraj)	-	-

10. CORPORATE DONATIONS

There were no donations granted during the year.

11. DIRECTORS

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

11.1 Directors to Retire by Rotation

In terms of Articles 85 & 86 of the Articles of Association of the Company, Mr. P.C.P. Tissera retires by rotation and being eligible, offers himself for re-election.

11.2 Appointment of Directors who are over Seventy Years of Age

Mr. I. Paulraj and Mr. T. Rodrigo who are over seventy years of age are to be re-appointed as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the

age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable.

12. AUDITORS

The Company's Auditors during the year under review were Messrs. Ernst & Young, Chartered Accountants.

A sum of Rs. 637,550 was paid to them by the Company as audit fees for the year ended 31st March 2013 (2012: Rs. 550,000).

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

The Audit Committee reviewed the appointment of the Auditors, its effectiveness and its relationship with the Group, including the level of audit and non-audit fees paid to the Auditors.

12.1 Auditors' Relationship or any Interest with the Company

The Directors are satisfied that, based on written representations made by the Independent Auditors to the Board, the Auditors did not have any interest with the Company that would impair their independence.

Annual Report of the Board of Directors on the Affairs of the Company

13. RELATED PARTY TRANSACTIONS EXCEEDING 10% OF THE EQUITY OR 5% OF THE TOTAL ASSETS OF THE COMPANY

The transactions carried out by the Company with its related parties during the year ended 31st March 2013, including those that exceeded 10% of the Shareholder Equity or 5% of the Total Assets as at 31st March 2013, are given in Note 23 on pages 57 and 59 to the Financial Statements.

14. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE).

14.1. Board of Directors

Directors	Executive/ Non-Executive/ Independent
Mr. H. Selvanathan	Executive
Mr. M. Selvanathan	Executive
Mr. I. Paulraj	Non-Executive/ Independent *
Mr. D.C.R. Gunawardena	Non-Executive
Mr. P.C.P. Tissera	Executive
Mr. K.C.N. Fernando	Executive
Mr. T. Rodrigo	Non-Executive/ Independent **
Mr. S. Mahendrarajah (Alternate Director to Mr. I Paulraj)	-

The above Directors held office as at the reporting date and their brief profiles are given on pages 7 to 9 of this Annual Report.

Each of the Non-Executive Directors of the Company has submitted a signed declaration on Independence/Non-Independence as per Rule 7.10.2.b. of the Listing Rules of the Colombo Stock Exchange. The said declarations were tabled at a Board Meeting held on 22nd April 2013, in order to enable the Board of Directors to determine the Independence/Non-Independence of the Non-Executive Directors.

Accordingly, the Board has determined the following Non-Executive Directors as Independent Directors on the Board.

*The Board has determined that Mr. I. Paulraj is an Independent Director in spite of being on the Board for more than nine years and being a Director of many other companies within the Carson Cumberbatch Group, of which a majority of the other Directors of the Company are also Directors, since he is not directly involved in the management of the Company.

**The Board has determined that Mr. T. Rodrigo is an Independent Director in spite of being a Director of Good Hope PLC in which majority of the other Directors of the Board are also Directors,

since he is not directly involved in the management of the Company.

The Managers of the Company are Agro Harapan Lestari Sdn. Bhd.

14.2 Remuneration Committee

In terms of Rule 7.10.5 a of the Listing Rules of the Colombo Stock Exchange, the Remuneration Committee of Carson Cumberbatch PLC (CCPLC), the Ultimate Parent Company, functions as the Remuneration Committee of the Company and comprises of the following members.

Remuneration Committee Members	Executive/ Non-Executive/ Independent
Mr. I. Paulraj (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. M. Moonesinghe	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC

The Committee has formulated a Remuneration Policy based on market and industry factors and individual performance for all Group companies.

Aggregated remuneration paid to the Non-Executive Directors are disclosed under Note 5 on page 45.

Executive Directors are not compensated for their role on the Board.

14.3 Audit Committee

As per Rule 7.10.6 of the Listing Rules of the Colombo Stock Exchange the Audit Committee of CCPLC, the Ultimate Parent Company, functions as the Audit Committee of the Company and comprises of the following members:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera (Chairman)	Non-Executive/ Independent Director of CCPLC
Mr. D.C.R. Gunawardena	Non-Executive Director of CCPLC
Mr. F. Mohideen	Non-Executive/ Independent Director of CCPLC

The Audit Committee Report is given on pages 19 to 20 of this Annual Report.

Annual Report of the Board of Directors on the Affairs of the Company

15. DIRECTORS' MEETINGS

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

Director	Meetings Attended (out of 3)
Mr. H. Selvanathan	2
Mr. M. Selvanathan	3
Mr. I. Paulraj	3
Mr. D.C.R. Gunawardena	3
Mr. P.C.P. Tissera	3
Mr. K.C.N. Fernando	3
Mr. T. Rodrigo	2
Mr. S. Mahendrarajah (Alternate to Mr. I Paulraj)	-

16. DIVIDEND

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommend a final dividend of Rs. 14.51 per share for the year ended 31st March 2013. However, in accordance with Sri Lanka Accounting Standard LKAS 10 - events after the reporting period, this proposed final dividend has not been recognized as a liability as at 31st March 2013. This would result in a total outflow of Rs. 101.55 mn subject to approval at the forthcoming Annual General Meeting.

Further, the Company has paid an interim dividend of Rs. 25.57 per share resulting in a total outflow of Rs. 178.95 mn during the year.

17. SOLVENCY TEST

Taking into account the said distribution, the Directors were satisfied that the Company met the solvency test requirement under Section 56 (2) of the Companies Act

No. 7 of 2007 immediately after the distribution.

The Company's Auditors, Messrs. Ernst & Young have issued a Certificate of Solvency confirming the same.

18. STATED CAPITAL

The Stated Capital of the Company as at 31st March 2013 was Rs. 70,032,750 comprising of 6,998,400 ordinary shares. There was no change in the Stated Capital of the Company during the year.

19. SHAREHOLDERS' FUNDS

Total reserves of the Company as at 31st March 2013 was Rs. 5,436.42 mn (2012: Rs. 5,166.72 mn) comprising of retained earnings of Rs. 252.70 mn (2012: Rs. 390.94 mn) and other reserve of Rs. 5,183.72 mn (2012: Rs. 4,775.78 mn). Total reserves combined with Stated Capital as at 31st March 2013 was Rs. 5,506.45 mn (2012: Rs. 5,236.75 mn) The movements are shown in the Statement of Changes in Equity given on page 26.

20. CAPITAL EXPENDITURE AND INVESTMENTS

The total expenditure on acquisition of property, plant & equipment and development cost of biological assets during the year amounted to Rs. 1.17 mn (2012: Rs. 0.41 mn).

The movements in property, plant & equipment and Investments during the year are set out in Notes 9 and 10 on pages 48 and 49 respectively.

There were no movements in Investments during the year under review.

21. VALUE OF THE PROPERTIES

The market value of freehold land reflected in the Financial Statements as at 31st March 2013 is Rs. 1,474.83 mn compared to Rs. 1,216.51 mn in year 2012. The details of freehold land valuation is given in Note 9 on page 48 to the Financial Statements.

22. VALUE OF THE INVESTMENT PORTFOLIO

The market value/valuation of the Company's investment portfolio as at 31st March 2013 was Rs. 3,876.35 mn (2012: Rs. 3,722.27 mn) as disclosed under Note 11 on pages 50 to 52 to the Financial Statements.

23. STATUTORY PAYMENTS

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

24. GOING CONCERN

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

25. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no material circumstances have arisen, which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 21 on page 56 to the Financial Statements.

26. SHARE INFORMATION

The details relating to earnings, net assets, market value per share and information on share trading is given on pages 70 to 72 of this Annual Report.

27. ANNUAL REPORT

The Board of Directors on 22nd April 2013 approved the Company's Financial Statements together with the Reviews which form part of the Annual Report. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board and the Registrar of Companies within the given time frames.

28. ANNUAL GENERAL MEETING

The One Hundred and Seventh Annual General Meeting of the Company will be held on the 29th day of May 2013 at 9.30 a.m at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 07.

The Notice of the Annual General Meeting is on page 75 of this Annual Report.

Annual Report of the Board of Directors on the Affairs of the Company

29. TWENTY MAJOR SHAREHOLDERS

As at 31st March Name of Shareholders	2013		2012	
	No. of shares	%	No. of shares	%
Goodhope Asia Holdings Ltd	6,326,909	90.41	6,289,751	89.87
Mr. R. Chandra (Decd.)	148,052	2.12	148,052	2.12
Mr. S.R. Dean	64,540	0.92	64,540	0.92
Mr. R.T. Stoneham	36,546	0.52	36,546	0.52
Mrs. I. Raymond	33,746	0.48	33,746	0.48
Ms. M.E. Turner	33,590	0.48	33,590	0.48
Mr. F.W. Obeyesekere (Decd.)	24,882	0.36	24,882	0.36
Mrs. B.F. Guzdar	23,328	0.33	23,328	0.33
Mr. C.S.A. Perera	22,904	0.33	22,904	0.33
Mrs. A. Ohman (Decd.)	19,440	0.28	19,440	0.28
Mr. D. Thomson (Decd.)	15,552	0.22	15,552	0.22
Mr. R.G. Bartholomew (Decd.)	15,552	0.22	15,552	0.22
Mr. D.D. Dubash	15,552	0.22	15,552	0.22
Mr. R. Prasada Singh (Decd.)	15,552	0.22	15,552	0.22
Mrs. S. Cameron	15,552	0.22	15,552	0.22
Mrs. J.M.T. Dever	13,372	0.19	13,372	0.19
Mr. N.J.P. Hewett	13,372	0.19	13,372	0.19
Mrs. M.D. Abeysuriya	12,960	0.19	12,960	0.19
Miss R.E.W. Jayasuriya	11,715	0.17	11,715	0.17
Mrs. S. Vignarajah	9,800	0.14	9,800	0.14

30. RISK MANAGEMENT

We are conscious of our need to manage risks and have identified and listed out our risk profile as given on pages 5 and 6 of this Annual Report. Action plans to monitor and manage these risks are incorporated into our business plans and reviewed on a continuous basis.

Company has had no material issues pertaining to employees and industrial relations during the year ended 31st March 2013.

Signed for and on behalf of the Board,

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

31. HUMAN RESOURCES

The Company has no employees other than the plantation workers in its Malaysian operations, since the business and operation of the Company are managed by Agro Harapan Lestari Sdn. Bhd. The

(Sgd.)

K.D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd

Secretaries

22nd April 2013

Audit Committee Report

Audit Committee

As provided by the Colombo Stock Exchange Listing Rules, the Audit Committee of Carson Cumberbatch PLC (CCPLC), the Ultimate Parent Company, functions as the Audit Committee of the Company.

The Members of the Audit Committee are as follows:

Audit Committee Members	Executive/ Non-Executive/ Independent
Mr. V.P. Malalasekera	Non-Executive/ Independent (CCPLC)
Mr. D.C.R. Gunawardena	Non-Executive (CCPLC)
Mr. F. Mohideen	Non-Executive/ Independent (CCPLC)

Mr. V.P. Malalasekera is a Non-Executive, Independent Director of CCPLC and a former Director of Ceylon Tobacco Company PLC.

Mr. D.C.R. Gunawardena is a Non-Executive Director of CCPLC and in most of its Group Companies. He is a Fellow of the Chartered Institute of Management Accountants, UK.

Mr. F. Mohideen, a Non-Executive, Independent Director of CCPLC, was the former Deputy Secretary to the Treasury and a former Director of Bank of Ceylon and Securities and Exchange Commission of Sri Lanka.

The audit aspects of Indo-Malay PLC are conducted within the Agenda of CCPLC - Audit Committee.

Meetings of the Audit Committee

CCPLC - Audit Committee held Four (4) Meetings during the financial year to discuss matters relating to the Company.

The attendance of the Members of the Committee was as follows:

	Meetings Attended (out of 4)
Mr. V.P. Malalasekera	4
Mr. D.C.R. Gunawardena	4
Mr. F. Mohideen	4

The Audit Committee Meetings were attended by the Chief Executive Officer- Plantations, Oils and Fats Sector, Chief Financial Officer - Plantations, Oils and Fats Sector, internal auditors, as well as the senior management staff members.

The Committee met the External Auditors twice during the year, i.e. to discuss the audit scope and to deliberate the draft Financial Report and Accounts. The Audit Committee also met the External Auditors, Messrs. Ernst & Young and discussed the draft Financial Report and Accounts, without the management being present.

Purpose of the Audit Committee

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the Company's process for monitoring compliance with laws and regulations, Company policies and procedures and the code of conduct.

To ensure that the internal audit activity is well managed, so that it adds value to the

Audit Committee Report

organization by being objective in providing relevant assurance, contributing to the effectiveness and efficiency of governance, risk management and control processes.

Transition to New/ Revised Sri Lanka Accounting Standards

With effect from 1st January 2012 it is mandatory for the Company to comply with the requirements of the new/ revised Sri Lanka Accounting Standards (SLFRS/ LKAS). These standards require changes to some of the accounting treatments adopted by the Company.

The transition to the new/ revised Accounting Standards and the impact of same on the Company's Financial Statements have been independently validated by the External Auditors during the year end audit.

Financial Statements

The interim Financial Statements of Indo-Malay PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft Financial Statements of Indo-Malay PLC for the year ended 31st March 2013 were also reviewed at a Meeting of the Audit Committee Members, together with the External Auditors, Messrs. Ernst & Young, prior to release of same to the Regulatory Authorities and to the shareholders. The Audit Committee Members were provided with confirmations and declarations as required, by the Managers, Agro Harapan Lestari Sdn. Bhd., that the said Financial Statements were prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs) and the information required by the Companies Act No. 7 of 2007 therein and presented a true and fair view of the

Company's state of affairs as at that date and the Company's activities during the year under review.

Internal Audit

In accordance with the recommendation of the Audit Committee, financial audits are carried out annually, whilst field audits at estate level are planned and implemented every alternate year which are carried out by the Plantation Sector Internal Audit Team. Accordingly, the Internal Audit has formulated a plan covering the field audits for the next financial year and the plan has been approved by the Audit Committee.

External Audit

The Members of the Audit Committee have determined that Messrs. Ernst & Young, Chartered Accountants, were independent on the basis that they did not carry out any special assignment on the operations of the Company. The Committee has reviewed the external audit plan as well as management letters and followed up on issues raised.

The Members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors for the financial year ending 31st March 2014, subject to the approval of the shareholders of Indo-Malay PLC at the Annual General Meeting.

(Sgd.)

V.P. Malalasekera

Chairman – Audit Committee

Carson Cumberbatch PLC

22nd April 2013

Financial Reports

Independent Auditors' Report	22
Income Statement	23
Statement of Comprehensive Income	24
Statement of Financial Position	25
Statement of Changes in Equity	26
Cash Flow Statement	27
Notes to the Financial Statements	28

Independent Auditors' Report



ERNST & YOUNG

Chartered Accountants

201, De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : (0) 11 2463500
Fax Gen : (0) 11 2697369
Fax : (0) 11 5578180
eysl@lk.ey.com

TO THE SHAREHOLDERS OF INDO - MALAY PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of Indo-Malay PLC ("Company"), which comprise the Statement of Financial Position as at 31 March 2013, and the Income statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the Financial Statements give a true and fair view of the financial position of the Company as at 31 March 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Section 151(2) of the Companies Act No.7 of 2007.

Ernst & Young

Chartered Accountants
22nd April 2013
Colombo

Income Statement

<i>Year ended 31st March</i>	<i>Note</i>	2013 Rs. '000	2012 Rs. '000
Revenue	3	244,446	240,329
Direct operating costs		(56,607)	(47,645)
Gross Profit		187,839	192,684
Gain arising from changes in fair value of biological assets	10	25,024	24,147
Other income and gains	4	-	15,757
Administrative expenses		(25,148)	(18,202)
Profit Before Tax	5	187,715	214,386
Income tax expense	6	(35,024)	(46,138)
Profit for the Year		152,691	168,248
Earnings Per Share (Rs.)	7	21.82	24.04
Dividend Per Share * (Rs.)	7.1	40.08	17.25

The Accounting Policies and Notes from pages 28 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

**Includes interim dividend paid and final dividend proposed for the year.*

Statement of Comprehensive Income

<i>Year ended 31st March</i>	<i>Note</i>	2013 Rs. '000	2012 Rs. '000
Profit for the Year		152,691	168,248
Other Comprehensive Income			
Exchange differences on translation of foreign operations	14	(42,539)	31,864
Gain on revaluation of freehold land	9	296,399	163,823
Gain on available-for-sale financial assets	11.1	154,077	1,026,370
Other Comprehensive Income for the Year, Net of Tax		407,937	1,222,057
Total Comprehensive Income for the Year, Net of Tax		560,628	1,390,305

The Accounting Policies and Notes from pages 28 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement Of Financial Position

As at		31st March 2013 Rs. '000	31st March 2012 Rs. '000	01st April 2011 Rs. '000
Note				
Assets				
Non-Current Assets				
	9	1,484,900	1,226,813	1,058,483
Property, plant and equipment				
Biological assets	10	172,801	152,377	107,457
Other non-current financial assets	11	3,876,347	3,722,269	2,695,899
Total Non-Current Assets		5,534,048	5,101,459	3,861,839
Current Assets				
		274	587	421
Inventories				
Trade and other receivables	12	10,161	17,179	23,807
Advance and prepayments		752	979	902
Income tax receivable		980	-	-
Cash and cash equivalents		32,075	181,015	91,105
Total Current Assets		44,242	199,760	116,235
Total Assets		5,578,290	5,301,219	3,978,074
Equity and Liabilities				
Equity				
	13	70,033	70,033	70,033
Stated capital				
Retained earnings		252,703	390,935	305,618
Other reserves	14	5,183,718	4,775,781	3,553,724
Total Shareholders' Funds		5,506,454	5,236,749	3,929,375
Non-Current Liabilities				
	15	43,621	38,339	26,735
Deferred tax liability				
Retirement benefit obligations	16	2,104	1,929	1,169
Total Non-Current Liabilities		45,725	40,268	27,904
Current Liabilities				
	17	23,563	16,449	15,724
Trade and other payables				
Provision and accrued expenses		2,548	3,629	2,518
Taxation payable		-	4,124	2,553
Total Current Liabilities		26,111	24,202	20,795
Total Equity & Liabilities		5,578,290	5,301,219	3,978,074
Net assets per ordinary share (Rs.)		786.82	748.28	561.47

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

(Sgd.)

C. S. Karunasena

Chief Financial Officer

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

The Accounting Policies and Notes from pages 28 to 59 form an integral part of these Financial Statements.

Signed for and on behalf of the Managers,

Signed for and on behalf of the Board,

(Sgd.)

M.R. Jiffrey

Director

Agro Harapan Lestari Sdn. Bhd.

22nd April 2013

Colombo

(Sgd.)

H. Selvanathan

Chairman

(Sgd.)

P.C.P. Tissera

Director

Statement of Changes In Equity

	Stated Capital Rs. '000	Capital Accretion Reserve Rs. '000	Currency Translation Reserve Rs. '000	Available -for -sale reserve Rs. '000	Retained Earning Rs. '000	Total Shareholders' Fund Rs. '000
Balance as at 1st April 2011	70,033	987,047	21,069	2,545,608	305,618	3,929,375
Profit for the year	-	-	-	-	168,248	168,248
Other comprehensive income	-	163,823	31,864	1,026,370	-	1,222,057
Total comprehensive income	-	163,823	31,864	1,026,370	168,248	1,390,305
Final dividend - 2010/11	-	-	-	-	(74,183)	(74,183)
Interim dividend - 2011/12	-	-	-	-	(8,748)	(8,748)
Balance as at 31st March 2012	70,033	1,150,870	52,933	3,571,978	390,935	5,236,749
Balance as at 1st April 2012	70,033	1,150,870	52,933	3,571,978	390,935	5,236,749
Profit for the year	-	-	-	-	152,691	152,691
Other comprehensive income	-	296,399	(42,539)	154,077	-	407,937
Total comprehensive income	-	296,399	(42,539)	154,077	152,691	560,628
Final dividend - 2011/12	-	-	-	-	(111,974)	(111,974)
Interim dividend - 2012/13	-	-	-	-	(178,949)	(178,949)
Balance as at 31st March 2013	70,033	1,447,269	10,394	3,726,055	252,703	5,506,454

Nature of the reserves are described in Note 14 to the Financial Statements.

The Accounting Policies and Notes from pages 28 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Cash Flow Statement

Year ended 31st March		2013	2012
	Note	Rs. '000	Rs. '000
Cash Flows from Operating Activities			
Profit Before Taxation		187,715	214,386
Adjustments for:			
Depreciation on property, plant and equipment	9	576	540
Provision for retirement benefit obligations	16	236	572
Interest income	3	(2,525)	(680)
Gain from changes in fair value of biological assets	10	(25,024)	(24,147)
Gain from return of long-term advance made towards share capital		-	(1,914)
Exchange differences in currency translation		908	6,642
Operating Profit Before Working Capital Changes		161,886	195,399
Decrease/(Increase) in inventories		313	(166)
Decrease/(Increase) in trade and other receivables		7,244	(1,760)
Increase/(Decrease) in trade payables and accruals		(2,522)	(3,567)
Cash Generated from/(used in) Operations		166,921	189,906
Tax paid		(34,846)	(32,962)
Net Cash (Outflows)/ Inflows from Operating Activities		132,075	156,944
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	9	(709)	(150)
Interest income	3	2,525	680
Development cost on biological assets	10	(463)	(262)
Return of long-term advance made towards share capital		-	10,225
Net Cash Used in Investing Activities		1,353	10,494
Cash Flow from Financing Activities			
Dividend paid		(282,368)	(77,528)
Net Cash Used in Financing Activities		(282,368)	(77,528)
Net (Decrease)/Increase in Cash & Cash Equivalents		(148,940)	89,910
Cash & Cash Equivalents at the Beginning of the Year		181,015	91,105
Cash & Cash Equivalents at the End of the Year (Note A)		32,075	181,015
Note A			
Cash & Cash Equivalents			
Cash and bank balances		32,075	94,660
Short-term deposits		-	86,355
		32,075	181,015

The Accounting Policies and Notes from pages 28 to 59 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

Indo-Malay PLC ("Company") is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at Ladang Berjuntai, Selangor, Malaysia.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation of oil palm and selling of fresh fruits and managing and holding of an investment portfolio.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is Goodhope Asia Holdings Ltd incorporated in Singapore. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Carson Cumberbatch PLC which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Indo-Malay PLC for the year ended 31st March 2013 was authorized for issue in accordance with a resolution of the Board of Directors on 22nd April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Statement of Compliance

The Financial Statements of Indo-Malay PLC comprises the Statement of Financial Position and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, together with the Accounting Policies and Notes to the Financial Statements.

These Financial Statements are prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka, and also in compliance with the requirements of the Companies Act No. 7 of 2007.

2.1.2 Basis of Preparation

For all periods up to and including the year ended 31st March 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards effective as at 31st March 2012. These Financial Statements for the year ended 31st March 2013 is the first, the Company has prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS (hereafter "SLFRS"). Accordingly, the Company has prepared Financial Statements which comply with SLFRS applicable for periods ending on or after 1st April 2012, together with the

comparative period data as at and for the year ended 31st March 2012, as described in the accounting policies. In preparing these Financial Statements, the Company's opening Statement of Financial Position was prepared as at 1st April 2011, the Company's date of transition to SLFRS. Refer Note 2.10 for explanation of the transition.

The Financial Statements have been prepared on a historical cost basis, except for the following items and unless otherwise indicated in these Financial Statements,

- Biological assets are measured at fair value
- Available-for-sale financial assets are measured at fair value
- Land is measured at cost at the time of the acquisition and subsequently at revalued amount.

2.2 Summary of Significant Accounting Policies

2.2.1 Conversion of Foreign Currencies

(a) Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees.

(b) Investment Operations in Sri Lanka
The functional currency of the investment operations in Sri Lanka is Sri Lankan Rupees. Transactions

in foreign currencies are initially translated into functional currency using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the reporting date are translated at the functional currency rate of exchange ruling at that date. The exchange differences arising on translation are taken to Income Statement.

(c) Operations in Malaysia

The functional currency of the foreign operations in Malaysia is the Malaysian Ringgit. As at the reporting date, the assets and liabilities of the Malaysian operations are translated into the presentation currency (Sri Lankan Rupees) at the rate of exchange ruling at the reporting date and the items in the Income Statement are translated at the average exchange rate for the period. The exchange differences arising on translation are recognised in other comprehensive income.

2.2.2 Income Tax

(a) Current Taxes

The Company's liability to taxation is computed in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and the subsequent amendments thereto. Full consideration is given to the tax laws prevailing in the countries of incorporation and operation.

Notes to the Financial Statements

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

(b) Deferred Taxation

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all temporary differences, except:

- Where the deferred tax liability arises from an asset or liability in a transaction that affects neither the accounting profit nor the taxable profit.

Deferred tax assets are recognized for all deductible differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax assets relating to deductible temporary differences arise from the initial recognition of an asset or liability

in a transaction that affects neither the accounting profit nor the taxable profit.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each Reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realized or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in the Statement of Other Comprehensive Income are also recognized in the Statement of Other Comprehensive Income and not in the Income Statement.

Deferred tax assets and liabilities are set off if a legally enforceable right exists to set off current tax assets

against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.2.3 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.2.4 Events occurring after the Reporting Period

The materiality of the events occurring after the reporting date is considered and appropriate adjustments or disclosures are made in the Financial Statements.

2.3 Assets and Bases of their Valuation

Assets classified as current assets in the Statement of Financial Position 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 reporting date.

Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

2.3.1 Property, Plant & Equipment and Depreciation

(a) Valuation

Property, plant & equipment are stated at cost or valuation, net of accumulated impairment and accumulated depreciation, provided on the basis stated in (c) below.

(b) 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 earning capacity of the business has been treated as capital expenditure.

(c) Depreciation

The provision for depreciation is calculated by using a straight line method on the cost or valuation of all property, plant & equipment other than freehold land, in order to write off such amounts over the estimated

Notes to the Financial Statements

useful lives. The principal annual rates used are:

	No. of years
Freehold buildings	20
Plant & machinery	10
Furniture, fittings & office equipment	8
Motor vehicles	4

No depreciation is provided on freehold land.

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

The appropriateness of useful lives of the assets and the residual value is assessed annually.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

- (d) Permanent Land Development Costs
Land development costs incurred in respect of developing the land for cultivation which are permanent in nature, are capitalized as "land cost".
- (e) Revaluation of Land
Revaluation of the freehold land in Malaysia is carried out at least once in every five years in order to ensure

that the book values reflect the market value. Any surplus or deficit arising there from is adjusted through the Capital Accretion Reserve.

2.3.2 Biological Assets

Biological assets, representing immature and mature palm oil plantations, are stated at fair value less costs to sell. Oil palm trees have an average life up to 26 years, with the first 30 months as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Company uses the present value of expected future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the asset, discounted at a current market determined pre-tax rate in determining fair values.

The Company obtains the services of an Independent Professional Valuer to establish the fair value of biological assets. Accordingly, the biological assets of the Company have been valued by KJPP Rengganis, Hamid & Partners of Indonesia.

Gains or losses arising on initial recognition of plantations at fair values less costs to sell and from the change in fair values less costs to sell of plantations at each reporting date are included in the Income Statement for the period in which they arise.

2.3.3 Financial Assets and Liabilities - Initial Recognition and Subsequent Measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted investments.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method (EIR), less impairment. The losses arising from impairment are recognised in the income statement as a part of administration costs.

(b) Available-for-Sale Financial Investments

Available-for-sale financial investments include quoted and unquoted investments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is

Notes to the Financial Statements

reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

Fair value of investments in unquoted ordinary shares are determined based on adjusted tangible net assets of such companies and fair value of investment in quoted shares is determined by reference to published price quotation in an active market.

The Company evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Company has the intent and ability to hold these assets for the foreseeable future or until maturity.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the

financial asset that can be reliably estimated.

(c) Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If, in a

subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

(d) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent Measurement

Trade and other payables are measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Notes to the Financial Statements

2.3.4 Inventories

Inventories, except for fresh fruit bunches, are stated at cost or net realizable 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 cost basis.

2.3.5 Cash & Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.6 Impairment of Non Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, or when annual impairment testing for a financial asset or group

of financial assets is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.4 Liabilities and Provisions

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

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

2.4.1 Retirement Benefit Obligations

(a) Defined Benefit Plans - Retirement Gratuity

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of relevant statute.

The Company's operations in Malaysia are liable to pay Retirement Gratuity where employees have served in the Company's operations in Malaysia for more than five years and fulfilling the conditions in the Malaysian Agricultural Producers Association and National Union Plantation workers' Agreements.

The defined benefit is calculated by the management using Projected Unit Credit (PUC) method as recommended by LKAS 19 – "Employee benefits". The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The resulting difference between brought forward provision at the beginning of the year, net of any payment made, and the carried forward provision at the end of a year, is dealt with in the Income Statement. The gratuity liability is not funded.

(b) 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.

Employer's contribution to Provident Fund covering the employees is recognised as an expense in the Income Statement in the period in which it is incurred.

2.4.2 Capital Commitments and Contingencies

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

2.5 Income Statement

2.5.1 Revenue

Revenue represents proceeds from sale of fresh fruit bunches from Malaysian operations and investment income from Sri Lankan operations.

2.5.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific

Notes to the Financial Statements

criteria are used for the purpose of recognition of revenue:

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

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

Interest income - accrued on a time proportionate basis.

Other income - on an accrual basis.

2.5.3 Expenditure Recognition

The expenses are recognized on an accrual basis. All expenditure incurred in the ordinary course of business and in maintaining the Property, plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the Income Statement the Directors are of the opinion that "function of expenses" method presents fairly the elements of the Company's performance, and hence such presentation method is adopted.

2.6 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including

revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the senior management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the senior management and board of directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire Property, plant and equipment.

2.7 Related Party Disclosures

Disclosures are made in respect of related party transactions in accordance with LKAS 24.

2.8 Critical Accounting Estimates, Judgments and Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates/Judgments made by management in the application of Sri Lanka Accounting Standards that have a significant effect on the Financial Statements are mentioned below.

	Policy	Note
Property, plant & equipment valuation and depreciation	2.3.1	9
Deferred tax	2.2.2 (b)	15
Impairment of assets	2.3.3 / 2.3.6	-
Employee benefit liabilities	2.4.1	16
Determination and conversion of foreign currencies	2.2.1	8
Financial assets and liabilities	2.3.3	11/12/17
Biological assets valuation	2.3.2	10

2.9 Standards Issued but not yet Effective

Standards issued but not yet effective up to the date of issuance of the Company's Financial Statements are set out below. The Company will adopt these standards when they become effective. Pending a detailed review the financial impact is not reasonably estimable as at the date of publication of these Financial Statements.

Notes to the Financial Statements

(i) SLFRS 9 - Financial Instruments: Classification and Measurement
SLFRS 9, as issued reflects the first phase of work on replacement of LKAS 39 and applies to classification and measurement of financial assets and liabilities.

(ii) SLFRS 13 - Fair Value Measurement
SLFRS 13 establishes a single source of guidance under SLFRS for all fair value measurements. SLFRS 13 provides guidance on all fair value measurements under SLFRS.

SLFRS 9 will be effective for financial periods beginning on or after 1st January 2015 whilst SLFRS 13 will be effective for financial periods beginning on or after 1st January 2014.

2.10 First Time Adoption of SLFRS

These Financial Statements, for the year ended 31st March 2013, are the first the Company has prepared in accordance with SLFRS. For periods up to and including the year ended 31st March 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS).

Accordingly, the Company has prepared Financial Statements which comply with SLFRS applicable for periods ending on or after 31st March 2013, together with the comparative period data as

at and for the year ended 31st March 2012, as described in the accounting policies. In preparing these Financial Statements, the Company's opening statement of financial position was prepared as at 1st April 2011, the Company's date of transition to SLFRS. This note explains the principal adjustments made by the Company in restating its SLASs statement of financial position as at 1st April 2011 and its previously published SLASs Financial Statements as at and for the year ended 31st March 2012.

Exemptions Applied

SLFRS 1 First-Time Adoption of Sri Lanka Financial Reporting Standards, allows first-time adopters certain exemptions from the retrospective application of certain SLFRS. The Company has applied the following exemptions:

- Designation of Previously Recognized financial assets and liabilities

The Company has designated equity instruments held at 1st April 2011 as available-for-sale investments in accordance with the exemption given in the SLFRS 1 which permits a first time adopter to designate financial assets on the date of transition to SLFRSs.

2.10.1 Reconciliation of Equity as at 1st April 2011 (date of transition to SLFRS)

	Note	SLAS Rs. '000	Remeasurements Rs. '000	SLFRS Rs. '000
Assets				
Non-Current Assets				
Property, Plant and Equipment	A	1,118,341	(59,858)	1,058,483
Biological assets	A	-	107,457	107,457
Other non current financial assets	B	150,290	2,545,609	2,695,899
Total Non-Current Assets		1,268,631	2,593,208	3,861,839
Current Assets				
Inventories		421	-	421
Trade and other receivables		23,807	-	23,807
Advance and prepayments		902	-	902
Cash and cash equivalents		91,105	-	91,105
Total Current Assets		116,235	-	116,235
Total Assets		1,384,866	2,593,208	3,978,074
Equity and Liabilities				
Equity				
Stated capital		70,033	-	70,033
Retained earnings	A & C	286,925	18,693	305,618
Other reserves	B	991,109	2,562,615	3,553,724
Total Shareholders Funds		1,348,067	2,581,308	3,929,375
Non-Current Liabilities				
Deferred tax liability	A & C	14,835	11,900	26,735
Retirement benefit obligations		1,169	-	1,169
Total Non-Current Liabilities		16,004	11,900	27,904
Current Liabilities				
Trade and other payables		15,724	-	15,724
Provision and accrued expenses		2,518	-	2,518
Taxation payable		2,553	-	2,553
Total Current Liabilities		20,795	-	20,795
Total Equity & Liabilities		1,384,866	2,593,208	3,978,074

Notes to the Financial Statements

2.10.2 Reconciliation of Equity as at 31st March 2012

	Note	SLAS Rs. '000	Remeasurements Rs. '000	SLFRS Rs. '000
Assets				
Non-Current Assets				
Property, Plant and Equipment	A	1,284,681	(57,868)	1,226,813
Biological assets	A	-	152,377	152,377
Other non current financial assets	B	150,290	3,571,979	3,722,269
Total Non-Current Assets		1,434,971	3,666,488	5,101,459
Current Assets				
Inventories		587	-	587
Trade and other receivables		17,179	-	17,179
Advance and prepayments		979	-	979
Cash and cash equivalents		181,015	-	181,015
Total Current Assets		199,760	-	199,760
Total Assets		1,634,731	3,666,488	5,301,219
Equity and Liabilities				
Equity				
Stated capital		70,033	-	70,033
Retained earnings	A & C	357,570	33,365	390,935
Other reserves	B	1,166,286	3,609,495	4,775,781
Total Shareholders Funds		1,593,889	3,642,860	5,236,749
Non-Current Liabilities				
Deferred tax liability	A & C	14,711	23,628	38,339
Retirement benefit obligations		1,929	-	1,929
Total Non-Current Liabilities		16,640	23,628	40,268
Current Liabilities				
Trade and other payables		16,449	-	16,449
Provision and accrued expenses		3,629	-	3,629
Taxation payable		4,124	-	4,124
Total Current Liabilities		24,202	-	24,202
Total Equity & Liabilities		1,634,731	3,666,488	5,301,219

2.10.3 Reconciliation of Total Comprehensive Income for the year ended 31st March 2012

	Note	SLAS Rs. '000	Remeasurements Rs. '000	SLFRS Rs. '000
Revenue		240,329	-	240,329
Direct operating costs	A	(49,898)	2,253	(47,645)
Gross Profit		190,431	2,253	192,684
Gain arising on changes in fair value of Biological Assets	A	-	24,147	24,147
Other income and gains		15,757	-	15,757
Administrative expenses		(18,202)	-	(18,202)
Profit Before Tax		187,986	26,400	214,386
Income tax expense	C	(34,409)	(11,729)	(46,138)
Profit for the Year		153,577	14,671	168,248
Other Comprehensive Income				
Exchange differences on translation of Malaysian operations		-	31,864	31,864
Revaluation of freehold land	9	-	163,823	163,823
Gain on available-for- sale financial assets	B	-	1,026,370	1,026,370
		-	1,222,057	1,222,057
Other Comprehensive Income for the Year, Net of Tax		-	1,222,057	1,222,057
Total Comprehensive Income for the year, Net of Tax		153,577	1,236,728	1,390,305

Notes to the Financial Statements

2.10.4 Notes to the reconciliation of equity as at 1 April 2011 and 31st March 2012 and total comprehensive income for the year ended 31st March 2012

A Biological Assets

Under Previous SLAS, the Company accounted for mature and immature plantation under property, plant and equipment measured at cost less amortization. Under SLFRS, the Company has designated such assets as Biological Assets. LKAS 41 - Agriculture requires biological assets to be measured at fair value less cost to sell as explained in Accounting Policy 2.3.2 – Biological Assets. At the date of transition to SLFRS (1st April 2011), the fair value less cost to sell of these assets is Rs.107 mn (2012 : Rs.152 mn) and their previous SLAS carrying amount was Rs. 60 mn (2012 : Rs. 58 mn).The Rs. 47 mn (2012 : Rs. 94 mn) difference between the fair value less cost to sell and previous SLAS carrying amount has been recognized in retained earning, net of related deferred taxes and currency translation reserve.

The Fair values have been established by an Independent Valuer. The details of the valuation, basis of valuation, and the assumptions used are described in Note 10 to the Financial Statements. In fair valuing the biological assets, the related accumulated amortization has been reversed.

B Available-for-Sale Financial Assets

Under Previous SLAS, the Company accounted for investments in related companies' equity shares as Long Term Investment measured at cost. Under SLFRS, the Company has designated such investments as available-for-sale investments (refer policy 2.3.3 (b)). LKAS 39 Financial Instruments: Recognition and measurement requires available-for-sale investments to be measured at fair value. Details pertaining to the respective investments and the basis of fair valuation of these investments is described in Note 11 to the Financial Statements. At the date of transition to SLFRS, the fair value of these assets is Rs. 2,696 mn (2012 : Rs. 3,722 mn) and their previous SLAS carrying amount was Rs.150 mn (2012 : Rs.150 mn). The Rs. 2,546 mn (2012 : Rs.3,572 mn) difference between the instruments fair value and previous SLAS carrying amount has been recognized as a separate component of equity, in the available-for-sale reserve.

C Deferred Tax

Transitional Adjustments indicated above lead to temporary differences. Accordingly the Company has accounted for the tax effect of such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction in retained earnings.

<i>For the year ended 31st March</i>		2013	2012
		Rs. '000	Rs. '000
3. REVENUE			
Oil Palm:			
Sale of fresh fruit bunches	193,366		201,697
Investment:			
Dividend income	48,555		37,952
Interest income	2,525		680
	244,446		240,329

<i>For the year ended 31st March</i>		2013	2012
		Rs. '000	Rs. '000
4. OTHER INCOME AND GAINS			
Exchange Gain	-	13,384	
Gain from return of long term advance made towards share capital	-	1,914	
Other Income	-	459	
	-	15,757	
5. PROFIT BEFORE TAX			
is stated after charging all expenses including the following:			
Depreciation (Note 9)	576	540	
Management and professional fees	12,248	14,488	
Auditors' remuneration			
Audit fee for the current year	637	550	
Directors' fees	900	200	
Personnel costs (Note 5.1)	21,496	17,890	
5.1 Personnel Costs			
Salaries, wages and other staff related expenses	20,270	16,462	
Defined contribution plans - EPF	990	856	
Retirement benefit obligations (Note 16)	236	572	
	21,496	17,890	
6. INCOME TAX			
6.1 Major components of income tax expense			
The major components of income tax expense for the financial year period ended 31st March 2013 and 31st March 2012 are:			
Income Statement:			
Current income tax			
Current year income tax expense	29,726	34,650	
Under/(over) provision of income tax in respect of prior year	-	(107)	
	29,726	34,543	
Deferred Income Tax			
- Origination/reversal of temporary differences	5,298	11,595	
Income tax expense recognised in profit or loss	35,024	46,138	

Notes to the Financial Statements

6.2 Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the year ended 31st March 2013 and 31st March 2012 are as follows:

<i>For the year ended 31st March</i>	2013 Rs.	2012 Rs.
Profit before tax	187,715	214,386
Tax at applicable rates to profits (Notes 6.3 (b) and 6.3 (e))	22,717	25,726
Adjustments:		
Income not subject to tax including biological gains (note 6.3 (d) and note 10)	(8,845)	(7,804)
Under/(over) provision in respect of previous years	-	(107)
Double tax credit for Malaysian Branch (Note 6.3 (c))	(13,874)	(18,899)
Others-Taxation in Malaysian Branch (Note 6.3 (a))	29,248	34,649
Non-deductible expenses	480	978
Deferred Tax	5,298	11,595
Income tax expense recognised in profit or loss	35,024	46,138

6.3 Taxation of Profits

- (a) The provision for taxation on profits from plantation activities is based on the Company's liability to income tax in Malaysia. Profits from plantation activities is liable to tax in Malaysia at a rate of 25% (2012: 25%).
- (b) During the year ended 31st March 2013, as provided for under Section 46 of the Inland Revenue Act No. 10 of 2006, these profits are liable to tax in Sri Lanka at 12% (2012: 12%).
- (c) In terms of the double tax treaty agreement entered into between Sri Lanka and Malaysia, the Company is entitled to claim credit for tax paid in Malaysia, when calculating the Company's tax liability in Sri Lanka on profits from plantation in Malaysia.
- (d) In terms of Section 9 & 10 of the Inland Revenue Act No. 10 of 2006, and amendments thereto, interest and dividend income received from Malaysia is exempt from income tax.
- (e) Profits of the Company, other than such referred to in Note 6.3 (b) and (d) are liable to tax at a rate of 28% (2012: 28%).

6.4 Dividend Tax

Dividend distribution would consist of a distribution of operational profits and a redistribution of dividend income. Redistribution of dividend income received from a already taxed source would not be liable to dividend tax.

7. EARNINGS PER SHARE

The calculation of Earnings per ordinary share of Rs. 21.82 (2012: Rs. 24.04) is based on the profit after taxation over the weighted average number of ordinary shares in issue during the year.

Given below is the computation of Earnings Per Share:

<i>For the year ended 31st March</i>	2013	2012
Numerator		
Profit for the year (Rs.)	152,690,890	168,248,353
Profit attributable to ordinary shareholders (Rs.)	152,690,890	168,248,353
Denominator		
Number of ordinary shares (Note 13)	6,998,400	6,998,400
Earnings Per Share (Rs.)	21.82	24.04

7.1 Dividend paid or proposed

Dividend paid during the year

Interim Dividend for 2013: Rs. 25.57 per share (2012 Rs. 17.25 per share)	178,949	8,748
Final Dividend for 2012: Rs. 16.00 per share (2011: Rs. 10.60 per share)	111,974	74,183

Proposed for approval at AGM (not recognised as a liability as at 31st March)

2013: Rs. 14.51 per share (2012: Rs. 16.00 per share)	101,547	111,974
---	----------------	---------

Dividend per share is calculated by considering both proposed and paid dividend during the year.

8. FOREIGN CURRENCY TRANSLATION

The Accounting Policy of foreign currency translation is shown under 2.2.1 of summary of significant accounting policies. The principal exchange rates used for conversion of foreign currency balances are as follows:

<i>As at</i>	31st March 2013 Rs.	31st March 2012 Rs.	01st April 2011 Rs.
Malaysian Ringgit	40.97	42.29	36.47
US Dollar	126.87	130.20	110.46

Notes to the Financial Statements

9. PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Roads & Bridges	Capital Work in Progress	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/Valuation								
As at 1st April 2011	1,049,215	14,598	686	815	2,891	1,225	-	1,069,430
Additions	-	-	-	150	-	-	-	150
Translation adjustment for the year	167,297	2,328	109	156	461	195	-	170,546
As at 31st March 2012	1,216,512	16,926	795	1,121	3,352	1,420	-	1,240,126
Additions				94			615	709
Revaluation Gain	296,399	-	-	-	-	-	-	296,399
Translation adjustment for the year	(38,085)	(530)	(25)	(35)	(105)	(44)	-	(38,824)
As at 31st March 2013	1,474,826	16,396	770	1,180	3,247	1,376	615	1,498,410
Depreciation								
As at 1st April 2011	-	6,341	386	815	2,891	514	-	10,947
Charge for the year	-	451	56	8	-	25	-	540
Translation adjustment for the year	-	1,078	70	131	461	86	-	1,826
As at 31st March 2012	-	7,870	512	954	3,352	625	-	13,313
Charge for the year	-	462	63	23	-	28	-	576
Translation adjustment for the year	-	(206)	(17)	(31)	(105)	(20)	-	(379)
As at 31st March 2013	-	8,126	558	946	3,247	633	-	13,510
Net Book Value								
As at 31st March 2013	1,474,826	8,271	212	234	-	743	615	1,484,900
As at 31st March 2012	1,216,512	9,056	283	167	-	795	-	1,226,813
As at 1st April 2011	1,049,215	8,257	300	-	-	711	-	1,058,483

- (i) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 0.60 mn (2012: Rs. 0.60 mn)
- (ii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs. 10.68 mn (2012: Rs. 9.48 mn).
- (iii) The freehold land was revalued on 31st March 2013 based on existing use basis, by an independent valuer Encik W. M. Malik, member of the Institution of Surveyors, Malaysia, a partner with W. M. Malik & Kamaruzaman. Gain on revaluation of freehold land in other comprehensive income statement of 2013 and 2012 depicts an asset revaluation gain of Rs. 296.40 mn and a currency revaluation gain of Rs. 163.82 mn for the respective financial years.
- (iv) The total revaluation gain over the book value has been credited to the capital accretion reserve and included under other reserves.
- (v) All property, plant & equipment are located in Malaysia.
- (vi) During the year Company acquired and paid for property, plant and equipment to the aggregate value of Rs. 708,326.

10. BIOLOGICAL ASSETS

	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
Carrying value at the beginning of the year	152,377	107,457	91,310
Plantation development costs	463	261	160
Currency translation differences	(5,063)	20,512	6,814
	147,777	128,230	98,284
Gain arising from changes in fair value	25,024	24,147	9,173
Carrying value at the end of the year	172,801	152,377	107,457

Biological assets represent immature and mature palm oil plantations in Malaysia. Under the previous SLAS, these assets were classified under property, plant and equipment and measured at cost less amortization. With the transition to SLFRS, the company has designated such assets as 'biological assets' and has been measured at fair value less cost to sell.

As market determined prices or values are not readily available for plantations in its present condition, the company uses present value of expected future cash flows from the asset, discounted at current market determined pre-tax rate in establishing the fair value.

The Company obtains the services of an independent professional valuer to establish the fair value of the biological assets. Accordingly, the biological assets of the Company have been valued as at 1st April 2011, 31st March 2012 and 31st March 2013 by KJPP Rengganis, Hamid & Partners of Indonesia. These valuations are performed, in accordance with international valuations standards, using the following key assumptions:

Notes to the Financial Statements

- (a) Projected economic production life of palm oil plants is 22 years (2012: 22 years) after maturity.
- (b) Malaysian Discount rate per annum of 8.25% in 2013 (2012: 8.33%).
- (c) This valuation is based on market FFB Price. FFB price for the first year is estimated at RM 428 per ton. FFB price is projected to decrease for second year at RM 423 per ton. The third year is estimated at RM 400 per ton. The fourth year is estimated at RM 416 per ton. The fifth year is estimated at RM 433 per ton. The remaining years are estimated at RM 428 per ton.

Gains or losses arising on initial recognition of plantations at fair value less costs to sell and from the changes in fair values less costs to sell of plantations at each reporting date are included in the Income Statement for the respective period.

The deferred tax impact on recognition of biological assets has been charged to the Income Statement (refer Note 15).

Analysis of biological assets are as follows:	2013	2012	2011
	Rs. '000	Rs. '000	Rs. '000
Plantation values			
Mature	171,281	151,320	106,349
Immature	1,520	1,057	1,108
	172,801	152,377	107,457
Plantation area in hectares	Ha	Ha	Ha
Mature	281.26	281.26	281.26
Immature	2.63	2.63	2.63
	283.89	283.89	283.89

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

<i>As at</i>	31st March	31st March	1st April
	2013	2012	2011
	Rs. '000	Rs. '000	Rs. '000

11.1 Other Non-Current Financial Assets

Available-for-sale investments

Unquoted equity shares (11.1.a)	3,741,262	3,584,066	2,568,584
Quoted equity shares (11.1.b)	135,085	138,203	127,315
Total available-for-sale investments	3,876,347	3,722,269	2,695,899
Total other financial assets: non-current	3,876,347	3,722,269	2,695,899

11.1.a Available-for-Sale Investment - Unquoted Equity Shares

The Company holds a non-controlling interest of 13.33% (2012 : 13.33%) in Shalimar Developments Sdn. Bhd. (SDSB) – an investment holding company incorporated in Malaysia. SDSB's sole investment is in PT Agro Indomas - an oil palm plantation company based in Indonesia, in which it has controlling interest.

Under previous SLAS, the company accounted for these investments at cost. Under SLFRS the Company has designated such investments as 'available-for-sale' investments and measured at fair value.

The fair value of this unquoted investment in SDSB has been estimated using the 'adjusted tangible net assets' on a revalued basis, (refer accounting policy number 2.3.3. (b)).

Accordingly, in arriving at the fair value of the Company's investment in SDSB, the property, plant and equipment and biological assets of PT Agro Indomas has been revalued as at 31st December 2012, 31st March 2012 and 31st March 2011 for the reporting dates of 31st March 2013, 31st March 2012 and 1st April 2011, respectively.

11.1.b Available-for-Sale Investment - Quoted Equity Shares

The Company holds non-controlling interests of 2.21% (2012 : 2.21%) in Shalimar (Malay) PLC. The fair value of the equity shares is determined by reference to published price quotations in an active market.

11.2 Fair Values

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial assets and liability that are carried in the Financial Statements.

As at	Carrying amount			Fair value		
	31st March 2013	31st March 2012	1st April 2011	31st March 2013	31st March 2012	1st April 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Financial Assets						
Trade and other receivables	10,161	18,158	16,398	10,161	18,158	16,398
Other financial assets						
Available-for-sale investments	3,876,347	3,722,269	2,695,899	3,876,347	3,722,269	2,695,899
Cash and short-term deposits	32,075	181,015	91,105	32,075	181,015	91,105
Total	3,918,583	3,921,442	2,803,402	3,918,583	3,921,442	2,803,402
Financial liabilities						
Trade and other payables	23,563	20,078	18,242	23,563	20,078	18,242
Total	23,563	20,078	18,242	23,563	20,078	18,242

Notes to the Financial Statements

11.3 Fair Value Hierarchy (Determination of fair values)

As required by SLFRS, the Company uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique as depicted in the table below:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Assets measured at fair value

<i>As at</i>	31st March 2013 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Available-for-sale financial assets				
Equity shares	3,876,347	135,085	-	3,741,262

<i>As at</i>	31st March 2012 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Available-for-sale financial assets				
Equity shares	3,722,269	138,203	-	3,584,066

<i>As at</i>	1st April 2011 Rs. '000	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000
Available-for-sale financial assets				
Equity shares	2,695,899	127,315	-	2,568,584

12. TRADE AND OTHER RECEIVABLES

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Total Rs. '000
Trade debtors	10,161	17,091	15,488
Other Debtors	-	-	8

Amounts due from related companies

Company	Relationship			
Shalimar Developments Sdn. Bhd.	Fellow Subsidiary	-	-	8,311
Carson Cumberbatch PLC	Ultimate Parent	-	88	-
		10,161	17,179	23,807

13. STATED CAPITAL

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
Issued and Fully Paid Ordinary			
6,998,400 Ordinary Shares	70,033	70,033	70,033
	70,033	70,033	70,033

14. OTHER RESERVES

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
Currency translation reserve	10,394	52,933	21,069
Available-for-sale reserve	3,726,055	3,571,978	2,545,608
Capital accretion reserve	1,447,269	1,150,870	987,047
End of the year	5,183,718	4,775,781	3,553,724

Currency translation reserves represents exchange differences arising from the translation of the Financial Statements of foreign operations whose functional currencies are different from that of the Company's presentation currency.

Available-for-sale reserve represents the excess between the fair value and cost of available-for-sale financial assets.

Capital accretion reserve includes surplus arising from revaluation of property, plant and equipment.

The movements of the above reserves are given in the Statement of Other Comprehensive Income.

15. DEFERRED INCOME TAX

	Statement of Financial Position			Income Statement	
	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000	2013 Rs. '000	2012 Rs. '000
Deferred Tax Liability					
Deferred tax on property, plant & equipment	1,020	781	492	240	288
Deferred tax on biological assets	43,200	38,094	26,864	5,106	11,230
	44,220	38,875	27,356	5,346	11,518
Deferred Tax Assets					
Defined benefit plans	(526)	(482)	(292)	(44)	(190)
Provision for ex-gratia	(67)	(63)	(330)	(4)	267
	(593)	(545)	(622)	(48)	77
Effect of exchange rate movement	(6)	9	1		
Deferred tax expense				5,298	11,595
Net deferred tax liability	43,621	38,339	26,735		

Notes to the Financial Statements

16. RETIREMENT BENEFIT OBLIGATIONS

The defined benefit is calculated by the management using Projected Unit Credit (PUC) method as recommended by LKAS 19 – Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

16.1 Provision during the year

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
Beginning of the year	1,928	1,169	1,400
Provision for the year (16.2)	236	572	(26)
Exchange gain/(loss)	(60)	188	81
Paid for the Year	-	-	(286)
End of the year	2,104	1,929	1,169

	2013 Rs. '000	2012 Rs. '000	2011 Rs. '000
--	--------------------------	------------------	------------------

16.2 Provision during the Year

Charge for the year	224	204	124
(Gain)/loss arising from changes in the assumptions	(65)	321	(206)
Interest charge for the year	77	47	56
	236	572	(26)

The principle assumptions used were as follows,

<i>As at</i>	31st March 2013	31st March 2012	1st April April 2011
Discount rate	4%	4%	4%
Future salary increment rate	3%	3%	3%
Staff turnover	9%	9%	13%

17. TRADE AND OTHER PAYABLES

<i>As at</i>	31st March 2013 Rs. '000	31st March 2012 Rs. '000	1st April 2011 Rs. '000
Trade creditors	2,539	3,911	8,589
Unclaimed dividend	21,024	12,469	7,066
Amounts due to Related Companies	Relationship		
Carsons Management Services			
(Pvt) Ltd	Group Company	-	69
		69	69
	23,563	16,449	15,724

18. SEGMENTAL REPORTING

For management purpose, the Company is organised into the following two business segments;

(A) Industry

	Oil Palm		Investments		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Revenue						
External revenue	193,366	201,697	51,080	38,632	244,446	240,329
	193,366	201,697	51,080	38,632	244,446	240,329
Result						
Segment result	143,036	163,635	44,679	50,751	187,715	214,386
Taxation	(34,546)	(46,245)	(478)	107	(35,024)	(46,138)
	108,490	117,390	44,201	50,858	152,691	168,248

Other Information

Segment assets	1,697,808	1,520,299	3,880,482	3,780,920	5,578,290	5,301,219
Segment liabilities	49,642	50,903	22,194	13,567	71,836	64,470
Capital expenditure	1,172	411	-	-	1,172	411
Depreciation	576	540	-	-	576	540
Retirement benefits charge	236	572	-	-	236	572

(B) Geographical

	Malaysia		Sri Lanka		Company	
	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000	2013 Rs. '000	2012 Rs. '000
Revenue	193,366	201,697	51,080	38,632	244,446	240,329
Non-current assets	1,657,701	1,379,190	3,876,347	3,722,269	5,534,048	5,101,459

Notes to the Financial Statements

19. CONTRACTS FOR CAPITAL EXPENDITURE

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

20. ASSETS PLEDGED

There were no assets pledged other than the disclosure made under Note 22 of these Financial Statements.

21. EVENTS AFTER THE REPORTING DATE

After satisfying the solvency test in accordance with Section 57 of the Companies Act No. 7 of 2007, the Directors recommended the payment of final dividend of Rs. 14.51 per share for the year ended 31st March 2013. However, in accordance with Sri Lanka Accounting Standard No. 10 (LKAS-10) Events After the Reporting Period, this proposed final dividend has not been recognized as a liability as at 31st March 2013. This would result in a total outflow of Rs. 101.55 mn subject to approval at the forthcoming Annual General Meeting.

There were no circumstances which required adjustment to or disclosures in these Financial Statements other than disclosed above.

22. CONTINGENT LIABILITIES

There are no material contingent liabilities other than the following as at the reporting date of 31st March 2013.

Malaysian plantation properties of Indo-Malay PLC and Selinsing PLC were charged as security to Standard Chartered Bank Singapore to secure a financing facility under Goodhope Asia Holdings Ltd. the Company's parent, in order to facilitate the Group expansion programme of the plantation asset base and to refinance the Group's existing debt obligations.

An internal arrangement was established to ensure equitability amongst the four Malaysian plantation companies (Indo-Malay PLC, Selinsing PLC, Good Hope PLC, and Shalimar (Malay) PLC), with each of the four Malaysian plantation companies counter guaranteeing the combined liability that would crystallize in the event of a successful claim on properties mortgaged by Indo-Malay PLC and Selinsing PLC. As such total loss incurred by Indo-Malay PLC in the event of a successful claim is limited to 25% of the combined loss.

The above has been previously communicated via a Shareholder Circular dated 29th September 2009 and approved at the Extra Ordinary General Meeting held on 21st October 2009.

23. RELATED PARTY DISCLOSURES

23.1 Transactions with Related Companies - 2012/13

Name of the Company	Relationship	Nature of Transaction	Transaction Value during the year Rs.'000	Amount Outstanding as at 31.03.2013 Rs.'000
1. Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees Technical support services, Sales commission and Performance incentive	(12,041)	-
2. Carson Cumberbatch PLC (CCPLC)	Ultimate Parent	Settlement of loan expenses incurred on behalf of Company	(88)	-
3. Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Dividend income	42,529	-
4. Shalimar (Malay) PLC	Fellow Subsidiary	Dividend income	6,026	-
5. Goodhope Asia Holdings Ltd	Immediate Parent	Dividend paid	(273,751)	-
6. Carsons Management Services (Pvt) Ltd	Group Company	Secretarial expenses	(399)	-
7. AHL Business Solutions (Pvt) Ltd	Fellow Subsidiary	Data processing fee IT support fee	(1,350) (401)	-
8. Equity One PLC	Group Company	Service charges	(9)	-
TOTAL amounts due to Related Parties				-
TOTAL amounts due from Related Parties				-

Notes to the Financial Statements

23. RELATED PARTY DISCLOSURES
23.1 Transactions with Related Companies - 2012/13

Name of the Company	Relationship	Nature of Transaction	Transaction value during the year Rs. '000	Amount Outstanding as at 31.03.2012 Rs. '000
1. Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees technical support services, sales commission and performance incentive Temporary advances*	(12,416) 10,113	-
2. Carson Cumberbatch PLC (CCPLC)	Ultimate Parent	Expenses incurred on behalf of Company	88	88
3. Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Return of long-term advances made towards share capital** Dividend Income	8,311 34,821	-
4. Good Hope PLC	Fellow Subsidiary	Expense incurred on behalf of Company	162	-
5. Selinsing PLC	Fellow Subsidiary	Expense incurred on behalf of Company	145	-
6. Shalimar (Malay) PLC	Fellow Subsidiary	Expense incurred on behalf of Company Dividend Income	10 3,264	-
7. Agro Harapan Lestari (Pvt) Ltd.	Fellow Subsidiary	Temporary advances*	18,420	-
8. Goodhope Asia Holdings Ltd.	Immediate Parent	Dividend paid Temporary advances*	(74,390) 56,150	-
9. Carsons Management Services (Pvt) Ltd.	Group Company	Secretarial expenses	(744)	(69)
10. AHL Business Solutions (Pvt) Ltd.	Fellow Subsidiary	Data processing fee Temporary advances*	(807) 8,311	-
11. PT Agro Indomas	Fellow Subsidiary	Temporary advances*	6,081	-
TOTAL amounts due to Related Parties			(69)	
TOTAL amounts due from Related Parties			88	

* The temporary cash advances are non interest bearing and repayable upon demand.

** In order to facilitate the Group's expansion plan in Indonesia, the company had advanced funds to Shalimar Developments Sdn Bhd. (SDSB) in the past with the intention of progressively capitalizing these fund as equity. As these Indonesian plantations have now reached maturity and have an improved cash flow position, the un-capitalized amount had been repatriated to the Company in the financial year 2011/2012.

23.2 Compensation to Key Management Personnel

<i>For the year ended 31st March</i>	2013	2012
	Rs. '000	Rs. '000
Emoluments/Fees	900	200

Key management personnel of the Company are members of its Board of Directors and that of its parent and ultimate parent.

- 23.3** No material transactions have taken place during the year with the parties/entities in which key management personnel or their close family members have control, joint control or significant influence, which require disclosure in these Financial Statements other than those disclosed under 23.1 and 23.2 above.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and short term deposits that arise directly from its operations.

The Company is exposed to commodity price risk, foreign exchange risk, credit risk and liquidity risk.

(a) Commodity price risk

The Company's primary source of cash inflows are from the sale of Fresh Fruit Bunches (FFB). As the FFB prices (Net Sales Average-NSA) are determined by the international market prices for Crude Palm Oil (CPO) the Company may be adversely affected by unfavourable price fluctuations. The Company's end product is FFB and hence no price hedging is done.

As at 31st March 2013, had the NSA (price of FFB) been 5% higher/lower with all other variables being constant, profit before tax would have increased/decreased by Rs. 9.67 mn (2012: Rs.10.08 mn).

(b) Foreign exchange risk

The Company's exposure to foreign exchange risk is minimal as the Malaysian and Sri Lankan operations are primarily domestic and transactions are recorded in the respective functional currency, i.e, Malaysian Ringgit and Sri Lankan Rupee.

However, a significant element of risk is generated through the translation of results into the Sri Lankan rupee as majority of the assets are from the Malaysian operations.

(c) Credit risk

The Company is exposed to credit risk primarily from its trade receivables, which arise from its operating activities and its deposits with Banking Institutions. The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure.

The Company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is minimal.

(d) Liquidity risk

The Company manages liquidity risk exposures through effective working capital management. The Company also has planning guidelines in place to ensure that the short term and medium term liquidity is managed at acceptable levels.

Five Year Summary

<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Operating Results					
Revenue	244,446	240,329	222,163	117,031	86,268
Profit before taxation	187,715	214,386	165,874	63,847	37,591
Taxation	(35,024)	(46,138)	(34,263)	(14,281)	(12,721)
Profit for the Year	152,691	168,248	131,611	49,566	24,870
Dividend expense	290,923	82,931	66,485	6,998	6,998
<i>As at 31st March</i>	SLFRS		SLAS		
	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	1,484,900	1,226,813	1,118,341	1,060,356	981,320
Biological assets	172,801	152,377	-	-	-
Other non-current financial assets	3,876,347	3,722,269	150,290	150,290	150,290
	5,534,048	5,101,459	1,268,631	1,210,646	1,131,610
Current Assets	44,242	199,760	116,235	62,139	39,107
Total Assets	5,578,290	5,301,219	1,384,866	1,272,785	1,170,717
Equity and Liabilities					
Stated capital	70,033	70,033	70,033	70,033	70,033
Reserves	5,436,421	5,166,716	1,278,034	1,153,093	1,028,853
	5,506,454	5,236,749	1,348,067	1,223,126	1,098,886
Non-current liabilities					
Deferred tax liability	43,621	38,339	14,835	15,195	18,068
Retirement benefit obligations	2,104	1,929	1,169	1,400	1,003
	45,725	40,268	16,004	16,595	19,071
Current Liabilities	26,111	24,202	20,795	33,064	52,760
Total Equity & Liabilities	5,578,290	5,301,219	1,384,866	1,272,785	1,170,717
<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Cash Flow Statements					
Net cash (outflows)/inflows from operating activities	132,073	156,945	109,757	41,820	4,175
Net cash (outflows)/inflows from investing activities	1,353	10,493	(202)	(1,439)	(4,901)
Net cash used in financing activities	(282,368)	(77,528)	(62,100)	(6,584)	(6,589)
Net (decrease)/increase in cash & cash equivalents	(148,942)	89,910	47,455	33,797	(7,315)

	SLFRS		SLAS		
	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	2.77	3.21	9.76	4.05	2.26
Current ratio (times)	1.69	8.25	5.59	1.88	0.74
Quick asset ratio (times)	1.68	8.23	5.57	1.86	0.72
Earnings per ordinary share (Rs.)*	21.82	24.04	18.81	7.08	3.55
Dividend per ordinary share (Rs.) (a)	40.08	17.25	10.60	9.50	1.00
Dividend payout (times)	1.67	0.92	0.56	1.34	0.28
Net assets per ordinary share (Rs.)**	786.82	748.28	192.63	174.77	157.02
Market value per share (Rs.)	1,321.00	1,421.00	1,220.00	375.00	124.00
P/E ratio (times)	60.55	59.11	64.87	52.95	34.89
Market capitalisation (Rs.'000)	9,244,886	9,944,726	8,539,448	2,624,400	867,802
Net sales average (MYR)	540.99	649.71	627.02	444.66	436.59
Plantation Operations					
Mature area (Ha.)	281.26	281.26	281.26	283.89	283.89
Immature area (Ha.)	2.63	2.63	2.63	-	-
Crop (Tonnes)	8,532	8,394	8,156	7,596	6,061
Yield per Ha. (Tonnes) (b)	30.34	29.84	29.00	26.76	21.35

As referred to in Note 2.10 to the Financial Statements, amounts in the above Five Year Summary applicable for 2012 and 2013 are based on SLFRS whilst 2009, 2010 and 2011 are based on SLAS.

* The earnings per ordinary share is calculated by dividing the profit after deducting preference dividends over the weighted average number of ordinary shares in issue during the year.

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

(a) Based on proposed dividend and interim dividend paid.

(b) The yield is computed by taking into account the average mature hectares during the year.

Statement of Value Added

	2013 Rs. '000	%	2012 Rs. '000	%
Revenue	244,446		240,329	
Other income & gains	25,024		39,904	
	269,470		280,233	
Bought in materials and services	(59,683)		(47,417)	
	209,787		232,816	
Distributed as follows:				
To Employees				
as remuneration	21,496	10.25	17,890	7.68
To Government				
as taxation	29,726	14.17	34,543	14.84
To Providers of capital				
as ordinary dividends	290,923	138.67	82,931	35.62
Retained in the Business				
as depreciation	576	0.27	540	0.23
as deferred tax	5,298	2.53	11,595	4.98
as retained profits	(138,232)	(65.89)	85,317	36.65
	209,787	100	232,816	100

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

US\$ Financials

Preparation of
US Dollar Financials

The Financial Statements of the Company are stated in Sri Lankan Rupees.
The translation of the Sri Lankan Rupee amounts into US Dollars is
included solely for the convenience of Shareholders, Investors,
Bankers and other users of Financial Statements.

US Dollar financials do not form part of the
Audited Financial Statements of the Company.

Income Statement

<i>For the year ended 31st March</i>	2013	2012
	US\$	US\$
Revenue	1,877,273	2,154,654
Direct operating costs	(437,048)	(425,035)
Gross Profit	1,440,225	1,729,619
Gain arising on change in fair value of biological assets	194,973	215,835
Other income and gains	-	128,495
Administrative expenses	(195,381)	(162,556)
Profit before tax	1,439,817	1,911,393
Income tax expense	(269,424)	(413,128)
Profit for the year	1,170,393	1,498,266

Figures in brackets indicate deductions.

Statement of Financial Position

<i>As at</i>	31st March 2013 US\$	31st March 2012 US\$	1st April 2011 US\$
Assets			
Non-Current Assets			
Property, plant and equipment	11,702,265	9,422,518	9,583,407
Biological assets	1,361,813	1,170,322	972,814
Other non-current financial assets	30,548,876	28,588,845	24,406,106
Total Non-Current Assets	43,612,954	39,181,685	34,962,327
Current Assets			
Inventories	2,159	4,510	3,815
Trade and other receivables	80,076	131,941	215,552
Advance and prepayments	5,927	7,519	8,166
Taxation recoverable	7,721	-	-
Cash and cash equivalents	252,775	1,390,279	824,857
Total Current Assets	348,658	1,534,249	1,052,390
Total Assets	43,961,612	40,715,934	36,014,717
Equity and Liabilities			
Equity			
Stated capital	880,554	880,554	880,554
Retained earnings	2,340,366	3,426,146	2,672,725
Other reserves	40,174,587	35,914,075	32,020,528
Total Shareholders Funds	43,395,507	40,220,774	35,573,807
Non-Current Liabilities			
Deferred tax liability	343,774	294,458	242,045
Retirement benefit obligations	16,557	14,809	10,591
Total Non-Current Liabilities	360,331	309,267	252,636
Current Liabilities			
Trade and other payables	185,695	126,341	142,362
Provision and accrued expenses	20,079	27,873	22,796
Taxation payable	-	31,679	23,116
Total Current Liabilities	205,774	185,893	188,274
Total Equity & Liabilities	43,961,612	40,715,934	36,014,717

Notes to the Financial Statements

1. BASIS OF CONVERSION

The translation of Sri Lankan Rupee amounts into US Dollar amount is solely for the convenience of the shareholders, investors, bankers and other users of Financial Statements.

The translation of the Financial Statements into US Dollars was affected based on the following exchange rates:

		2013 Rs.	2012 Rs.
Income Statement	Average rate	129.88	111.88
Monetary assets and liabilities	Closing rate	126.89	130.20
Non-current assets and liabilities	Closing rate	126.89	130.20

Gains or losses on conversions are accounted for in the retained earnings.

2. RETAINED EARNINGS

	2013 US\$	2012 US\$	2011 US\$
Beginning of the year	3,426,146	2,672,725	2,083,710
Profit for the year	1,170,393	1,498,266	1,169,668
Ordinary dividend	(2,256,173)	(744,845)	(580,653)
	2,340,366	3,426,146	2,672,725

3 SEGMENTAL REPORTING

For management purposes, the Company is organized into the following two segments;

(A) INDUSTRY

	Palm Oil		Investments		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
Revenue						
External revenue	1,489,208	1,802,724	388,065	351,930	1,877,273	2,154,654
	1,489,208	1,802,724	388,065	351,930	1,877,273	2,154,654
Result						
Segment result	1,101,446	1,464,545	338,371	446,848	1,439,817	1,911,393
Taxation	(265,781)	(413,950)	(3,643)	822	(269,424)	(413,128)
	835,665	1,050,596	334,728	447,670	1,170,393	1,498,266
Other information						
Segment assets	13,375,327	11,950,908	30,586,285	28,765,026	43,961,612	40,715,934
Segment liabilities	391,170	390,962	174,935	104,198	566,105	495,160
Capital expenditure	5,459	3,157	-	-	5,459	3,157
Depreciation	4,906	4,821	-	-	4,906	4,821
Retirement benefits charge	3,219	4,393	-	-	3,219	4,393

(B) GEOGRAPHICAL

	Malaysia		Sri Lanka		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
Revenue						
Non-current assets	1,489,208	1,802,724	388,065	351,930	1,877,273	2,154,654
	13,064,078	10,592,840	30,548,876	28,588,845	43,612,954	39,181,685

Five Year Summary

<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
Operating Results					
Revenue	1,877,273	2,154,654	1,977,896	1,024,431	785,758
Profit before taxation	1,439,817	1,911,393	1,475,789	558,887	342,390
Taxation	(269,424)	(413,128)	(306,122)	(125,010)	(115,869)
Profit for the year	1,170,393	1,498,266	1,169,667	433,877	226,521
Dividend expense	2,256,173	744,845	580,653	61,257	63,744
<i>As at 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, plant and equipment	11,702,265	9,422,518	10,125,305	9,301,368	8,481,588
Biological assets	1,361,813	1,170,322	-	-	-
Other non-current financial assets	30,548,876	28,588,845	1,428,600	1,318,333	1,298,967
	43,612,954	39,181,685	11,553,905	10,619,701	9,780,555
Current Assets	348,658	1,534,249	1,052,390	545,079	338,003
Total Assets	43,961,612	40,715,934	12,606,295	11,164,780	10,118,558
Equity and Liabilities					
Stated capital	880,554	880,554	880,554	880,554	880,554
Reserves	42,514,953	39,340,220	11,392,562	9,848,625	8,617,169
	43,395,507	40,220,774	12,273,116	10,729,179	9,497,723
Non-Current Liabilities					
Deferred tax liability	343,774	294,458	134,314	133,293	156,162
Retirement benefit obligations	16,557	14,809	10,591	12,281	8,672
	360,331	309,267	144,905	145,574	164,834
Current Liabilities	205,774	185,893	188,274	290,027	456,001
Total Equity & Liabilities	43,961,612	40,715,934	12,606,295	11,164,780	10,118,558

<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013 US\$	2012 US\$	2011 US\$	2010 US\$	2009 US\$
Cash Flow Statements					
Net cash (outflows)/inflows from operating activities	1,043,669	3,748,494	1,465,789	853,860	528,306
Net cash (out flows)/inflows from investing activities	10,320	(7,261)	(54,534)	(199,535)	(573,405)
Net cash used in financing activities	(2,191,493)	(3,125,391)	(688,648)	(188,956)	(219,472)
Net (decrease)/increase in cash & cash equivalents	(1,137,504)	615,842	722,607	465,369	(264,571)
<i>As at 31st March</i>	SLFRS		SLAS		
	2013 US\$	2012 US\$	2011 US\$	2010 US\$	2009 US\$
Ratios and Statistics					
Return on ordinary shareholders' funds (%)	2.70	3.73	9.53	4.05	2.38
Current ratio (times)	1.69	8.25	5.59	1.88	0.74
Quick asset ratio (times)	1.68	8.23	5.21	1.86	0.72
Earnings per ordinary share (US\$)	0.17	0.21	0.17	0.06	0.03
Dividend per ordinary share (US\$)	0.32	0.57	0.09	0.08	0.01
Net assets per ordinary share (US\$)	6.20	5.75	1.75	1.53	1.36
Market value per share (US\$)	10.41	10.91	11.05	3.29	1.07
P/E ratio (times)	62.25	50.96	65.00	54.83	35.66
Market capitalization (US\$'000)	72,857	76,353	77,308	23,025	7,516

As referred to in Note 2.10 to the Financial Statements, amounts in the above Five Year Summary applicable for 2012 and 2013 are based on SLFRS whilst 2009, 2010 and 2011 are based on SLAS.

Information to Shareholders and Investors

1. Stock Exchange Listing

Indo-Malay PLC, is a Public Quoted Company, the ordinary shares of which are listed on the main board of the Colombo Stock Exchange of Sri Lanka.

2. Share Valuation

Market value of the Company's shares as at 31st March 2013 was Rs.1,321.00 per share (2012: Rs. 1421.00 per share).

3. Shareholders

As at 31st March	2013	2012
No. of Ordinary Shareholders	252	242

The number of ordinary shares held by non-residents as at 31st March 2013 was 6,829,619 which amounts to 97.59% of the total number of ordinary shares.

RESIDENT/NON-RESIDENT SHAREHOLDERS AS AT 31ST March 2013

Distribution of Shares	Residents			Non-Residents						Total
	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	No. of Members	No. of Shares	%	% Shares
1 - 1,000	209	12,148	0.17	-	-	-	209	12,148		0.17
1,001 - 10,000	15	64,732	0.93	9	58,404	0.83	24	123,136		1.76
10,001 - 100,000	5	91,901	1.32	12	296,254	4.23	17	388,155		5.55
100,001 - 1,000,000	-	-	-	1	148,052	2.12	1	148,052		2.12
Above 1,000,000	-	-	-	1	6,326,909	90.41	1	6,326,909		90.40
Grand Total	229	168,781	2.41	23	6,829,619	97.59	252	6,998,400		100.00

Categorization of Shareholders as at 31st March 2013

	No. of Shareholders	No. of Shares	%
Individuals	229	670,865	9.59
Institutions	23	6,327,535	90.41

Percentage of ordinary shares held by the public as at 31st March 2013 was 9.59%.

4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	2013	2012
Highest - (Rs.)	1,600	1,500
Lowest - (Rs.)	1,300	901
Volume Traded (Shares)	37,931	1,739,459
No. of Trades	117	108
Value of Shares Traded (Rs.'000)	53,869	2,469,158

5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 9,244.89 mn as at 31st March 2013 (2012: Rs. 9,944.73 mn).

6. Proposed final Dividends - ordinary

The Directors recommend a final dividend of Rs. 14.51 per share for the year ended 31st March 2013.

7. Record of Scrip Issues

The under mentioned scrip issues had been made by the Company.

Year ended 31st March	Issue	Basis	No. of Shares Ordinary	Cumulative Ordinary Share Capital Rs.
1994	-	-	405,000	4,050,000
1995	Bonus	01:03	405,000	8,100,000
1998	Bonus	01:02	405,000	12,150,000
1999	Bonus	01:01	1,215,000	24,300,000
2003	Bonus	01:05	486,000	29,160,000
2003 May	Bonus	01:05	583,200	34,992,000
2004 March	Bonus	01:02	3,499,200	69,984,000
Total Shares in Issue			6,998,400	

Information to Shareholders and Investors

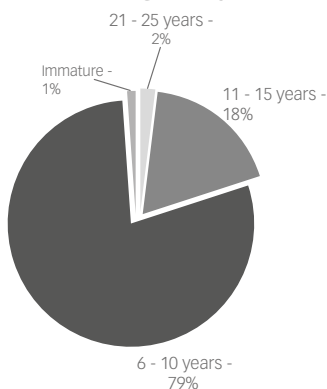
8. Malaysian Property

- 8.1** The gross area of the Oil Palm plantation is 283.89 Ha.
- 8.2** The plantation is situated in the State of Selangor, District of Kuala Selangor.
- 8.3** The carrying value of the property, plant & equipment as at the reporting date was Rs. 1,484.90 mn (2012: Rs. 1,226.81 mn) on an existing use basis.

9. Mature and Immature Plantation Age Analysis

	Mature					Immature	Total
Year	0 - 5	6 - 10	11 - 15	16 - 20	21 - 25		
Hectares	-	223.68	51.51	0.81	5.26	2.63	283.89

Plantation Age Analysis



10. Indonesian Property

PT Agro Indomas, the Company's investment in Indonesia made through Shalimar Developments Sdn. Bhd. (investment vehicle in Malaysia) is located 75 km from Sampit, in close proximity to Terawan and Lampasa villages, in the district of Danua Sembuluh, in the regency of Seruyan in Central Kalimantan Province, Indonesia.

PT Agro Indomas has a land area of 35,860 Ha of which the gross planted area is 23,209 Ha. The operational performance information is given below.

	2013	2012	2011	2010	2009
Crop Production (Tonnes)	540,691	480,869	498,012	474,401	348,675
CPO (Tonnes)	125,872	117,514	124,421	121,069	89,449
PK (Tonnes)	29,150	26,384	28,723	28,479	19,286
Milling Capacity (Tonnes per Hour)	180	180	180	180	180

Glossary of Financial Terms

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.

Quick Ratio

Current assets less inventories divided by current liabilities.

Dividend Per Share

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

Dividend Payout

Total interim and proposed dividends divided by profit after tax.

Earnings Per Ordinary Share

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

Equity

Shareholders' funds.

Events Occurring after the Reporting Date

Significant events that occur between the reporting date and the date on which Financial Statements are authorized for issue.

Market Capitalization

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 divided by the number of ordinary shares in issue.

Net Current Assets

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

Price Earnings Ratio (P/E)

Market price of a share divided by earnings per share.

Rate of Ordinary Dividend

The Rupee amount of the dividend per share as a percentage of the nominal value of the shares.

Reserves

The total of capital and revenue reserves.

Glossary of Financial Terms

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 ordinary shareholders 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 Company.

Others

CPO - Crude Palm Oil

PK - Palm Kernel

FFB - Fresh Fruit Bunches

Ha - Hectare

MYR - Malaysian Ringgit

MPC - Malaysian Plantation Companies

Notice of Meeting

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND SEVENTH ANNUAL GENERAL MEETING of INDO-MALAY PLC will be held on Wednesday the 29th day of May 2013, at 9.30 a.m. at the 8th Floor, No. 65C, Dharmapala Mawatha, Colombo 7, for the following purposes:

1. To receive and adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2013, together with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Directors.
3. To re-elect Mr. P.C.P. Tissera who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.
4. To re-appoint Mr. I. Paulraj as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. I. Paulraj who is seventy six years of age and that he be re-appointed a Director of the Company from the conclusion of the Annual General Meeting for a further period of one year."

5. To re-appoint Mr. T. Rodrigo as a Director of the Company who is over seventy years of age and to consider and if deemed fit to pass the following resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not be applicable to Mr. T. Rodrigo who is eighty three years of age and that he be re-appointed a Director of the Company from the conclusion of the

Annual General Meeting for a further period of one year."

6. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.

By Order of the Board,

(Sgd.)

K.D. de Silva (Mrs.)

Director

Carsons Management Services (Pvt) Ltd.

Secretaries

Colombo

22nd April 2013

Notes

1. A member is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A Form of Proxy accompanies this notice.
2. The completed Form of Proxy must be deposited at the Registered Office, No.61, Janadhipathi Mawatha, Colombo 1, not later than 9.30 a.m. on 27th May 2013.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorising him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check

We shall be obliged if the Shareholders / Proxies attending the Annual General Meeting, produce their National Identity Card to the security personnel stationed at the entrance.

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Form of Proxy

*I/We..... of
Members of INDO-MALAY PLC, hereby appoint being *a Member/

Of.....
bearing NIC No./Passport No..... or failing him/her.

Hariharan Selvanathan	or failing him,
Manoharan Selvanathan	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	or failing him,
Kurukulasuriya Calisanctus Nalaka Fernando	or failing him,
Tennyson Rodrigo	

As *my/our proxy to attend at the Annual General Meeting of the Company to be held on Wednesday the 29th day of May 2013 at 9.30 a.m. at the 8th Floor, No. 65 C, Dharmapala Mawatha, Colombo 7 and any adjournment thereof and at every poll which may be taken in consequence thereof.

	For	Against
1. To adopt the Annual Report of the Board of Directors and the Financial Statements for the year ended 31st March 2013, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare Rs. 14.51 per share as a final dividend for the financial year ended 31st March 2013 as recommended by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. P.C.P. Tissera who retires by rotation in terms of Articles 85 & 86 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint Mr. I. Paulraj who is over seventy years of age as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Mr. T. Rodrigo who is over seventy years of age as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Messrs. Ernst & Young, Chartered Accountants as Auditors of the Company as set out in Section 154 (1) of the Companies Act No. 7 of 2007 and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day ofTwo Thousand and Thirteen.

.....
Signature/s

Notes

- * Please delete the inappropriate words.
- A shareholder entitled to attend and vote at a General Meeting of the Company, is entitled to appoint a proxy to attend and vote instead of him/her and the proxy need not be a shareholder of the Company. A proxy so appointed shall have the right to vote on a show of hands or on a poll and to speak at the General Meeting of the shareholders.
- A shareholder is not entitled to appoint more than one proxy on the same occasion.
- Instructions are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

- 1. Kindly perfect the Form of Proxy after filling in legibly your full name and address, by signing in the space provided. Please fill in the date of signature.
- 2. If you wish to appoint a person other than the Directors as your proxy, please insert the relevant details in the space provided overleaf.
- 3. In terms of Article 67 of the Articles of Association of the Company: The instrument appointing a proxy shall be in writing and -
 - (i) in the case of an individual shall be signed by the Appointor or by his Attorney; and
 - (ii) in the case of a Corporation shall be either under its common seal or signed by its Attorney or by an officer on behalf of the Corporation.

The Company may, but shall not be bound to, require evidence of the authority of any such Attorney or officer.

A proxy need not be a member of the Company.
- 4. In terms of Article 62 of the Articles of Association of the Company;

In the case of joint-holders of a share, the senior who tenders a vote, whether in person or by proxy or by Attorney or by representative, shall be accepted to the exclusion of the votes of the other joint-holders and for this purpose seniority shall be determined by the order in which the names stands in the Register of Members in respect of the joint holding.
- 5. To be valid the completed Form of Proxy should be deposited at the Registered Office of the Company situated at No. 61, Janadhipathi Mawatha, Colombo 1 not later than 9.30 a.m. on 27th May 2013.

Please fill in the following details

Name

:

Address

:

Jointly with

:

Share Folio No.

:

Corporate Information

NAME OF THE COMPANY

Indo-Malay PLC

COMPANY REGISTRATION NUMBER

PQ 45

LEGAL FORM

A Public Quoted Company with Limited Liability Incorporated in Sri Lanka in 1906

DIRECTORS

Hariharan Selvanathan (Chairman)
Manoharan Selvanathan
Israel Paulraj
Tennyson Rodrigo
D. Chandima R. Gunawardena
P. Chandana P. Tissera
K. C. Nalake Fernando

ALTERNATE DIRECTORS

Subramaniam Mahendrarajah
(for Israel Paulraj)

BANKERS

Standard Chartered Bank
Commercial Bank of Ceylon PLC
Deutsche Bank
HSBC Bank Malaysia Bhd.

AUDITORS IN SRI LANKA

Messrs. Ernst & Young
Chartered Accountants
201, De Saram Place
Colombo 10, Sri Lanka
Tel: + 94 11 2463500
Fax: + 94 11 2697369

AUDITORS IN MALAYSIA

Messrs. Ernst & Young
AF 0039
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490, Kuala Lumpur, Malaysia
Tel: + 603 7495 8000
+ 603 2095 5332 (General line)

MANAGERS

Agro Harapan Lestari Sdn. Bhd.
Suite 6.08, Level 6
Wisma UOA Damansara II
No. 6 Changkat Semantan
Damansara Heights
50490, Kuala Lumpur, Malaysia
Tel: + 603 2093 4660
Fax: + 603 2093 5660

SECRETARIES

Carsons Management Services
(Pvt) Ltd
61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 11 2039200
Fax: + 94 11 2039300

REGISTERED OFFICE

61, Janadhipathi Mawatha
Colombo 1, Sri Lanka
Tel: + 94 11 2039200
Fax: + 94 11 2039300

PRINCIPAL PLACE OF BUSINESS

Ladang Shalimar
45700 Bukit Rotan Selangor Darul Ehsan
Malaysia

CORPORATE WEBSITE

www.goodhopeholdings.com

HOLDING COMPANY

Goodhope Asia Holdings Ltd

ULTIMATE PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC



Goodhope

A CARSON CUMBERBATCH COMPANY

www.goodhopeholdings.com