



**Goodhope**

A CARSON CUMBERBATCH COMPANY

## **Selinsing 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

**106th Annual General Meeting** 29th May 2013

*\* Subject to approval from Shareholders*

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# 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 Selinsing PLC for the year ended 31st March 2013, and welcome you to the One Hundred and Sixth Annual General Meeting of the Company.

The Company's plantations in Malaysia witnessed a slight increase in crop production during the year. Majority of the palms are 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. 319.65 mn after taking into consideration other operating income, as compared to Rs. 419.34 mn recorded in the year to 31st March 2012. The net profit after tax for the period under review was Rs.257.40 mn as compared to Rs. 338.78 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 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.)

**M. 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 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 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

the movements of 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.

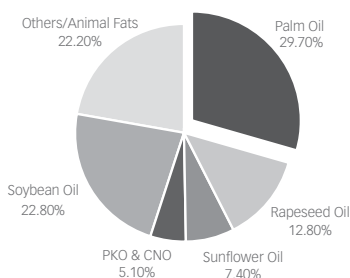
### Overview of Financial Performance

The Company recorded a profit after tax of Rs. 257.40 mn during the year under review, as compared to the Rs. 338.78 mn recorded in the previous year. Profit before tax was Rs. 319.65 mn as compared to Rs. 419.34 mn recorded in the previous year.

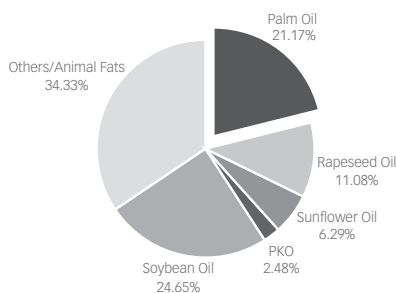
As mentioned above, the lower market prices that prevailed during the period resulted in a 14.6% drop in the Net Sales Average (NSA) for the Company. Hence despite an increase in crop, the lower NSA resulted in an overall reduction in profitability during the period. The previous year's profit had a non recurrent gain of

### World Oil Production

2012/13 - 187.6 mn tonnes (forecast)

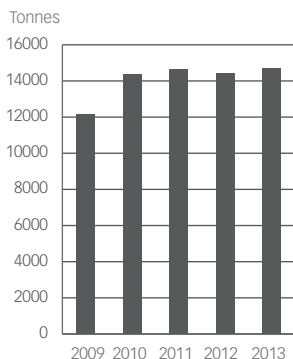


2002 - 120.9 mn tonnes



Source : Oil World

### Crop Production



Rs. 91.52 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.

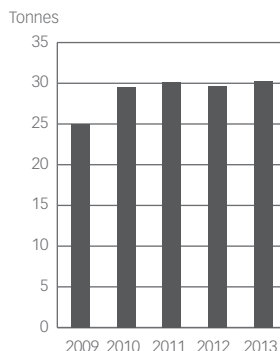
### Biological Gains

The net earnings for the year includes a gain of Rs. 32.83 mn (2012 - Rs. 33.83 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.

### Investment Income

During the year, the Company earned a dividend income of Rs. 71.76 mn (2012 Rs. 50 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

### Yield per Hectare



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 1.96 % during the year. Although a part of the plantations were affected by pest and diseases, recovery in crop is being seen as a result of measures undertaken to minimize the impact. We will be selectively replanting older fields which have been affected by pest and diseases and where the crop is on a declining trend, over the next 3 year period.

We will continue with our stringent agronomy and plantation management regime complimented with 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

## Review of Industry and Operational Performance

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 hectarage was 485.69, which was classified as mature.

### **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 not linked to commensurate productivity

## **Risk Management**

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

### Manoharan Selvanathan

Manoharan Selvanathan is the Chairman of Sri Krishna Corporation (Private) Ltd. and Ceylon Finance & Securities (Private) Ltd. 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 Ltd 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.

### 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.

### 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 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.

### **Chrisanta F. Fernando**

Chrisanta F. Fernando is qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is presently a Fellow of the Institute of Chartered Accountants of Sri Lanka.

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

He served as the Managing Director and as Chief Executive Officer of the Distilleries Company of Sri Lanka PLC (DCSL) and rejoined DCSL as an Independent Non-Executive Director in 2008. He was appointed as Chairman

of the Audit Committee and also serves on the Remuneration Committee of DCSL. He is also a Director of a DCSL subsidiary - Melstacorp (Pvt) Ltd and some of its subsidiaries including Continental Insurance Lanka Ltd where he is also the Chairman of the Audit Committee.

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

## 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 Selinsing PLC, a public limited liability company incorporated in Sri Lanka in 1907.

## 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 the 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. 257.40 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 23 of this Annual Report.

## 6. Significant Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 29 to 41 in the Notes to the Financial Statements.

<i>For the year ended 31st March</i>	<b>2013</b>	2012
	<b>Rs. '000</b>	Rs. '000
Profit after taxation	<b>257,397</b>	338,776
Profit brought forward from previous year	<b>770,361</b>	788,305
Profit available for appropriation	<b>1,027,758</b>	1,127,081
<b>Appropriation</b>		
Dividend paid	<b>(492,745)</b>	(356,720)
Unappropriated profit carried forward	<b>535,013</b>	770,361

## 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 Notes 2.10.4 to the Financial Statements.

The Financial Statements of the Company comprising the Income Statement, Statement of Comprehensive Income, Statements 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 24 to 62.

### 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 for the financial year ended 31st March 2013 is given in Notes 5 and Note 23.2 to the Financial Statements on pages 46 and 61 respectively.

#### 9.3 Directors' Interests in Contracts and Shares

Directors' interests in contracts of the Company are disclosed in Note 23.3 on page 61 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.

	<b>No of shares</b>	
	<b>31st</b>	<b>1st</b>
	<b>March</b>	<b>April</b>
	<b>2013</b>	<b>2012</b>
Mr. M. Selvanathan	<b>1</b>	-
Mr. H. Selvanathan	-	-
Mr. C.F. Fernando	-	-
Mr. I. Paulraj	-	-
Mr. D.C.R. Gunawardena	-	-
Mr. P.C.P. Tissera	-	-

## 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 this Annual Report.

### 11.1 Directors to Retire by Rotation

In terms of Articles 87 & 88 of the Articles of Association of the Company, Mr. H. Selvanathan retires by rotation and being eligible offers himself for re-election.

### 11.2 Appointment of Directors who are over Seventy Years of Age

Mr. C.F. Fernando and Mr. I. Paulraj 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. 637,000 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 described in Note 23.1 on pages 59 and 60 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

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

Directors	Executive/ Non-Executive/ Independent
Mr. M. Selvanathan	Executive
Mr. H. Selvanathan	Executive
Mr. C.F. Fernando	Non-Executive/ Independent*
Mr. I. Paulraj	Non-Executive/ Independent**
Mr. D.C.R. Gunawardena	Non-Executive
Mr. P.C.P. Tissera	Executive

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. C. F. Fernando is an Independent Director in spite of being on the Board for more than nine years, since he is not directly involved in the management of the Company

\*\* The Board has also 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 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.



<b>Remuneration Committee Members</b>	<b>Executive/ Non-Executive/ Independent</b>
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 remunerations paid to the Non-Executive Directors are disclosed under Note 5 on page 46.

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

### 14.3 Audit Committee

As per the 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:

<b>Audit Committee Members</b>	<b>Executive/ Non-Executive/ Independent</b>
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 21 of this Annual Report.

## 15. Directors' Meetings

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

<b>Director</b>	<b>Meetings Attended (out of 3)</b>
Mr. M. Selvanathan	3
Mr. H. Selvanathan	2
Mr. C. F. Fernando	3
Mr. I. Paulraj	3
Mr. D. C. R. Gunawardena	3
Mr. P. C. P. Tissera	3

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

### 16. Dividend

Subject to the approval of the shareholders at the Annual General Meeting, the Board of Directors recommend a final dividend of Rs. 15.61 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. 108.33 mn subject to approval at the forthcoming Annual General Meeting.

Further, the company has paid an interim dividend of Rs. 41.50 per share resulting in a total outflow of Rs. 288.01 mn during the year.

### 17. Solvency Test

Taking into account the said distribution, the Directors are satisfied that the Company would meet 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. 69,400,800 comprising of 6,940,080 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. 6,410.65 mn (2012: Rs. 6,443.74 mn) comprising of retained earnings of Rs. 535.01 mn (2012: Rs.770.36 mn) and other reserves of Rs. 5,875.64 mn (2012: Rs. 5,673.38 mn). Total reserves combined with stated capital as at 31st March 2013 was Rs. 6,480.05 mn (2012: Rs. 6,513.14 mn).

The movements are shown in the Statement of Changes in Equity given on page 27.

### 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. 3.90 mn (2012: Rs. 40.90 mn).

The movements in property, plant & equipment and investments during the year are set out in Notes 9 and 10 on pages 50 and 51 respectively.

There were no movements in Investments during the year.

**21. Value of the Properties**

The market value of freehold land reflected in the Financial Statements as at 31st March 2013 is Rs. 1,741.16 mn compared to Rs.1,674.06 mn in 2012. The details of freehold land valuation is given in Note 9 to the Financial Statements on page 50.

**22. Value of the Investment Portfolio**

The market value/valuation of the Company's investment portfolio as at 31st March 2013 was Rs. 4,396.55 mn (2012: Rs. 4,254.48 mn) as disclosed under Note 11 on pages 52 and 53 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 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 58 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 73 to 75 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 Sixth Annual General Meeting of the Company will be held on the 29th day of May 2013 at 2.00 p.m. at the 8th floor, No. 65C, Dharmapala Mawatha, Colombo 07.

The Notice of the Annual General Meeting is on page 78 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	2013		2012	
	No. of shares	%	No. of shares	%
Name of Shareholders				
Goodhope Asia Holdings Ltd	6,664,692	96.03	6,639,553	95.67
Mr. D.A. Campbell	37,713	0.54	37,713	0.54
Mr. H.V. Cartwright (Decd.)	23,328	0.34	23,328	0.34
Executor of the Estate of C. Peters (Decd.)	20,605	0.30	20,605	0.30
Mr. F.W. Obeyesekere (Decd.)	19,440	0.28	19,440	0.28
Mr. K.C. Vignarajah	17,598	0.25	17,493	0.25
Mr. T. Velupillai (Decd.)	15,552	0.22	15,552	0.22
Administrator of the Estate of H.S. Gour (Decd.)	9,720	0.14	9,720	0.14
Mr. S.T.S. Chettiar	9,486	0.14	9,486	0.14
Administrator of the Estate of E. Ramiah (Decd.)	7,776	0.11	7,776	0.11
Executor of the Estate of C. Stoddart (Decd.)	7,776	0.11	7,776	0.11
Mrs. H.L. Keiller (Decd.)	7,776	0.11	7,776	0.11
Miss. M. Mack	7,776	0.11	7,776	0.11
Mr. D. Harley	6,480	0.09	6,480	0.09
Executor of the Estate of C.S. Nicol (Decd.)	6,480	0.09	6,480	0.09
Mrs. S. Vignarajah	5,710	0.08	5,710	0.08
Mrs. J.M.T. Dever	4,042	0.06	4,042	0.06
Mr. N.J.P. Hewett	4,042	0.06	4,042	0.06
Mrs. V. Cotton	3,888	0.06	3,888	0.06
Mrs. I.C. Smith (Decd.)	3,888	0.06	3,888	0.06

### 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 plan 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.)

**M. 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 Selinsing PLC are conducted within the Agenda of CCPLC - Audit Committee.

## Meetings of the Audit Committee

CCPLC - Audit Committee held Four (04) 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 Committee Report**

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 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 Selinsing PLC have been reviewed by the Audit Committee Members at Audit Committee Meetings. The draft Financial Statements of Selinsing 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 (SLFRS) 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 Selinsing PLC at the Annual General Meeting.

*(Sgd.)*

**V. P. Malalasekera**

*Chairman – Audit Committee*

**Carson Cumberbatch PLC**

22nd April 2013

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## Financial Reports

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# Independent Auditors' Report



## Chartered Accountants

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

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## THE SHAREHOLDERS OF SELINSING PLC

### Report on the Financial Statements

We have audited the accompanying financial statements of Selinsing 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

22 April 2013

Colombo

**Partners:** A D B Talwatte FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva ACA Ms. Y A de Silva ACA W R H Fernando FCA FCMA W K B S P Fernando FCA FCMA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga ACA Ms. L C G Nanayakkara FCA FCMA N M Sulaiman ACA ACMA B E Wijesuriya ACA ACMA

# Income Statement

<i>For the year ended 31st March</i>		<b>2013</b>	<b>2012</b>
	Note	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Revenue</b>	3	<b>412,816</b>	396,995
Direct operating costs		<b>(90,239)</b>	(77,371)
<b>Gross Profit</b>		<b>322,577</b>	319,624
Gain/arising from change in fair value of biological assets	10	<b>32,831</b>	33,826
Other income and gains	4	<b>413</b>	91,521
Administrative expenses		<b>(36,171)</b>	(25,636)
<b>Profit Before Tax</b>	5	<b>319,650</b>	419,335
Income tax expense	6	<b>(62,253)</b>	(80,559)
<b>Profit for the Year</b>		<b>257,397</b>	338,776
Earnings per share (Rs.)	7	<b>37.09</b>	48.81
Dividend per share * (Rs.)	7.1	<b>57.11</b>	60.30

The Accounting Policies and Notes from pages 29 to 62 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>For the year ended 31st March</i>		<b>2013</b>	<b>2012</b>
	Note	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Profit for the Year</b>		<b>257,397</b>	<b>338,776</b>
<b>Other Comprehensive Income</b>			
Exchange differences on translation of foreign operations	14	<b>(59,273)</b>	48,998
Gain on revaluation of freehold land	9	<b>119,463</b>	218,450
Gain/(loss) on available-for-sale financial assets	11.1	<b>142,071</b>	1,068,302
<b>Other Comprehensive Income for the Year, Net of Tax</b>		<b>202,261</b>	<b>1,335,750</b>
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>459,658</b>	<b>1,674,526</b>

The Accounting Policies and Notes from pages 29 to 62 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			
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	9	1,748,410	1,678,938	1,413,017
Biological assets	10	324,052	300,396	225,564
Other non-current financial assets	11	4,396,549	4,254,477	3,186,176
<b>Total Non-Current Assets</b>		<b>6,469,011</b>	<b>6,233,811</b>	<b>4,824,757</b>
<b>Current Assets</b>				
Inventories		776	711	680
Trade and other receivables	12	9,503	7,392	220,166
Advance and prepayments		1,714	1,793	2,381
Taxation recoverable		2,622	-	-
Cash and cash equivalents		108,999	368,381	230,626
<b>Total Current Assets</b>		<b>123,614</b>	<b>378,277</b>	<b>453,853</b>
<b>Total Assets</b>		<b>6,592,625</b>	<b>6,612,088</b>	<b>5,278,610</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital	13	69,401	69,401	69,401
Retained earnings		535,014	770,361	788,305
Other reserves	14	5,875,637	5,673,376	4,337,625
<b>Total Shareholders' Funds</b>		<b>6,480,052</b>	<b>6,513,138</b>	<b>5,195,331</b>
<b>Non-Current Liabilities</b>				
Deferred tax liability	15	81,502	75,322	56,156
Retirement benefit obligations	16	1,071	1,055	870
<b>Total Non-Current Liabilities</b>		<b>82,573</b>	<b>76,377</b>	<b>57,026</b>
<b>Current Liabilities</b>				
Trade and other payables	17	27,284	17,918	18,996
Provision and accrued expenses		2,716	3,498	3,916
Taxation payable		-	1,157	3,341
<b>Total Current Liabilities</b>		<b>30,000</b>	<b>22,573</b>	<b>26,253</b>
<b>Total Equity &amp; Liabilities</b>		<b>6,592,625</b>	<b>6,612,088</b>	<b>5,278,610</b>

Net assets per ordinary share (Rs.) 933.71 938.48 748.60

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 29 to 62 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

(Sgd.)

**M. Selvanathan**

Chairman

(Sgd.)

**P. C. P. Tissera**

Director

**Agro Harapan Lestari Sdn. Bhd.**

22nd April, 2013  
Colombo

# 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 Earnings Rs. '000	Total Shareholders Funds Rs. '000
<b>Balance as at 1st April 2011</b>	<b>69,401</b>	<b>1,447,810</b>	<b>61,924</b>	<b>2,827,891</b>	<b>788,305</b>	<b>5,195,331</b>
Profit for the year	-	-	-	-	338,776	338,776
Other comprehensive income	-	218,450	48,998	1,068,302	-	1,335,750
Total comprehensive income	1 -	218,450	48,998	1,068,302	338,776	1,674,526
Final dividend - 2010/11	-	-	-	-	(142,966)	(142,966)
Interim dividend - 2011/12	-	-	-	-	(213,754)	(213,754)
Balance as at 31st March 2012	69,401	1,666,260	110,922	3,896,194	770,361	6,513,138
<b>Balance as at 1st April 2012</b>	<b>69,401</b>	<b>1,666,260</b>	<b>110,922</b>	<b>3,896,194</b>	<b>770,361</b>	<b>6,513,138</b>
Profit for the year	-	-	-	-	257,397	257,397
Other Comprehensive Income	-	119,463	(59,273)	142,071	-	202,261
Total Comprehensive Income	-	119,463	(59,273)	142,071	257,397	459,658
Final Dividend - 2011/12	-	-	-	-	(204,732)	(204,732)
Interim Dividend - 2012/13	-	-	-	-	(288,013)	(288,013)
<b>Balance as at 31st March 2013</b>	<b>69,401</b>	<b>1,785,723</b>	<b>51,649</b>	<b>4,038,265</b>	<b>535,014</b>	<b>6,480,052</b>

The Accounting Policies and Notes from pages 29 to 62 form an integral part of these Financial Statements.

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

Figures in brackets indicate deductions.

# Cash Flow Statement

<i>year ended 31st March</i>		<b>2013</b>	<b>2012</b>
	Note	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Cash Flows from Operating Activities</b>			
<b>Profit Before Taxation</b>		<b>319,650</b>	419,335
Adjustments for:			
Depreciation on property, plant and equipment	9	<b>652</b>	330
Provision for retirement benefit obligations	16	<b>270</b>	57
Interest income	3	<b>(3,258)</b>	(2,740)
Gain from change in fair value of biological assets	10	<b>(32,831)</b>	(33,826)
Gain from return of long-term advance made towards share capital		-	(46,258)
Exchange differences in currency translation		<b>3,132</b>	1,215
<b>Operating Profit Before Working Capital Changes</b>		<b>287,615</b>	338,113
Increase in inventories		<b>(64)</b>	(29)
(Increase)/Decrease in trade and other receivables	12	<b>(2,032)</b>	13,892
Increase/(Decrease) in trade payables and accruals		<b>1,838</b>	(9,164)
<b>Cash Generated from Operations</b>		<b>287,357</b>	342,812
Tax paid		<b>(59,837)</b>	(63,578)
Retirement benefits obligations paid	16	<b>(221)</b>	-
<b>Net Cash Inflows from Operating Activities</b>		<b>227,299</b>	279,234
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	9	<b>(3,313)</b>	(40,896)
Development cost of biological assets	10	<b>(627)</b>	-
Interest income	3	<b>3,258</b>	2,740
Return of long-term advance made towards share capital		-	245,730
<b>Net Cash (Used in) / from Investing Activities</b>		<b>(683)</b>	207,574
<b>Cash Flow from Financing Activities</b>			
Dividend paid		<b>(485,998)</b>	(349,053)
<b>Net Cash Used in Financing Activities</b>		<b>(485,998)</b>	(349,053)
<b>Net (Decrease)/Increase in Cash &amp; Cash Equivalents</b>		<b>(259,382)</b>	137,755
<b>Cash &amp; Cash Equivalents at the Beginning of the Year</b>		<b>368,381</b>	230,626
<b>Cash &amp; Cash Equivalents at the End of the Year (Note A)</b>		<b>108,999</b>	368,381
<b>Note A</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash and bank balances		<b>33,849</b>	284,886
Short-term deposits		<b>75,150</b>	83,495
		<b>108,999</b>	368,381

The Accounting Policies and Notes from pages 29 to 62 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1 General

Selinsing 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 Selinsing, P.O. Box 34007, Taiping Perak, Darual Ridzuan, 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 Limited 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 Selinsing 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 Selinsing PLC comprises the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement, 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

## Notes to the Financial Statements

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 since these are unrealized.

#### 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.



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 Statement of Other Comprehensive Income are also recognized in 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.

## Notes to the Financial Statements

### 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 capitalized 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 realized 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, 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 useful lives. The principal annual rates used are:

	<b>No. of years</b>
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

## Notes to the Financial Statements

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 recognized 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 amortized cost using the Effective Interest Rate method (EIR), less impairment. The losses arising from impairment are recognized 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 unrealized gains or losses recognized as other comprehensive income in the available-for-sale

reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is 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 derecognized 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 recognized 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

## Notes to the Financial Statements

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 Amortized Cost

For financial assets carried at amortized 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, recognized 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 recognized 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 recognized, the previously recognized 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 recognized initially at fair value and, in the case of loans and borrowings, carried at amortized 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 amortized cost

**Derecognition**

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

**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 realized 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

## Notes to the Financial Statements

liabilities are recognized 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 recognized 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 Malaysia operations and investment income from Sri Lanka operations.



### 2.5.2 Revenue Recognition

Revenue is recognized 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 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.

## Notes to the Financial Statements

### 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	09
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.

- (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 instruments  
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 and liabilities on the date of transition to SLFRS.

## Notes to the Financial Statements

### 2.10.1 Reconciliation of equity as at 1 April 2011 (date of transition to SLFRS)

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	A	1,494,208	(81,191)	1,413,017
Biological assets	A	-	225,564	225,564
Other non current financial assets	B	358,284	2,827,892	3,186,176
<b>Total Non-Current Assets</b>		<b>1,852,492</b>	<b>2,972,265</b>	<b>4,824,757</b>
<b>Current Assets</b>				
Inventories		680	-	680
Trade and other receivables		220,166	-	220,166
Advance and prepayments		2,381	-	2,381
Cash and cash equivalents		230,626	-	230,626
<b>Total Current Assets</b>		<b>453,853</b>	<b>-</b>	<b>453,853</b>
<b>Total Assets</b>		<b>2,306,345</b>	<b>2,972,265</b>	<b>5,278,610</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital		69,401	-	69,401
Retained earnings	A & C	723,839	64,468	788,307
Other reserves	B	1,465,926	2,871,699	4,337,625
<b>Total Shareholders Funds</b>		<b>2,259,166</b>	<b>2,936,167</b>	<b>5,195,333</b>
<b>Non-Current Liabilities</b>				
Deferred tax liability	A & C	20,058	36,098	56,156
Retirement benefit obligations		870	-	870
<b>Total Non-Current Liabilities</b>		<b>20,928</b>	<b>36,098</b>	<b>57,026</b>
<b>Current Liabilities</b>				
Trade and other payables		18,996	-	18,996
Provision and accrued expenses		3,914	-	3,914
Taxation payable		3,341	-	3,341
<b>Total Current Liabilities</b>		<b>26,251</b>	<b>-</b>	<b>26,251</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,306,345</b>	<b>2,972,265</b>	<b>5,278,610</b>

## 2.10.2 Reconciliation of equity as at 31 March 2012

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	A	1,756,853	(77,915)	1,678,938
Biological Assets	A	-	300,396	300,396
Other non current financial assets	B	358,284	3,896,193	4,254,477
<b>Total Non-Current Assets</b>		<b>2,115,137</b>	<b>4,118,674</b>	<b>6,233,811</b>
<b>Current Assets</b>				
Inventories		711	-	711
Trade and other receivables		7,392	-	7,392
Advance and Prepayments		1,793	-	1,793
Cash and cash equivalents		368,381	-	368,381
<b>Total Current Assets</b>		<b>378,277</b>	<b>-</b>	<b>378,277</b>
<b>Total Assets</b>		<b>2,493,414</b>	<b>4,118,674</b>	<b>6,612,088</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital		69,401	-	69,401
Retained earnings	A & C	688,318	82,043	770,361
Other reserves	B	1,692,368	3,981,008	5,673,376
<b>Total Shareholders Funds</b>		<b>2,450,087</b>	<b>4,063,051</b>	<b>6,513,138</b>
<b>Non-Current Liabilities</b>				
Deferred tax liability	A & C	19,702	55,623	75,322
Retirement benefit obligations		1,055	-	1,055
<b>Total Non-Current Liabilities</b>		<b>20,757</b>	<b>55,623</b>	<b>76,377</b>
<b>Current Liabilities</b>				
Trade and other payables		17,918	-	17,918
Provision and accrued expenses		3,498	-	3,498
Taxation payable		1,157	-	1,157
<b>Total Current Liabilities</b>		<b>22,573</b>	<b>-</b>	<b>22,573</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,493,414</b>	<b>4,118,674</b>	<b>6,612,088</b>

## Notes to the Financial Statements

### 2.10.3 Reconciliation of total comprehensive income for the year ended 31 March 2012

	Note	SLAS Rs. '000	Remeas- urements Rs. '000	SLFRS Rs. '000
<b>Revenue</b>		396,995	-	396,995
Direct operating costs	A	(80,646)	3,275	(77,371)
<b>Gross Profit</b>		316,349	3,275	319,624
Gain arising on changes in fair value of Biological Assets	A	-	33,826	33,826
Other income and gains		91,521	-	91,521
Administrative expenses		(25,636)	-	(25,636)
<b>Profit Before Tax</b>		382,234	37,101	419,335
Income tax expense		(61,035)	(19,524)	(80,559)
<b>Profit for the year</b>		321,199	17,577	338,776
<b>Other Comprehensive Income</b>				
Exchange differences on translation of Malaysian operations		-	48,998	48,998
Revaluation of Freehold Land	9	-	218,450	218,450
Gain/(Loss) on available - for - sale financial assets	B	-	1,068,302	1,068,302
		-	1,335,750	1,335,750
<b>Other Comprehensive Income for the Year, Net of Tax</b>		-	1,335,750	1,335,750
<b>Total Comprehensive Income for the Year, Net of Tax</b>		321,199	1,353,323	1,674,526

### 2.10.4 Notes to the reconciliation of equity as at 1st 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 225 Mn (2012: Rs 300 Mn) and their previous SLAS carrying amount was Rs 81 Mn (2012: Rs 78 Mn). The Rs 144 Mn (2012: Rs 222 Mn) difference between the fair value less cost to sell and previous SLAS carrying amount

has been recognized in retained earnings, 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 the 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 3,186 Mn (2012: Rs 4254 Mn) and their previous SLAS carrying amount was Rs 358 Mn (2012:Rs 358 Mn). The Rs 2,828 Mn (2012: Rs 3896 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 the tax effect of such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction in retained earnings.

## Notes to the Financial Statements

<i>For the year ended 31st March</i>		2013	2012
		Rs. '000	Rs. '000
<b>3. REVENUE</b>			
<b>Oil Palm:</b>			
Sale of fresh fruit bunches	<b>337,796</b>		344,248
<b>Investment:</b>			
Dividend income	<b>71,762</b>		50,007
Interest income	<b>3,258</b>		2,740
	<b>412,816</b>		396,995
<b>4. OTHER INCOME AND GAINS</b>			
Exchange Gain	-		44,587
Gain from return of long term advance made towards share capital	-		46,258
Other Income	<b>413</b>		676
	<b>413</b>		91,521
<b>5. PROFIT BEFORE TAX</b>			
<b>is stated after charging all expenses including the following:</b>			
Depreciation (Note 9)	<b>652</b>		330
Management and Professional Fees	<b>24,101</b>		25,016
Auditors' remuneration			
Audit fee for the current year	<b>637</b>		550
Directors' fees	<b>900</b>		200
Personnel costs (Note 5.1)	<b>22,050</b>		19,467
<b>5.1 Personnel Costs</b>			
Salaries, wages and other staff related expenses	<b>21,234</b>		18,923
Defined contribution plans - EPF	<b>546</b>		487
Retirement benefit obligations (Note 16)	<b>270</b>		57
	<b>22,050</b>		19,467



<i>For the year ended 31st March</i>		<b>2013</b>	2012
		<b>Rs. '000</b>	Rs. '000
<b>6. INCOME TAX</b>			
<b>6.1 Major components of income tax expense</b>			
The major components of income tax expense for the financial year ended 31st March 2013 and 2012 are :			
<b>Income Statement :</b>			
<b>Current income tax</b>			
Current year income tax expense		<b>56,065</b>	61,686
Under/(over) provision of income tax in respect of prior year		-	(311)
		<b>56,065</b>	61,375
<b>Deferred Income Tax</b>			
Origination/reversal of temporary differences		<b>6,188</b>	19,184
<b>Income tax expense recognized in the Income Statement</b>		<b>62,253</b>	80,559

## 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>		<b>2013</b>	2012
		<b>Rs. '000</b>	Rs. '000
Profit before tax		<b>319,650</b>	419,335
Tax at applicable rates to profits (Note 6.3 (b) and 6.3 (e))		<b>38,574</b>	50,452
<b>Adjustments:</b>			
Income not subject to tax			
(Including biological gains/(Note 6.3 (d) and Note 10)		<b>(12,551)</b>	(16,014)
Under/(over) provision in respect of previous years		-	(311)
Double tax credit for Malaysian Branch (Note 6.3 (c))		<b>(26,477)</b>	(35,809)
Others-Taxation in Malaysian Branch (Note 6.3 (a))		<b>55,458</b>	61,456
Non-deductible expenses		<b>1,061</b>	1,601
Deferred Tax		<b>6,188</b>	19,184
<b>Income tax expense recognized in profit or loss</b>		<b>62,253</b>	80,559

## 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 31 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%).

## Notes to the Financial Statements

### 6.3 Taxation of Profits

- (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. 37.09 (2012: Rs. 48.81) 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>	<b>2013</b>	2012
<b>Numerator</b>		
Profit for the year (Rs.)	<b>257,397,137</b>	338,776,000
Net profit attributable to ordinary shareholders (Rs.)	<b>257,397,137</b>	338,776,000
<b>Denominator</b>		
Number of ordinary shares (Note 13)	<b>6,940,080</b>	6,940,080
Earnings Per Share (Rs.)	<b>37.09</b>	48.81

<i>For the year ended 31st March</i>		<b>2013</b>	2012
		<b>Rs. '000</b>	Rs. '000
<b>7.1 Dividend Paid or Proposed</b>			
<b>Dividends paid during the year</b>			
Equity dividends on ordinary shares:			
Interim Dividend for 2013: Rs. 41.50 per share (2012 Rs. 30.80 per share)		<b>288,013</b>	213,754
Final Dividend for 2012: Rs.29.50 per share (2011: Rs. 20.60 per share)		<b>204,732</b>	142,966
<b>Dividends proposed for approval at AGM (not recognized as a liability as at 31st March)</b>			
2013: Rs. 15.61 per share (2012: Rs. 29.50 per share)		<b>108.335</b>	204,732

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

## Notes to the Financial Statements

## 9. PROPERTY, PLANT &amp; EQUIPMENT

	Freehold Land	Freehold Buildings	Plant & Machinery	Furniture, Fittings and Equipment	Motor Vehicles	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cost/Valuation</b>						
As at 1st April 2011	1,409,045	22,395	1,430	5,070	6,053	1,443,993
Additions	40,344	-	-	552	-	40,896
Translation adjustment for the year	224,672	3,571	228	906	965	230,342
As at 31st March 2012	1,674,061	25,966	1,658	6,528	7,018	1,715,231
Additions	-	-	-	510	2,803	3,313
Revaluation Gain	119,463	-	-	-	-	119,463
Translation adjustment for the year	(52,409)	(813)	(52)	(204)	(323)	(53,801)
<b>As at 31st March 2013</b>	<b>1,741,115</b>	<b>25,153</b>	<b>1,606</b>	<b>6,834</b>	<b>9,498</b>	<b>1,784,206</b>
<b>Depreciation</b>						
As at 1st April 2011	-	18,513	1,340	5,070	6,053	30,976
Charge for the year	-	290	12	28	-	330
Translation adjustment for the year	-	2,995	215	812	965	4,987
As at 31st March 2012	-	21,798	1,567	5,910	7,018	36,293
Charge for the year	-	286	13	80	273	652
Translation adjustment for the year	-	(689)	(50)	(186)	(224)	(1,149)
<b>As at 31st March 2013</b>	<b>-</b>	<b>21,395</b>	<b>1,530</b>	<b>5,803</b>	<b>7,068</b>	<b>35,796</b>
<b>Net Book Value</b>						
<b>As at 31st March 2013</b>	<b>1,741,115</b>	<b>3,757</b>	<b>76</b>	<b>1,031</b>	<b>2,431</b>	<b>1,748,410</b>
As at 31st March 2012	1,674,061	4,168	91	618	-	1,678,938
As at 1st April 2011	1,409,045	3,882	90	-	-	1,413,017

(i) The carrying value of the freehold land, if the asset was carried at historical cost would be Rs. 52.07 mn (2012: Rs. 52.07 mn).

(ii) Property, plant & equipment includes fully depreciated assets having a gross carrying amount of Rs.28.03 mn (2012: Rs.33.72 mn).

(iii) The freehold land was revalued on 31st March 2013 based on existing use basis, by an independent valuer Enck 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. 119.46 mn and a currency revaluation gain of Rs. 218.45 mn for the respective financial years.

(iv) The total revaluation surplus 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 financial year, the Company acquired and paid for property, plant and equipment to the aggregate value of Rs. 3.31 mn (2012: Rs. 40.90 mn).

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	01st April 2011 Rs. '000
<b>10. BIOLOGICAL ASSETS</b>			
Carrying value at the beginning of the year	<b>300,396</b>	225,564	201,373
Plantation development costs	<b>627</b>	-	-
Currency translation differences	<b>(9,802)</b>	41,006	14,319
	<b>291,221</b>	266,570	215,692
Gain arising from changes in fair value	<b>32,831</b>	33,826	9,872
Carrying value at the end of the year	<b>324,052</b>	300,396	225,564

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:

- (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 have been charged to the Income Statement (Refer Note 15).

## Notes to the Financial Statements

### Analysis of biological assets are as follows:

<i>As at</i>	<b>31st March 2013 Rs.'000</b>	31st March 2012 Rs.'000	01st April 2011 Rs.'000
<b>Plantation Value</b>			
Mature	<b>324,052</b>	300,396	225,564
Immature	-	-	-
	<b>324,052</b>	300,396	225,564
<b>Plantation Area</b>			
	<b>Ha</b>	Ha	Ha
Mature	<b>485.69</b>	485.69	485.69
Immature	-	-	-
	<b>485.69</b>	485.69	485.69

## 11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

<i>As at</i>	<b>31st March 2013 Rs.'000</b>	31st March 2012 Rs.'000	1 April 2011 Rs.'000
<b>11.1 Other Non-Current Financial Assets</b>			
<b>Available-for-sale investments</b>			
Unquoted equity shares (11.1.a)	<b>3,741,261</b>	3,584,066	2,568,584
Quoted equity shares (11.1.b)	<b>655,288</b>	670,411	617,592
<b>Total Available-for-Sale Investments</b>	<b>4,396,549</b>	4,254,477	3,186,176
<b>Total other financial assets: Non-Current</b>	<b>4,396,549</b>	4,254,477	3,186,176

### 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 10.73% (2012 - 10.73%) in Shalimar (Malay) PLC. The fair value of the quoted debt securities and 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 liabilities that are carried in the financial statements.

As at	Carrying amount			Fair value		
	31st March	31st March	1st April	31st March	31 March	1st April
	2013	2012	2011	2013	2012	2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Financial Assets</b>						
Trade and other receivables	9,503	7,392	220,166	9,503	7,392	220,166
Other financial assets						
Available for sale investments	4,396,549	4,254,477	3,186,176	4,396,549	4,254,477	3,186,176
Cash and short term deposits	108,999	368,381	230,626	108,999	368,381	230,626
<b>Total</b>	<b>4,515,052</b>	<b>4,630,250</b>	<b>3,636,968</b>	<b>4,515,052</b>	<b>4,630,250</b>	<b>3,636,968</b>
<b>Financial Liabilities</b>						
Trade and other payables	27,284	17,918	18,996	27,284	17,918	18,996
<b>Total</b>	<b>27,284</b>	<b>17,918</b>	<b>18,996</b>	<b>27,284</b>	<b>17,918</b>	<b>18,996</b>

## 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 depicted in the table given 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>	<b>31st March 2013 Rs. '000</b>	<b>Level 1 Rs. '000</b>	<b>Level 2 Rs. '000</b>	<b>Level 3 Rs. '000</b>
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Available-for-sale financial assets				
Equity shares	<b>4,396,549</b>	<b>655,288</b>	-	<b>3,741,261</b>

<i>As at</i>	<b>31st March 2012 Rs. '000</b>	<b>Level 1 Rs. '000</b>	<b>Level 2 Rs. '000</b>	<b>Level 3 Rs. '000</b>
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Available-for-sale financial assets				
Equity shares	4,254,477	670,411	-	3,584,066

<i>As at</i>	<b>1st April 2011 Rs. '000</b>	<b>Level 1 Rs. '000</b>	<b>Level 2 Rs. '000</b>	<b>Level 3 Rs. '000</b>
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Available-for-sale financial assets				
Equity shares	3,186,176	617,592	-	2,568,584

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	<b>31st March 2012 Rs. '000</b>	<b>1st April 2011 Rs. '000</b>
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### 12. TRADE AND OTHER RECEIVABLES

Trade debtors	<b>9,503</b>	7,309	20,694
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#### Amounts Due From Related companies

	<b>Relationship</b>			
Shalimar Developments Sdn. Bhd.	Fellow Subsidiary	-	-	199,472
Carson Cumberbatch PLC	Ultimate Parent	-	83	-
		<b>9,503</b>	<b>7,392</b>	<b>220,166</b>

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	<b>31st March 2012 Rs. '000</b>	<b>1st April 2011 Rs. '000</b>
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### 13. STATED CAPITAL

Issued and Fully Paid  
 Ordinary

6,940,080 Ordinary Shares	<b>69,401</b>	69,401	69,401
	<b>69,401</b>	<b>69,401</b>	<b>69,401</b>



<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000
<b>14. OTHER RESERVES</b>			
Currency translation reserve	<b>51,649</b>	110,922	61,924
Available-for-sale reserve	<b>4,038,265</b>	3,896,194	2,827,891
Capital accretion reserve	<b>1,785,723</b>	1,666,260	1,447,810
End of the year	<b>5,875,637</b>	5,673,376	4,337,625

**Currency translation reserve** 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 Comprehensive Income.

<i>As at</i>	<b>Statement of Financial Position</b>			<b>Income Statement</b>	
	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000	<b>2013 Rs. '000</b>	2012 Rs. '000

## 15. DEFERRED INCOME TAX

### Deferred Tax Liability

Deferred tax on property, plant & equipment	<b>924</b>	639	223	<b>285</b>	416
Deferred tax on biological assets	<b>81,013</b>	75,102	56,395	<b>5,908</b>	18,707
	<b>81,937</b>	75,741	56,618	<b>6,193</b>	19,123

### Deferred Tax Assets

Defined benefit plans	<b>(268)</b>	(263)	(218)	<b>(5)</b>	(45)
Provision for ex-gratia	<b>(148)</b>	(148)	(252)	-	104
	<b>(416)</b>	(411)	(470)	<b>(5)</b>	59

Effect of exchange rate movement	<b>(19)</b>	(8)	8	-	-
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Deferred Income					
Tax expense/(Income)				<b>6,188</b>	19,184
Net deferred tax liability	<b>81,502</b>	75,322	56,156		

## 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.

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000
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<b>16.1 Beginning of the year</b>	<b>1,055</b>	870	757
Provision for the year (Refer 16.2)	<b>270</b>	57	67
Exchange gain/(loss)	<b>(33)</b>	128	46
Paid for the Year	<b>(221)</b>	-	-
End of the year	<b>1,071</b>	1,055	870

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000
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### 16.2 Provision during the year

Charge for the year	<b>102</b>	104	130
Interest charge for the year	<b>43</b>	35	30
Loss/ (Gain) arising from the changes in assumption	<b>125</b>	(82)	(93)
	<b>270</b>	57	67

The principle assumptions used were as follows,

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000
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Discount Rate	<b>4%</b>	4%	4%
Future Salary Increment rate	<b>3%</b>	3%	3%
Staff Turnover	<b>9%</b>	9%	13%

<i>As at</i>	<b>31st March 2013 Rs. '000</b>	31st March 2012 Rs. '000	1st April 2011 Rs. '000
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### 17. TRADE AND OTHER PAYABLES

Trade creditors	<b>5,211</b>	2,524	11,269
Unclaimed dividend	<b>22,073</b>	15,325	7,658
<b>Amounts due to related companies</b>	<b>Relationship</b>		
Carsons Management Services (Pvt) Limited	Group Company	-	69
		-	69
	<b>27,284</b>	17,918	18,996

**18. SEGMENTAL REPORTING**

For management purpose, the Company is organized 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
<b>Revenue</b>						
External revenue	337,797	344,248	75,019	52,747	412,816	396,995
	<b>337,797</b>	<b>344,248</b>	<b>75,019</b>	<b>52,747</b>	<b>412,816</b>	<b>396,995</b>
<b>Result</b>						
Segment result	254,666	278,062	64,984	141,273	319,650	419,335
Taxation	(61,646)	(80,328)	(607)	(231)	(62,253)	(80,559)
	<b>193,020</b>	<b>197,734</b>	<b>64,377</b>	<b>141,042</b>	<b>257,397</b>	<b>338,776</b>

**Other Information**

Segment assets	2,114,989	2,308,689	4,477,635	4,303,399	6,592,624	6,612,088
Segment liabilities	89,308	82,654	23,265	16,296	112,573	98,950
Capital expenditure	3,313	552	-	-	3,313	552
Depreciation	652	330	-	-	652	330
Retirement benefits (charge)	270	57	-	-	270	57

**(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	337,797	344,248	75,019	52,747	412,816	396,995
Non-Current Assets	2,072,462	1,979,334	4,396,549	4,254,477	6,469,011	6,233,811

## 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. 15.61 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. 108.33 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 Selinsing 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 Extraordinary General Meeting held on 21st October 2009.

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

<b>Name of the Company</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Transaction Value During the year Rs.'000</b>	<b>Amount Outstanding as at 31st March 2013 Rs.'000</b>
1. Agro Harapan Lestari Sdn. Bhd.(AHL SB)	Fellow Subsidiary	Management fees Technical support services, Sales commission and Performance incentive	(21,555)	-
2. Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Dividend income	42,529	-
3. Shalimar (Malay) PLC	Fellow Subsidiary	Tractor rental Dividend income	(151) 29,233	-
4. Goodhope Asia Holdings Ltd.	Immediate Parent	Dividend paid	(472,589)	-
5. Carsons Management Services (Pvt) Ltd.	Group Company	Secretarial expenses	(404)	-
6. AHL Business Solutions (Pvt) Ltd.	Fellow Subsidiary	Data processing fee IT support fee	(1,532) (685)	-
7. Equity One PLC	Group Company	Service charges	(9)	-
<b>TOTAL amounts due to Related Parties</b>				-
<b>TOTAL amounts due from Related Parties</b>				-

## Notes to the Financial Statements

## 23. RELATED PARTY DISCLOSURES

## 23.1 Transactions with related companies - 2011/12

	Name of the Company	Relationship	Nature of Transaction	Transaction Value During the year Rs. '000	Amount Outstanding as at 31st March Rs. '000
1.	Agro Harapan Lestari Sdn. Bhd. (AHL SB)	Fellow Subsidiary	Management fees Technical support services, Sales commission and Performance incentive Temporary advances* Expenses incurred on behalf-net	(21,438) 3,596 445	- - -
2.	Carson Cumberbatch PLC (CCPLC)	Ultimate Parent	Expenses incurred on behalf of Company	83	83
3.	Shalimar Developments Sdn. Bhd. (SDSB)	Fellow Subsidiary	Return of long-term advances made towards share capital** Dividend income	199,472 34,821	- -
4	Shalimar (Malay) PLC	Fellow Subsidiary	Expense incurred on behalf of Company Dividend income	381 15,186	- -
5	Agro Harapan Lestari (Pvt) Ltd.	Fellow Subsidiary	Temporary advances*	11,905	-
6	Goodhope Asia Holdings Ltd.	Immediate Parent	Dividend paid Temporary advances*	(340,787) 197,589	- -
7	Carsons Management Services (Pvt) Ltd.	Group Company	Secretarial expenses	(378)	(69)
8	AHL Business Solutions (Pvt) Ltd.	Fellow Subsidiary	Data processing fee	(869)	-
9	PT Agro Indomas	Fellow Subsidiary	Temporary advances*	6,081	-
<b>TOTAL amounts due to Related Parties</b>				<b>(69)</b>	<b>(69)</b>
<b>TOTAL amounts due from Related Parties</b>					<b>83</b>

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

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

## 23.2 Compensation to Key Management Personnel

	2013 Rs. '000	2,012 Rs. '000
Emoluments/Fees	900	200

Key management personnel of the Company are members of it's Board of Directors and that of it's 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 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 31 March 2013, had the price of FFB been 5% higher/lower with all other variables are constant, profit before tax would have increased/decreased by Rs.16.68 Mn (2012: Rs.17.21 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.

## Notes to the Financial Statements

### (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	2012	2011	2010	2009
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Operating Results</b>					
<b>Revenue</b>	<b>412,816</b>	396,995	381,589	247,418	184,660
Profit before taxation	<b>319,650</b>	419,335	267,681	157,047	92,644
Taxation	<b>(62,253)</b>	(80,559)	(62,615)	(40,935)	(23,570)
Profit for the year	<b>257,397</b>	338,776	205,066	116,112	69,074
Dividend expense	<b>492,746</b>	356,720	86,751	20,820	27,205
<b>Statement of Financial Position</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	<b>1,748,410</b>	1,678,938	1,494,208	1,418,660	1,314,350
Investment properties	-	-	-	-	165,262
Biological assets	<b>324,052</b>	300,396	-	-	-
Other non current financial assets	<b>4,396,549</b>	4,254,477	358,284	358,284	358,284
	<b>6,469,011</b>	6,233,811	1,852,492	1,776,944	1,837,896
<b>Current Assets</b>					
Assets held for sale	<b>123,614</b>	378,277	453,853	307,971	203,150
	-	-	-	168,000	-
<b>Total Assets</b>	<b>6,592,625</b>	6,612,088	2,306,345	2,252,915	2,041,046
<b>Equity and Liabilities</b>					
Stated capital	<b>69,401</b>	69,401	69,401	69,401	69,401
Reserves	<b>6,410,651</b>	6,443,737	2,189,765	2,142,673	1,937,520
	<b>6,480,052</b>	6,513,138	2,259,166	2,212,074	2,006,921
<b>Non-Current Liabilities</b>					
Deferred tax liability	<b>81,502</b>	75,322	20,058	20,951	15,749
Retirement benefit obligations	<b>1,071</b>	1,055	870	757	783
	<b>82,573</b>	76,377	20,928	21,708	16,532
<b>Current Liabilities</b>					
	<b>30,000</b>	22,573	26,251	19,133	17,593
<b>Total Equity &amp; Liabilities</b>	<b>6,592,625</b>	6,612,088	2,306,345	2,252,915	2,041,046

## 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
<b>Cash Flow Statements</b>					
Net cash (outflows)/inflows from operating activities	227,299	281,974	208,448	149,868	(6,134)
Net cash (outflows)/inflows from investing activities	(683)	204,834	159,914	(40,363)	(813)
Net cash used in financing activities	(485,998)	(349,053)	(233,603)	(20,442)	(26,517)
Net (decrease)/increase in cash & cash equivalents	(259,382)	137,755	134,759	89,063	(33,464)
	SLFRS		SLAS		
	2013	2012	2011	2010	2009
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	3.97	5.20	9.08	5.25	3.44
Current ratio (times)	4.12	16.76	17.29	16.10	11.55
Quick asset ratio (times)	4.09	16.73	17.26	16.05	11.43
Earnings per ordinary share (Rs.)*	37.09	48.81	29.55	16.73	9.95
Dividend per ordinary share (Rs.) (a)	57.11	60.30	20.60	12.50	3.72
Dividend payout (times)	1.17	1.24	0.70	0.75	0.37
Net assets per ordinary share (Rs.)**	933.71	938.48	325.52	318.74	289.18
Market value per share (Rs.)	1,000.10	1,100.00	975.10	375.00	135.00
P/E ratio (times)	26.97	22.53	33.00	22.41	13.56
Market capitalization (Rs.'000)	6,940,774	7,634,088	6,767,272	2,602,530	936,911
Net sales average (MYR)	548.67	642.83	639.41	465.82	463.08
<b>Plantation Operations</b>					
Mature area (Ha.)	485.69	485.69	485.69	485.69	485.69
Immature area (Ha.)	-	-	-	-	-
Crop (Tonnes)	14,697	14,414	14,618	14,343	12,168
Yield per Ha. (Tonnes) (b)	30.26	29.68	30.10	29.53	25.05

As referred to in Note 2.10 amounts in the above Five Year Summary applicable for 2012 and 2013 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	%
<b>Revenue</b>	<b>412,815</b>		396,995	
Other income & gains	33,245		125,347	
	<b>446,060</b>		522,342	
Bought in materials and services	(103,708)		(83,210)	
	<b>342,352</b>		439,132	
<b>Distributed as Follows:</b>				
<b>To Employees</b>				
as remuneration	22,050	6.44%	19,467	4.43%
<b>To Government</b>				
as taxation	56,065	16.38%	61,375	13.98%
<b>To Providers of Capital</b>				
as ordinary dividends	492,745	143.93%	356,720	81.23%
<b>Retained in the Business</b>				
as depreciation	652	0.19%	330	0.08%
as deferred tax	6,188	1.81%	19,184	4.37%
as retained profits	(235,349)	- 68.75%	(17,944)	- 4.09%
	<b>342,352</b>	<b>100 %</b>	439,132	100%

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

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## **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.

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# Income Statement

<i>For the year ended 31st March</i>	<b>2013</b>	2012
	<b>US\$</b>	US\$
<b>Revenue</b>	<b>3,171,920</b>	3,564,056
Direct operating costs	<b>(696,222)</b>	(692,482)
<b>Gross Profit</b>	<b>2,475,698</b>	2,871,574
Gain arising on change in fair value of Biological Assets	<b>256,235</b>	302,340
Other income and gains	<b>3,247</b>	739,447
Administrative expenses	<b>(280,829)</b>	(228,897)
<b>Profit Before Tax</b>	<b>2,454,351</b>	3,684,464
Income tax expense	<b>(478,710)</b>	(722,812)
<b>Profit for the Year</b>	<b>1,975,641</b>	2,961,652

*Figures in brackets indicate deductions.*

# Statement of Financial Position

<i>As at</i>	<b>31st March 2013 US\$</b>	31st March 2012 US\$	1st April 2011 US\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	<b>13,778,942</b>	12,895,077	12,793,336
Biological assets	<b>2,553,804</b>	2,307,188	2,042,042
Other non-current financial assets	<b>34,648,510</b>	32,676,464	28,844,611
<b>Total Non-Current Assets</b>	<b>50,981,256</b>	47,878,729	43,679,989
<b>Current Assets</b>			
Inventories	<b>6,110</b>	5,448	6,157
Trade and other receivables	<b>74,891</b>	56,768	1,993,355
Advance and prepayments	<b>13,508</b>	13,771	21,555
Taxation recoverable	<b>20,657</b>	-	-
Cash and cash equivalents	<b>859,007</b>	2,829,345	2,088,056
<b>Total Current Assets</b>	<b>974,173</b>	2,905,332	4,109,123
<b>Total Assets</b>	<b>51,955,429</b>	50,784,061	47,789,112
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital	<b>923,888</b>	923,888	923,888
Retained earnings	<b>5,366,659</b>	7,208,050	7,221,912
Other reserves	<b>44,777,730</b>	41,892,142	38,889,347
<b>Total Shareholders' Funds</b>	<b>51,068,277</b>	50,024,080	47,035,147
<b>Non-Current Liabilities</b>			
Deferred tax liability	<b>642,305</b>	578,531	508,398
Retirement benefit obligations	<b>8,427</b>	8,097	7,872
<b>Total Non-Current Liabilities</b>	<b>650,732</b>	586,628	516,270
<b>Current Liabilities</b>			
Trade and other payables	<b>210,884</b>	137,597	171,970
Provision and accrued expenses	<b>25,536</b>	26,866	35,452
Taxation payable	-	8,890	30,273
<b>Total Current Liabilities</b>	<b>236,420</b>	173,353	237,695
<b>Total Equity &amp; Liabilities</b>	<b>51,955,429</b>	50,784,061	47,789,112

# Notes to the Financial Statements

## 1. BASIS OF CONVERSION

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

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

		<b>2013</b>	2012
		<b>Rs.</b>	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

	<b>2013</b>	2012	2011
	<b>US\$</b>	US\$	US\$
Beginning of the year	7,208,050	7,221,912	7,481,658
Net profit for the year	1,975,641	2,961,652	1,825,915
Ordinary dividend	(3,817,032)	(2,975,514)	(2,085,661)
<b>End of the Year</b>	<b>5,366,659</b>	<b>7,208,050</b>	<b>7,221,912</b>

## Notes to the Financial Statements

## 3. SEGMENTAL REPORTING

For management purpose, the Company is organized into the following two business segments.

## (A) Industry

	Oil Palm		Investments		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
<b>Revenue</b>						
External revenue	2,599,145	3,087,810	572,775	476,246	3,171,920	3,564,056
	2,599,145	3,087,810	572,775	476,246	3,171,920	3,564,056
<b>Result</b>						
Segment result	1,959,567	2,495,445	494,784	1,189,019	2,454,351	3,684,464
Taxation	(474,055)	(722,081)	(4,655)	(731)	(478,710)	(722,812)
	1,485,512	1,773,364	490,129	1,188,288	1,975,641	2,961,652
<b>Other information</b>						
Segment assets	16,667,894	13,596,634	35,287,535	37,187,428	51,955,429	50,784,061
Segment liabilities	703,803	634,822	183,349	125,159	887,152	759,981
Capital expenditure	25,508	4,240	-	-	25,508	4,240
Depreciation	5,171	2,943	-	-	5,171	2,943
Retirement benefits charge	2,216	438	-	-	2,216	438

## (B) Geographical

	Malaysia		Sri Lanka		Company	
	2013 US\$	2012 US\$	2013 US\$	2012 US\$	2013 US\$	2012 US\$
Revenue	2,599,145	3,087,810	572,775	476,246	3,171,920	3,564,056
Non-current assets	16,332,746	15,202,265	34,648,510	32,676,464	50,981,256	47,878,729



## Five Year Summary

<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
<b>Operating results</b>					
<b>Revenue</b>	<b>3,171,920</b>	3,564,056	1,977,896	1,024,431	785,758
Profit before taxation	<b>2,454,351</b>	3,684,464	1,475,789	558,887	342,390
Taxation	<b>(478,710)</b>	(722,812)	(306,122)	(125,010)	(115,869)
<b>Profit for the year</b>	<b>1,975,641</b>	2,961,652	1,169,667	433,877	226,521
Dividend expense	<b>3,817,032</b>	2,975,514	757,651	182,248	247,539
<b>As at 31st March</b>	<b>2013</b>	SLFRS 2012	2011	2010	SLAS 2009
	US\$	US\$	US\$	US\$	US\$
<b>Statement of Financial Position</b>					
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	<b>13,778,942</b>	12,895,077	13,528,362	12,444,386	11,359,986
Investment properties			-	-	1,428,363
Biological assets	<b>2,553,804</b>	2,307,188	-	-	-
Other non-current financial assets	<b>34,648,510</b>	32,676,464	3,525,410	3,142,846	3,096,667
	<b>50,981,256</b>	47,878,729	17,053,772	15,587,232	15,885,016
<b>Current assets</b>	<b>974,173</b>	2,905,332	4,109,123	2,701,500	1,755,824
<b>Assets held for sale</b>	-	-	-	1,473,684	-
<b>Total Assets</b>	<b>51,955,429</b>	50,784,061	21,162,895	19,762,416	17,640,840
<b>Equity and Liabilities</b>					
Stated capital	<b>923,888</b>	923,888	923,888	923,888	923,888
Reserves	<b>50,144,389</b>	49,100,192	19,811,839	18,480,271	16,439,950
	<b>51,068,277</b>	50,024,080	20,735,727	19,404,159	17,363,838
<b>Non-Current Liabilities</b>					
Deferred tax liability	<b>642,305</b>	578,531	181,601	183,783	136,120
Retirement benefit obligations	<b>8,427</b>	8,097	7,872	6,640	6,765
	<b>650,732</b>	586,628	189,473	190,423	142,885
<b>Current Liabilities</b>	<b>236,420</b>	173,353	237,695	167,834	134,117
<b>Total Equity &amp; Liabilities</b>	<b>51,955,429</b>	50,784,061	21,162,895	19,762,416	17,640,840

## Five Year Summary

<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
<b>Cash Flow Statements</b>					
Net cash (out flows)/inflows from operating activities	<b>1,801,198</b>	3,748,494	1,836,824	1,315,510	(53,022)
Net cash (out flows)/inflows from investing activities	<b>(5,289)</b>	(7,261)	1,447,845	(354,061)	(7,023)
Net cash used in financing activities	<b>(3,766,247)</b>	(3,125,391)	(2,037,805)	(179,316)	(229,187)
Net (decrease)/increase in cash & cash equivalents	<b>(1,970,338)</b>	615,842	1,246,864	782,133	(289,232)
<i>for the year ended 31st March</i>	SLFRS		SLAS		
	2013	2012	2011	2010	2009
	US\$	US\$	US\$	US\$	US\$
<b>Ratios and Statistics</b>					
Return on ordinary shareholders' funds (%)	<b>3.87</b>	5.92	5.64	5.24	3.61
Current ratio (times)	<b>4.12</b>	16.76	9.69	5.67	2.80
Quick asset ratio (times)	<b>4.09</b>	16.73	9.66	5.64	2.75
Earnings per ordinary share (US\$)	<b>0.28</b>	0.43	0.26	0.15	0.09
Dividend per ordinary share (US\$)	<b>0.45</b>	0.57	0.18	0.11	0.03
Net assets per ordinary share (US\$)	<b>7.36</b>	7.21	2.99	2.80	2.50
Market value per share (US\$)	<b>7.88</b>	8.45	8.83	3.29	1.25
P/E ratio (times)	<b>27.69</b>	19.80	33.55	22.41	13.56
Market capitalization (US\$'000)	<b>54,699</b>	58,644	61,264	22,833	8,687

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

## Information to Shareholders and Investors

### 1. Stock Exchange Listing

Selinsing 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 Shares as at 31st March 2013 was Rs. 1,000.10 per share (2012: Rs. 1,100).

### 3. Shareholders

<i>As at 31st March</i>	<b>2013</b>	2012
No. of Ordinary Shareholders	<b>307</b>	270

The number of ordinary shares held by non-residents as at 31st March 2013 was 6,802,066 which amounts to 98.01% 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	%
1 - 1,000	226	19,720	0.28	3	900	0.01	269	20,620	0.30
1,001 - 10,000	18	60,651	0.87	13	59,881	0.86	31	120,532	1.74
10,001 - 100,000	3	57,643	0.83	3	76,593	1.10	6	134,236	1.93
100,001 - 1,000,000	-	-	-	-	-	-	-	-	-
Above 1,000,000	-	-	-	1	6,664,692	96.03	1	6,664,692	96.03
Grand Total	287	138,014	1.99	20	6,802,066	98.01	307	6,940,080	100.00

#### Categorization of Shareholders

Categories of shareholders	No. of Shareholders	No. of Shares	%
Individuals	269	268,533	3.87
Institutions	38	6,671,547	96.13

Percentage of ordinary shares held by the public as at 31st March 2013 was 3.97%

## Information to Shareholders and Investors

### 4. Market Performance - Ordinary Shares

<i>For the year ended 31st March</i>	<b>2013</b>	2012
Highest (Rs.)	<b>1,599</b>	1,840
Lowest (Rs.)	<b>850</b>	1,001
Volume traded (Shares)	<b>29,409</b>	1,120,562
Number of trades	<b>320</b>	161
Value of shares traded (Rs. '000)	<b>32,265</b>	1,223,186

### 5. Market Capitalization

Market capitalization of the Company, which is the number of ordinary shares multiplied by the market value of a share was Rs.6,940.77 mn as at 31st March 2013 (2012: Rs. 7,634.08 mn).

### 6. Proposed Final Dividends - Ordinary

The Directors recommend a final dividend of Rs. 15.61 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.

<b>Year ended 31st March</b>	<b>Issue</b>	<b>Basis</b>	<b>No. of Ordinary Shares</b>	<b>Cumulative Ordinary Share Capital Rs.</b>
1994	-	-	803,250	8,032,500
1995	Bonus	01:03	267,750	10,710,000
1998	Bonus	01:02	535,500	16,065,000
1999	Bonus	01:01	1,606,500	32,130,000
2003	Bonus	01:05	642,600	38,556,000
2003 May	Bonus	01:05	771,120	46,267,200
2004 March	Bonus	01:02	2,313,360	69,400,800
<b>Total Shares in Issue</b>			<b>6,940,080</b>	

### 8. Malaysian Property

**8.1** The gross area of the Oil Palm Plantation is 485.69 Ha.

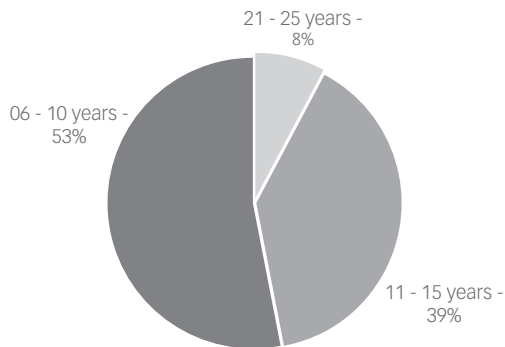
**8.2** The plantation is situated in the State of Perak, District of Krian and Larut Matang.

- 8.3** The carrying value of the property, plant & equipment as at the reporting date was Rs. 1,748.41 mn (2011: Rs. 1,678.94 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	-	254.99	191.09	-	39.61	-	485.69

**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. Operational performance information is given below:

	2013	2012	2011	2010	2009
Crop Production (Tonnes)	<b>540,691</b>	480,869	498,012	474,401	348,675
CPO (Tonnes)	<b>125,875</b>	117,514	124,421	121,069	89,449
PK (Tonnes)	<b>29,150</b>	26,384	28,723	28,479	19,286
Milling Capacity (Tonnes per Hour)	<b>180</b>	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 and interim 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.

## 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 SIXTH ANNUAL GENERAL MEETING of SELINSING PLC will be held on Wednesday the 29th day of May 2013, at 2.00 p.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. H. Selvanathan who retires by rotation in terms of Articles 87 & 88 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. C.F. Fernando 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. C.F. Fernando who is seventy eight 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 2.00 p.m. on 27th May 2013.
3. A person representing a Corporation is required to carry a certified copy of the resolution authorizing him/her to act as the representative of the Corporation. A representative need not be a member.
4. The transfer books of the Company will remain open.
5. Security Check

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



## Form of Proxy

\*I/We.....  
 of..... being  
 \*a Member/Members of SELINSING PLC, hereby appoint .....  
 of.....  
 bearing NIC No./Passport No..... or failing him/her.

Manoharan Selvanathan	or failing him,
Hariharan Selvanathan	or failing him,
Chrisanta Francis Fernando	or failing him,
Israel Paulraj	or failing him,
Don Chandima Rajakaruna Gunawardena	or failing him,
Palehenalage Chandana Priyankara Tissera	

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 2.00 p.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. 15.61 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. H. Selvanathan who retires by rotation in terms of Articles 87 & 88 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. C.F. Fernando 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 of .....Two 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.

## Form of Proxy

### 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 69 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 65 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 2.00 p.m. on 27th May 2013.

Please fill in the following details

Name : .....

Address : .....

Jointly with : .....

Share Folio No. : .....

# Corporate Information

## NAME OF THE COMPANY

Selinsing PLC

## COMPANY REGISTRATION NUMBER

PQ 46

## LEGAL FORM

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

## DIRECTORS

Manoharan Selvanathan (Chairman)  
Hariharan Selvanathan  
Chrisanta F. Fernando  
Israel Paulraj  
D. Chandima R. Gunawardena  
P. Chandana P. Tissera

## 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 VOA  
Damansara II, 6 Changkat Sementan,  
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 Selinsing  
P. O. Box 16, 34007 Taiping  
Perak Darul Ridzuan  
Malaysia

## CORPORATE WEBSITE

[www.goodhopeholdings.com](http://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](http://www.goodhopeholdings.com)