
Annual Report

Namunukula Plantations PLC



2014/15



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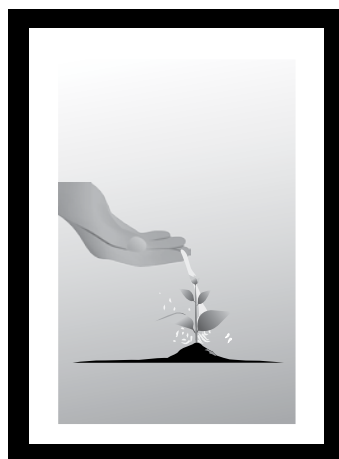
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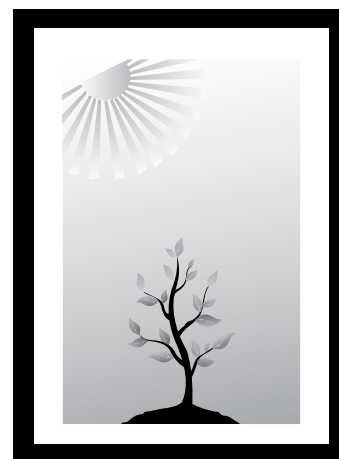
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About the report

Welcome to our 2014/15 Annual Report. Our aim is to clearly articulate our business, results and objectives to our key audiences, focusing on material issues and maintaining our commitment to address and report on our responsibilities and actions. Due to the nature of our business, economic, environmental and social issues are naturally important to us and those are an integral part of the way we do business. In an effort to keep our annual report relevant and succinct, we have included links to further information and our website within the Report. This Report has been prepared in accordance with the Sri Lanka Financial Reporting Standards and Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The Report has been formulated based on GRI in accordance - core.

Please send comments or questions about this report to

npl.rpk@arpico.com, or in writing to:

No.310, High Level Road, Nawinna, Maharagama, Sri Lanka.

About Us

The prime activities of Namunukula Plantations PLC are the cultivation, manufacture and sale of Black Tea, Rubber, Coconut, Oil Palm and other crops. In addition to the estate crops, we also purchase green leaf from smallholders. Our estates and factories are situated in the low grown and Uva agro climatic area. Operationally, they are divided into four regions namely, Kalutara, Galle, Matara and Badulla. The main strength of the Company lies in the diversity of crops and the large land base. Our Company has a total land base of around 11,779 Ha with a work force of 6,784. NPL was incorporated in 1992 as a fully government owned Company and subsequently privatized in July 1997. Currently we are a part of the Richard Pieris Group of Companies, the largest plantation group in Sri Lanka. Today our expectations are high and our potential, exceptional.

We strive to be an efficient and transparent company for all our stakeholders. We create value by the joint efforts of a dedicated team to become the leader of the plantation industry in every aspect. While we are working hard to maintain our cost leadership position in the industry, our top priorities are: zero accidents and incidents, minimisation of negative environmental impacts, and the high quality of our products. At the same time, we invest in our people and in developing and promoting high-performing employees.

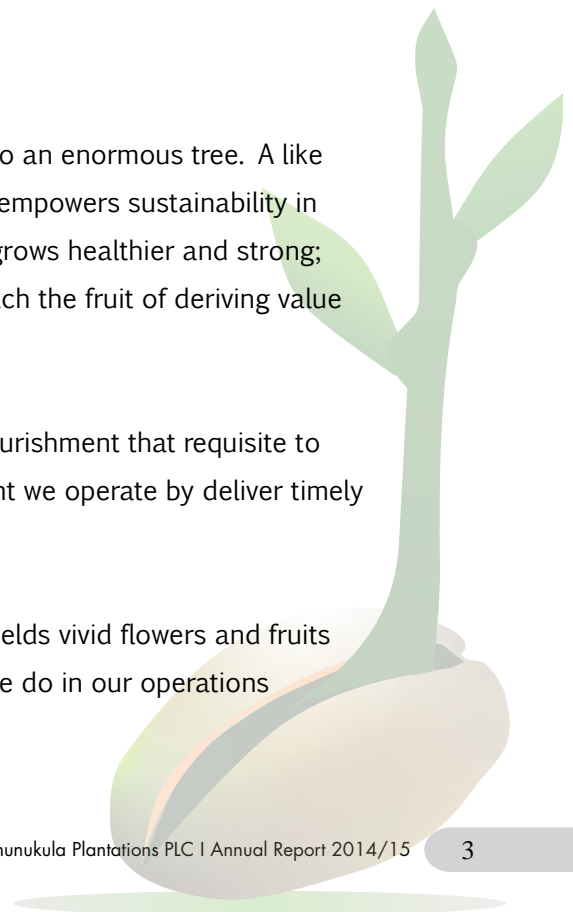


MIRACLE IN THE SEED

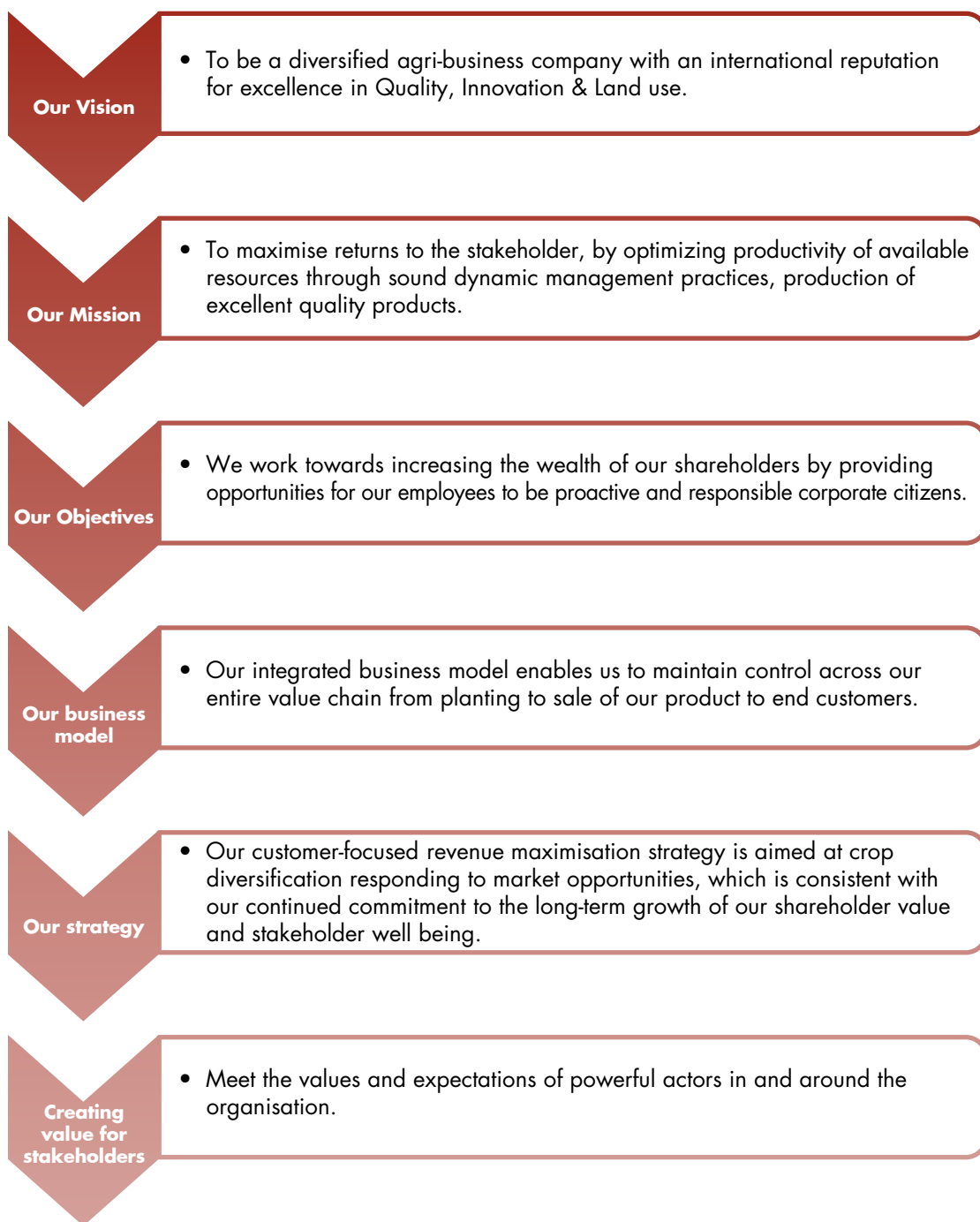
Small seed embrace the genes, to transform that into an enormous tree. A like we hold the practices, principles and values which empowers sustainability in our operations. With a nutritious soil and water make it grows healthier and strong; identically our corporate governance pave the way to reach the fruit of deriving value for our stakeholders.

Small roots go beneath the soil and absorb water and nourishment that requisite to grow small tree into a magnificent tree; a like Management we operate by deliver timely material that necessity to grow our business model.

This way of life tree is miraculous as after it matured, it yields vivid flowers and fruits which aid to regenerate and reinforce their own kind as we do in our operations concentrating on stakeholders.



Setting The Scene



Our Business Model

Business model as essentially a 'way of doing business'. More formally, a business model describes the structure of product, service and information flows and the role of participating parties.

In our business model, plant and manufacturing involve a particular way of defining what the product and how it is produced. In terms of the value chain, this concerns technology development, procurement, inbound logistics, operations and procurement.

In our business model, sale involve a particular way of selling or diffusing a product. In terms of the value chain, this concerns outbound logistics, marketing and sales and service.

Plant

We plant five crops in 19 plantation estates, in that we have 11 Oil Palm cultivating estates, 14 tea cultivating estates including both Low grown and Uva range, 12 rubber cultivating estates and 10 estates which cultivates Cinnamon and Coconut.

In our plantations we add value through proper management practices, engage them with proficient staff and resources. This will enable us to get high quality inputs for our value creation process.

Manufacture

We manufacture quality tea and rubber products in our estate factories and we transfer our oil palm production to AEN Palm oil processing factory which is a joint venture with 1/3 ownership with us. We operate 7 tea factories in Low grown range and 4 tea factories in Uva range, in addition to that we have 3 Crepe rubber factories and 2 RSS factories.

With a high capacity factories and skilled staff and experienced employees create the final value addition to our products. In this regard experience and the skill that possess by our employees are invaluable.

Sale

Our strategy is to maximise revenue and sustain positive in the market delivering more value.

Considering the tea and rubber sales, majority of the production catalogued by brokers (B2B sales) and sale at the auction.



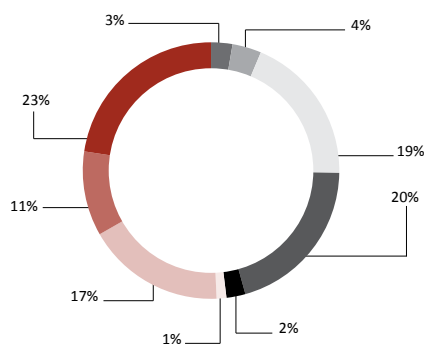
Operational Footprint

Estate	Cultivated Area					Total Extent	Annual Production			Processing Details						Number of		
										Factory			Rated Capacity			Workers	Staff	Executive
	(ha.)					(ha.)	(Kg '000 per annum)			(Kg '000 per annum)								
	Tea	Rubber	Oil Palm	Others	Total		Tea	Rubber	Oil Palm	Tea	Crepe	RSS	Tea	Crepe	RSS			
Eladuwa	-	284.16	281.71	-	565.87	675.00	-	203	3,585	-	01	-	-	540	-	342	16	2
Miriswatte	29.25	237.25	147.75	-	414.25	551.00	35	109	552	-	-	-	-	-	-	291	19	1
Pallegoda	-	331.58	418.70	10.00	760.28	943.00	-	225	4,885	-	01	-	-	750	-	409	25	2
Sirikandura	-	222.00	80.25	11.00	325.50	634.00	-	124	-	-	-	-	-	-	-	148	7	1
Yatadola	-	326.71	100.00	7.15	433.86	648.59	-	205	828	-	01	-	-	840	-	333	16	2
Pelawatte	63.45	36.60	172.67	-	272.72	455.50	263	-	241	01	-	-	1,161	-	-	249	28	3
Kalutara Region	92.70	1,438.30	1,201.08	28.15	2,772.48	3,907.09	298	866	10,091	01	03	-	-	-	-	1,772	111	11
Baddegama	35.71	137.97	93.01	92.03	358.72	651.26	793	57	757	01	-	01	1,032	-	125	335	31	3
Citrus	7.49	104.02	167.76	22.37	301.64	507.84	9	18	452	-	-	-	484	-	-	217	13	1
Walpita/Monrovia	46.75	34.31	-	242.34	323.40	339.34	124	9	-	01	-	-	535	-	100	194	17	2
Olympus TF	-	-	-	-	-	-	98	-	-	01	-	-	503	-	-	31	6	-
Galle Region	89.95	276.30	260.77	356.74	983.76	1,498.44	1,024	84	1,209	03	-	01	-	-	-	777	67	6
Akuressa	31.80	219.50	98.43	57.09	406.82	807.54	83	108	51	01	-	-	387	-	-	309	20	2
Hulandawa/Belmont TF	109.60	126.02	154.22	5.00	394.84	676.24	78	79	1,491	01	-	-	535/516	-	-	242	19	3
Tennahena	66.34	93.65	216.09	6.18	382.26	593.31	173	42	1,991	01	-	01	1,032	-	200	327	21	3
Matara Region	207.74	439.17	468.74	68.27	1,183.92	2,077.09	334	229	3,533	03	-	01	-	-	-	878	60	8
Cannavarella	465.15	-	-	-	465.15	799.70	245	-	-	01	-	-	862	-	-	645	18	3
Gonakelle	401.25	-	-	-	401.25	762.13	398	-	-	01	-	-	655	-	-	642	24	2
Hindagala	445.34	-	-	-	445.34	1,130.05	383	-	-	01	-	-	839	-	-	554	30	1
Kandahena	269.75	-	-	3.5	273.25	746.33	160	-	-	-	-	-	-	-	-	363	13	1
Kinellan	108.52	-	-	-	108.52	154.88	121	-	-	01	-	-	504	-	-	186	7	1
Pingarawa	377.24	-	-	-	377.24	703.55	268	-	-	-	-	-	-	-	-	562	21	1
Uva Region	2,067.25	-	-	3.5	2,070.75	4,296.64	1,574	-	-	04	-	-	-	-	-	2,952	113	9
Head Office																	7	13
Company Total	2,457.64	2,153.77	1,930.59	456.66	7,010.91	11,779.26	3,230	1,179	14,833	11	03	02	-	-	-	6,379	351	47

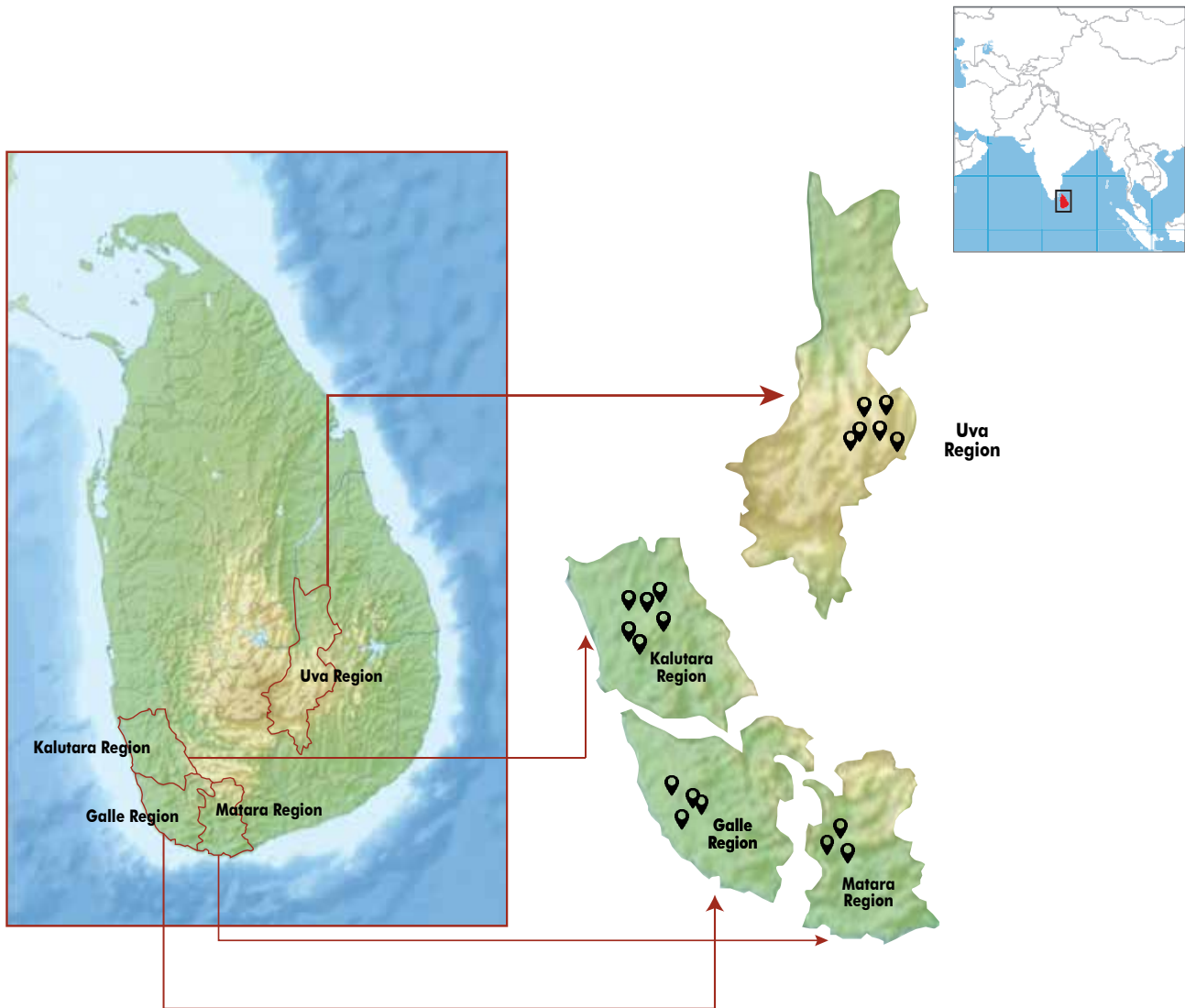
Total usage of Company Building is sq.ft 4,585,874

Land Utilization

- Cultivable Land
- Tea Low
- Tea UVA
- Rubber
- Coconut
- Cinnamon
- Oilpalm
- Forestry
- Uncultivated



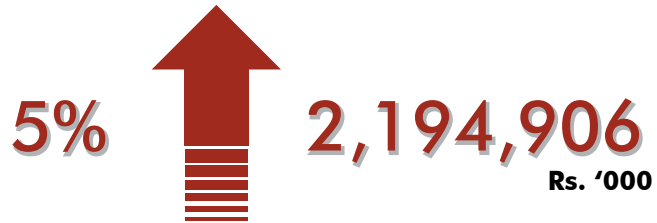
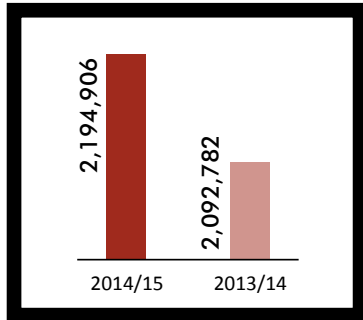
Our Estates and Locations



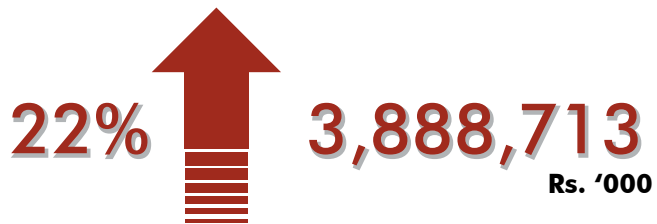
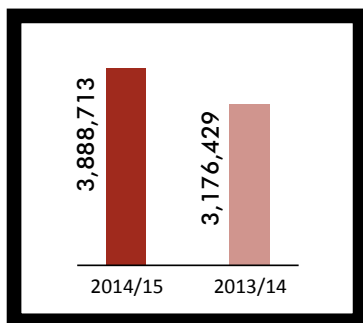
Kalutara Region	Galle Region	Matara Region	Uva Region
Eladuwa	Baddegama	Akuressa	Cannavarella
Miriswatte	Citrus	Hulandawa/Belmont TF	Gonakelle
Pallegoda	Walpita/Monrovia	Tennahena	Hindagala
Sirikandura	Olympus TF		Kandahena
Yatadola			Kinellan
Pelawatte			Pingarawa

Financial Highlights

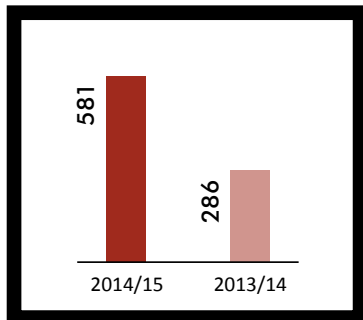
Revenue



Asset Base



Net cash outflow from investing activities



Rs. 1,684 Mn



Market Capitalization

6,784



Employee Strength

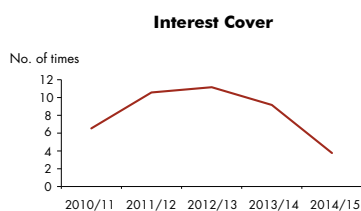
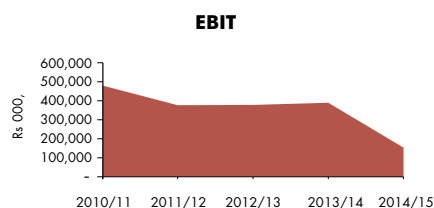
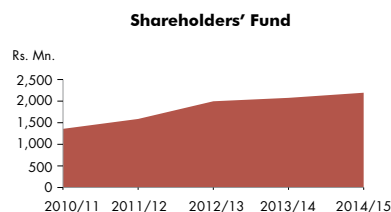
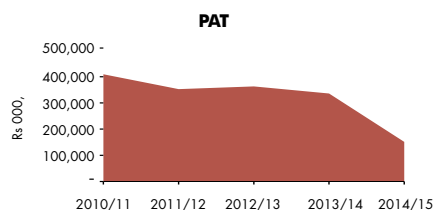
39%



Other Income

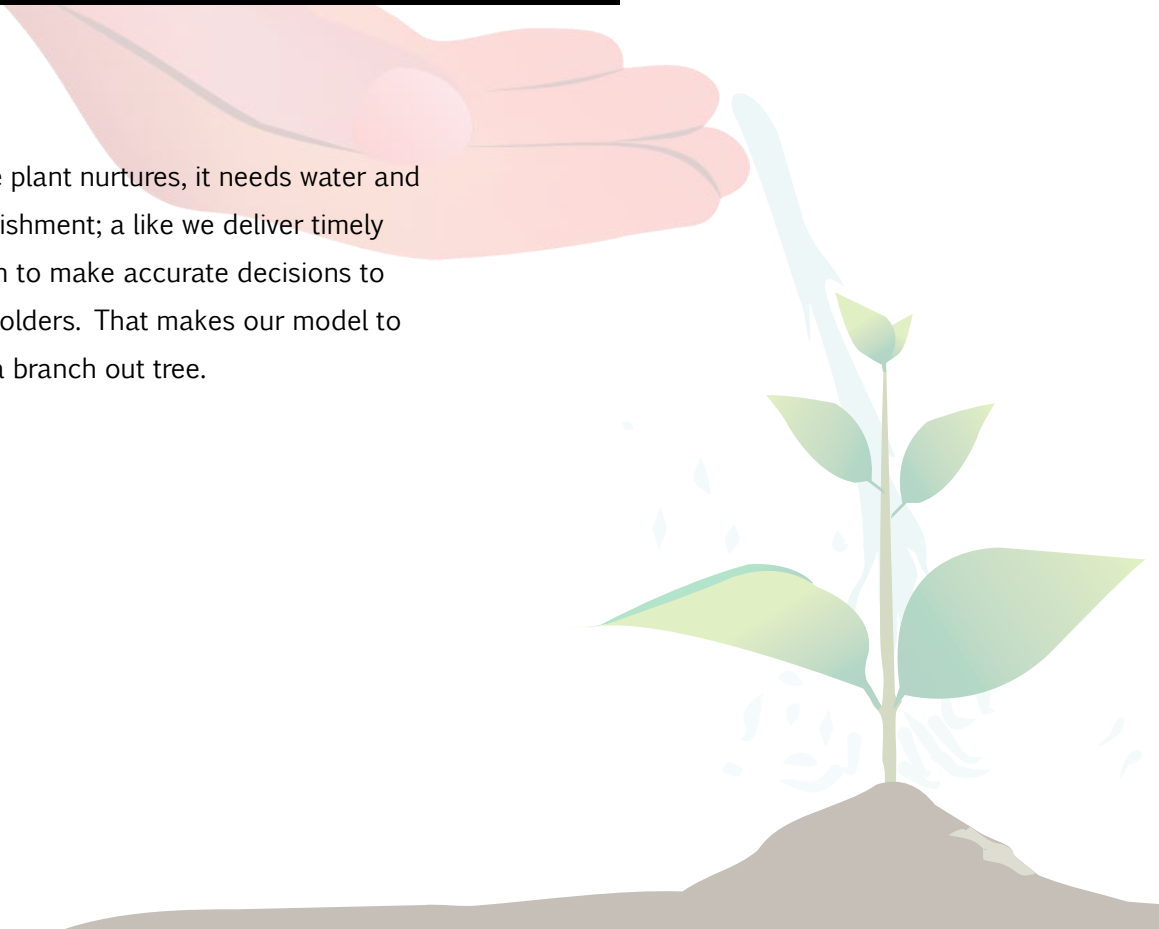
Financial Highlights (Contd.)

For the year ended 31st March,		2014/15	2013/14	Change	Change (%)	2012/13
Results of operations						
Revenue	Rs`000	2,194,906	2,092,782	102,124	5%	1,818,556
Cost of sales	Rs`000	(2,107,933)	(1,589,734)	(518,199)	33%	(1,343,130)
Earnings before interest, JV profit and tax	Rs`000	125,885	388,959	(263,074)	-68%	377,688
Profit after tax	Rs`000	151,261	335,928	(184,667)	-55%	362,962
Earnings per share (Basic/Diluted)	Rs.	6.37	14.14	(8)	-55%	15.28
Interest cover	No of times	3.77	9.16	(5)	-59%	9.99
Return on equity (ROE)	%	7%	16%	-9%	-57%	18%
Return on capital employed (ROCE)	%	7%	18%	-11%	-60%	20%
Return on assets	%	4%	11%	-7%	-63%	12%
Capital expenditure	Rs`000	413,293	303,781	109,512	36%	276,903
Financial position						
Total assets	Rs`000	3,888,713	3,176,429	712,284	22%	3,108,359
Total debt	Rs`000	254,945	270,637	(15,692)	-6%	308,654
Total shareholders` fund	Rs`000	2,193,891	2,075,224	118,667	6%	1,995,825
Capital employed	Rs`000	2,448,836	2,345,861	102,975	4%	2,304,479
Net asset per share	Rs.	92.37	87.38	4.99	6%	84.03
Gearing ratio	%	10%	12%	-2%	-10%	13%
Debt/Total assets	%	7%	9%	-2%	-23%	10%
Shareholder Information						
Market price of share as at 31st March	Rs.	70.90	83.80	(13)	-5%	76.60
Market capitalization	Rs.Mn	1,683.88	1,990.25	(306)	-5%	1,819.25
Dividend per share	Rs.	2.00	10.50	(8.50)	-81%	-
Price earnings ratio	No of times	11.13	5.92	5.21	112%	5.01
Earnings yield	%	9%	17%	-8%	-53%	20%
Dividend payout ratio	%	31%	74%	-43%	-58%	-





As the plant nurtures, it needs water and nourishment; a like we deliver timely information to make accurate decisions to our stakeholders. That makes our model to grow into a branch out tree.



MANAGEMENT DISCUSSION AND ANALYSIS

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Chairman's Review



Dear Shareholders,

I warmly welcome you to the 22nd Annual General Meeting and take great pleasure in presenting to you the Annual Report and Audited Financial Statements of Namunukula Plantations PLC for the financial year ended 31st March 2015.

Despite adverse weather conditions that prevailed during the year, your Company was able to report the net profit of Rs. 151 Million, whilst turnover was recorded at Rs. 2.2 Bn for the reporting year. Timely focus and continuous improvement of our business processes along with close supervision and effective crop diversification process improved the performance of your company during a period where external pressures were mounting against plantation business. Quality parameters, efficient finance management as well as effective cost management measures played a major role in order to sustain the company performance.

The company took further steps to utilize its exposure to palm oil to add value through capitalizing on rising palm oil demand, ensuring greater success through integration and leveraging our sustainability efforts.

ECONOMIC ENVIRONMENT

During the year under review, the Sri Lankan economy yet again showed its resilience against domestic as well as external challenges. Real GDP grew by 7.4% in 2014, compared to the reported growth of 7.2% in 2013. Accordingly, GDP per capita increased to US Dollars 3,625 in 2014 from US Dollars 3,280 in the previous year.

Sri Lanka's agricultural sector indicated a marginal growth of 0.3% in 2014 compared to 4.7% in 2013 mainly due to adverse weather conditions prevailed during the year along with low global commodity prices. As a result, the share of the agriculture sector decreased to 10.1% of the GDP in 2014 from 10.8% of GDP in 2013. The Country's unemployment rate

Chairman's Review (Contd.)

decreased from 4.4% to 4.3% during the year. Trade deficit in 2014 was USD 8.3 Bn which is 9% higher to the USD 7.6 Bn recorded in 2013. Sri Lanka's external sector improved its resilience in 2014 with a narrowing of the external sector imbalance and a surplus in the overall BOP. The current account deficit narrowed down to 2.7% of the GDP from 3.8% in the previous year strengthened by higher inflows from remittances and trade in services. The gross official reserves in 2014 strengthened to USD 8.2 Bn compared to USD 7.5 Bn reported in 2013.

The Country's Annual Inflation Rate was fixed at 3.3% and remained at low single digit levels throughout 2014 reflecting the impact of demand management policies, improved supply conditions, downward revision of administered prices and effectively contained inflation expectations.

The Rupee depreciated by a further 0.23% against USD during the year to Rs. 131.05 at end of 2014, although it appreciated against all other major currencies as a result of cross currency exchange rate movements.

INDUSTRY OVERVIEW

The Agriculture sector grew marginally by 0.3% in 2014 reducing its share in GDP to 10.1% from the 10.8% recorded in 2013. In the tea sector, factory modernization continued and steps were taken to popularize mechanization for tea plucking with the intention of improving productivity and good manufacturing practices. Furthermore, earnings from agricultural exports registered an increase of 8.2% in value terms due to higher exports of coconut products, tea and certain minor agricultural products. Export earnings from coconut products and tea increased by 74.2% and 5.6%, respectively, mainly due to higher export volumes.

Concentration of products and market destinations in Sri Lanka's current export structure can lead towards instability in export earnings. Sri Lanka is dependent on few export products such as tea, garments, and rubber products, while traditional markets such as Europe and the USA account for about two thirds of the total exports.

Tea

Backed-up by increased tea prices, the tea industry performed well in 2014 although its output declined marginally from the highest ever production levels recorded in 2013. Tea production in 2014 at 338 million kg was only marginally lower than the highest ever volume of 340 million kg recorded

in the history of the tea industry in 2013. The low grown tea production volume, which accounts for 62.1% of the total production, increased by 0.8% to 210 million kg in 2014, while the production of high and medium grown tea dropped by 0.4% and 6.4% to 78.9 million kg and 49.2 million kg, respectively.

The relatively high tea prices that prevailed at the Colombo Tea Auction in the first nine months of the year were mainly due to the global supply shortages of orthodox black tea in the first quarter and the improved export demand in the second quarter. This changed rather quickly as tea prices came down drastically in 3rd & 4th Quarters of 2014/15.

Rubber

Sri Lanka's Rubber production has declined significantly by 24.4% affected by weakened international demand for natural rubber as well as adverse weather conditions. Rubber production last year was 98.6 Mn kg while in 2013 it was 130.4 Mn kg.

The Colombo auction prices and export prices have declined by 24.2% and 6.9% respectively. Global natural rubber prices showed a steep decline in 2014 due to the slowdown in global demand and large stockpiles accumulated in major consuming countries. The average price of natural rubber per metric ton in the global market declined by 30 % to US dollars 1,956 in 2014 from US dollars 2,795 recorded in 2013.

Coconut

Compared to Tea and Rubber, Coconut enjoyed a relatively better year with the coconut sub sector registering an increase of 7.9% in output in 2014 when compared to the 16.1% decline in the previous year. Total production in 2014 reached 2,870 Mn nuts compared to the 2,513 Mn nuts in 2013 indicating an increase of 14.2% over the comparative year.

Higher demand for coconut resulted in an increase of average farm gate nut prices to Rs. 32 per nut in 2014 from Rs. 31 per nut in 2013. The average retail price of a coconut increased to Rs. 45.60 per nut in 2014 from Rs. 43.20 per nut in 2013.

COMPANY PERFORMANCE

The company recorded a turnover of Rs. 2.2 Bn for the financial year 2014/15 compared to Rs 2.1 Bn recorded last year indicating an increase of 4.9%. The tea segment contributed Rs. 1.31 Bn compared to Rs. 1.02 Bn reported

Chairman's Review (Contd.)

in the comparative year. Revenue from the rubber segment drastically decreased by 40% over the corresponding year to report Rs. 288 Mn whilst revenue from oil palm cultivation yielded the revenue of Rs 553 Mn compared to Rs. 557 Mn reported in the previous year.

Company was also able to strengthen its performance through its other income during the year. Other income increased by 38.5% over the comparative year with a reported value of Rs 99 Mn. Share of profit from the joint venture was increased sharply by 36.9% to report Rs. 52 Mn in the financial year compared to Rs. 38 Mn recorded in 2013/2014.

The company reported a Profit Before Tax of Rs. 131 Mn whilst the Profit After Tax was Rs. 151 Mn for the year under review.

CAPITAL EXPENDITURE

During the year 2014/15, Namunukula Plantations PLC invested Rs. 413 Mn. The capital expenditure incurred of Rs 19 Mn, Rs 79 Mn and Rs 189 Mn are mainly for Tea, Rubber and Oil Palm respectively whilst a total of Rs 126 Mn was incurred for buildings, machinery and other crops.

WELFARE

The company made a great emphasis on the alignment of our Business strategy with sustainability. This is a critical factor in enhancing the quality of life of our workers while it also help us better manage and improve the environment. The Company recognizes the importance of ensuring the health of the surrounding environment which we operate in and many initiatives were undertaken to better equip our employees and the community.

FUTURE OUTLOOK

With the Sri Lankan economy expected to register a sustainable growth path in the medium term, with a real GDP growth of 7.0 per cent in 2015 and an average growth of 7.8 per cent over 2016-2018, the country's future seems to be positive. The Per capita income target is to reach USD 4,000 by the year 2016. GDP Per capita was recorded as US Dollars 3,625 in 2014, enabling the country to surpass the expected level of US Dollars 4,000 per capita income in 2015.

Sri Lanka is targeting mid-single digit inflation (3% to 5%) and a moderate-level interest rate over the medium term.

Even though economic outlook is positive, concerns have been raised over the outcome of the wage hike which is not linked to productivity. A strategic approach towards wage negotiations in the future will determine its survival, especially the Tea plantations.

The outlook for oil palm will be positive with demand expected to be high with the upward momentum of prices. The potential of Namunukula Plantations PLC in terms of a balanced crop mix is invaluable. Our long-term strategy is to manage crop mix to expand and consolidate the oil palm cultivation. Replanting and maintaining best agricultural practices will enhance the sustainability of the company.

ACKNOWLEDGEMENTS

I would like to offer my sincere appreciation to the CEO and the Management Team of Namunukula Plantations PLC for the strong guidance and dedication displayed once again in an extremely challenging year. To my Staff Members at all levels, their untiring commitment, uninhibited allegiance and persistent passion to excel have yet again enabled us to endure a stormy year effectively.

I would also like to thank our business partners, Customers, Buyers, Suppliers, Brokers, Bankers, Trade Unions, The Planters Association and all other Stakeholders for their continued trust and support as well as our Shareholders who have continued to place their trust and confidence in the Company and being long-term partners on our journey of success.

Whilst I would take this opportunity to warmly welcome Dr. Jayatissa De Costa who recently joined us as a new Director on the Board and I extend my sincere gratitude to the Board of Directors for their inspirational leadership in leading the Company to greater heights.



Dr. Sena Yaddehige
Chairman

28 May 2015
Colombo.

Review of Operations

The year 2014, witnessed a declining world economy with financial crisis and slow economic growth particularly in the CIS countries and the Middle East.

The global economic crisis severely affected the plantation sector in Sri Lanka. The sale price of major commodities such as Tea and Rubber continued to decline sharply since beginning of this financial year.

Low grown tea commenced the year with uncertain and unsettled sale averages and it continued to decline throughout this season. Due to excessive production of natural rubber in major rubber producing countries and the increased production of synthetic rubber as a result of favourable crude oil price, the sale average for Crepe and RSS also witnessed decline throughout this season.

In spite of the effects from the above negative conditions NPL performed well in making a net profit of Rs 151 Mn, as against Rs 336 Mn in the previous year. The company has achieved these results despite absorbing an operational loss of Rs 106 Mn from the tea estates in the Uva region.

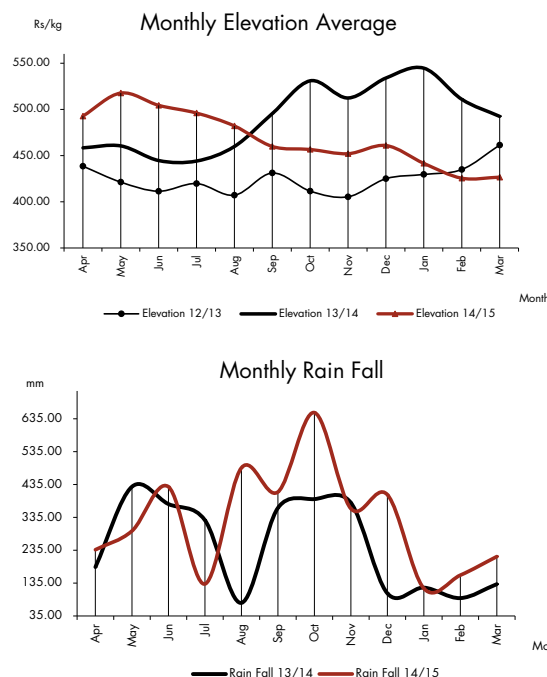
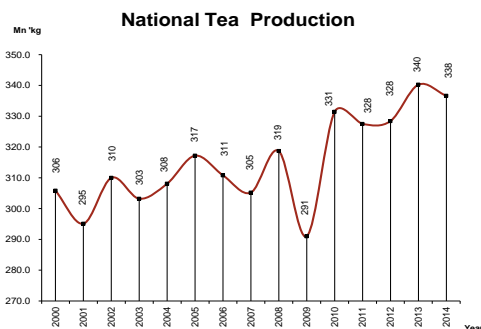
Tea

Although the national tea production at 338 Mn Kg for 2014 is one of the highest production recorded during the last 05 years, the estates in the Uva region recorded a crop deficit of 09%, whilst the estates in Low Grown sector a deficit of 08% on last year.

The contributory factors were

- Erratic weather pattern experienced throughout the year in the relevant plantation districts.
- Short supply of fertilizer

As a result of the above, the tea sector posted a loss of Rs 220 Mn. It is noteworthy to place on record that if not for the strategic decisions of management coupled with stringent cost saving measures, the sector would have incurred a higher loss, thereby deteriorating the overall performance of the company.

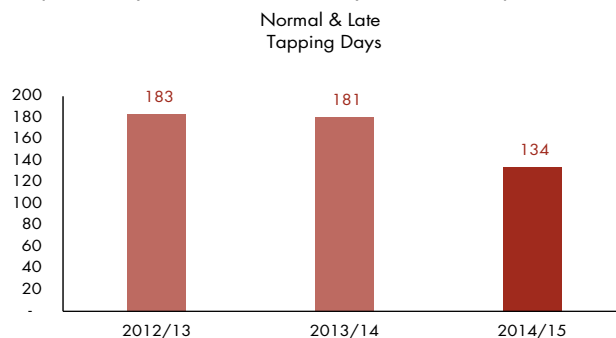


Bought Leaf

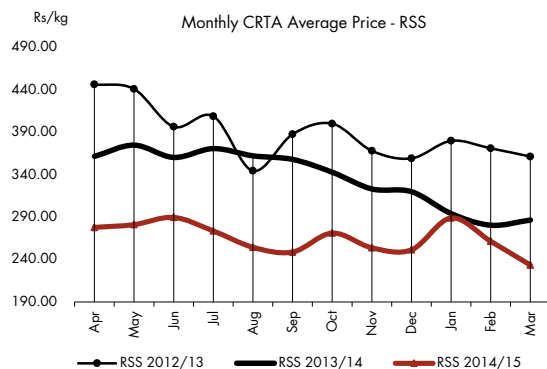
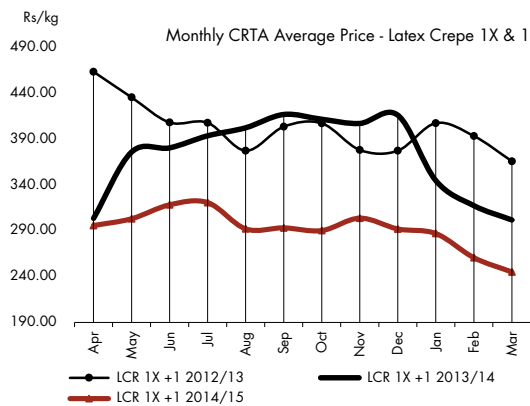
During the year under review, NPL purchased 6.7 Mn kg green leaf from the small holders. The volume of leaf purchased during the year was lower to that of the previous year mainly due to restriction of intakes of leaf whilst emphasizing on the quality of leaf, to minimize the negative impact on the continued sharp decline of the sale average.

Rubber

The total rubber production of the company has declined to 1.179 Mn kg which is 20% below that of the previous year. The negative variance is mainly due to weather being unfavourable for harvesting. The company has recorded only 134 tapping days against the average of 182 days in the previous years which adversely affected the production.



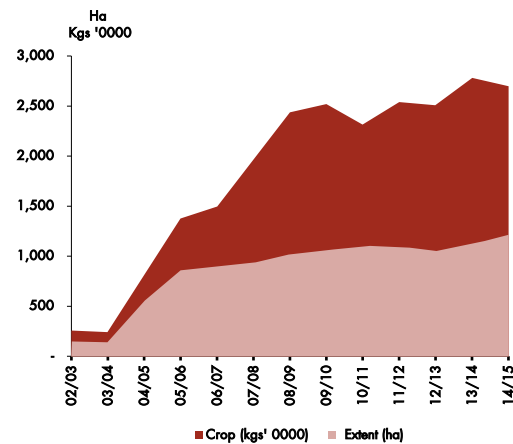
The national Crepe and RSS average prices recorded a steady decline though out the season. The estates with no facility for Crepe/RSS manufacture continued to sell their produce as field latex.



As a result of negative crop intakes and the unfavourable sale price, the rubber recorded a loss of Rs 69 Mn at operational level.

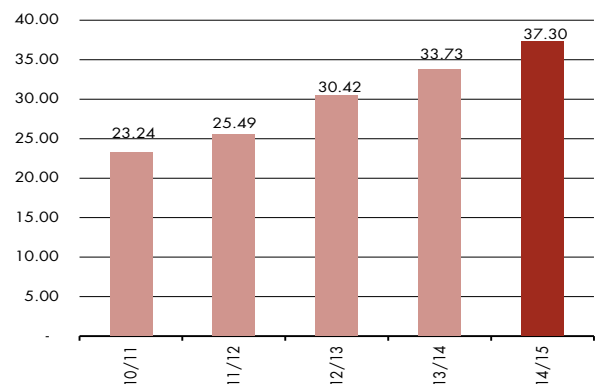
Oil Palm

As projected, oil palm has once again proved beyond doubt to be the most profitable crop for Namunukula Plantations PLC. The company has harvested 14.8 Mn kg fresh fruit bunches during the year achieving a yield of 12 MT/Ha. Interestingly, NPL is the second largest producer of Oilpalm in Srilanka and our estates are situated in Kalutara, Galle and Matara regions. NPL possess an extent of 1931 Ha cultivated in Oilpalm with a share of 28% out of the total extent cultivated in Srilanka.



The purchase price received from AEN factory continue to remain attractive due to steady demand for crude oil in the local market.

NSA - Rs/kg



During the financial year 2014/15, the company has posted a profit of Rs 368 Mn which is a very favorable performance in comparison to that of operational performance of the other traditional plantation crops.

As strategically planned, the company continued to invest in the expansion of oil palm, despite restrictions imposed in the import of heat treated oil palm seeds. The company has planted as much as 788 Ha. over the last 05 years and will plant a further 600 Ha. during the next 03 years. The company will have an extent of 2,600 Ha of oil palm in production by the year 2021.

The ROI of less than 05 years was well justified the management decision to expand cultivation of Oilpalm which will continue to be the primary profit earner of NPL.

Coconut

The company has recorded a production of 820,871 nuts during the year under review against 846,972 nuts in the previous year. The NSA although remained poor during 1st and 2nd quarters, continued to improve in the 03rd and 04th quarters fetching over Rs 40/- per green nut. The operational profit at Rs 7.7 Mn is below that of last season, however contributing to the total profits of the company.

Cinnamon

NPL harvested 12,957 Kg cinnamon during the year achieving 68% of the annual budget of the year. The shortfall in crop was mainly due to erratic weather which prevented undertaking 02 rounds of harvesting. Despite the crop shortfall, the company has recorded a profit of Rs 0.6 Mn against Rs 1.5 Mn in the previous year mainly due to production of higher volume of premium grades thus achieving an improved sale average.

Human Resources

We continue to recognize the human resource as the most valuable asset of the company to achieve sustainable growth in terms of productivity and profitability. Therefore, we focus through developing this valuable asset, having paid attention to their health, welfare, housing and sanitation, skill development with continuous training and education. We have conducted many health programmes on estates with the assistance of PHDT and the Department of Health. Priority was given to sustain health of the workers particularly mother and child care.

We have also identified training and development as the key requirement to achieve our goals. Many training programs were conducted with the assistance of PHDT, TRI, RRI to all category of employees with the aim of developing their skills and knowledge required to perform their duties efficiently.

The company has carried out re-roofing of worker houses, upgrading child development centres and sanitary facilities with the assistance of the PHDT on many estates during the year. The construction of 50 worker houses on Walpita and Citrus estates is in progress and is also an investment towards improving quality of life and social well being of the human asset.

As part of the CSR program the company granted financial assistance to 05 deserving children of staff and workers to continue their higher studies in the Universities.

Capital Investment

During the year under review the company has invested Rs 413 Mn primarily on field development and factory modernization/upgrading to sustain productivity and be cost competitive to achieve long term objective of improved productivity and viability.

Factory Development

The company has invested a sum of Rs 50 Mn on the conversion of Hulandawa Tea factory to produce CTC teas and the production to commence shortly. In addition 03 new color separators were installed at a cost of Rs 45 Mn on Gonakelle, Hindagala and Baddegama estates to improve overall product quality thus achieving improved sale prices.

Future Strategies and Goals

It is expected that the crisis in the Middle East and CIS countries continue to have a negative impact on Tea and Rubber prices. Negotiations are in progress on the revision of worker wages which will come into effect from beginning of the year 2015/16.

The challenge in the year ahead therefore is to sustain the profits generated in the previous years and improve thereon.

We have already identified and focused on higher worker productivity, operational outputs and managing operational costs as key result areas for implementation.

NPL continue to remain as the most diversified plantation company with 05 major plantation crops. The continued effort in the cultivation of oil palm in large extent which requires less manpower will certainly yield higher return on investment to all stake holders and also to retain NPL as a most viable plantation company in the years ahead.

Financial Calendar

Annual General Meetings

- 14th Annual General Meeting 28 June 2007
- 15th Annual General Meeting 23 July 2008
- 16th Annual General Meeting 28 July 2009
- 17th Annual General Meeting 29 June 2010
- 18th Annual General Meeting 30 June 2011
- 19th Annual General Meeting 29 June 2012
- 20th Annual General Meeting 28 June 2013
- 21st Annual General Meeting 30 June 2014
- 22nd Annual General Meeting 30 June 2015

Interim Quarterly Reports

2014/15

- 1st Quarter 12 August 2014
- 2nd Quarter 12 November 2014
- 3rd Quarter 12 February 2015
- 4th Quarter 28 May 2015

2013/14

- 1st Quarter 12 August 2013
- 2nd Quarter 07 November 2013
- 3rd Quarter 10 February 2014
- 4th Quarter 29 May 2014

- Rs. 2.00 First Interim Dividend Paid 19 November 2014
- Audited Financial Statements signed on 28 May 2015

Financial Review

Namunukula Plantations PLC (NPL) has continued to cast sound performances over past nine year’s period (refer ‘Decade at a Glance’ on page 133) despite challenges in dynamic environment. Continually, NPL has proved its suppleness by achieving performances during challenging times and financial year 2014/15 has not been any dissimilar for the reason that industry was paired by adverse weather conditions and macro-economic impacts.

Agriculture sector slowed with a growth of 0.3% in 2014 compared to 4.7% in 2013 and the share of the Agriculture sector decreased to 10.1% of GDP in 2014 from 10.8% of GDP in 2013, which was mainly shirked due to unfavorable weather conditions and weaken global commodity prices.

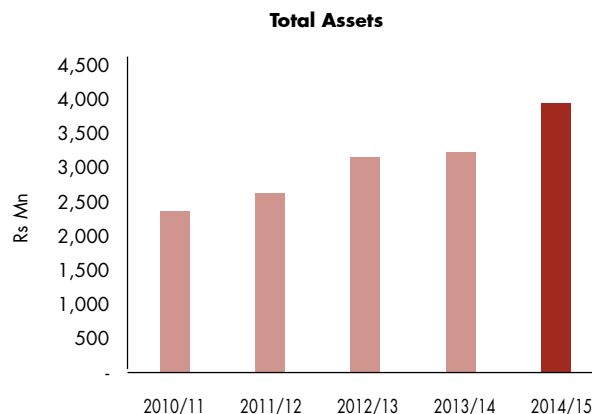
Despite these adverse conditions, NPL has managed to expand its business volume by both organic terms as well as uniting operations of six more plantation estates, located in the Uva region. The following analysis provides information in relation to the company’s result and financial position.

Operating Highlights

In Rs. '000	2014/15	2013/14	Variance in Value	Variance
Revenue	2,194,906	2,092,782	102,124	4.9%
Cost Of Sales	(2,107,933)	(1,589,734)	(518,199)	32.6%
Gross Profit	86,973	503,048	(416,075)	-82.7%
Net Profit For The Year	151,261	335,928	(184,667)	-55.0%

Momentum from the achievements and challenges faced, our business model grew over the last few years, and today we accounted for Rs 4 Bn asset based. This was resulted due both organic growth and uniting the additional estates.

Going forward, the company indicated a marginal growth of 4.9% in turnover above the previous financial year to reach Rs 2.2 Bn. Higher Palm Oil NSA and increase in production of Tea and Palm Oil backed the growth in

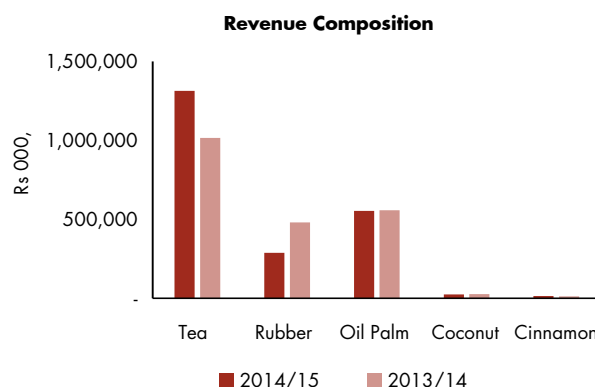


turnover for the period. However, the profitability was adversely affected mainly due to increase in Cost of Production (COP), which was decreased by 83% in gross profit compared to the previous year.

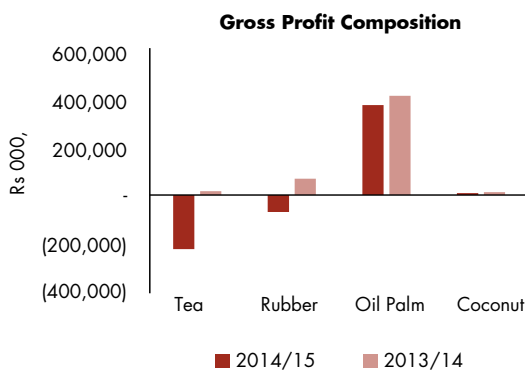
Gross profit margin was 4% in the current financial year compared to 24% in the previous financial year. Consequently, net profit margin also decreased upto 7% compared to 16% in the year 2013/14.

Revenue Composition

Being in line with our vision to be the most diversified plantation company, current financial year reported following revenue mix consists of Tea, Rubber, Oil Palm, Coconut and Cinnamon as depicted by the graph.

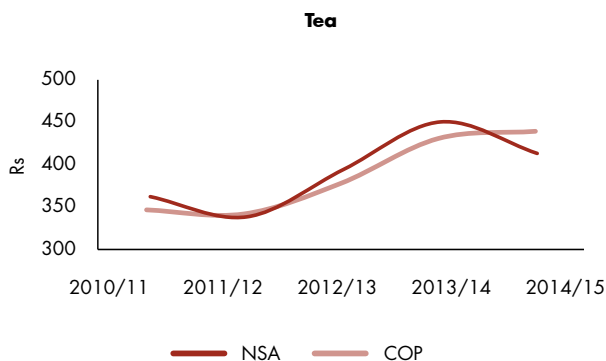


Revenue Composition	2014/15	2013/14
Tea	60%	48%
Rubber	13%	23%
Oil Palm	25%	27%
Coconut	1%	1%
Cinnamon	1%	1%
Total	100%	100%



Tea

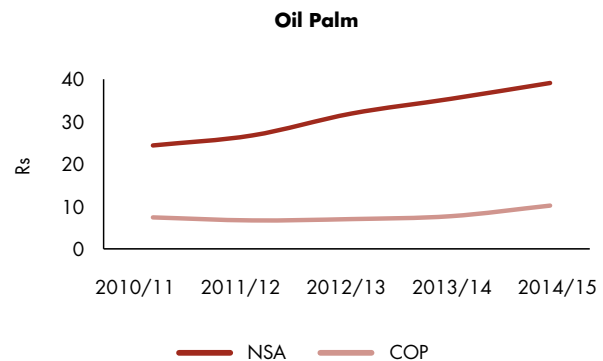
Tea segment has been the highest contributor to the company's turnover contributing Rs. 1.3 Bn in the financial year 2014/15 compared to Rs 1 Bn in 2013/14, indicating a 29% growth over the previous year. Production growth by mainly due to amalgamation of Uva range estates in the current financial year, it expanded the tea production capacity of the company. Though the company's cost of production has shown a slight increase from Rs 430 to Rs 440 in the current financial year, due to lower Tea NSA profit margin per Kg decreased to negative Rs 48 in 2014/15 year when compared to profit of Rs 19 in the year 2013/14.



Movement of the net sale average and cost of production of tea during the past years is depicted in the graph given above.

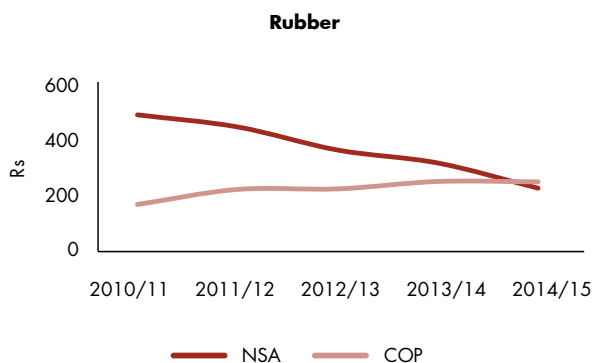
Oil Palm

Oil palm remains as the golden crop of the company due to higher margins experienced from the crop, however which reduced marginally from 78% in the financial year 2013/14 to 74% in the financial year 2014/15 due to rising cost of production. The profit margin from Oil Palm was Rs 28 in the current financial year compared to Rs 26 in the year 2013/14. Average sale price of the Oil Palm has surged by 10% from Rs 33.73 in 2013/14 to Rs 37.30 in 2014/15 due to higher demand for palm oil products. As a result, Oil Palm has made the highest contribution to the operating profit of the company.



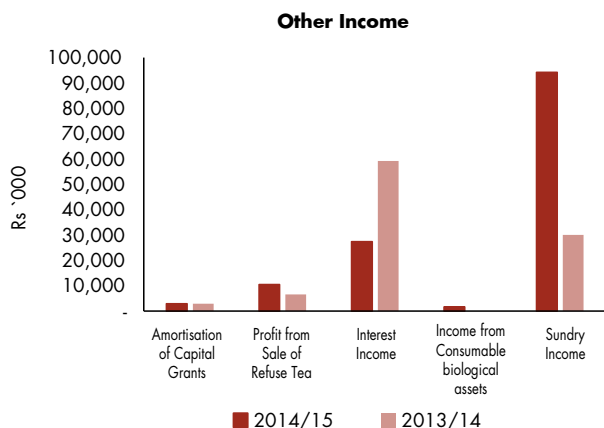
Rubber

Rubber was the third highest contributor to the revenue stream of the company. The company derived Rs 288 Mn in revenue from rubber cultivation during the financial year 2014/15 compared to Rs 480 Mn in the year 2013/14, reporting a 40% reduction over the period of comparison. Reduction in rubber NSA which has dropped from Rs 326 to Rs 241 in the financial year and the lower production, which has reduced from 1.482 Mn Kg to 1.179 Mn Kg triggered the decline in turnover from rubber. Since the company experienced a higher cost of production per Kg for rubber during the year 2014/15 compared previous year, company was not able to sustain 19% margin experienced in 2013/14, eventually dropping down to negative 9% in the current financial year. Huskily, reduction of rubber NSA by 26% and the increase in cost of production lead towards decline in profit from rubber cultivation.



Other Income

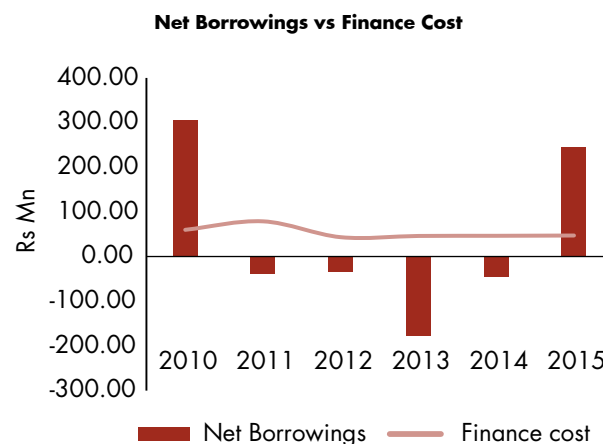
The primary driver of other income is the sundry income which accounted for 69%. Sundry income has increased to Rs. 94 Mn over the previous year of Rs 30 Mn, mainly due to increase in value uprooting rubber trees. Total other income was expanded by circa 38% to Rs 137 Mn in 2014/15. Other income has accounted for 6% of the company's total revenue as compared to 5% in the previous year.



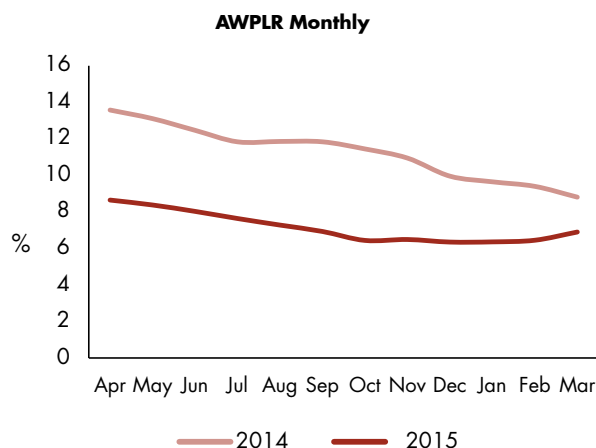
Finance cost & Net Borrowings

Total finance cost which comprises of interest cost and interest on lease rental, indicates a slight increase in the current financial year compared to the previous year, increasing from Rs 46.6 Mn to Rs 47.2 Mn due to increase in lease rental and bank charges. The interest cover ratio has decreased from 9 times in 2013/14 to 4 times in 2014/15, mainly due to poor profitability. However due to reduction in AWPLR, Interest cost on loan & advances indicates a decrease in the current year which amounts to

Rs. 22 Mn compared to Rs 44 Mn in the previous year. As a result of the company has invested Rs 250 Mn in the Richard Pieris & Co listed debentures, the net borrowing of the company has increased by Rs 289.3 Mn to report Rs. 245 Mn for the financial year 2014/15.

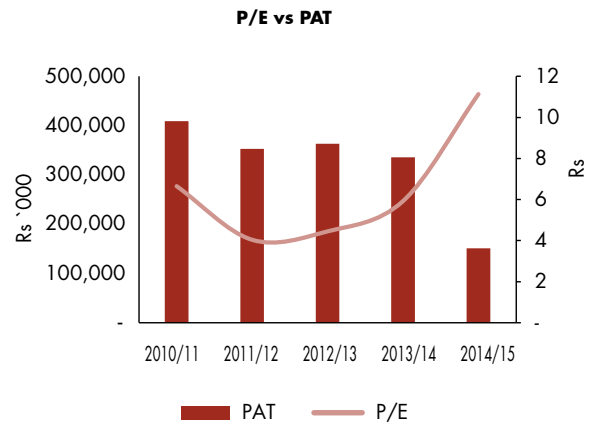
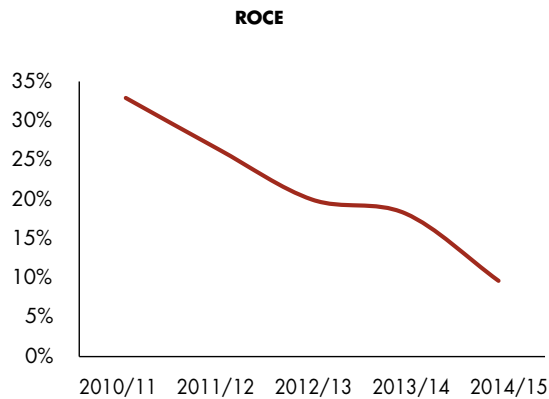


The behaviour of interest rates in the market compared to the previous year is graphically shown as follows.



ROCE and ROE

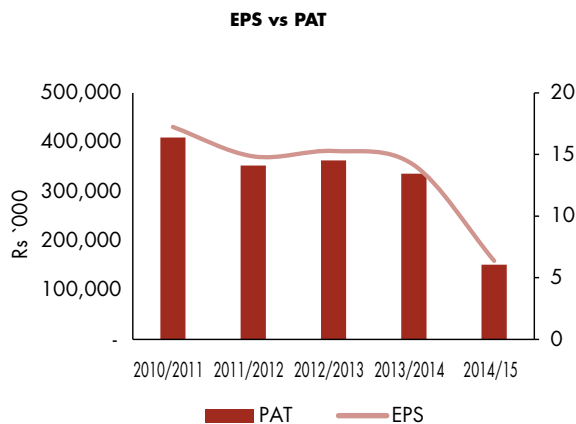
Return on Capital Employed decreased to 7% for the financial year 2014/15 from 18% in the financial year 2013/14 which was mainly affected due to reduction in profits compared to previous year. Consequently, Return on Equity has also been affected by the same reason, which



has reduced from 16% to 7% in the current financial year.

EPS

During the financial year, the company has generated a return of Rs 6 for a share. However a decline is evident



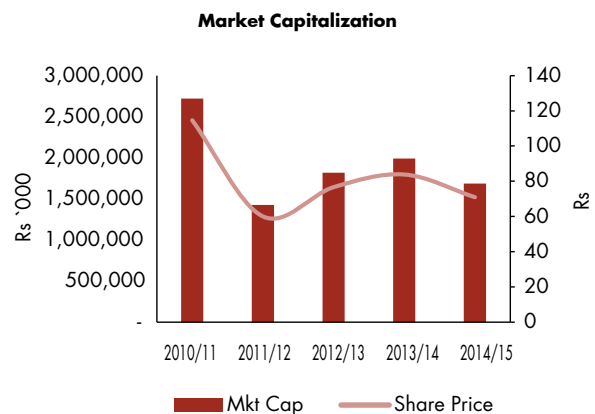
compared to Rs 14 in the previous year. This was mainly due to reduction of profits compared to previous year.

P/E Ratio

Price earnings ratio for the period was 11 times of the current financial year earnings. The sector P/E has fluctuated at a wide window due to the volatility in the earnings of the sector. At present plantation industry P/E reported to be approximately 9.71 times. Consequently NPL's year closed with a market price of Rs 70.90 per share traded at the Colombo Stocks Exchange.

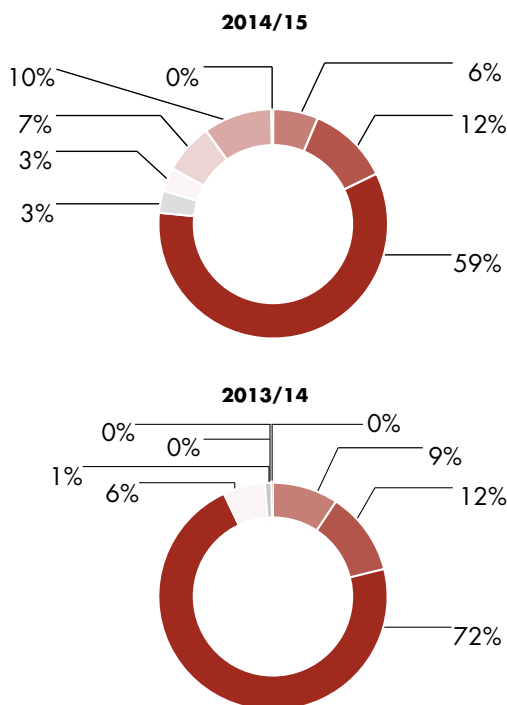
Market Capitalization

With the declining trend of share prices, the market capitalization as at 31st March 2015 stands at Rs 1684 Mn as against Rs 1990 Mn as of 31st March 2014, whilst the share capital remains constant during the period.



Asset Base

Company's asset base has significantly grown over the period which shows the strength and stability of the company. Higher level of bearer biological assets is the backbone of a plantation company which is expected to be transformed into the main revenue stream. Bearer biological assets has increased from Rs 1,725 Mn in previous financial year to Rs 2,076 Mn in the current year, due to capital expenditure done by the company. However in view of the working capital, it has dropped down in comparison to previous year due to conversion of short term investments to investments in quoted debentures.



- Leasehold Property, Plant & Equipment
- Bearer Biological Assets
- Long Term Investments - (Unquoted)
- Intangible Assets
- Freehold Property, Plant & Equipment
- Consumable Biological Assets
- Financial Assets
- Current Assets

Asset Base	2014/15 Rs. '000	2013/14 Rs. '000
Leasehold Property, Plant & Equipment	224,687	222,713
Freehold Property, Plant & Equipment	405,319	284,358
Bearer Biological Assets	2,076,171	1,724,981
Consumable Biological Assets	111,108	-
Long Term Investments - (Unquoted)	116,850	142,653
Financial Assets	250,000	-
Goodwill on business combination	340,515	-
Current Assets	364,063	801,725
	3,888,713	3,176,430

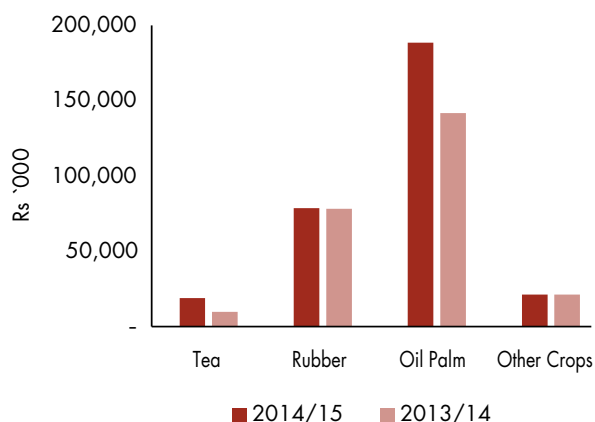
Capital Expenditure

The company incurred capital expenditure amounting to Rs 413 Mn in the period under review compared to Rs 304 Mn in the previous year, which is a 36% increase compared to the previous year. This would support a high growth path in the future operations.

Capital Expenditure	2014/15 Rs. '000	2013/14 Rs. '000	Variance Rs. '000
Tea	18,943	9,122	9,821
Rubber	78,806	100,084	(21,278)
Oil Palm	188,594	155,431	33,163
Other Crops	21,318	193,64	1,954
Sub Total	307,662	284,001	23,661
Buildings	31,493	4,169	27,324
Plant & Machinery	47,995	14,823	33,172
Other PPE	26,143	788	25,355
Sub Total	105,631	19,781	85,850
Grand Total	413,293	303,781	109,512

The company has spent substantial amount of capital expenditure on Oil Palm and Rubber compared to other crops.

Field Development Expenditure



Liquidity and Capital Resources

The company continued to record a positive net current asset balance for the past four years. The net current asset balance reported to be negative Rs 178 Mn for the current financial year compared to positive Rs 562 Mn in the previous year indicating as reduction over the prior year.

Consequently realisation of short term investment of Rs 288 Mn in the previous financial year cause a rapid reduction in the total current assets.

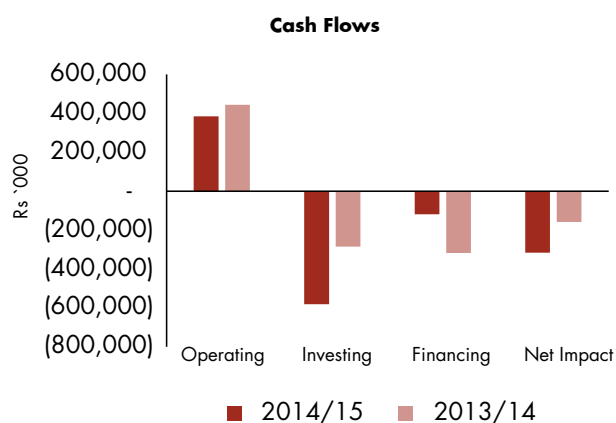
Liquidity	2014/15 Rs. '000	2013/14 Rs. '000
Total Current Assets	364,063	801,725
Total Current Liabilities	542,357	239,873
Net Current Assets	(178,294)	561,852

Cash Flows

The net cash flow generated from operating activities was Rs 384 Mn designating a 14% decrease compared to Rs 444 Mn in the previous year. During the year under review, company made Rs 307 Mn investment on immature plantation. Distribution of dividend by AEN oil palm amounting to Rs 30 Mn in the year compared with Rs 12 Mn in year 2013/14. In addition to that there was a share buy back from AEN, which amounted to Rs 48 Mn. Cash flows from investing activities reported a net cash outflow of Rs 581 Mn in the current year compared to a net cash outflow of Rs 286 Mn in the previous year. Net cash flows from financing activities depict a net cash outflow of Rs 119 Mn compared to net cash inflow of Rs 317 Mn

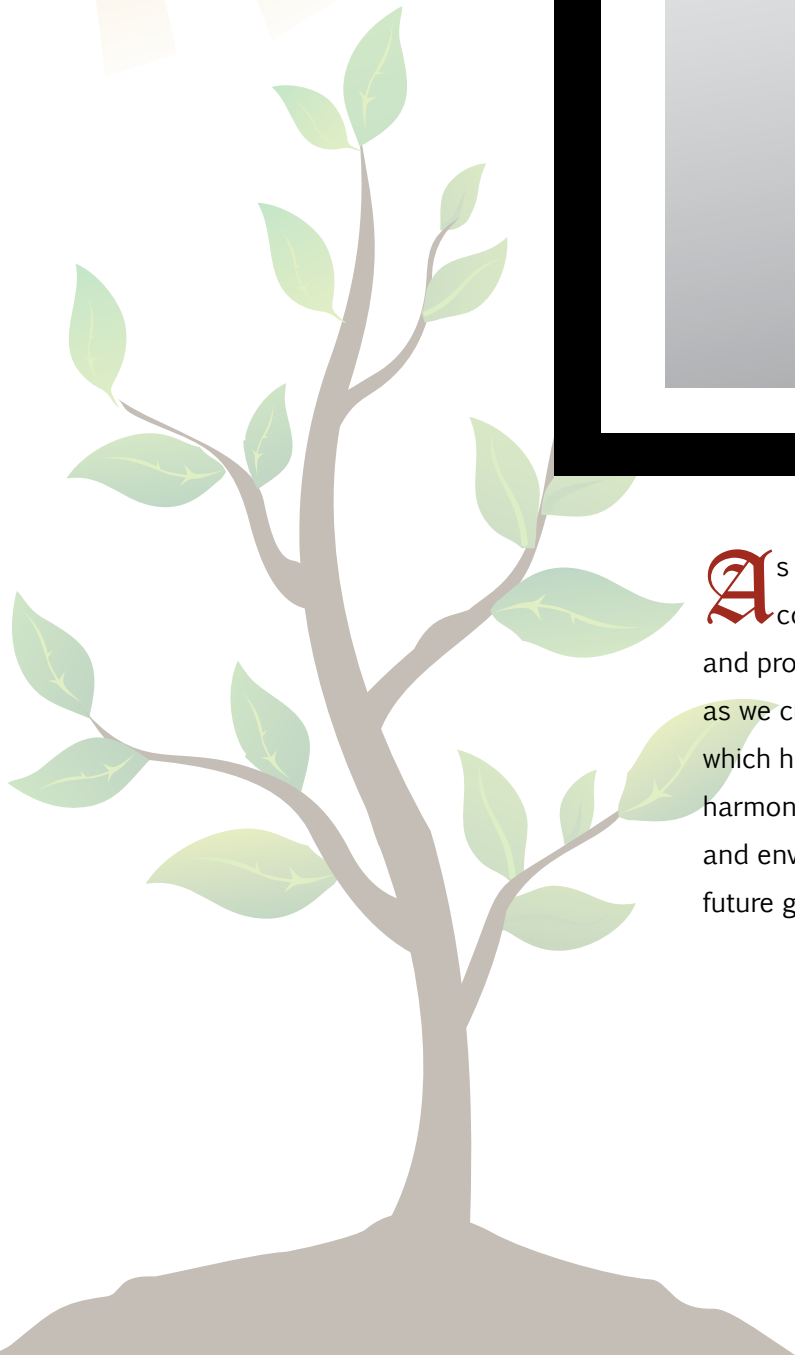
in the previous year. Dividend paid to shareholders of the company which amounted to Rs 48 Mn. In addition, the company has not obtained any additional funding facilities from banks.

As a result, company's net impact to the Cash & Cash Equivalents during the period was a cash outflow of Rs 317 Mn in the current financial period compared to a net cash outflow of Rs 159 Mn in the previous period.



Quarterly Results for year ended 31st March 2015

Rs `000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Revenue	368,349	457,921	393,243	975,393	2,194,906
Cost of sales	(325,288)	(352,824)	(324,856)	(1,104,966)	(2,107,934)
Gross profit	43,061	105,098	68,387	(129,573)	86,973
Other income	38,654	18,110	38,973	40,808	136,545
Operating Profit	51,278	44,804	31,731	45,728	173,541
Net profit for the period	48,642	60,323	33,185	9,110	151,261
Total comprehensive income for the period	48,642	60,323	33,185	24,016	166,167
EPS	2.05	2.54	1.40	0.38	6.37
Dividend per share (Rs)	-	-	2.00	-	2.00



As the plant grows, its branches are concentrating to ways to absorb the sunlight and produce food for sustain the future growth; as we create and maintain the conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic and environment requirements of present and future generations.

SUSTAINABILITY REPORT

Sustainability Report

Report Scope

First time we adopted to report beyond traditional accounting aspects and we intend to adopt to triple bottom line reporting aspects, which encourage us to report not only financial information but the material information to the stakeholders. In this regard we are in the process of communicating the social and environmental effects of organisation's economic actions to particular stakeholders within society and to society at large. As such, it involves extending the accountability of organisations, beyond the traditional role of providing a financial account to the owners of capital, in particular to shareholders. Such an extension is predicated upon the assumption that we do have wider social responsibilities than simply to make economic value for our stakeholders. Therefore report on triple bottom line aid the need of information.

Principles for Defining Report Content

Stakeholder Inclusiveness

We include stakeholders those who have invested in the organization as well as those who have other relationships to the company. The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of the report.

Sustainability Context

We report how we contribute, or aim to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions, developments, and trends at the local, regional level.

Materiality

We report on information that may reasonably be considered important for reflecting the company's economic, environmental and social impacts,

Completeness

The report include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the company's performance in the reporting period.

Principles for Defining Report Quality

Balance:

To report all relevant information and nothing is withheld

Comparability

To provide results from both current and previous reporting periods.

Accuracy

To provide accurate and detailed information for stakeholders to assess the company's performance.

Timeliness

To report annually so that information is available in time for stakeholders to make informed decisions.

Clarity

Make information available in a manner that is understandable and accessible to stakeholders using the report.

Reliability

Gather, record, analyse and disclose information in a way that they can be subject to accuracy and establishes the quality and materiality of the information.

What Sustainability Means to Us

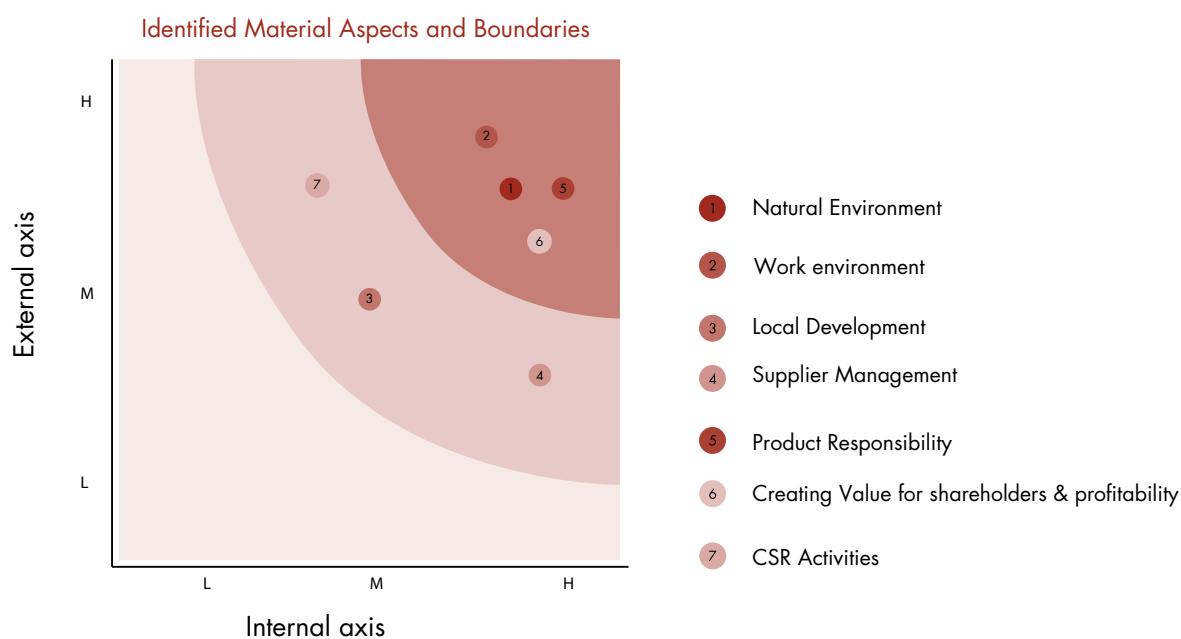
In this engagement process, we are focused on triple bottom line performances, we intend to report on what we did in the current financial year and what we plan to do in the future enhance such performance and trade of between triple bottom line.

Thought of as comprising of three overlapping mutually dependent goals, having such goals in our business affairs will be quite meaningful to society as a whole.

- To live in a way that is environmentally sustainable (viable over the long term)
- To live in a way that is economically sustainable (maintaining living standards over the long-term)
- To live in a way that is socially sustainable, (now and in the future)

Identified Material Aspects and Boundaries

This Report focuses on the sustainability aspects that matter most to our stakeholders who have an interest in our activities. We emphasize on what is material and this encourages us to provide information that is critical to understand the organization's impacts which is critical to stakeholders. Following graph depicts the prioritization of our material aspects.



The following table shows the levels of significance according to various aspects relating to the triple bottom lines of Sustainability and whether the material aspect is within the company or outside.

Material Issue for NPL	Corresponding GRI G4 Material Aspect	Aspect Boundary	
		Internal	External
Natural Environment	Materials	*	
	Energy	*	
	Water	*	
	Biodiversity	*	
	Emissions	*	
	Effluents and Waste	*	
	Products and Services	*	
	Compliance	*	
	Transport		*
	Overall	*	
	Supplier Environmental Assessment		*
Work environment	Environmental Grievance Mechanisms	*	
	Employment	*	
	Labour/Management Relations	*	
	Occupational Health and Safety	*	
	Training and Education	*	

Material Issue for NPL	Corresponding GRI G4 Material Aspect	Aspect Boundary	
		Internal	External
	Diversity and Equal Opportunity	*	
	Equal Remuneration for Women and Men	*	
	Supplier Assessment for Labour Practices		*
	Labour Practices Grievance Mechanisms	*	
	Investment	*	
	Non-discrimination	*	
	Freedom of Association and Collective Bargaining	*	
	Child Labour	*	
	Forced or Compulsory Labour	*	
	Security Practices	*	
	Indigenous Rights		
	Assessment	*	
	Human Rights Grievance Mechanisms	*	
Local Development	Local Communities	*	
	Anti-corruption	*	
	Public Policy		
	Anti-competitive Behavior	*	
	Compliance	*	
	Grievance Mechanisms for Impacts on Society	*	
Supplier Management	Supplier Assessment for Impacts on Society		*
	Supplier Human Rights Assessment		*
Product Responsibility	Customer Health and Safety	*	
	Product and Service Labelling	*	
	Marketing Communications	*	
	Customer Privacy		
	Compliance	*	
Creating value for shareholders & profitability	Economic Performance	*	
	Market Presence	*	
	Indirect Economic Impacts		*
	Procurement Practices	*	
CSR Activities		*	

Developing for Our Stakeholders

Stakeholder Engagement

The primary purpose of stakeholder engagement is to understand and identify topics material for our corporate responsibility. Different stakeholder groups vary in their expectations, and our job is to meet the expectations through developing our corporate responsibility work.

Stakeholder inclusiveness is one of the main driver for further improving our corporate responsibility management. Following table shows the summary of stakeholders we have identified when conducting our operations and the way we engage for them to satisfy their expectations.

Key stakeholder groups	Why we engage	What we are doing	Key focus areas
Shareholders and Investors	<p>Share of value creation to investors through dividends.</p> <p>Investor expectations influence on value creation models and strategy, positive expectations always aid to create capital gains through stock market.</p>	<p>Annual General Meeting</p> <p>Annual Report</p> <p>Interim Financial Statements</p> <p>Press releases</p>	<p>Sound and safe economic performance</p> <p>Addressing potential risks and opportunities</p> <p>Corporate governance</p>
Employees	<p>Share of value creation to employees through salaries and payments.</p> <p>Employee well-being and capabilities influence our operational performance and value creation.</p>	<p>Proactive meetings with union representatives</p>	<p>Health and Safety</p> <p>Training & Development</p> <p>Equal Opportunity</p> <p>Housing and Welfare needs</p> <p>Basic medical facilities for resident employees</p> <p>Business ethics and compliance</p>
Small Holders	<p>In the values creation process small holders sell tea leaves to our factories and help us to create more value.</p> <p>We have built good relationship with them and they are earning extra value from these activities.</p>	<p>Meetings with Regional Managers</p>	<p>Fair payment</p> <p>Incentives</p> <p>Transportation needs</p>
Broker & Buyers	<p>Majority of our produce is sold at Colombo auction, we are maintaining good relationship with our brokers and buyers since it is critical to derive value for our produce.</p>	<p>Auctions</p> <p>By continues dialog with the broker and arranged meetings</p>	<p>Quality products</p> <p>Compliance with the quality standards</p>
Communities	<p>Good environmental, health and safety performance has a high influence on local communities.</p> <p>Share of value creation to society through tax.</p>	<p>Improving the quality of life of employees and their families, as well as of the communities as a whole.</p> <p>Supporting cultural, educational, health care and sports projects to be more interact with the society.</p>	<p>Socio-economic development in the regions where we operate.</p> <p>Healthy and safe living conditions.</p> <p>Partnership, trust and efficient dialogue with local communities and local authorities.</p> <p>CSR activities</p>
Government	<p>Golden shareholder</p> <p>Lease agreement</p> <p>Stakeholder with capability to influence or make political decisions on environmental issues, climate change, and chemical legislation</p>	<p>Information disclosure and reporting</p> <p>Dialogue with government authorities on legislative and regulatory issues</p> <p>Government grants and subsidy programs</p>	<p>Compliance with lease agreement</p> <p>Maintaining a dialogue with government authorities on current legislative and regulatory issues</p> <p>Taxation</p> <p>Reporting to regulations</p>

Product Responsibility

At NPL, we plant, manufacture and sale. Our end customer focus strategy is driving us to be more aware of producing quality products. Majority of the tea produced is sold at the public auction and remaining percentage sold as direct selling. To obtain higher auction prices against the increasing cost of production our factories focus on the product quality.

Considering our focus on oil palm production significant value addition prospects exist through a joint venture conducted at group level in conjunction with Agalawatte Plantations PLC and Elpitiya Plantations PLC. AEN Palm Oil Processing (Pvt) Ltd (AEN) will provide processing facilities for all of NPL’s palm oil output, with each company involved in the joint venture enjoying one third of the ownership and profit generated. We focus on better quality fresh fruit bunches to add more value to our joint venture.

Focusing on end consumer satisfaction and developing better products will always encourage our revenue maximisation and customer focus strategy. In addition, to further improve our production practices we are interactive with following institutions and have obtained membership with them.

- The Colombo Tea Traders’ Association
- The Planters’ Association of Ceylon
- The Colombo Rubber Traders’ Association
- The Employer’s Federation of Ceylon

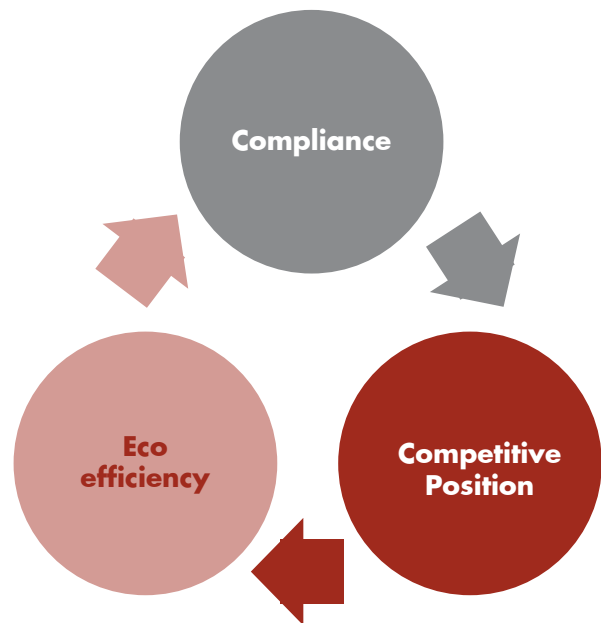
Product Labelling

Product labelling contains complete information with the requirements of the Colombo Tea Auctions. Our agricultural practices on all estates conform to the requirements of the Tea Research Institute of Sri Lanka and other certification requirements.

Diminishing Our Impact

Management of environment impacts support eco efficiency by the efficient use of water, material and energy while reducing the environmentally harmful impacts. We are profound on our environment as it is very crucial to us to preserve best environmental practices since the natural environment becomes an integral part of our business.

Without having a noble sense about ecological conditions that we operate in, we would not be able to withstand in the industry. We always have to safeguard sustainability of the environment that we operate in as the first priority in our operations. Concern more about the environment, enables us to gain a competitive position by establishing and strengthening organization as a green organization, as well as safeguard the operations in our business. However considering the benefits that we are getting by managing environmental conditions may not be mutually exclusive with our revenue maximization strategy but as an ethical business, we are more keen on those and to comply with environmental standards and follow them very smoothly in doing our operations although there is overlap in many instances. However this will help to continually improve our performance in line with best practice, and to prepare for future risks and opportunities.



We carefully consider the potential environmental impact from our operations and how natural environment and local communities might be affected. Our environmental standards focus on key areas such as managing emissions, reducing our energy use, land management, minimising waste of water and conserving biodiversity.

Since the balance of eco system, bio diversity and natural environment is paramount important to us, we operate

in it and have a moral obligation towards our natural environment to ensure the sustainability of it. Therefore we meet the needs of the present without compromising the ability of future generations to meet their own needs. Despite we adopt to environmental protection measures that safe guard the environment that we operate in and we adhere to environmental legislations imposed by the authorities.

To have a betterment of focused key areas regarding the environmental impacts we have taken following steps,

- Protect the soil / Prevent soil erosion
- Waste water management by effluent plants
- Waste management
- Organic manure

Land Management

To protect our land and soil erosion we always emphasis on better land management structures and methods such as terracing, mulching, weeding, grow Manaa (grass which prevent soil erosion) and other plants to prevent soil erosion. Using plants for soil erosion control is an excellent biological method we use to safeguard the landscape and the shape of the land. In our tea plantations especially in the Uva range plantations we adopt this method to safe guard the soil in our lands. In every bank or end of the planting areas with a higher slope, we will take on to these methods to prevent soil erosion. Then we can minimise the conditions that promote soil erosion such as rain, wind, physical disturbance and overuse by adopting to those methods.



Preventing erosion with native plants is a common ecological practice in land management. It is a relatively easy way to conserve top soils and prevent open areas from wearing away. Other methods include coir netting, mulching, terracing and drains.

Bio-diversity

Most of the estates we operate in the Uva region of the country as well as in the Low grown agro areas are sensitive to certain degree of bio diversity. We pay close attention to the condition of ecosystems affected by our planting and production activities. The Company keep in touch with water streams and the bank lines of small water falls, observing shrub and tree vegetation. We monitor our background environmental conditions in connection with the impact of our activities, which help to minimize our impact to the natural environment.

The ecosystem of a stream or river can be viewed as a system operating in the natural environment, and includes living interactions amongst plants, animals and micro-organisms, as well as (non-living) physical and chemical interactions. These streams are ecologically importance



to maintain the trade of the plantations and the natural environment as well as fulfil the water requirements.

We have timber plantations and forestry management in the Uva regional estates. These plants are influenced by the natural environment, climate, topography, soil, etc. On the other hand these plants help to enhance entire ecological system of natural environment and trade off between our operations and the natural environment.

Materials

We have identified the material usage of packing tea when we dispatch our production

	2014/15	2013/14
Low Grown		
Multiwall paper sacks	12,190 No. of units	14,130 No. of units
Rigid Tea sacks	38,420 No. of units	46,850 No. of units
Uva Region		
Multiwall paper sacks	10,488 No. of units	4,600 No. of units
Rigid Tea sacks	35,152 No. of units	39,300 No. of units

* Data is sourced from direct measurements from procurement orders.

Energy

With the objective of reducing total energy consumption in most of our tea factories and rubber factories we use firewood and electricity to power up our factories.

Our Energy consumption has a direct effect on operational costs and can increase exposure to fluctuations in energy supply and prices. As we use mainly two types of energy sources to power up our factories environmental footprint of an organization is shaped in part by its choice of energy sources.

Electricity and fuel wood consumption

	2014/15	2013/14
Low Grown		
Electricity (Units)	1,851,500	2,276,237
Firewood (m3)	10,916	13,212
Uva Region		
Electricity (Units)	1,227,490	1,170,058
Firewood (m3)	9,996	10,802

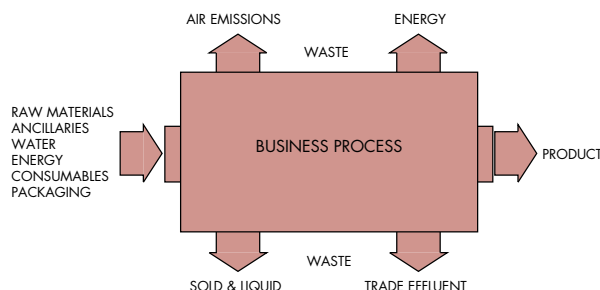
* Electricity consumption is taken directly from invoices received by the company.

Water

Water is a critical aspect since we operate in natural environment. Our operations are sensitive to water since most of our business processes are driven related to natural environmental conditions, we recognise our duty to minimise the hazardous environmental impacts from disposing waste that move out by our factories. The company has introduced several other initiatives to minimise the environmental impact of water usage, emissions, effluents and waste disposal.

Therefore we consider the efficient management of water. To ensure the efficient consumption and reuse of water in order to minimise waste-water discharges, the Company develops and implements environmental friendly practices to minimize the waste and prevent the chemical exposure to the natural environment.

Effluents /Emissions and Waste Management



In this regard we have introduced effluents plants in rubber factories and place air emission towers with a higher heights. In some cases we identify some tradeable by-products to minimize the wastage.

Developing Our Employees

Realisation of our customer-focused revenue maximisation strategy is reliant upon people: this would be our critical investment that we have made considering other resources. We have identified the importance of the people who live within our plantations. Therefore conducting the operations of our estates, it has been given top level of priority in our decision making process. Because their skills, professional knowledge and commitment to the Company's values and corporate ethos are key driven factors of our business strategy.

Therefore, we create ideal conditions for good work environment, practices to build strength in our human capital. Since the key to accomplish our objectives and realisation of our business strategy utterly rest on the commitment of our employees. Most of them reside within our plantations or very much closer to them. Therefore to deliver them with proper facilities will enrich the well-being of another part of a society.

We offer employment with fair terms and make available resources to increase their productivity. At the same time we consider more into staff welfare facilities for employees who reside within our plantations to ensure and enrich their needs.

Employee Engagement

We have given over 6,700 direct employment opportunities in 19 estates, in four districts. Some of our employees reside within our plantations with their families. We have

taken steps to empower them by providing facilities needed to breathe in our estate. We have continued dialog with the employee union and their collective agreement to hear their needs and communicate needs and maintain a sense of balance with them.

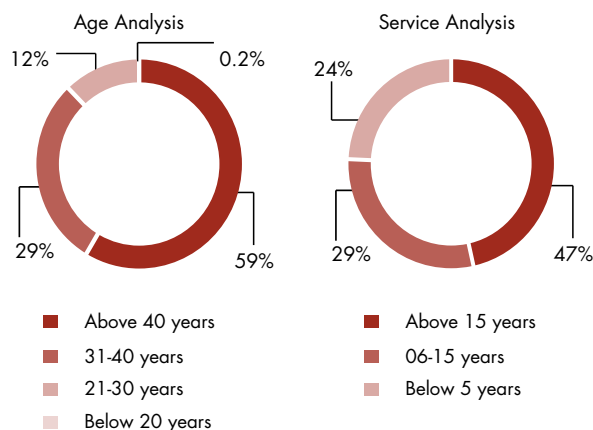
Our employees are covered by “Worker Collective Agreement”. The Collective Agreement covers a number of aspects such as salaries & wages, overtime, annual bonuses, statutory contributions, work practices, grievance handling and dispute procedures, trade union action. We are always eager to hear the voice of the employees since they are the key to our business, in this case we proactively engage with our trade union. These Collective Agreements are revised in every of 3 years for staff and 2 years for workers. Our every employee has right to collective bargaining.

In addition, all employees receive benefits mandated by law and good working conditions. The defined contribution plan is aligned with the defined contribution standard, with voluntary participation in the basic plan and a matching payment to the company’s contribution in the management plan (both permit additional payments and voluntary contributions). The plan is valid for the employees at all units.

	2014/15	2013/14
Total number of employees	6,784	3,863
Value paid as salary (Rs. `000)	1,319,585	840,087
Employee productivity		
Revenue per employee	323,542	541,750
Profit per employee	22,297	86,960
Asset per employee	573,218	822,270

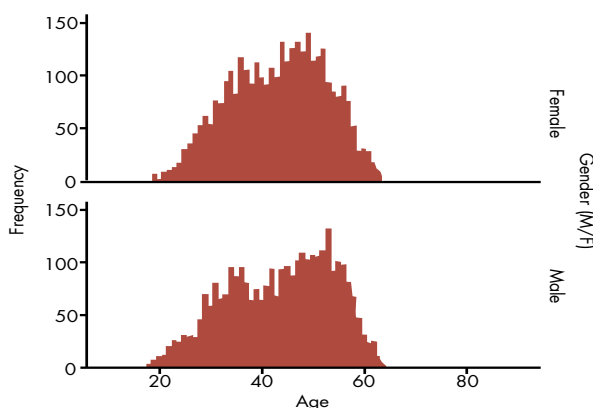
Age Analysis	No of		
	Executives	Staff	Estate Workers
Above 40 years	26	235	3,737
31-40 years	13	91	1,878
21-30 years	8	32	751
Below 20 years	-	-	13
Total	47	358	6,379

Staff composition graph (estate and head office)



Service Analysis	No of		
	Executives	Staff	Estate Workers
Above 15 years	17	177	2,979
06-15 years	16	115	1,843
Below 5 years	14	66	1,557
Total	47	358	6,379

Histogram Age analysis



Health and Safety

We are responsible for the prevention of accidents, occupational illnesses and environmental impacts, manages procedures to ensure the well-being of the entire employee community.

Safety of all employees who are involved in planting our crops, production of end produces are top priority in our health and safety environments. We therefore closely monitor health and safety conditions at producer premises, and run health and safety workshops for producers to give them the skills to assess, identify and minimize the risk of having accidents.

We have initiated electrical safety procedures, fire prevention and evacuation procedures, prevention of accidents from heavy machinery by training and giving education to employees about technical know-how of the machinery.

In addition to that, on an annual basis, to focus on the Safety, Health and Environment area we organize campaigns focused on the prevention of dengue, treatment for worm infestations, eye clinics etc. (Refer Page 39 to 40)

Insurance Scheme

Akuressa estate staff and workers were introduced to an insurance scheme by leading insurance company, Galle and 50 persons obtained accident policies.



Training and Education

Making employees aware of the latest technology and information system updates and developing a workplace with skilled workforce, IT training programs in all 19

estates have been conducted. In addition, operational level updates and instructions were given on need basis by the head office managers to estate level managers and staff to keep in par with the changes in the dynamic business environment.

Diversity and Equal Opportunity

To promote non-discrimination among our employees we make no distinction between salaries for men and for women, regardless of their functions. We strictly abolish child labour in our work places.

Women's Day

One of our most successful development efforts focuses on women. This is vital to our sustainability because many front-line positions in our estates, such as pluckers and factory staff, have attracted significant proportion of female employees.

To enhance diversity and equal opportunity among our society Pingarawa estate organized a Women's Day Event: 'Celebrating Sri Lankan Woman' on 8th March 2015.



The event is organised on the occasion of International Women's Day to enhance engagement and involvement of women at the estate level. Participants will also make a field visit hosted by estate and discuss challenges and opportunities for positive engagement and cooperation.

Almsgiving Ceremony

1st of January 2015, a Pirith and Almsgiving ceremony organized by Akuressa estate was held at the Korahilagoda tea factory premises with a large gathering of staff, workers and bought leaf suppliers.



Enhancing Regional Development

When accomplishing our value creation process, it is a very challenging task to continue our operations in suitable way without having close dialogue with society where the regions we operate. We improve the living standards of local communities and create a close partnership with society.

In taking into account the key principles of sustainability, NPL regards its involvement in the social development of the regions where it operates as vital to the successful growth of the business.

In all activities, the Company aims to strike a balance between its own interests and those of its employees and stakeholders to enhance regional development of areas we operate.

Since there is a society bound with the plantations that we operate on, most of its people's life grounded on the plantation. As good corporate citizen who concerns on

corporate social responsibility we have a moral obligation to enhance and contribute to the regional development, improve the quality of life of employees and their families, as well as of the communities as a whole. Supporting cultural, educational, health care and sports projects to be more interact with the society. By doing so we focused on following activities to give benefit to local communities where we operate.

- Socio-economic development in the regions where we operate.
- Healthy and safe living conditions.
- Partnership, trust and efficient dialogue with local communities and local authorities.
- CSR activities

We report our corporate responsibility activities separately from our routine operations to send the message that we see them as separate from the core business

Investment in worker housing

NPL has long recognized the value of the people that ensure the continued success of the company. Management of human capital has increased the value in recent years due to changing sociological trends, including an acute worker shortage across specially in low grown agro area.

Employee investment primarily focuses on infrastructure and facilities to improve standard of living of workers. The Plantation Human Development Trust (PHDT) has contributed to the company on numerous projects regarding development of quality of worker life, including the recent construction of approximately 20 houses for worker families on Hulandawa estate. With continued assistance from PHDT, these projects are planned to continue into the future.

NPL recognises the criticality of its workforce. Having invested funds in worker welfare, the company has many initiatives contributing to the betterment of its employees such as Child Care Developments, Re-roofing of housing facilities and Water and Sanitation facilities, Medical etc.

Sustainable Supply Chain

We believe that by having good relationship with our suppliers pave the way to manage our direct and indirect social, economic and environmental impacts. In addition to that, while building good relationship with suppliers we can ensure sustainable supply chain for our continuous operations. We encourage our supply chain to procure our supplies through the local market as it is available according to supply we procure on, as it will inspire our local supplier's well-being and value transmission in between our local society.

As shown in our business model, our factories produce both estate leaf and bought leaf from smaller plantations or local growers. Thereof our bought tea suppliers are quite material to us to get the maximum production from our factory capacities. Approximately 30% of the tea leaves processed in our factories is bought from smaller plantations or local growers

Our commitment to local suppliers

Type of Suppliers	Location
Tea leaf (Bought)	Sri Lanka
Stationery	Sri Lanka
Fixed assets	Sri Lanka & Abroad
Outsourced services	Sri Lanka & Abroad
Premises	Sri Lanka
Computer hardware & software / communication equipment	Sri Lanka & Abroad
Utilities	Sri Lanka & Abroad

Dengue Prevention Programme

Special Dengue prevention programme was conducted from 10th to 16th of September 2014 where awareness programme, to educate residents on the measures that should be initiated in their resident environment during the session was also conducted. Members of the Health Ministry & Indigenous Medicine – National Dengue Control Unit participated to ease the programme and to give effectiveness to the programme conducted.

Prior to the execution, special education programme had been conducted to the participants of the programme on effective and mutual engagement with the city dwellers.

Meanwhile, education posters were also distributed among the residents of the estate.

Worm Treatment

Worm infestations were known to be a very common problem in the days gone by. It has been reduced drastically in the last couple of decades, mainly due to improved living standards and proper hygienic practices. To reduce that into a very minimal level and educate the residents among our estates we conducted worm treatment program and given instructions to the residents about effective treatment process to worm infection, which is to educate the residents and enhance the living standards of our community.

Dansal & Vesak Programme

Evolving yet still showcasing act of humanity and showing the rest of the world that our traditions teach us to be slightly different from the rest. We organised Dansal and vesak programme on 14th May 2014 with sermons, discussions on the Buddhist philosophy. In addition to that, some estates decorated with vesak lanterns and flags enriching Buddhist culture.



Eye Clinic

We identify the importance of eye vision of our people in the community and conduct programmes among our estates to educate and prevent people from being impaired by lack of eye vision. If proper eye care facilities were established



and maintained, about 80% of blindness is avoidable. Therefore to reduce avoidable blindness and severe visual impairment by creating awareness, successful eye clinic programmes aiming our regional estates were conducted.



Dental Programme

We conducted a dental care program which predominantly targets local communities who live among our estates to cater to their oral health needs compared to individual persons who obtain dental care services on demand. As almost all oral diseases such as dental caries, periodontal disease and oral cancer which are considered as public health problems in Sri Lanka are preventable and controllable by evidence-based cost effective strategies like this.



Therefore to enhance the living standards among our society we conducted dental care programme to improve oral health status of Sri Lankans as well as to reduce the colossal dental care cost of the individuals. With the aid of Dental Public Health Services provided both at National and Regional Level, we conducted these programs on our estate to enhance well-being of our society.



Children's Day

Children's Day is celebrated on 1st October 2014. The children in a country hold the key to the future of a country and that it is only by taking care of them and guiding them





on to the correct path that discipline can be instilled in a country. To enhance well-being of children and admire the talent of children, we conducted programmes in our estates. Children performed their talents in the event and were presented with gifts as admiration of their talents.

In addition, Children's Christmas party was organized by Akuressa estate for the kids of the staff and workers. Over 30 kids attended this party together with their parents. All kids received valuable gifts and was entertained with food and games.



Gender Based Violence Prevention Programme

Legal reforms have been made in Sri Lanka as in many other countries to prevent gender based violence. These improvements have led to important recognition of gender based violence including domestic violence as a criminal offence and have provided legal structures and support for victims of violence against women. We have organized events to educate our community among the estate that will enhance well-being of the families. This helped to avoid traditional attitudes regarding the gender discrimination and have equal opportunities to both men and women in the society.

Home Based Violence Prevention Programme

Enhancing the well-being of the families in the community and educate the community about the human rights as a part of our Gender based violence prevention programme series we conducted home based violence prevention programme with participation of Sri Lanka police. Few lectures were conducted regarding the breach of the fundamental right to life, liberty, security, dignity, equality between women and men, non-discrimination and physical and mental integrity.



GRI Content Index : “In accordance” - Core

GENERAL STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
STRATEGY AND ANALYSIS				
G4-1	Statement from the Chairman	Chairman`s Review	13	None
ORGANIZATIONAL PROFILE				
G4-3	Name of the Organisation	Inner back cover		None
G4-4	Primary brands, products, and services.	Our Business model	5	None
G4-5	Location of Organisation`s Head Quarters	Inner back cover		None
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Our Location & Estates	7	None
G4-7	Nature of ownership and legal form.	Inner back cover		None
G4-8	Markets served	Our Business model	5	None
G4-9	Scale of the Reporting Organisation	Financial Highlights	9	None
G4-10	Total workforce by employment type, employment contract and region broken down by gender.	Employee Engagement	36	None
G4-11	Percentage of employees covered by collective bargaining agreements	Employee Engagement	36	None
G4-12	Organisation`s supply chain	Sustainable Supply chain	39	None
G4-13	Significant changes during the reporting period regarding the organization`s size, structure & ownership.	Financial Review	20	None
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Sustainability report	28	None
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Sustainability report	28	None
G4-16	Memberships in associations (such as industry associations) and national or international advocacy organizations.	Product responsibility	32	None
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Organisation`s entities covered by the report	Identified material aspects	29	None
G4-18	Process for defining the report content.	Identified material aspects	29	None
G4-19	Material Aspects identified in the process for defining report content.	Identified material aspects	29	None
G4-20	Aspect Boundary for each material aspect report within the organization	Identified material aspects	29	None
G4-21	Aspect Boundary for each material aspect report outside the organization	Identified material aspects	29	None
G4-22	Explanation of the effect of any restatement of information provided in earlier reports and the reason for such restatement	No restatements of non financial information		None
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	First time adoption		None
STAKEHOLDER ENGAGEMENT				
G4-24	List of stakeholder groups engaged by the Organisation	Stakeholder engagement	31	None
G4-25	Basis for identification and selection of stakeholders with whom to engage	Stakeholder engagement	31	None
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Stakeholder engagement	31	None

GENERAL STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	Stakeholder engagement	31	None
REPORT PROFILE				
G4-28	Reporting period	Sustainability report	28	None
G4-29	Date of most recent previous report	Sustainability report	28	None
G4-30	Reporting cycle	Sustainability report	28	None
G4-31	Contact point for questions regarding the report or its contents	About the report	2	None
G4-32	'In accordance' option the organization has chosen & GRI Content Index for the chosen option	About the report	2	None
G4-33	Policy and current practices with regard to seeking external assurance for the Report	About the report	2	None
GOVERNANCE				
G4-34	Governance structure of the organization, including committees of the highest governance body	Corporate Governance	54	None
ETHICS AND INTEGRITY				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Setting the scene	4	None
SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-DMA				None
G4-EC1	Direct economic value generated and distributed	Value added statement/ Financial Review	20,126	None
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risk Management	63	None
G4-EC3	Coverage of the organization's defined benefit plan obligations	Note to Financial Statements	119	None
G4-EC4	Financial assistance received from government	Note to Financial Statements	120	None
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA				None
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Employee Engagement	36	None
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA				None
G4-EC7	Development and impact of infrastructure investments and services supported	Employee Engagement	36	None
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Risk Management	63	None
MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA				None
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Sustainable Supply chain	39	None

SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: MATERIALS				
G4-DMA				None
G4-EN1	Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period	Product Responsibility	32	None
G4-EN2	Percentage of materials used that are recycled input materials	Not reported		None
MATERIAL ASPECT: ENERGY				
G4-DMA				None
G4-EN3	Energy consumption within the organization	Diminishing our impact	35	None
G4-EN6	Reduction of energy consumption	Diminishing our impact	35	None
MATERIAL ASPECT: WATER				
G4-DMA				None
G4-EN8	Total water withdrawal by source	Not reported		None
MATERIAL ASPECT: BIODIVERSITY				
G4-DMA				None
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No such sites		None
MATERIAL ASPECT: EMISSIONS				
G4-DMA				None
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Not reported		None
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA				None
G4-EN22	Total water discharge by quality and destination	Not reported		None
MATERIAL ASPECT: PRODUCTS AND SERVICES				
G4-DMA				None
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Diminishing our impact	33	None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA				None
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not reported		None
MATERIAL ASPECT: TRANSPORT				
G4-DMA				None
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	N/A		None
MATERIAL ASPECT: OVERALL				
G4-DMA				None
G4-EN31	Total environmental protection expenditures and investments by type	Not reported		None
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA				None

SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Not tracked		None
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA				None
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Employee Engagement	36	None
MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS				
G4-DMA				None
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Not reported		None
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA				None
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Employee Engagement	36, 52	None
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA				None
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training and Education	37	None
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA				None
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employee Engagement/ Human Resources		None
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA				None
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Employee Engagement		None
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES				
G4-DMA				None
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Not tracked		None
MATERIAL ASPECT: LABOUR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA				None
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	Not reported		None
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: INVESTMENT				
G4-DMA				None
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not tracked		None
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA				None
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents reported		None

SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA				None
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Employee Engagement	36	None
MATERIAL ASPECT: CHILD LABOUR				
G4-DMA				None
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	No operations having significant risk for incidents of child labour.		None
MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR				
G4-DMA				None
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Not reported		None
MATERIAL ASPECT: SECURITY PRACTICES				
G4-DMA				None
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Enhancing regional development	41	None
MATERIAL ASPECT: INDIGENOUS RIGHTS				
G4-DMA				None
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	N/A		None
MATERIAL ASPECT: ASSESSMENT				
G4-DMA				None
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Not reported		None
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA				None
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Not tracked		None
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-DMA				None
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Not reported		None
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA				None
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Enhancing regional development		None
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA				None
G4-SO4	Communication and training on anti-corruption policies and procedures	Enhancing regional development		None

SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No.	External Assurance
MATERIAL ASPECT: PUBLIC POLICY				
G4-DMA				None
G4-SO6	Total value of political contributions by country and recipient/beneficiary	Not reported		None
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA				None
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No incidents reported		None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA				None
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No incidents reported		None
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				
G4-DMA				None
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Not tracked		None
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY				
G4-DMA				None
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not reported		None
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY				
G4-DMA				None
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Product Responsibility	32	None
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING				
G4-DMA				None
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Product Responsibility	32	None
MATERIAL ASPECT: MARKETING COMMUNICATIONS				
G4-DMA				None
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	N/A		None
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA				None
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No incidents reported		None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA				None
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No incidents reported		None



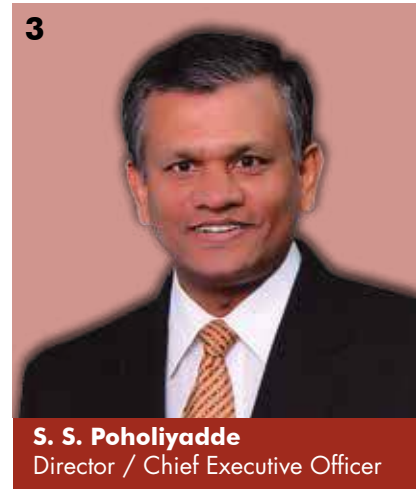
To reach the heavy blooming and the fruit, tree needs proper inner controlling; as the company needed a good corporate governance to direct company to deliver value to stakeholders.



GOVERNANCE

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Profile of Directors



1. Dr. S. Yaddehige, Chairman

Dr. Sena Yaddehige is a Sri Lankan born British Scientist/Engineer and a Swiss based industrialist. He is the Managing Director of an European Company, which was part of a group involved in the development of high technology, automated manufacturing, and export of automotive components and systems to Europe, China and the United States. He is also the Chairman, CEO of a US company supplying automotive markets. He holds a large number of worldwide patents on radiation processing, contactless sensors and drive by wire systems along with a Sri Lankan patent for slow release fertiliser.

He is a Founder, Chairman and Director of numerous companies in Sri Lanka and abroad.

Dr. Yaddehige is the Chairman of the Richard Pieris Group of Companies comprising 7 Listed Companies, including three plantation companies and over 50 companies wholly or majority owned by Richard Pieris and Company PLC. He was appointed to the Board of Directors of National Development Bank PLC in December 2007 and was in the directorate until his resignation from the Bank in November 2010.

Dr. Yaddehige was conferred with Doctor of Science (D.Sc.) in consideration of his original research work in the fields of Radiation, Radiation processing, Electromechanical Sensor technology, non contact sensor technology and automotive pedal systems along with numerous patents in the above fields.

2. J.H.P. Ratnayeke, Director

Mr. Paul Ratnayeke is a Senior Corporate Lawyer who is also the Senior Partner of Paul Ratnayeke Associates, a leading law firm in Sri Lanka which he founded in 1987 handling all areas of law and international legal consultancy work.

Mr. Ratnayeke is a Solicitor of the Supreme Court of England and Wales and an Attorney - at - Law of the Supreme Court of Sri Lanka. He holds a bachelor's degree in law with honours and has been awarded a Master's Degree in Law by the University of London.

Currently Mr. Ratnayeke holds directorships in several companies of which some are public quoted companies. He has also been elected/appointed as Chairman/ Deputy Chairman to several of these companies.

At Paul Ratnayeke Associates, he specializes in corporate and commercial areas of law, and also in the fields of aviation, insurance and maritime law.

3. S.S. Poholiyadde, Director / Chief Executive Officer

Mr. Sunil Poholiyadde currently holds the position of Managing Director of the Plantations Sector of the Richard Pieris Group and Director/Chief Executive Officer Kegalle Plantations PLC, Namunukula Plantations PLC and Maskeliya Plantations PLC. He has over three decades of experience in the Plantation Industry, having commenced his career as an Assistant Superintendent. He joined the corporate management of Kegalle Plantations PLC in 1997 after being a Senior Superintendent.

He is also a Director of Richard Pieris Natural Foams Ltd., Exotic Horticulture (Pvt) Ltd., AEN Oil Palm Processing (Pvt) Ltd., Eastern Brokers Ltd., and a member of the Rubber Research Board. He was appointed as an Honorary Member of the Advisory Council of the Ministry of Plantation Industries in February 2015. He is the current Chairman of the Plantation Services Group of the Employers' Federation of Ceylon (EFC), Deputy Chairman of the Planters' Association of Ceylon, Vice Chairman of the Colombo Rubber Traders' Association, a Council Member of the EFC, the Ceylon Chamber of Commerce, and in the Advisory Committee on Rubber & Plastics Sector of the Export Development Board. He also serves on the Wages Boards for the Rubber Growing and Manufacturing Trade, Cocoa, Cardamom & Pepper Growing & Manufacturing Trade and the Executive Committee of The Sri Lanka Society of Rubber Industry.

4. N.C. Peiris, Independent Non Executive Director

Mr. Neville Peiris is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, counting 44 years' experience in Finance & Management both locally and internationally. He has also followed several overseas

Management Programmes in Singapore and Japan. He functioned as the Finance Director and Company Secretary of Singer (Sri Lanka) Ltd, from 1985 to 2001 and thereafter functioned as a Regional Controller of the Singer Corporate Management overlooking the Financial and other controllership functions of Singer Jamaica, Philippines, Bangladesh, Pakistan, Sri Lanka and the Middle East until he retired in the year 2006. During the period he functioned as the Finance Director of Singer Sri Lanka Ltd, he contributed immensely to the continuous growth of the Company, he also served as Non-Executive Director of Several Public Quoted and Private Limited Liability companies in Sri Lanka, including Regnis Lanka Ltd, Commercial Leasing Co Ltd, Commercial Fund Management (Pvt) Ltd, Equity Lanka (Pvt) Ltd, Commercial Insurance Brokers (Pvt) Ltd, and First Capital Ltd. Presently in addition to being a Non-Executive Director of Namunukula Plantations PLC, Mr. Peiris is the Non-Executive Chairman of Ceylon leather products PLC and function as independent Non-executive director of Hunter & Company PLC, Lanka Canneries (Pvt) Ltd. and South Asian Textile Industries (Pvt) Ltd.

5. A.K. Perera, Independent Non Executive Director

Mr. A.K Perera worked as a Director of the Department of Finance, Ministry of Finance and Planning. He holds a Special degree in Bachelor of Commerce from the University of Kelaniya and has completed a Postgraduate Diploma in Accountancy and Financial Management from University of Sri Jayewardenepura. In addition he has obtained Membership of the Certified Business Accountants of the Institute of Chartered Accountants of Sri Lanka.

He has also served as an Accountant Ministry of Fisheries and Aquatic Resources Development, Western provincial Council, Department of Government Analyst's, Sri Lanka Navy and Divisional Secretariat Rambawa.

6. Dr. H.J. De Costa, Independent Non Executive Director

Dr Jayatissa De Costa LL.B. (Cey), LL.M. (Lond), Ph.D (Colombo) is a Presidents' Counsel. He was admitted to the Legal profession in Sri Lanka in January, 1971 and has unbroken practice of more than 43 years at Bar specializing in Civil matters. In addition he has held numerous positions both in the Public Sector and Private Sector including the Chairmanship of Public Utilities Commission of Sri Lanka and membership of the Law Commission. Presently he is the Principal of Sri Lanka Law College. Dr. Jayatissa De Costa had functioned as a Law Lecturer in a number of universities both at home and abroad and has published a large number of books in Law. He had his education at Dharmapala Vidyalaya, Pannipitiya, London School of Economics and Political Science, School of Oriental and African Studies and Kings' College, University of London.

Human Resources

Management Team

Corporate Management

Mr. S.S. Poholiyadde	Managing Director - Plantations
Mr. R.D. Jayasinghe	General Manager
Mr. S. Epitakumbura	Financial Controller
Mr. N.B. Senevirathne	Deputy General Manager
Mr. P.de S.A. Gunasekara	Deputy General Manager
Mr. Y. S. Nagahawatte	Deputy General Manager

Head Office Management Team

Mr. D. Sivaraj	Senior Manager
Mr. K.W.R.I. Fonseka	Accountant
Mr. R.M.S.S. Herath	Manager Information Systems
Mr. U.W.I. Parakramaweera	Assistant Accountant
Mr. H.M.M.J. Herath	Assistant Accountant
Mrs. Y.T. Dharmathilake	Executive
Mr. J. Fernando	Executive
Mr. D.S. Gomez	Executive
Mr. B.L.H. Ramanayake	Accounts Executive
Mr. W.T. Dilshan	Accounts Executive
Mr. H.D.E. Alwis	Management Trainee
Mr. H.M. Jayathilake	Administrative Assistant
Mrs. P.D. Mahipala	Secretary
Miss. H.V. Sujeewa	Secretary

Estate Management Team

Estate Name	Selling Mark	Name	Designation
Kalutara Region			
Eladuwa	Eladuwa/ Malaboda	Mr. N.B. Senevirathne	Superintendent
		Mr. K.T. Jayasekera	Assistant Superintendent
Miriswatte		Mr. S.S. Gunasekara	Superintendent
Pallegoda	Pallegoda	Mr. S.M. Doranegama	Superintendent
		Mr. D.S. Dalpathadu	Assistant Superintendent
Sirikandura		Mr. L. Tennekoon	Superintendent
Yatadola	Yatadola	Mr. D.M.S.B. Dissanayake	Superintendent
		Mr. S.L. Gunasekara	Assistant Superintendent
Pelawatte	Pelawatte	Mr. N.M. Illangaratne	Superintendent
		Mr. N.C. Rajapakse	Assistant Superintendent
		Mr. H.A. Liyanage	Assistant Superintendent

Estate Name	Selling Mark	Name	Designation
Galle Region			
Baddegama	Baddegama	Mr. P.de S.A. Gunasekara	Superintendent
		Mr. S.D. Beneragama	Assistant Superintendent
		Mr. M.M.S. Jayasekara	Assistant Superintendent
Citrus		Mr. L.K.S. Karunathilake	Superintendent
Walpita/ Monrovia/Olympus	Walpita/ Olympus	Mr. R.M.U. Ratnayake	Superintendent
		Mr. S.M. Batugedera	Assistant Superintendent
Matara Region			
Akuressa	Korahilagoda	Mr. B. Gunathilaka	Superintendent
		Mr. D.D. Weeratunge	Assistant Superintendent
Hulandawa/Belmont	Belmont	Mr. H.P. Rajapakse	Superintendent
		Mr. G.S.U. de Silva	Assistant Superintendent
		Mr. N.H. Jayawardena	Assistant Superintendent
Tennehena	Dankoluwa	Mr. K.V.M.T. Dias	Superintendent
		Mr. K.I.W.M Kularathne	Assistant Superintendent
		Mr. W.P.B. Witharana	Assistant Superintendent
Uva Region			
Cannavarella	Cannavarella	Mr. F.N. Randeniya	Superintendent
		Mr. S.R.T. Purushothman	Assistant Superintendent
		Mr. D.W.R.W.M.M.U.R.B. Madugalle	Assistant Superintendent
Gonakelle	Gonakelle	Mr. L.H.S. Jayathilake	Superintendent
		Mr. N. de Silva	Assistant Superintendent
Hindagala	Hindagala	Mr. A.U.M.T. Athukorala	Superintendent
Kandahena		Mr. U.U.K.N.S. Udunuware	Superintendent
Kinellan	Kinellan	Mr. J.S. Abeyasekara	Superintendent
Pingarawa	Tonacombe	Mr. J.S. Kalansuriya	Superintendent

Corporate Governance

The Board of Directors of Namunukula Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance.

Namunukula Plantations PLC has designed its Corporate Governance policies and practices to ensure that the company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and the other communities in which it operates. The company complies with the rules on Corporate Governance, included in the Listing Rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors of Namunukula Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance whilst give concerns to major external & internal steering instruments on governance, depict in the following table.

Major External Steering Instruments on Governance	Major Internal Steering Instruments on Governance
<ul style="list-style-type: none"> • Companies Act No. 07 of 2007. 	<ul style="list-style-type: none"> • Articles of Association of the Company
<ul style="list-style-type: none"> • Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka (a voluntary Code). 	<ul style="list-style-type: none"> • Board of Directors' working procedure
<ul style="list-style-type: none"> • Listing Rules of the Colombo Stock Exchange 	<ul style="list-style-type: none"> • Board approved policies on all major operational aspects

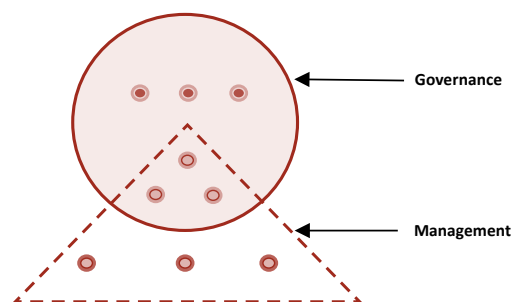
Major External Steering Instruments on Governance	Major Internal Steering Instruments on Governance
<ul style="list-style-type: none"> • Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and amendments thereto. 	<ul style="list-style-type: none"> • Integrated risk management procedures.
	<ul style="list-style-type: none"> • Processes for internal controls

This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board of Directors

The company is governed by its Board of Directors, who directs and control the business and affairs of the company on behalf of the shareholders. Following diagram and table depicted the composition of the board and the senior management.

The Board comprises six Directors, of which three are Executive Directors and three are Non-Executive Directors who are Independent, ensuring an independent outlook to temper the expediency of the experts. Executive directors and senior managers (Management), who are involved in the day to day running of the company with the management. The Board has assessed the independence of the Non-Executive Directors.



Name of Director	Executive	Independent Non-Executive
Dr S Yaddehige	●	
Mr. J H P Ratnayake	●	
Mr. S.S.Poholiyadde	●	
Mr. N.C.Peiris		●
Mr. A.K. Perera Resigned w.e.f. 20-05-2015		●
Dr H.J. De Costa Appointed w.e.f 30-06-2014		●

Brief profiles of the directors are set out on pages 50 and 51.

Meetings of the Board of Directors

During the year the Board met on two occasions. Prior to each meeting, the directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions. Board papers are submitted in advance on company performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board meeting.

The Chairman is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the company. He is responsible for overall commercial, operational and strategic development and assisted by an Executive Management Committee comprising Executive Directors and Heads of Companies of the Strategic Business Units (SBU) of the group. The finance function devolves on the Group Chief Financial Officer and Financial Controller – Plantation Sector who are present by invitation at board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the company.
- Formulate short and long term strategies, as a basis for the operational plans of the company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final financial statements of the company.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects.

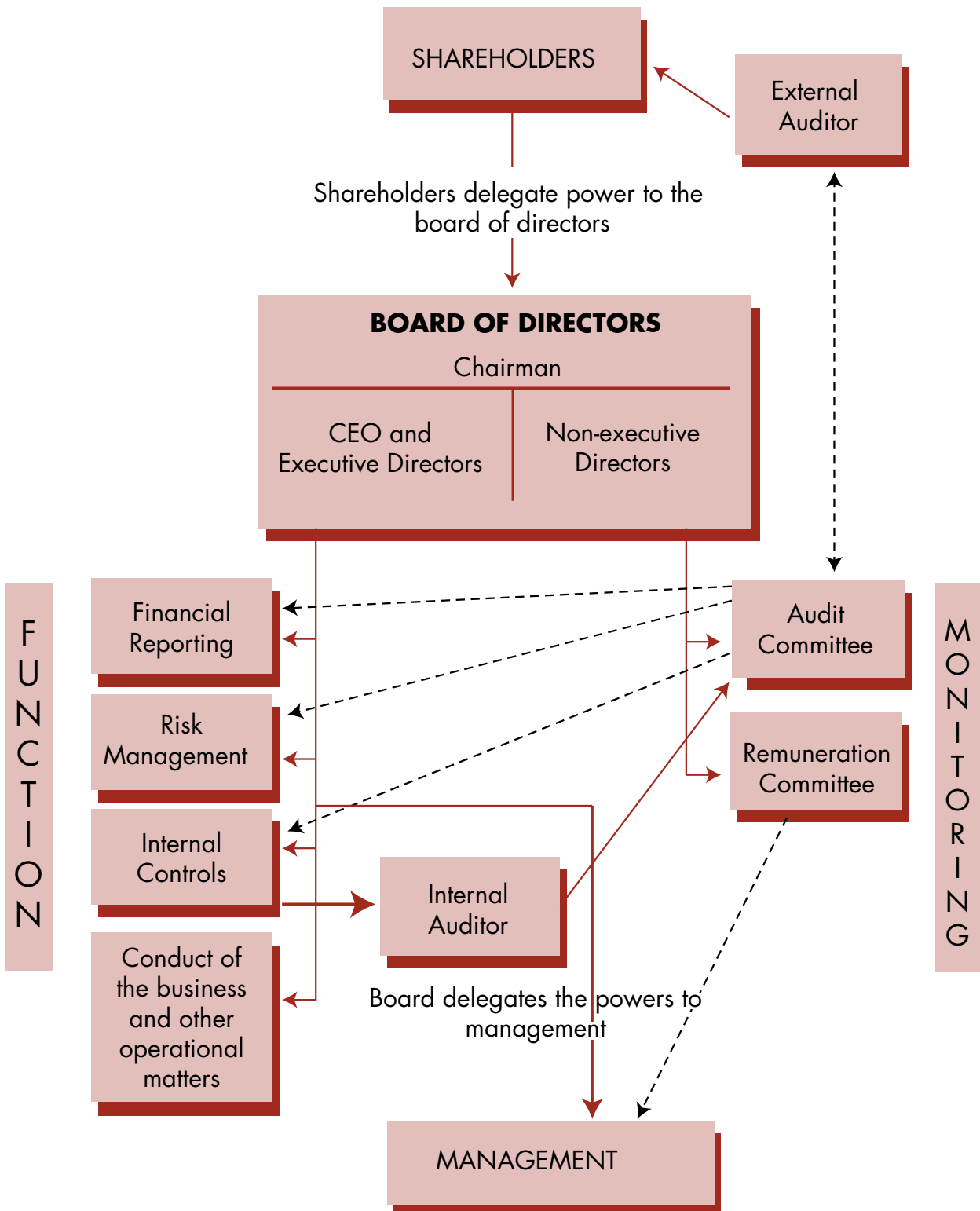
All Non-Executive Directors are independent with no direct or indirect material relationship with the company. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to two Board sub committees which operate within clearly defined terms of reference.

Corporate Governance Structure

The company Governance frame work is depicted in the following diagram,



Audit Committee

Namunukula Plantations PLC is one of the Group Companies of the Richard Pieris & Company PLC. Richard Pieris & Company is the majority shareholder and as such the Group Audit Committee acts as the Audit Committee of the company. Audit Committee report on Page 58 to 59 describes the activities carried out during the financial year.

Remuneration Committee

The report of the Remuneration Committee is on page 60 highlights its main activities.

Appointment of Directors

The Company does not have a Nomination Committee to recommend additions to the Board. The Board as a whole decides on the appointments of new members.

The Board also ensures that the Group policies and practices are in line with the company's values and its social responsibilities. The company promotes protection of the environment, health and safety standards of its employees and others within the organization. The relevant measures taken are given in Sustainability report on pages 28 - 41.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The financial statements of the company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations. Financial statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Corporate Governance Requirements under Section 7 of the Listing Rules issued by the Colombo Stock Exchange.

CSE Section Reference	Colombo Stock Exchange Requirement	Status of Namunukula Plantations PLC
7.10.1 (a) to (c)	Non Executive Directors	In Compliance
7.10.2.(a)	Two or one-third of Non-Executive Directors, whichever is higher, should be independent.	In Compliance
7.10.2.(b)	Each Non-Executive Director should submit a declaration of independence/ non independence	In Compliance
7.10.3	Disclosures relating to Directors	In Compliance
7.10.5	Remuneration Committee	In Compliance
7.10.6	Audit Committee	In Compliance

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the financial statements, after careful review of the financial position and cash flow status of the company. The Board of Directors believes that the company has adequate resources to continue its operation for the foreseeable future.

Audit Committee Report

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

The purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
2. Review the system of internal control and risk management.
3. Monitor the effectiveness of the internal audit function.
4. Review the Company's process for monitoring compliance with laws and regulations.
5. Review the independence and performance of the external auditors.
6. To make recommendations to the board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The Audit Committee consisted of two independent Non-Executive Directors of the Richard Pieris & Company PLC, the Ultimate Parent Company, namely Prof. Lakshman R. Watawala, Chairman and Dr. S. A. B. Ekanayake. The Chairman of the Committee is a Senior Chartered Accountant. The Company Secretary functions as Secretary to the Audit Committee.

The principal activities of the Committee are detailed below,

Meetings

The Audit Committee held four meetings during the year under review.

The Group Chief Financial Officer, Group Internal Audit Manager and Functional heads of Strategic Business Units (SBUs) were invited if deemed necessary for audit committee meetings.

Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

Internal Audit and Risk Management

The Internal Audit Programme was reviewed by the Committee to ensure that it covered the major operational aspects of the Company.

The Chief Internal Auditor was invited to be present at all Audit Committee deliberations. He presented a summary of the salient findings of all internal audits and investigations carried out by his department for the period. The responses from the Managing Director of the Company to the internal audit findings were reviewed and where necessary corrective action was recommended and implementation monitored.

The Committee also had the responsibility to review the loss making estates of the Company and strategies for turning round these estates and recommending suitable corrective action.

Internal Controls

During its meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Company's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of financial statements. A comprehensive Management Report and Accounts are produced at month end highlighting all key performance criteria pertaining to the Namunukula Plantations PLC which is reviewed by the Senior Management on monthly basis.

Board of Directors of the company review performance on quarterly basis or more often, if required.

Financial Statements

The Committee reviewed the company's Quarterly Financial Statements, the Annual Report and Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards and other statutory requirements, including the Companies Act, No 7 of 2007, prior to issuance. It also reviewed the adequacy of disclosure in published financial statements.

External Auditors

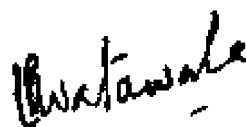
The Audit Committee has reviewed the other services provided by the External Auditors to the company to ensure their independence as Auditors has not been compromised.

The Committee reviewed the Management Letters issued by the External Auditors, the Management response thereto and also attended to matters specifically addressed to them. The external auditors kept the audit committee informed on an ongoing basis of all matters of significance. The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken where necessary.

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young be re-appointed as Auditors for the financial year ending 31 March, 2016 subject to the approval of the shareholders at the next Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the company, the assets are safeguarded and that the Listing Rules of the Colombo Stock Exchange have been met.



Prof. Lakshman R Watawala
Chairman

28 May 2015

Remuneration Committee Report

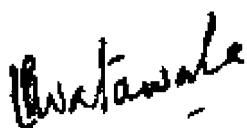
The Remuneration Committee of the Ultimate Parent Company acted as the Remuneration Committee of Namunukula Plantations PLC.

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two independent Non Executive Directors, Prof. Lakshman R Watawala and Dr. S. A. B. Ekanayake. The Committee is chaired by Prof. Lakshman R Watawala. The Committee met on several occasions during the financial year.

The Remuneration Committee has reviewed and recommended the following to the Board of Directors:

1. Policy on remuneration of the Executive Staff.
2. Specific remuneration package for the Executive Directors.

In a highly competitive environment attracting and retaining high caliber executives is a key challenge faced by the Company. In this context, the Committee took into account, competition, market information and business performance in declaring the overall remuneration policy of the Company.



Prof. Lakshman R Watawala
Chairman

28 May 2015

Risk Management

The vigorous governance structure, risk management process, corporate social responsibility and internal audit procedures are intensively critical to be a good corporate citizen in dynamic business environment. Continuous practice of good corporate governance always aids to furnish a sustainable flow of operations along with a transparent operational structure.

In the process of corporate governance, risk management plays a vital part where we proactively identify, evaluate, manage and report risks which need to be addressed well in advance. This is something of paramount importance in plantation sector, due to the known fact that the climate changes is the ruler which influences the bottom line a great deal.

As we define, risk as an uncertain future event which could influence the achievement of our strategic, operational and financial objectives, we prioritise our risks based on the impact and the likelihood of occurrence. A step going beyond traditional risk management, while taking actions to minimize the downside of the risks we also seek for upside of the risks to make improved decisions to capitalize on it.

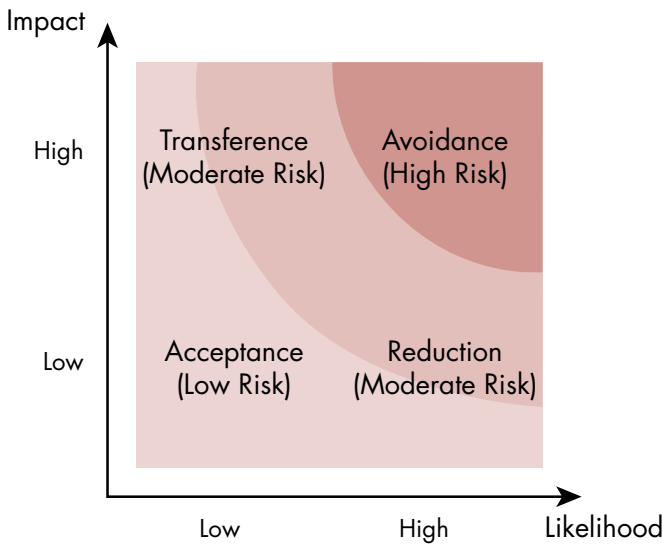
Namunukula Plantations PLC is exposed to a multitude of risks when reaching for its realisation of vision, mission and corporate objectives. The Board of Directors therefore places special emphasis on the management of risks and together with the Management Committee, ensures that a sound system of controls including financial, operational and compliance controls are in place, and reviews regularly the effectiveness of such controls, to safeguard shareholder investments.

Our risk management process comprises of Risk Assessment, Risk Reporting, Decision, Risk Treatment, Residual Risk Reporting and Residual Risk Reporting subject to realization of our strategic objectives. Based on the likelihood of occurrence and the impact of the risks, we take risk minimisation strategies to deal with them. Risk management protects and adds value to the organisation and its stakeholders through supporting the realisation of organisation's objectives. The Diagram below shows the above steps of risk management in overall context of Namunukula Plantations PLC.



Risk Management Process

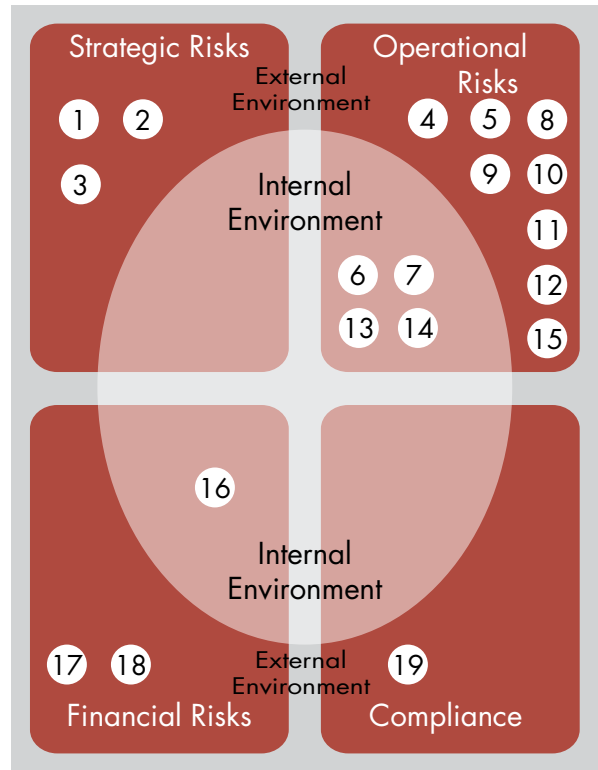
Risk management process starts with the simple step of identifying risks that we face in our operations, finance and compliance in general. Risk Identification allows us to consider the extent to which those identified risks may have an impact on realisation of our vision, mission and corporate objectives. Evaluation of risk can be quantitative, semi quantitative or qualitative in terms of likelihood of the occurrence and the impact. Given risk level is based on the knowledge gathered from risk evaluation. Following graph depicted the linking control activities to the risk response.



Based on the risk level, company takes appropriate action to mitigate the risk. If the risk is within the company's risk appetite we will take actions to minimise the risk or accept the risks. In contrary, if it is beyond our risk appetite we will take actions to transfer or avoid the risks.

With response to risk minimisation strategy implemented, NPL continuously monitor the effectiveness of actions taken to verify the appropriateness of the strategies implemented. Ultimately, to review the risk management process we compare the gross risk (assessment of risk before risk minimisation strategies are being implemented) with the net risk (assessment of risk after risk minimisation strategies are being implemented) and document the impact to continue with the sustainable risk management cycle.










This diagram overlaid summarises examples of key risks in these areas and shows that some specific risks can have both external and internal drivers and therefore overlap the two areas.









Risks





1. Auction Prices
2. Climate Changes
3. Wage Structure
4. Credit Risk
5. Asset Risk
6. Internal Controls
7. Reputation Risk
8. Human Capital & Labour Risk
9. Technological Risk
10. Procurement Risk
11. Inventory
12. Risk of Competition
13. Capital Investments Risk
14. Information Systems Risk
15. Environmental & Political Risk
16. Liquidity & Cash Management
17. Interest Rate Risk
18. Inflation and Currency Risk
19. Compliance with applicable legislation and internal policies



Table Reference









Level of Risk	Dynamics	
 High Risk	 Probability of the risk unchanged	 Potential impact of the risk unchanged
 Medium Risk	 Probability of the risk increased	 Potential impact of the risk increased
 Low Risk	 Probability of the risk decreased	 Potential impact of the risk decreased





Strategic Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
1. Auction Prices	The risk of decline in the value of auction prices. Price risk is the main risk faced by the company. Although price risk is specific to Tea & Rubber, this is being minimized through diversification.			<ul style="list-style-type: none"> Minimising the risk associated with the auction prices. Getting stabilized prices at auctions with low price variations. 	<ul style="list-style-type: none"> Produce, maintain & upgrade the quality level of products to be appealing to the market buyers. Spread the risk through crop diversification. Obtain international standards and quality accreditations to maintain attractive prices.
2. Climate Changes	We operate in a considerably volatile natural conditions due to unpredicted weather patterns and natural environmental conditions our production quality could get affected.			<ul style="list-style-type: none"> Minimising adverse effects due to climate changes. Maintaining the quality of the crops in spite of climate changes. 	<ul style="list-style-type: none"> Change fertilizing cycles to go par with the climate changes. Change the harvesting pattern accordingly. Crop diversification.
3. Wage Structure	Maintaining a positive margin with a rising wage structure under collective bargaining of the farmers & labourers has become a challenging task while maintaining the remaining productivity level			<ul style="list-style-type: none"> Complying to the regulatory wage structure. 	<ul style="list-style-type: none"> Improve labour productivity by better HR practices.



Operational Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
4. Credit Risk	Risk of being defaulted by customers or other debtors. Maintaining a higher level of liquidity is essential to the industry due to the abrupt nature of it. Hence maintaining a lesser debtor collection day ratio would add a value in managing the working capital.	●	←	<ul style="list-style-type: none"> Minimising risks associated with debtor defaults. Working towards obtaining collaterals from major local customers with high outstanding. Following stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. 	<ul style="list-style-type: none"> Obtaining insurance covers for export debtors.
5. Asset Risk	Availability of new technological plant and machineries to tea industry and availability of land to cultivate the suitable crops and efficient use of assets is at the medium level.	▲	↑	<ul style="list-style-type: none"> Minimising risks from fire, theft and machinery & equipment breakdown. 	<ul style="list-style-type: none"> Obtaining comprehensive insurance covers for all tangible assets. Adoption of stringent procedures with regard to the moving of assets from one location to another. Carrying out mandatory preventive maintenance programs. Carrying out frequent employee training programs in areas such as fire prevention.
6. Internal Controls	By establishing sound internal control systems we can ensure and safeguard the assets and operational effectiveness and efficiency.	●	↔	<ul style="list-style-type: none"> Maintaining a sound system of internal, control to safeguard shareholders wealth and Company's assets. 	<ul style="list-style-type: none"> Carrying out system audits and other control mechanisms such as inventory counts and cash counts in every estate by the Central Internal Audit Department of the main Group.





Operational Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
7. Reputation Risk	We have maintained a good reputation for years by achieving performance targets and complying with rules and regulations in the industry.			<ul style="list-style-type: none"> Preventing the causes that would put the company reputation at risk. 	<ul style="list-style-type: none"> Having in place a budgetary process & a budgetary control mechanism on a monthly & ongoing basis to ensure that the Company's performance is continuously in line with its targets. Adopting stringent quality assurance policies with regard to raw and packing materials bought from third parties. Ensure quality in manufacturing process and compliance with the standards. Work towards obtaining HACCP at minimum, in every factory. Ensuring effective communication with various stakeholders such as employees, bankers, regulators, customers, suppliers and the shareholders.
8. Human Capital & Labour Risk	Heart of the operations is the people we have employed in our plantations. They are the key to our success and the most price possessions of the company.			<ul style="list-style-type: none"> Ensuring a smooth flow of operations without any undue disruptions. 	<ul style="list-style-type: none"> Maintaining healthy relationships with trade unions through regular dialogues. Entering in to collective agreements with trade unions. Ensure compliance with all regulatory requirements with regard to the benefits applicable to workers at estates.



Operational Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
					<ul style="list-style-type: none"> To protect ourselves as an employer being successful in motivating, developing, retaining and attracting the best of human capital. Improving employee benefits by way of financial incentives and welfare activities. Arrange in-house and external training in order to develop the human resources.
9. Technological Risk	To enhance the productivity of the industry that we operate in, we have to consider efficient allocation of technological resources in our plantations. We have to consider new investment in new technological plants, machineries and advanced information technology to ensure a smooth flow of information for control purposes.			<ul style="list-style-type: none"> Keeping pace with the current technological developments and safeguard against obsolescence. 	<ul style="list-style-type: none"> Continuous investments in new machinery and experiments on new methods. Mechanization of estate functions up to the highest possible extent. Investing in Research & Development activities whenever necessary. Implementation of the new computer system in head office and the estates. Investing in hardware resources.

Operational Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
10. Procurement Risk	Ensuring efficient flow of operations requires good relationships with suppliers, which in turn will ensure, discounted prices and quality raw materials to add more value to our products.			<ul style="list-style-type: none"> Minimising risk associated with price and availability. 	<ul style="list-style-type: none"> Continuous replanting activities of tea Establishing relationships with more than one supplier to buy leaf in order to reduce over-dependency on a single supplier. Entering into forward contracts for purchases of certain raw material items.
11. Inventory	Due to lower demand conditions there is a risk of accumulating produce stocks in the tea factories, we have ensure these stocks are sale at the correct time at the auction.			<ul style="list-style-type: none"> Reducing stock obsolescence and manage stock holding costs. Reducing the risk associated with theft and shrinkage. 	<ul style="list-style-type: none"> Adopting a monthly declaration policy. Identifying slow moving stocks and effectively laying out a channel for these to be sold off.
12. Risk of Competition	Competitors' actions and other circumstances may result in a decrease in the auction sales or market, thus affecting our revenue and financial performance.			<ul style="list-style-type: none"> Maximising the market share and maintain leadership in respective industries. 	<ul style="list-style-type: none"> Ensuring high standards of quality in the eyes of the customer. Increasing productivity and efficiency in order to ensure an adequate margin despite increasing wage, energy and transportation cost. Carrying out Research & Development activities whenever necessary in order to identify key areas to be focused.
13. Capital Investments Risk	With current operational conditions company needs to ensure high productivity with new capital investments.			<ul style="list-style-type: none"> Minimising risk of not meeting profit expectations. 	<ul style="list-style-type: none"> Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected pay back.

Operational Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
14. Information Systems Risk	With a decentralised information system and accounting system we operate in, we have to ensure those systems are up to dated and operate resourceful to satisfy our dynamic needs.			<ul style="list-style-type: none"> Minimising risk associated with security, Hardware communication and software. 	<ul style="list-style-type: none"> Maintaining of spare servers mirroring of hard disks with critical data. Data back-ups stored in off-site locations. Vendor agreements for support service and maintenance. Regular updating of Virus scanners, Firewalls etc. Compliance with statutory requirements for environmental preservations.
15. Environmental & Political Risk	Planting operations are exposed to risks associated with extreme weather conditions and political influences time to time may create unforeseen costs and reduce the overall efficiency of the Company's operations.			<ul style="list-style-type: none"> Minimising the negative & Regulatory Risk external environment which are beyond our control. 	<ul style="list-style-type: none"> Ensure compliance with all regulatory impact from changes in the requirements.

Financial Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
16. Liquidity & Cash management	Liquidity and cash management is crucial in the context we operate in.			<ul style="list-style-type: none"> Capitalising on opportunities to raise funds at lowest possible cost. Maximum utilization of the concessionary funding available to Plantation Companies. Ensuring proper management of working capital. 	<ul style="list-style-type: none"> Funding of long term assets through Equity and Long Term Loans. Ensure availability and effective utilization of short term facilities where necessary.

Financial Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
17. Interest Rate Risk	The risk that borrowing cost and investment's value will change due to a change in the absolute level of interest rates (AWPLR).			<ul style="list-style-type: none"> Ensuring a strong liquidity position. Minimising adverse effects of interest rate volatility and currency denominated borrowings. Ensuring cost of borrowing is at the optimum level. Maximum utilization of the concessionary funding available to Plantation Companies. 	<ul style="list-style-type: none"> Structuring the loan portfolio to combine both foreign and local money markets Effective utilization of hedging techniques such as interest rate swaps.
18. Inflation and Currency Risk	Inflation and exchange rate fluctuations, which create additional costs through more expensive materials, tools, seeds and services may have impact on our performance.			<ul style="list-style-type: none"> Minimizing risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions. Ensuring effective utilization by coordinating with treasury operations through various hedging techniques such as forward bookings, forward sales, swaps etc. 	<ul style="list-style-type: none"> Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge.

Compliance Risks					
Risk Exposure	Description	Risk Level	Dynamics	Company Objectives	Risk Minimisation Strategies
19. Compliance with applicable legislation and internal policies	The Company is subject to special regulations.			<ul style="list-style-type: none"> Reducing the risk of infringement of compliance requirements imposed by regulators. 	The Company is developing a set of measures and internal controls to ensure its legal compliance, including compliance with laws.



Fruits and yields are the value
deliver to the nature; as a
good corporate citizen we deliver
value for our entire society in
many ways to enhance the well-
being the society.

FINANCIAL INFORMATION

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Annual Report of the Board of Directors

1. General

The Directors of Namunukula Plantations PLC have pleasure in presenting the Annual report together with the Audited financial statements of the company for the year ended 31st March 2015 and the Auditors' Report thereon.

The Board of Directors approved this report at the Board meeting held on 28 May 2015.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities Exchange Commission and are guided by recommended best accounting practices.

2. Review of Business

The company's vision, mission and corporate objectives are exhibited in page 4.

2.1 Principal business activities of the company

The principal activity of Namunukula Plantations PLC is cultivation and processing of Black Tea, Rubber, Oil Palm, Coconut and other crops and remains unchanged from the previous year.

The Uva range six estates assets & liabilities were recognised by Namunukula Plantations PLC and continued their operations under the legal entity of Namunukula Plantations PLC. Accordingly, the assets and liabilities of the Uva range six estates were amalgamated with Namunukula Plantations PLC.

Information required to be disclosed as per the companies act no. 07 of 2007.		Reference to the companies act.	Extent of compliance by company.
(i)	The nature of the business of the company and any change thereof during the accounting period.	Section 168 (1) (a)	Refer item 2.1 On page 72
(ii)	Signed financial statements of the company for the period completed.	Section 168 (1) (b)	Refer item 2.3 On page 73
(iii)	Auditors' report on financial statement of the company.	Section 168 (1) (c)	Refer item 2.5 On page 73
(iv)	Accounting policies and any changes therein.	Section 168 (1) (d)	Refer item 2.6 On page 73
(v)	Particulars of the entries made in the interests register during the accounting period.	Section 168 (1) (e)	Refer item 2.7 On page 73
(vi)	Remuneration and other benefits paid to directors of the company during the accounting period.	Section 168 (1) (f)	Refer item 2.8 On page 74
(vii)	Total amount of donations made by the company during the accounting period.	Section 168 (1) (g)	Refer item 2.9 On page 74
(viii)	Information on directorate of the company during period.	Section 168 (1) (h)	Refer item 11 On page 75
(ix)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period.	Section 168 (1) (i)	Refer item 19 On page 76
(x)	Auditors' relationship or any relationship with company.	Section 168 (1) (j)	Refer item 20 On page 76
(xi)	Acknowledgement of the contents of this report/ signatures on behalf of the board.	Section 168 (1) (k)	Refer page 76

With this reacquisition of six estates the number of estates it manages increases to 19 with an extent of 11,779.06 Ha.

The company continues to be managed by RPC Plantations Management Services (Pvt) Ltd. The basis of computation of Management Fees was same as that of the previous year and was in accordance with the agreement signed between both parties.

2.2 Review of operations of the company

The "chairman's review" on pages 13 to 15 and "Review of Operations", "Financial Review" on pages 16 to 25, together with Audited Financial statements provide an overall assessment on the financial performance and financial position of the company and the state of affairs together with important events that took place during the year as required by the section 168 of the companies act no. 07 of 2007 and recommended best accounting practices.

Segment wise contributions to company revenue, results, assets and liabilities are disclosed in note no. 06 to the financial statements on page 102.

2.3 Financial Statements of the company

In compliance with the requirements of the section 151, 152 and 168 (1) (b) of the companies act no 07 of 2007, the financial statements of the company have been duly certified by the Financial controller and approved by the board of directors and signed by two members of the board of the directors are appearing on pages 79 to 123.

2.4 Directors' responsibility for financial reporting

The Statement of Directors' Responsibility is given on page 77 of this report.

2.5 Auditors' Report

The company's Auditors, Messrs Ernst & Young performed the audit on the financial statements for the year ended March 31, 2015, and Auditors' Report issued thereon is appearing on page 78 as required by the section 168 (1) (c) of the companies act no 07 of 2007.

2.6 Accounting Policies and changes during the year

The company prepared its financial statements in accordance with Sri Lanka accounting standards, which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

As required by the section 168 (1) (d) of the companies act no. 07 of 2007, the board of directors wish to confirm that there were no changes to the accounting policies used by the company during the year. Significant accounting policies adopted in the preparation of the financial statements of the company are given in pages 84 to 101.

2.7 Directors' interest in contracts with the company and the interest register

Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in note 32 (Related party disclosures) to the financial statements. In addition, the company carried out transactions in the ordinary course of business with the following entities having one or more directors in common.

Entries in the Interest register

As required by the section 168 (1) (e) of the Companies Act No. 7 of 2007, Interest Register is maintained by the company. Share ownership of directors is disclosed in note 12 of page 75.

Transactions with related undertakings

Name of the company	Name of Director	Position	Nature of transaction	Amount	
				2014/15	2013/14
Eastern Brokers Limited	Mr. S.S. Poholiyadde	Director	Brokerage	8,537,929/-	10,180,683/-

2.8 Directors' remuneration and other benefits

As required by the section 168 (1) (f) of the companies act no 07 of 2007, the Remuneration and other benefits of the Directors for the year ended 31 March 2015 is given in note 09 of the financial statements.

2.9 Donations

Donations made during the year by the company amounted to Rs. 18,333 /- (2013/14 – Rs. 512,000/-). The information given above on donations forms an integral part of the report of the board of directors as required by the section 168 (1) (g) of the companies act no. 07 of 2007.

3. Turnover

The turnover of the company was Rs. 2,194,906,240/- (2013/14 - 2,092,781,694 /-) and a composition of the Revenue is given in note 6 to the financial statements.

Financial results

For the year ended 31 March	2014/15 Rs. '000	2013/14 Rs. '000
Profit/(Loss) for the year after deducting all expenses, depreciation and all known liabilities amounts to	78,646	342,360
Share of profit of joint venture	52,133	38,076
Profit/ (loss) before taxation	130,779	380,436
Income tax expense	20,482	(44,509)
Making a profit/ (loss) after taxation of	151,261	335,928
Other comprehensive income	14,906	(7,154)
Un- appropriated profit brought forward	1,725,224	1,645,825
Profit available for distributions	1,891,390	1,974,599
Appropriations - Dividends paid	(47,500)	(249,375)
Un - appropriated profit carried forward	1,843,890	1,725,224

Details relating to the company's profits are given on page 79 and 80.

4. Dividend and Reserves

The directors recommend a cash dividend of Rs. 2.00 per share as the interim dividend for the year 2014/15 and paid on 19th November 2014. Information on the movement of retained earnings is given in the statement of changes in equity on Page 82. There was no General Reserve of the company as at 31 March 2015.

5. Provision for Taxation

As per the Inland Revenue Act, the company is liable on its profits from agricultural activities at 10%. All other sources of income will be liable to income tax at the rate of 28%.

The company has also provided deferred tax on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting Standard – LKAS 12 on "Income Taxes".

Information on Income Tax Expense and Deferred Taxes of the company are given in note 10 to the financial statements.

6. Property, Plant and Equipment

Detailed information relating to the movement of property, plant & equipment, Intangible assets and leasehold assets of the company as at reporting date is given in notes 12, 13, 14 & 15 to the accounts.

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 413,293,139/- (2013/14 - Rs. 303,781,371/- out of which expenditure on Replanting and Field Development amounts to Rs. 307,662,128 /- (2013/14 - Rs. 284,000,362/-). Capital expenditure has been financed by either long or short term borrowings depending on the pay back period and or internally generated funds.

7. Stated capital

Stated capital of the company as at 31 March 2015 was Rs. 350,000,010/-. Details of the stated capital are given in note 23 to the financial statements.

8. Share information Distribution schedule of shareholdings

Information on distribution of shareholding and the respective percentages are given in the section on "Shareholders and Investor information" on pages 128 and 131.

9. Substantial Shareholdings

The twenty largest shareholders of the company as at 31 March 2015 together with percentages held are given under the caption "Shareholder and Investor Information" on Page 130.

10. Information on Earnings, Dividend, Net Assets and Market Value

Information relating to Earnings, Dividend, Net Assets and Market Value per share is given on pages 129 of this report.

11. Directors

The names of the directors who held office during the year are given below. Their brief profile appear on Page 50 to 51.

Dr. S. Yaddhige	Chairman
Mr. J.H.P. Ratnayeke	Director
Mr. S.S. Poholiyadde	Director
Mr. Neville C. Peiris	Independent Non-Executive Director
Mr. A.K. Perera (Resigned w.e.f. 20.05.2015)	Independent Non-Executive Director
Dr. Henry Jayatissa De Costa (Appointed w.e.f. 30.06.2014)	Independent Non-Executive Director

(In accordance with the provisions of the Article 92 of the Articles of Association of the company, Mr. Sunil Poholiyadde who retires by rotation at the Annual General Meeting will be offered himself for re-election).

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

"That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 73 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa "

The Company has also received a letter dated 15th May 2015 from Dr. Jayatissa De Costa declaring his willingness to be elected to the Directorate of the Company.

The Directors who considered the contents of the letters received by the Company from RPC Plantation Management Services (Private) Limited and Dr. Jayatissa De Costa decided to notify the Shareholders of the Company of the Special Notice received by the Company and the proposed Resolution, which is to be moved at the Annual General Meeting of the Company for the purpose of considering and if thought fit passing the said Resolution as an Ordinary Resolution.

12. Disclosure of Directors' dealing in shares

Shareholding of directors who held office during the financial year is as follows.

Name of the Director	2014/15 No.of shares	2013/14 No.of shares
Dr. S. Yaddhige	-	-
Mr. J.H.P. Ratnayeke	-	-
Mr. S.S. Poholiyadde	3,000	3,000
Mr. Neville C Peiris	-	-
Mr. A.K. Perera (Resigned w.e.f. 20.05.2015)	-	-
Dr. Henry Jayatissa De Costa (Appointed w.e.f. 30.06.2014)	-	-

13. Board committees

Information on Board Committees is given in page 54 to 57 under Corporate Governance. Audit Committee and Remuneration Committee Reports are given on Pages 58 and 60 respectively.

14. Environmental protection

The company's activities can have both direct and indirect effects on the environment. It is the policy of the company to minimize any adverse effects by recycling resources as much as possible and creating awareness among staff on current global environmental threats. The company's efforts in relation to environmental protection are set out on Pages 28 to 47 under Sustainability Report.

15. Statutory payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments have been made up to date.

16. Events after the reporting date

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements under note 34.

17. Going Concern

The Directors have made an assessment of the Namunukula Plantations PLC's ability to continue as a going concern and they do not intend either liquidating or cease trading.

18. Auditors

Messrs. Ernst & Young, Chartered Accountants have audited the Financial Statements for the year ended 31 March 2015. The Auditor's Report is given on page 78.

Appointment of Auditors

In accordance with the Companies Act No. 7 of 2007, a resolution proposing re-appointment of Messrs. Ernst & Young, Chartered Accountants as Auditors to the company and authorizing the Directors of the company to fix their remuneration will be proposed at the Annual General Meeting.

19. Auditors' remuneration and Interest in contracts with company

The Audit Fees of Messrs. Ernst & Young for the current year was Rs 2,465,930/- (2013/14 - Rs. 2,262,700/-).

In addition Rs. 803,470/- (2013/14 - Rs. 409,496/-) was paid by the company for non-audit related work for certifications.

20. Interest in contract with company

As far as the directors were aware, the Auditors do not have any relationship other than that of an Auditor with the company.

21. Information on Ratios and Market Prices of shares

Information that require disclosures as per Rule 7.6 (xi) of the Listing rules of the Colombo Stock Exchange are given in the section on "Financial highlights" on pages 8 to 9 and shareholder and investor information on pages 128 to 131.

22. Human Resources


The company's recruitment and employment policy is non-discriminatory. Appraisals of individual employees are carried out by the respective departmental heads in order to evaluate their performance and realize their potential. Total number of employees of the company including all nineteen estates (with six estates of Uva region) are 6,784 (2013/14 - 3,863 (13 estates)). Details of Human resources are given in the section on "Human Resources" on pages 52 to 53.

23. Corporate governance and internal control

The policies adopted by the company in relation to best practices and good corporate governance are given on page 54 to 57. The Board has overall responsibility for the company's system of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss the company's internal control system has been designed to provide the directors with reasonable assurance that assets are safeguarded, transactions authorized and properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

24. Annual General Meeting and the notice of meeting

The Annual General Meeting will be held on 30 June 2015 at the registered office of the Company at 310, High Level Road, Nawinna, Maharagama. The notice of the Annual General Meeting is on page 142 of the report.



S S Poholiyadde
Director



J H P Ratnayeke
Director



Mrs. R J Siriweera
Company secretaries

Richard Pieris Group Services (Pvt) Ltd.
Secretaries,
310, High Level Road
Nawinna
Maharagama.

28 May 2015

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the directors of Namunukula Plantations PLC acknowledge their responsibility in relation to financial reporting of the company. These responsibilities differ from those of its Auditors, Messrs. Ernst & Young, which are set out in their report, appearing on page 78 of this report.

The financial statements of the company for the year ended 31 March 2015 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards. They provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements exhibited on pages from 84 to 101 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

The directors confirm their responsibility for ensuring that the company maintains accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the company. They also confirm their responsibility towards ensuring that the financial statements presented in the annual report give a true and fair view of the state of affairs of the company as at 31 March 2015 and that of the profit for the year then ended. The overall responsibility for the company's internal control systems lies with the directors.

Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the directors confirm that

Statement of Directors' Responsibility the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorised and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The directors' are of the view that the company has adequate resources to continue operations in the foreseeable future, and have continued to use the going-concern basis in the preparation of these financial statements.

The directors' have provided the Auditors Messrs. Ernst & Young, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data and express their opinion which appears as reported by them on Page 78 of this report.

By order of the Board,



Mrs. R J Siriweera
Company Secretary
Richard Pieris Group Services (Pvt) Ltd
Secretaries
310, High Level Road
Nawinna
Maharagama

28 May 2015.

Independent Auditors' Report



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
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Sri Lanka

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ey.com

TO THE SHAREHOLDERS OF NAMUNUKULA PLANTATIONS PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of Namunukula Plantations PLC ("the Company") which comprise the Statement of Financial Position as at March 31, 2015 and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant Accounting Policies and other explanatory notes.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

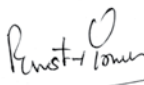
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2015, and of 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

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - The financial statements of the Company comply with the requirements of sections 151 of the Companies Act.


28 May 2015
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 FCA Ms. Y A De Silva FCA W R H Fernando FCA FCMA
W K B S P Fernando FCA FCMA Ms. L K H L Fonseka FCA 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 FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA ACMA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

For the year ended 31 March 2015

	Notes	2015 Rs.'000	2014 Rs.'000
Revenue	6	2,194,906	2,092,782
Cost of sales		(2,107,933)	(1,589,734)
Gross profit		86,973	503,048
Other income	7	136,544	98,606
Gain on change in fair value of biological assets	15	14,877	-
Administrative expenses		(40,116)	(42,962)
Provision for doubtful receivable	20	-	(80,279)
Management fee		(45,216)	(89,455)
Finance cost	8	(47,238)	(46,598)
Impairment of goodwill	18	(27,178)	-
Share of profit from the joint venture	16	52,133	38,076
Profit before taxation	9	130,779	380,436
Income tax (expense) / reversal	10	20,482	(44,508)
Net profit for the year		151,261	335,928
Basic earnings per share	11.1	6.37	14.14
Diluted earnings per share	11.1	6.37	14.14
Dividend per share	11.2	2.00	10.50

The accounting policies and notes on pages 84 through 123 form an integral part of the financial statements.

Statement of Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 Rs.'000	2014 Rs.'000
Profit for the year		151,261	335,928
Other comprehensive income			
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods (net of tax):		-	-
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods(net of tax):			
Remeasurement gains / (losses) on defined benefit plan, net of tax	25	17,433	(8,366)
Income tax effect	10.2	(2,528)	1,213
Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods		14,906	(7,154)
Other comprehensive income / (loss) for the year, net of tax		14,906	(7,154)
Total comprehensive income / (loss) for the year, net of tax		166,167	328,774

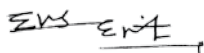
The accounting policies and notes on pages 84 through 123 form an integral part of the financial statements.

Statement of Financial Position

As at 31 March 2015


	Notes	2015 Rs.'000	2014 Rs.'000
ASSETS			
Non Current Assets			
Leasehold Property, Plant & Equipment	12	224,687	222,713
Freehold Property, Plant & Equipment	13	405,319	284,358
Bearer Biological Assets	14	2,076,171	1,724,980
Consumable Biological Assets	15	111,108	-
Long Term Investments - (Unquoted)	16	116,850	142,653
Financial Assets	17	250,000	-
Intangible Assets	18	340,515	-
Total Non Current Assets		3,524,650	2,374,704
Current Assets			
Inventories	19	211,195	208,739
Trade and Other Receivables	20	136,975	241,972
Amounts Due from Related Companies	21	-	35,576
Short Term Investment	22	-	288,889
Income Tax Receivable		5,441	-
Cash and Cash Equivalents	22	10,452	26,549
Total Current Assets		364,063	801,725
TOTAL ASSETS		3,888,713	3,176,429
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	23	350,000	350,000
Retained Earnings		1,843,891	1,725,224
Total Equity		2,193,891	2,075,224
Non Current Liabilities			
Interest Bearing Loans & Borrowings	24	187,749	249,689
Retirement Benefit Obligations	25	595,402	243,567
Deferred Tax Liability	10.4	20,158	26,291
Deferred Income	26	125,876	114,479
Liability to make Lease payment after one year	27	223,280	227,306
Total Non Current Liabilities		1,152,465	861,332
Current Liabilities			
Trade and Other Payables	28	440,023	189,273
Liability to make Lease payment within one year	27	4,026	3,872
Interest Bearing Loans & Borrowings	24	67,196	20,947
Amounts Due to Related Companies	29	31,112	19,400
Income Tax Liabilities		-	6,381
Total Current Liabilities		542,357	239,873
TOTAL LIABILITIES		1,694,822	1,101,205
TOTAL EQUITY AND LIABILITIES		3,888,713	3,176,429
Net Assets per Share (Rs.)		92.37	87.38

These financial statements are in compliance with the requirements of the companies Act No. 07 of 2007.



Sudheera Epatakumbura
Financial Controller

The board of directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the board of Directors of Namunukula Plantations PLC by.



S S Poholiyadde
Director



J H P Ratnayake
Director

The accounting policies and notes on pages 84 through 123 form an integral part of the financial statements.

Colombo,
28 May 2015

Statement of Changes in Equity

For the year ended 31 March 2015

	Stated capital Rs.'000	Retained earnings Rs.'000	Total Rs.'000
Balance as at 01 April 2013	350,000	1,645,825	1,995,825
Net profit for the year	-	335,928	335,928
Other comprehensive income/(loss)	-	(7,154)	(7,154)
Dividends	-	(249,375)	(249,375)
Balance as at 31 March 2014	350,000	1,725,224	2,075,224
Net profit for the year	-	151,261	151,261
Other comprehensive income/(loss)	-	14,906	14,906
Dividends	-	(47,500)	(47,500)
Balance as at 31 March 2015	350,000	1,843,891	2,193,891

The accounting policies and notes on pages 84 through 123 form an integral part of the financial statements.

Statement of Cash Flows

For the year ended 31 March 2015

	Notes	2015 Rs.'000	2014 Rs.'000
Cash Flows from Operating Activities			
Net Profit before Taxation		130,779	380,436
Adjustments for,			
Depreciation	12/13/14	113,758	92,073
Finance Cost	8	47,238	46,598
Provision for Defined Benefit Plan Cost	25	95,656	42,070
Profit on Disposal of Property, Plant & Equipment		(1,500)	(225)
Amortization of Grants	26	(2,847)	(2,829)
Fair Valuation charged against timber proceeds	15	2,100	-
Gain on change in fair value of biological assets	15	(14,877)	-
Impairment of goodwill	18	27,178	-
Share of Profit of Joint Venture	16	(52,133)	(38,076)
Provision for Bad & Doubtful Debts	20	-	80,279
Operating profit before working capital changes		345,352	600,326
(Increase)/Decrease in Inventories		70,107	(28,030)
(Increase)/Decrease in Trade and other Receivables		152,108	(81,583)
(Increase)/Decrease in Amounts due from Related Companies		35,576	20,191
Increase/(Decrease) in Trade and Other Payables		(191,432)	(49,356)
Increase/(Decrease) in Amounts due to Related Companies		11,711	19,400
Cash Generated from Operating Activities		423,422	480,948
Finance Cost Paid		(6,666)	(8,668)
Income Tax (Paid) / Refund		-	(4,646)
Defined Benefit Plan Cost Paid	25	(33,094)	(23,293)
Net Cash Flow From Operating Activities		383,662	444,341
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment	13	(105,631)	(19,781)
Share buy back (Unquoted Investment)	16	48,333	-
Dividend Received	16	29,602	12,132
Investments in Immature plantation	14	(307,662)	(284,000)
Long Term Investment in debentures	17	(250,000)	-
Proceeds from Disposal of Property, Plant & Equipment		1,500	225
Net cash received at acquisition of Uva six estates		12	-
Grants Received	26	2,832	5,647
Net Cash Flow From Investing Activities		(581,014)	(285,777)
Cash Flows from Financing Activities			
Payment of Government Lease rentals		(44,444)	(41,653)
Proceeds from borrowings		-	-
Repayment of loans		(27,547)	(26,614)
Dividend Paid	11.2	(47,500)	(249,375)
Net Cash Flow From Financing Activities		(119,491)	(317,642)
Net Increase/(Decrease) in Cash and Cash Equivalents		(316,843)	(159,079)
A. Cash & Cash Equivalents at the Beginning of the Year		315,438	474,517
B. Cash & Cash Equivalents at the End of the Year		(1,405)	315,438
Note A			
Cash & Cash Equivalents at the Beginning of the Year			
Cash & Bank Balances		26,549	23,226
Short Term Investment		288,889	462,694
Bank Overdrafts (Note 24.2)		-	(11,403)
		315,438	474,517
Note B			
Cash & Cash Equivalents at the End of the Year			
Cash & Bank Balances		10,452	26,549
Short Term Investment		-	288,889
Bank Overdrafts (Note 24.2)		(11,857)	-
		(1,405)	315,438

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

Namunukula Plantations PLC is a limited liability company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the company is located at 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Kalutara, Galle, Matara and Badulla.

The Uva range six estates were reacquired by Namunukula Plantations PLC and continued their operations under the legal entity of Namunukula Plantations PLC. Accordingly, the assets and liabilities of the Uva range six estates were amalgamated with Namunukula Plantations PLC. Details of reacquisition are given in note 18.

The ordinary shares of the company are listed on the Colombo Stock Exchange (CSE) of Sri Lanka.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the company were the cultivation, manufacture and sale of Black Tea, Rubber, Coconut, Oil Palm and other Crops.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is RPC Plantation Management Services (Pvt) Ltd. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Richard Pieris and Company PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Namunukula Plantations PLC for the year ended 31 March 2015 were authorized for issue in accordance with a resolution of the Board of Directors on 28 May 2015.

2. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except following items in the Financial Statements. No adjustments have been made for inflationary factors in the Financial Statements.

- Right to Use of Land and leased assets of JEDB/SLSPC have been revalued as described in note 12 to the Financial Statements.
- Managed Consumable biological assets are measured at fair value.
- Financial instruments - Fair Value through Profit or Loss are measured at fair value.
- Financial instruments - Available-for-sale financial assets are measured at fair value.

The Financial Statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest thousand, unless stated otherwise.

2.1 Statement of Compliance

The Financial Statements of Namunukula Plantations PLC which comprise the Statement of Profit or Loss, the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CASL) and also in compliance with the requirements of the Companies Act No. 07 of 2007.

2.2 Going Concern

The financial statements of the company have been prepared on the assumption that the company is

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

a going concern. The Directors have made an assessment of the Namunukula Plantations PLC's ability to continue as a going concern and they do not intend either liquidating or cease trading.

2.3 Comparative Information

The presentation and classification of comparative information has where necessary been reclassified to conform with the current year's presentation.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Sri Lanka Accounting Standards require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

3.1 Defined Benefit Plans

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 25.

3.2 Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.3 Biological Assets

The fair value of managed timber trees depends on a number of factors that are determined on a discounted method using various financial and non financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the note 15.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are consistent with those used in the previous year. Comparative information has, where necessary, been reclassified for conform to the current year's presentation.

4.1 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests.

Notes to the Financial Statements (Contd.)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

4.1.1 Fair Value Measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - Quoted (unadjusted) market process in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as managed biological assets, and significant liabilities, such as retirement benefit obligation. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.1.2 Current versus non-current classification

The company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.2 Assets and Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle of the Company's business or within one year from the reporting date whichever is shorter. Assets other than current assets are those, which the Company intends to hold

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

beyond a period of one year from the date Statement of Financial Position.

4.2.1 Property, Plant and Equipment

a) Recognition and Measurement

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be reliably measured. Items of Property, Plant & Equipment is measured at cost or fair value less accumulated depreciation and accumulated impairment losses, if any.

b) Freehold Assets

All items of Property, Plant & Equipment are initially recorded at cost. The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets (Major Components) with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Where items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Revaluations are made with sufficient

regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date. Subsequent to the initial recognition as an asset at cost, revalued Property, Plant and Equipment are carried at revalued amounts less any subsequent depreciation thereon. All other Property, Plant and Equipment are stated at historical cost less depreciation.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to Accumulated Profits on retirement or disposal of the asset.

The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognised in profit or loss as incurred.

The carrying amount of an item of Property, Plant & Equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognised in profit or loss and gains are not classified as revenue.

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

Notes to the Financial Statements (Contd.)

c) Leasehold Assets

Assets obtained under the finance lease, which effectively transfer to the Company substantially, all of the risks and benefits incidental to ownership of the leased assets, are treated as if they have been purchased outright and are capitalised at their cash price. Assets acquired by way of a finance lease are measured at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception, less accumulated depreciation and accumulated impairment losses.

Assets held under finance lease are amortised over the shorter of the lease period or the useful lives of equivalent-owned assets, unless ownership is not transferred at the end of the lease period. The principal / capital elements payable to the lessor are shown as liability / obligation. The lease rentals are treated as consisting of capital and interest elements. The capital element in the rental that is applied to reduce the outstanding obligation and interest element is charged against profit, in proportion to the reducing capital element outstanding.

The cost of improvements to or on leased property is capitalised, disclosed as improvements to leasehold property and depreciated over the unexpired period of the lease, or the estimated useful lives of the improvements, whichever is shorter.

Operating lease payments are recognised as an operating expense in the Statement of Profit or Loss on a straight-line basis over the lease term.

d) Land Development Cost

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

e) Subsequent Cost

The cost of replacing part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy given below.

The costs of the day-to-day servicing of Property, Plant & Equipment are recognised in profit or loss as incurred.

f) Depreciation

Depreciation is recognized in Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the company will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows,

Buildings	Over 40 years
Plant & Machinery	Over 13 years
Colour Separators	Over 20 years
Furniture & Fittings	Over 10 years
Motor Vehicles	Over 05 years
Equipments	Over 08 years
Computers	Over 04 years
Computer Software	Over 03 years

Mature Plantation (Replanting and New Planting)

Tea	Over 30 years
Rubber	Over 20 years
Coconut	Over 20 years
Oil Palm	Over 20 years
Cinnamon	Over 20 years

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less.

No depreciation is provided for immature plantations.

g) Amortization

The leasehold rights of assets taken over from JEDB/SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows.

Leasehold Property	Over 53 years
Mature Plantations	Over 30 years
Buildings	Over 25 years
Machinery	Over 15 years
Improvements to Land	Over 30 years

The asset's residual values, useful lives and method of depreciation are reviewed and adjusted if appropriate at each financial year end.

4.2.2 Biological Assets

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber those that are to be harvested as agricultural produce or sold as biological assets.

The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The requirement of recognition of bearer biological assets at its fair value less cost to sell under LKAS 41 was superseded by the ruling issued on 02 March 2012, by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Company has elected to measure the bearer biological assets at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – "Property Plant & Equipment".

The consumable biological assets/managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41 – "Agriculture".

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

4.2.2.1 Bearer Biological Assets

Immature and Mature Plantations

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus directly attributable overheads. The expenditure incurred on bearer biological assets (Tea & Rubber) which comes into bearing during the year, is transferred to mature plantations.

Notes to the Financial Statements (Contd.)

Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Permanent impairments to Biological Asset are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

Infilling Cost on bearer biological assets

Where infilling results in an increase in the expected economic benefit of the relevant field beyond its previously assessed standard of performance, the costs are capitalised to the relevant mature fields and depreciate over the useful economic life of relevant mature field or unexpired lease period whichever is shorter.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred

4.2.3 Intangible Assets

Intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental or for administrative purpose. An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 on "Intangible Assets".

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with

finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss.

Intangible assets with indefinite useful lives are not amortized but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4.2.3.1 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalized development expenditure is measured at cost, less accumulated amortization and accumulated impairment losses.

4.2.4 Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

where borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of that asset. The amount of borrowing costs which are eligible for capitalisation is determined in accordance with LKAS 23 "Borrowing Costs". The capitalisation rate of 6.91 % (2013/14 – 12.83 %) was used.

Borrowing costs incurred in respect of specific loans that are utilised for field development activities have been capitalised as a part of the cost of the relevant immature plantation. The capitalisation will cease when the crops are ready for commercial harvest.

Borrowing Costs amounting to Rs.17,743,303/- (2013/14 – Rs. 36,435,142/-) incurred on borrowings obtained to meet expenses relating to field development activities have been capitalized as part of the cost of the immature plantations.

4.2.5 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset 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 and 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 groups 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of Profit or Loss in those expense categories consistent with the function of

the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 'exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for Goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the Goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which Goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to Goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill as at 31 March.

Notes to the Financial Statements (Contd.)

4.3 Investment in Joint Venture

The company has an interest in a joint venture which is a jointly controlled entity. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest. The company recognises its interest in the joint venture using the equity method.

Under the equity method, the investment in the joint venture is carried in the Statement of Financial Position at cost plus post acquisition changes in the company's share of net assets of the associate. Goodwill relating to a joint venture is included in the carrying amount of the investment and is not amortized. The Statement of Profit or Loss reflects the share of the results of operations of the joint venture. Where there has been a change recognized directly in the equity of the joint venture, the company recognizes its share of any changes and discloses this, when applicable, in the Statement of Changes in Equity. Profits and Losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The reporting dates of the joint venture and the company are identical and the joint venture's accounting policies conform to those used by the company for like transactions and events in similar circumstances.

4.4 Financial Instruments

4.4.1 Financial assets

4.4.1.1 Initial Recognition and Measurement

Financial assets within the scope of LKAS 39 – "Financial Instruments : Recognition & Measurement" are classified as financial assets at Fair Value through Profit or Loss, Loans and Receivables, Held-to-Maturity Investments, Available-For-Sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

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

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

4.4.1.2 Subsequent Measurement

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

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with changes in fair value recognised in finance income or finance costs in the Statement of Profit or Loss.

The Company has not designated any financial assets as at fair value through profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in finance costs.

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Notes to the Financial Statements (Contd.)

Loans and receivables comprise of trade receivables, amounts due from related parties, deposits, advances and other receivables and cash and cash equivalents.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in finance costs.

(d) Available-for-sale financial investments

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of the financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognised in profit or loss. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Available-for-sale comprise of investment in quoted and unquoted shares.

4.4.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an

obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- a. the Company has transferred substantially all the risks and rewards of the asset, or
- b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4.4.1.4 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Notes to the Financial Statements (Contd.)

4.4.2 Financial liabilities

4.4.2.1 Initial recognition and measurement

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

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

The Company’s financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

4.4.2.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

(b) Other financial liabilities

Other financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables, income tax payables and amounts due to related parties.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) method amortization process.

4.4.3 Derecognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

4.4.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.4.5 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm’s length market transactions.
- Reference to the current fair value of another instrument that is substantially the same.
- A discounted cash flow analysis or other valuation models.

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Notes to the Financial Statements (Contd.)

4.4.6 Financial Risk Management objectives and policies

The Company's principal financial liabilities comprise with loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. Further the company has loans and other receivables, trade and other receivables and cash and short term deposits that arrive directly from its operations. Accordingly, the company has exposure to namely Credit Risk, Liquidity Risk, Interest Rate Risk and Foreign currency Risk from its use of Financial Instruments.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk.

4.4.6.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Trade receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which the customers operate, as these factors may have an influence on credit risk.

The Company reviews external ratings and bank references of the customer when available. Purchase limits are established for each customer, which are reviewed on an ongoing basis. In monitoring credit risk, customers are categorised according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of previous financial difficulties.

The maximum exposure to credit risk for trade receivables at the reporting date is Rs. 169 Mn (2013/14 – Rs. 174 Mn).

Company has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven days by the Tea and Rubber auction systems.

Financial instruments and cash deposits

Credit risks from invested balance with the financial institutions are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The company held debenture investments of Rs. 250 Mn as at 31st March 2015 (2013/14 – Nil) which represents the maximum credit exposure on these assets and Cash and Cash Equivalents balance of Rs. 10.5 Mn as at 31st March 2015 (2013/14 – Rs. 26.5 Mn) which represents its maximum credit exposure on these assets.

4.4.6.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The company aims to fund investment activities by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the company consults the Treasury Department of Parent company for scrutinizing the funding decisions.

Notes to the Financial Statements (Contd.)

Maximum liquidity risk on Trade and other payable balance is Rs. 440 Mn as at 31st March 2015 (2013/14 - 189 Mn) and Interest bearing loans & borrowing amounting to 67 Mn (2013/14 - 21 Mn.) and 188 Mn (2013/14 - 249 Mn.), will mature in within 01 year and more than 01 year respectively.

4.4.6.3 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities such as Sales and Purchases those are denominated in a currency other than the respective functional currency of the Company. The currency in which these transactions primarily are denominated is US Dollars.

4.4.6.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The company has not engaged in any interest rate swap agreements.

The company held long term borrowings with floating interest rates of Rs. 243 Mn (2013/14 - Rs. 271 Mn) which represents its maximum credit exposure on these liabilities.

4.5 Inventories

4.5.1 Produce Inventories from biological assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition

4.5.2 Input material, spares and consumables

At actual cost on weighted average basis.

4.5.3 Agricultural produce harvested from biological assets

Agricultural produce harvested from biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produces are valued by adding the cost of conversion to the fair value of the agricultural produce.

4.6 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as 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 Statement of Cash Flows, Cash and Cash Equivalent consists 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 acquisitions are also treated as Cash Equivalents.

Interest paid and received is classified as Operating Cash Flows.

The Statement of Cash Flows is reported based on indirect method.

4.7 Foreign Currency Transactions

Transactions in foreign currencies are translated into the respective functional currencies of company entities at exchange rates applicable on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. Foreign currency differences arising on retranslation are recognised in Statement of Profit or Loss. Non-monetary assets and liabilities which are carried in terms of historical cost in a foreign currency are retranslated at the exchange rate that prevailed at the date of the transaction.

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Notes to the Financial Statements (Contd.)

4.8 Bases of Valuation of Liabilities

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date. All known liabilities have been accounted for in preparing these Financial Statements. Liabilities are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.8.1 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance expense.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

Contingent assets are disclosed, where inflow of economic benefit is probable.

4.8.2 Employee Benefits.

(a) Defined Benefit Plans – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually

using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the 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. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income in the period in which they arise. Actuarial gains & losses recognized in Other Comprehensive Income are recognized immediately in retained earnings and are not reclassified to profit or loss. Past service costs are recognised immediately in Statement of Profit or Loss.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, "Employee Benefits". However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2015. The company expects to carry out actuarial valuation in every year. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2015.

Key assumptions used by the actuary is as follows,

- Rate of discount - 10.25 % p.a. (2013/14 - 11 %)
- Salary increment rate
 - Workers - 16 % p.a. every two years
 - Staff - 8% p.a. (2013/14 - 10%)
- Retirement age
 - Workers (Male & Female) 60 years
 - Estate staff (Male & Female) 58 years
 - Head office staff (Male & Female) 55 years
- The Company will continue in business as a going concern.

Notes to the Financial Statements (Contd.)

This item is grouped under Retirement Benefit Obligations in the Statement of Financial Position. The liability is not externally funded.

(b) Defined Contribution Plans – Employees’ Provident Fund & Employees’ Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit and loss in the periods during which services are rendered by employees.

The company contributes 12% on consolidated salary of the employees to Ceylon Planters’ Provident Society (CPPS)/Estate Staff Provident Society (ESPS)/Employees’ Provident Fund (EPF).

All the employees of the company are members of the Employees’ Trust Fund (ETF), to which the company contributes 3% on the consolidated salary of such employees.

Employees are eligible for Employees’ Provident Fund Contributions and Employees’ Trust Fund Contributions in line with the respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively.

4.8.3 Deferred Income - Grants and Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Statement of Profit or

Loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

Grants related to property, plant & equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related property, plant & equipment. Assets are amortised over their useful lives or unexpired lease period, whichever is less.

Grants received for forestry are initially deferred and credited to income once when the related blocks of trees are harvested.

Buildings	40 years
Sanitation & water supply	40 years
Plant & equipment	13 years

4.9 Statement of Profit or Loss

For the purpose of presentation of the Statement of Profit or Loss 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.

4.9.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

(b) Interest

Interest Income is recognized as the interest accrued (taking into account the effective yield on the asset) unless collectability is in doubt.

(c) Rental Income

Rental income is recognized on an accrual basis.

(d) Dividend Income

Dividend income is recognised in the Statement of Profit or Loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex dividend date.

(e) Gains and losses

Net Gains and losses of a revenue nature on the disposal of property, plant & equipment and other non current assets are accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. On disposal of revalued property, plant and equipment, amount remaining in Revaluation Reserve relating to that asset is transferred directly to Accumulated Profit / (Loss).

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

(f) Others

Other income is recognized on an accrual basis.

4.9.2 Expenditure Recognition

Expenses are recognized in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to Statement of Profit or Loss in arriving at the profit for the year.

4.9.3 Financing Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognised in Statement of Profit or Loss as it accrues.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currency gains and losses are reported on a net basis.

4.10 Taxation

a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used for the computation are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

b) Deferred Taxation

Deferred tax is recognised, using the liability method, on all 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 taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax

Notes to the Financial Statements (Contd.)

losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except,

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

4.10.1 Super Gains Tax

As per Finance Bill issued on 30th March 2015, where the aggregate profits (as per audited financial statement) of subsidiaries and the holding company, within a group of companies, exceed Rs. 2 bn for the year of assessment 2013/2014, each company of such group is liable to pay a levy known as Super Gains Tax which is 25% of the taxable income of such company for the year of assessment 2013/2014.

The Bill is yet to be enacted.

4.11 Segment Reporting

Segmental information is provided for the different business segments of the company. Business segmentation has been determined based on the nature of goods provided by the company after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on the note 6 to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly Long term investments (Unquoted), Financial Assets - Debenture, Goodwill on business combination and deferred tax liability.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards when they become effective.

- **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. This standard was originally effective for annual periods commencing on or after 01 January 2015. However the effective date has been deferred subsequently.

- **SLFRS 15 - Revenue from Contracts with Customers**

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition

guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. This standard is effective for the annual periods beginning on or after 01 January 2017.

- **Amendment to LKAS 41 - Agriculture & LKAS 16 - Property, Plant & Equipment**

This amendment define a bearer plant and accordingly, require bearer plants to be accounted for as property, plant and equipment and include within the scope of LKAS 16, instead of LKAS 41. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. However, this amendment has no impact on company's current accounting treatment on recognition and measurement, which is based on CASL ruling issued on 2 March 2012

The company in the process of reviewing these new standards and pending the completion of detailed review, the financial impact is not reasonably estimate as at the date of publication of these financial statements.

Notes to the Financial Statements (Contd.)

6 REVENUE

6.1 Summary

Sale of goods

Tea
 Rubber
 Oil Palm
 Coconut
 Cinnamon

6.2 Segment information

Industry

	Tea		Rubber	
	2015 Rs.000	2014 Rs.000	2015 Rs.000	2014 Rs.000
Revenue	1,312,931	1,015,203	288,067	480,464
Revenue expenditure	(1,443,640)	(962,129)	(302,545)	(366,487)
Depreciation / Amortization	(28,927)	(28,172)	(36,104)	(25,859)
Gratuity	(60,722)	(8,607)	(18,261)	(20,518)
Gross profit	(220,358)	16,295	(68,843)	67,600

Other Income
 Gain on change in fair value of biological assets
 Administrative expenses
 Provision for doubtful receivable
 Management fees
 Finance cost
 Impairment Loss on goodwill
 Share of Profit from the Joint Venture

Segment Assets	Tea		Rubber	
	2015 Rs.000	2014 Rs.000	2015 Rs.000	2014 Rs.000
Non Current Assets				
Cost	1,057,349	955,057	1,247,536	1,141,617
Accumulated depreciation/Amortization	(384,780)	(445,066)	(415,461)	(370,711)
Current Assets	197,249	182,725	20,772	37,269
Total Assets	869,819	692,716	852,848	808,175

Segment Liabilities

Non Current Liabilities	523,271	128,520	385,364	229,556
Current Liabilities	336,818	104,295	29,898	39,727
Total Liability	860,090	232,815	415,262	269,284

Segment Capital Expenditure

Cost	99,392	21,605	78,886	103,394
Total Capital Expenditure				

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

	2015	2014
	Rs.000	Rs.000
	1,312,931	1,015,203
	288,067	480,464
	553,206	556,708
	25,012	27,079
	15,690	13,328
	2,194,906	2,092,782

Oil Palm		Coconut		Cinnamon		Total	
2015	2014	2015	2014	2015	2014	2015	2014
Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
553,206	556,708	25,012	27,079	15,690	13,328	2,194,906	2,092,782
(135,690)	(110,396)	(11,623)	(11,005)	(9,581)	(7,734)	(1,903,079)	(1,457,750)
(36,579)	(30,644)	(4,715)	(3,505)	(4,673)	(3,532)	(110,998)	(91,714)
(13,151)	(10,016)	(883)	(616)	(839)	(514)	(93,856)	(40,270)
367,786	405,652	7,791	11,953	597	1,548	86,973	503,048

136,545	98,606
14,877	-
(40,116)	(42,962)
-	(80,279)
(45,216)	(89,455)
(47,238)	(46,598)
(27,178)	-
52,132	38,076
130,779	380,436

Oil Palm		Other Crops		Unallocated		Total	
2015	2014	2015	2014	2015	2014	2015	2014
Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
1,207,435	909,582	245,095	184,635	879,941	182,762	4,637,357	3,373,653
(250,060)	(143,034)	(45,085)	(25,788)	(17,321)	(14,349)	(1,112,707)	(998,949)
27,722	26,325	7,538	4,646	110,781	550,761	364,063	801,725
985,097	792,873	207,548	163,492	973,401	719,173	3,888,713	3,176,429

164,120	231,456	19,161	18,203	60,548	253,597	1,152,465	861,332
77,534	8,675	8,873	5,324	89,235	81,853	542,357	239,873
241,653	240,131	28,034	23,527	149,783	335,449	1,694,823	1,101,206

177,718	137,772	33,269	40,724	24,028	286	413,293	303,781
						413,293	303,781

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

7. Other Income	2015	2014
	Rs.'000	Rs.'000
Amortisation of Capital Grants	2,847	2,829
Profit from Sale of Refuse Tea	10,466	6,592
Interest Income	27,415	59,182
Income from Consumable biological assets	1,550	-
Sundry Income	94,266	30,003
	136,544	98,606

8. Finance Cost	2015	2014
	Rs.'000	Rs.'000
Variable lease Rental	31,258	28,467
Interest on Lease rental	9,314	9,463
Term Loan Interest	22,500	44,419
Bank Charges & Debit Tax	1,910	684
	64,982	83,033
Less : Amount Capitalized	(17,744)	(36,435)
	47,238	46,598

8.1 Sensitivity Analysis on Floating Interest rate changes

The following table demonstrates the sensitivity effect from reasonably possible change in floating interest rates on relevant portion of loans and borrowings. With all other variables held constant, the company Profit before tax is affected through the impact on floating rate borrowings is as follows.

Variable	Effect on profit before tax
	Rs.'000
1 % Increase in interest rate	(2,377)
1 % Decrease in interest rate	2,377

The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company has not engaged in any interest rate swap agreements.

9. Profit before Taxation is Stated after Charging	2015	2014
	Rs.'000	Rs.'000
Auditor's Remuneration	2,466	2,263
Directors' Remuneration	716	400
Depreciation / Amortisation	113,758	92,072
Defined benefit plan costs	95,656	42,070
Defined Contributions Plan Costs - EPF & ETF	121,473	76,168
Staff Costs (Workers & Staff)	1,102,456	721,848

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

	2015	2014
	Rs.'000	Rs.'000
10. Income Tax Expense		
10.1 Statement of Profit or Loss		
(a) Current Tax Expense		
Current Income Tax (Expense)/ Reversal	11,822	(8,762)
	11,822	(8,762)
(b) Deferred Tax Expense		
Deferred Tax (Charge)/ Reversal	8,660	(35,746)
	8,660	(35,746)
Tax charge reported in Statement of profit or loss	20,482	(44,508)
10.2 Statement of Comprehensive Income		
Net actuarial Gain/(Loss) on defined benefit plans	(2,528)	1,213
Tax charge directly to Comprehensive Income	(2,528)	1,213
10.3 Reconciliation between Tax Expenses and The Product Of Accounting Profit Multiplied by The Statutory Tax Rate Of as Follows		
	2015	2014
	Rs.'000	Rs.'000
Accounting Profit/(Loss) Before Tax	130,779	380,436
Aggregate Disallowed Items	307,416	252,892
Aggregate Allowable Expenses	(531,114)	(484,911)
Tax Exempt Income	-	-
Taxable Business Profit/ (Loss)	(92,920)	148,418
Interest Income	2,758	59,182
Total Statutory Income	(90,162)	207,600
Tax Losses brought forward/ utilized	(965)	(72,660)
Assessable Income	(91,127)	134,940
Qualifying Payments	-	(47,315)
Taxable Income	(91,127)	87,625
Taxable Income from Agriculture	-	87,625
Taxable Income from Manufacturing	-	-
Taxable Interest Income	1,793	-
Total Taxable Income	1,793	87,625
Income Tax @ 10%	-	8,762
Income Tax @ 28%	502	-
Income Tax on Current Year Profits	502	8,762
Income Tax Adjustments	-	-
Previous Year Income Tax adjustment	(12,324)	-
Provided in the Accounts	(11,822)	8,762

Notes to the Financial Statements (Contd.)

10.4 Deferred Tax Asset/(Liability)	2015		2014	
	Temporary Differences	Tax Effect	Temporary Differences	Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at 1 April	(673,890)	(26,291)	(363,977)	8,242
Amount originating during the year	(50,587)	6,133	(309,913)	(34,533)
As at 31 March	(724,477)	(20,158)	(673,890)	(26,291)
Temporary difference on,				
Property, Plant and Equipment	(192,481)	(36,446)	(131,529)	(25,273)
Bearer Biological Assets (Tea & Rubber)	(2,076,171)	(207,617)	(1,724,981)	(172,498)
Retirement Benefit Obligation	595,402	86,333	243,567	35,317
Carried forward tax losses	948,773	137,572	939,053	136,163
As at 31 March	(724,477)	(20,158)	(673,890)	(26,291)

11. Earnings per share and Dividend per share

11.1 Basic/Diluted Earnings per share

- (a) The calculation of the basic earnings per share is based on after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.
- (b) Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive shares outstanding at any time during the period/previous year.

11.1.1 The following reflects the income and share data used in the basic and diluted earnings per share computations.

	2015	2014
	Rs.'000	Rs.'000
Amounts used as the Numerator :		
Net Profit applicable to ordinary shareholders for basic and diluted earnings per share	151,261	335,928
	151,261	335,928
Amounts used as the Denominator :		
Weighted average number of ordinary shares in issue applicable to basic earnings per share	23,750,001	23,750,001
Weighted average number of ordinary shares adjusted for the effect of dilution	23,750,001	23,750,001

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

11.2 Dividend per Share	2015	2014
	Rs.'000	Rs.'000
Interim Dividend Paid		
- 1st Interim Dividend	47,500	213,750
	-	35,625
	47,500	249,375
Number of ordinary shares	23,750,001	23,750,001
Dividend per share	2.00	10.50

12. Leasehold Property, Plant & Equipment	Notes	2015	2014
		Rs.'000	Rs.'000
Right to use of Land	12.1	112,930	116,661
Immovable Leased Bearer Biological Assets	12.2.1	105,272	100,476
Immovable Leased assets (other than right to use of land and bearer biological assets)	12.2.2	6,485	5,576
		224,687	222,713

12.1 Right to use of land

Leases have been executed for eighteen estates for a period of 53 years other than for which a memorandum of record has been signed between the Company & SLSPC/JEDB. All of these leases are/will be retroactive to June, 22 1992 the date of formation of the company. The right to use of land on all of these estates have been taken into the books of the Company as at 22 June 1992, immediately after the formation of the company, in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose the Board has decided at its meeting on March 8, 1995 that this bare land would be revalued at the value established for this land by Valuation specialist, Mr. D.R. Wickremasinghe immediately prior to the formation of the company. The value taken into the 22 June 1992 Statement of Financial Position and amortization of the right to use of land to 31 March 2015 are as follows.

	Revaluation as at	Accumulated Amortisation as at	Amortisation for the year	Accumulated Amortisation as at	Written Down Value as at	Written Down Value as at
	22.06.1992	01.04.2014		31.03.2015	31.03.2015	31.03.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Right to use of Land	197,763	81,102	3,731	84,834	112,930	116,661
	197,763	81,102	3,731	84,834	112,930	116,661

The unexpired period of the lease as at the reporting date is 30 years.

12.2 Immovable Leased Assets

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka, all immovable assets in these estates under finance leases have been taken into the books of the company retroactive to 22 June 1992. For this purpose the board decided at its meeting on March 8, 1995 that these assets would be taken at their book values as they appear in the books of the SLSPC/JEDB, on the day immediately preceding the date of formation of the company. These assets are taken into the 22 June 1992 Statement of Financial Position and the amortisation of immovable estate assets to 31 March 2015 are as follows.

Notes to the Financial Statements (Contd.)

12.2.1 Immovable Leased Bearer Biological Assets

	Immature Plantations Rs.'000	Mature Plantations Rs.'000	Total Rs.'000
Revaluation as at 22.06.92	213,332	103,652	316,984
Transfers	(213,332)	213,332	-
Government Acquisition (2005/06)	-	(6,449)	(6,449)
Disposals (2006/07)	-	(45,690)	(45,690)
Re Acquisition	-	15,075	15,075
Balance as at 31.03.2015	-	279,920	279,920
Accumulated amortisation as at 01.04.2014	-	164,370	164,370
Amortisation during the year	-	10,278	10,278
Accumulated amortisation as at 31.03.2015	-	174,648	174,648
Written down value as at 31.03.2015	-	105,272	105,272
Written down value as at 31.03.2014	-	100,476	100,476

Note:

"Investment in plantation assets which were immature at the time of handing over to the Company by way of estate leases are shown under immature plantations (revalued as at 22 June 1992) all of which have been transferred to mature plantations as at the reporting date."

However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea and rubber were classified as bearer biological assets in terms of LKAS 41 - Agriculture. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortisation. Further investments in such plantations to bring them to maturity are shown in note 14.

12.2.2 Immovable Leased assets (other than right-to-use of land and bearer biological assets)

	Improvement to Land Rs.'000	Buildings Rs.'000	Plant & Machinery Rs.'000	Total Rs.'000
Revaluation as at 22.06.92	6,984	42,429	3,514	52,927
Re Acquisition	-	4,146	83	4,229
Balance as at 31.03.2015	6,984	46,575	3,597	57,156
Accumulated amortisation as at 01.04.2014	6,457	37,379	3,514	47,351
Amortisation during the year	233	3,044	43	3,320
Accumulated amortisation as at 31.03.2015	6,690	40,423	3,557	50,670
Written down value as at 31.03.2015	294	6,152	40	6,485
Written down value as at 31.03.2014	527	5,050	-	5,576

These assets are being amortised in equal annual amounts over the following periods:

Mature Plantations/Improvement to land	30 years
Buildings	25 years
Machinery	15 years

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

13. Freehold Property, Plant & Equipments

	Balance as at 01.04.2014	Balance as at 01.04.2014	Balance as at 01.04.2014	Balance as at 31.03.2015	Balance as at 31.03.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost					
Buildings	183,426	47,300	-	230,726	183,426
Motor Vehicles	103,188	24,370	-	127,558	103,188
Plant & Machinery	240,762	48,407	-	289,169	240,762
Furniture & Fittings	5,734	98	-	5,833	5,734
Equipment	17,295	1,074	-	18,369	17,295
Computers	13,653	670	-	14,323	13,653
Computer Software	1,769	-	-	1,769	1,769
	565,827	121,919	-	687,746	565,827
	Balance as at 01.04.2014	Charge for the Year	Accumulated depreciation on disposals	Balance as at 31.03.2015	Balance as at 31.03.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation					
Buildings	35,588	6,142	-	41,730	35,588
Motor Vehicles	85,777	10,525	-	96,302	85,777
Plant & Machinery	174,682	11,614	-	186,296	174,682
Furniture & Fittings	4,797	135	-	4,932	4,797
Equipment	15,370	461	-	15,831	15,370
Computers	12,176	880	-	13,056	12,176
Computer Software	1,769	-	-	1,769	1,769
	330,159	29,756	-	359,915	330,159
Written Down Value	235,667			327,830	235,667
Assets Acquired on Finance Lease	Balance as at 01.04.2014	Balance as at 01.04.2014	Balance as at 01.04.2014	Balance as at 31.03.2015	Balance as at 31.03.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost					
Plant & Machinery	35,233	-	-	35,233	35,233
	35,233	-	-	35,233	35,233
	Balance as at 01.04.2014	Charge for the year	Disposals during the year	Balance as at 31.03.2015	Balance as at 31.03.2014
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation					
Plant & Machinery	27,491	2,695	-	30,186	27,491
	27,491	2,695	-	30,186	27,491
Written Down Value	7,742			5,047	7,742

Notes to the Financial Statements (Contd.)

	Balance as at 01.04.2014 Rs.'000	Additions for the Year Rs.'000	Transferred during the Year Rs.'000	Balance as at 31.03.2015 Rs.'000	Balance as at 31.03.2014 Rs.'000
Capital Work-in-Progress	40,948	34,410	(2,917)	72,442	40,948
Total Written Down Value	284,358			405,319	284,358

The assets shown above are those movable assets vested in the Company by gazette notification at the date of formation of the Company (22 June 1992) and all investments in tangible assets by the Company since its formation. The assets taken over by way of estate leases are set out in notes 12.1 & 12.2.

Further, the valuation of immovable JEDB/SLSPC estate assets on finance lease (other than right to use of land) and tangible assets, other than immature/mature plantations taken over as at 22 June 1992 is based on net book values obtained from the Sri Lanka State Plantations Corporation & Janatha Estate Development Board as at such date. These values were not made available to us on an individual asset basis.

The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at the date of the Statement of Financial Position is Rs. 220,960,802/- (2013/14 - Rs.192,898,402/-).

14. Bearer Biological Assets

Cost	Immature Plantations Rs.'000	Mature Plantations Rs.'000	Total Rs.'000
At the beginning of the year	754,630	1,318,826	2,073,456
Additions/Re Acquisition	415,168	-	415,168
Transfers	(305,880)	305,880	-
At the end of the year	863,918	1,624,706	2,488,624
Depreciation			
At the beginning of the year	-	348,476	348,476
Charge for the year	-	63,978	63,978
At the end of the year	-	412,453	412,453
Written Down Value - as at 31.03.15	863,918	1,212,253	2,076,171
Written Down Value - as at 31.03.14	754,630	970,350	1,724,980

Note:

These are investments in immature/mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in notes 12.1 and 12.2. Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity will be moved from immature to mature under this note. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the leases is shown under note 12.2. Borrowing costs amounting to Rs.17,743,303/- (2013/14 - Rs. 36,435,142/-) incurred to meet expenses relating to immature plantations have been capitalised as a part of the cost of immature plantations.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

15. Consumable Biological Assets - Timber Plantations

	Immature Rs.'000	Mature Rs.'000	2015 Rs.'000	2014 Rs.'000
Beginning of the year	81,221	17,109	98,330	-
Gain/(loss) arising from changes in fair value of biological assets	10,554	4,323	14,877	-
Increase due to development	-	-	-	-
Transfers	-	-	-	-
Decrease due to harvest/disposals	-	(2,100)	(2,100)	-
End of the year	91,776	19,332	111,108	-

The Managed timber plantation include commercial timber plantations cultivated in the estates of administrative district of Badulla & managed timber plantations is measured at fair value other than young trees which are recorded at cost as the significant biological transformation has not taken place.

Accordingly, the fair value of timber plantations at the date of financial position is determined based on the net present value of future cash flows discounted at the rate of 13%.

Valuation was carried by M/s Ariyatillake & Co. (Pvt) Ltd, independent Chartered Valuers (UK) using discounted cash flow (DCF) method which is the accepted practice of valuation in the field of professional valuation for timber plantation and in terms of the Ruling issued by the Institute of Chartered Accountants of Sri Lanka.

15.1 Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Non Financial Assets - Consumable Biological Assets

Assets measured at fair value	Date of valuation	Level 1 Rs.000	Level 2 Rs.000	Level 3 Rs.000
Consumable biological assets - timber	31st March 2015	-	-	111,108

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

Notes to the Financial Statements (Contd.)

15.2 Information about Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs	Relationship of Unobservable inputs to Fair Value
Consumable Biological Assets - Timber	Discounted Cash Flow Method	Discounting Rate	13%	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	20 - 25 Years	Lower the rotation period, the higher the fair value
		Price per Cubic ft.	Rs. 190 - 850	The higher the price per cu. ft., the higher the fair value

Other Key assumption used in the Valuation:

1. The harvesting is approved by the PMMD and Forestry Department Based on the Forestry Department Plan.
2. The Current Market Prices used are net of selling expenditure.
3. Discount rate is 13%, a Sensitivity analysis at (+) or (-) 1.5 % is also disclosed.
4. Though the replanting is a condition precedent for harvesting, yet the costs are not taken into consideration, as these are not considered to be material.

15.3 Sensitivity Analysis

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable. Hence, the sensitivity analysis regarding discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against his own assumptions.

It does, nevertheless, concern the directors that no estimate of fair value can ever be completely accurate. Moreover, in the case of the group's biological assets, small differences in valuation assumptions can have a quite disproportionate effect on results. Another concern is that, as shown from an international benchmark, there is currently no uniform approach within the plantation sector when it comes to defining the major variables, such as selling price and/or discount rates, in the DCF models resulting in the LKAS 41 values taken to financial statements.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

a) Sensitivity analysis - discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied and price changes with relate to the average sales prices applied. Simulations made for timber trees show that a rise or decrease by 1.5 % of the discount rate and increase or decrease 10% of estimated future selling prices have the following effect on the net present value of biological assets:

Variable	Sensitivity effect on,	
	Statement of financial position (Consumable biological assets)	Statement of profit or loss (Gain on change in F/V of biological assets)
	Rs.'000	Rs.'000
1.5 % Increase in discounting Rate	(8,471)	(8,471)
1.5 % Decrease in discounting Rate	10,582	10,582
10 % Increase in Selling Price	11,373	11,373
10 % Decrease in Selling Price	(11,373)	(11,373)

16. Long Term Investments (Unquoted)

Investee	Holding %	2015	2014
AEN Palm Oil Processing (Pvt) Ltd.			
	No of Shares Invested	33.33%	33.33%
		1,634,180	2,696,012
		2015	2014
		Rs.'000	Rs.'000
At the beginning of the year		142,653	116,709
Previous year tax adjustment		(1,328)	(3,301)
Share of Profit from the Joint Venture		53,461	41,377
Share buy back		(48,333)	-
Dividend Received (Net of WHT)		(29,602)	(12,132)
Total Carrying Value of Investment		116,850	142,653

The above represents investment in AEN Palm Oil Processing (Pvt) Ltd, which is a joint venture established with Elpitiya Plantations PLC and Agalawatte Plantations PLC.

Summarised Financial Information of AEN Palm Oil Processing (Pvt) Ltd is as follows,

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

	2015	2014
	Rs.'000	Rs.'000
Turnover	1,745,853	1,599,716
Net Profit for the year	156,399	124,130
Share of profit of Namunukula Plantations PLC	52,133	41,377
Total Assets	394,512	399,695
Total Liabilities	95,936	63,993

Namunukula Plantations PLC can influence up to 33.33 % of voting rights of AEN Palm Oil Processing (Pvt) Ltd.

17. Financial Assets - Debenture

	2015	2014
	Rs.'000	Rs.'000
Quoted Debentures	250,000	-
	250,000	-

In May 2014, the Company invested in 2.5 Mn, Rs.100 each Five year Fixed Rated Listed Debenture (11.25% p.a.) payable semi annually issued by the ultimate parent company (Richard Pieris & Company PLC) amounting to Rs. 250 Mn.

Fair Value Hierarchy

	Level 1	Level 2	Level 3
	Rs.'000	Rs.'000	Rs.'000
Quoted Debentures	250,000	-	-

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

18. Intangible Assets (Goodwill on Business combinations)

	2015	2014
	Rs.'000	Rs.'000
Goodwill on Business combinations (Note 18.1)	367,693	-
Impairment (Note 18.2)	(27,178)	-
As at 31 March	340,515	-

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

18.1 Goodwill arising on business combinations

The sub lease agreement with Tusker Bottling Company (Pvt) Ltd (Under Liquidator) has been terminated for breach effective from 5 July 2013. Assets and Liabilities are reacquired passing board resolution by the company. Based on the information available, the Board is of the opinion that this reacquisition of subleased assets will not have any further contingent Liabilities as at reporting date except accounted at the date of acquired and disclosed under note 33. Details of assets and Liabilities and result of Goodwill is as follows.

Acquired Assets and liabilities,	Rs.'000
Assets	
Property, plant and equipment	67,085
Bearer Biological Assets	107,506
Consumable Biological Assets	98,330
Inventories	72,563
Trade receivables	47,111
Cash and cash equivalents	12
	392,607
Liabilities	
Trade payables	271,695
Contingent liabilities (Gratuity, EPF,ETF,ESPS..etc)	170,487
Retirement Benefit Obligations	306,706
Deferred Income	11,412
	760,300
Goodwill arising on business combinations	367,693

18.2 Impairment testing of goodwill

The recoverable amount of Rs. 340,514,894/- as at 31 March 2015, has been determined based on the value in use calculation using expected future cash flow projections based on financial budgets which are approved by management and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. As a result of this analysis, management has recognised an impairment charge of Rs. 27,178,137/- in the current year against goodwill arise on business combination. The impairment charge is recorded as a separate line item in the statement of profit or loss.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and to the company. The key assumptions used to determine the recoverable amount are as follows,

Discount rates

Discount rate represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC (11.6 %) takes into account both debt and equity. Segment-specific risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Notes to the Financial Statements (Contd.)

General inflation

The basis used to determine the value assigned to the estimated cost inflation, is the current inflation rate (3.3 %), based on projected economic condition.

Growth rate estimates

Volume growth (5 %) has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year based on industrial growth rates. Cash flows beyond five year period are extrapolated using 0% growth rate.

Gross margins

Gross margins are based on average values achieved in the preceding years beginning of the budget period. These are adjusted over the estimate period for anticipated efficiency improvements and projected market conditions

The rise in general inflation rate, discounting rate and decrease in gross margin & growth rates, individually or jointly will result in a further impairment.

19 Inventories	2015	2014
	Rs.'000	Rs.'000
Produce Stock	168,914	173,784
Biological Assets - Nurseries	18,014	19,325
Spares & Consumables	24,268	15,630
	211,195	208,739

20 Trade and Other Receivables	2015	2014
	Rs.'000	Rs.'000
Produce Debtors	66,354	28,042
Advances & Prepayments	32,061	7,710
Staff Debtors	386	191
Other Debtors	38,174	35,806
	136,975	71,749
Receivable from Liquidator - for Uva range	533,052	533,052
Less: Provision for Doubtful Receivable	(533,052)	(362,830)
	-	170,222
	136,975	241,972

The above "receivable from the liquidator - Uva range" amount, is the due balance from the liquidator appointed by the court in the winding up proceeding of Tusker Bottling Company (Pvt) Ltd to which the company has sub leased 6 estates. These expenses were incurred by the company net of income on behalf of the liquidator who has acknowledge the fact.

The amount outstanding from liquidator was Rs. 533,052,236/- , for which total provision has been made.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

21 Amounts Due From Related Companies

	Relationship	2015 Rs.'000	2014 Rs.'000
Richard Pieris & Company PLC	Ultimate parent Company	-	34,839
Maskeliya Plantations PLC	Fellow Subsidiary Company	-	737
		-	35,576

22 Cash and Cash Equivalents**22.1 Favourable balance**

	2015 Rs.'000	2014 Rs.'000
Cash at Bank and in Hand	10,452	26,549
Short Term Investment	-	288,889
	10,452	315,438

22.2 Unfavourable balance

Bank Overdraft	(11,856)	-
	(1,405)	315,438

23 Stated Capital**Issued and Fully Paid Number of Shares**

	2015	2014
Fully paid ordinary shares including One Golden Share	23,750,001	23,750,001

Value of Issued and Fully Paid Shares

23,750,000 Ordinary Shares and a Golden Share which has special rights, held by the Secretary to the Treasury (Rs. '000)	350,000	350,000
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24 Interest Bearing Loans and Borrowings

	31.03.2015					31.03.2014				
	Repayable within 01 year	Repayable year less than 05 years	Repayable after 05 years	Repayable after 01 year	Total as at	Repayable within 01 year	Repayable year less than 05 years	Repayable after 05 years	Repayable after 01 year	Total as at
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
24.1 Term Loans	55,340	187,749	-	187,749	243,089	20,947	207,700	41,990	249,690	270,637
24.2 Bank Overdraft	11,856	-	-	-	11,856	-	-	-	-	-
	67,196	187,749	-	187,749	254,945	20,947	207,700	41,990	249,690	270,637

Notes to the Financial Statements (Contd.)

24.1 Term Loans	Repayable after		Repayable After 5 years	Repayable After 1 year	Total as at 31.03.15	Total as at 31.03.14	Rate of Interest & Terms
	Rs.'000	Rs.'000					
24.1.1 DFCC Loan (ADB Credit Line)							
Disbursement 13	-	-	-	-	-	2,180	I
Disbursement 14	-	-	-	-	-	945	II
Disbursement 15	-	-	-	-	-	954	III
Disbursement 16	-	-	-	-	-	656	IV
Disbursement 17	-	-	-	-	-	473	V
	-	-	-	-	-	5,208	
24.1.2 Lanka Orix Leasing Co. PLC (ADB Credit Line)	1,270	1,481	-	1,481	2,751	4,021	VI
24.1.3 Lanka Orix Leasing Co. PLC (ADB Credit Line)	2,800	933	-	933	3,733	6,533	VII
24.1.4 Lanka Orix Leasing Co. PLC (ADB Credit Line)	1,077	1,705	-	1,705	2,781	3,858	VIII
24.1.5 Lanka Orix Leasing Co. PLC (ADB Credit Line)	2,554	5,320	-	5,320	7,874	10,428	IX
24.1.6 National Development Bank PLC	8,040	24,510	-	24,510	32,550	40,590	X
24.1.7 Indian Bank	19,800	76,900	-	76,900	96,700	100,000	XI
24.1.8 Indian Overseas Bank	19,800	76,900	-	76,900	96,700	100,000	XII
	55,340	187,749	-	187,749	243,089	270,637	
24.2 Bank Overdraft	11,856	-	-	-	11,856	-	
	11,856	-	-	-	11,856	-	
	67,196	187,749	-	187,749	254,945	270,637	

	Rate of Interest	Terms of Repayment
I	12%	Monthly Installments Rs. 177,553/- commenced from 28.01.2005.
II	12%	Monthly Installments Rs. 76,945/- commenced from 28.01.2005.
III	12%	Monthly Installments Rs. 77,732/- commenced from 28.01.2005.
IV	12%	Monthly Installments Rs. 53,449/- commenced from 28.01.2005.
V	12%	Monthly Installments Rs. 34,755/- commenced from 28.01.2005.
VI	10.43%	Monthly Installments Rs. 105,807/- commenced from 30.06.2007.
VII	11.49%	Monthly Installments Rs. 233,321/- commenced from 30.08.2008.
VIII	13.32%	Monthly Installments Rs. 89,724/- commenced from 30.11.2009.
IX	14.85%	Monthly Installments Rs. 212,809/- commenced from 31.05.2010.
X	AWPLR+0.5%	Monthly Installments Rs. 670,000/- commenced from 31.05.2012.
XI	AWPLR+0.9%	Monthly Installments Rs 1.65 Mn commenced from 27.02.2015.
XII	AWPLR+0.9%	Monthly Installments Rs 1.65 Mn commenced from 27.02.2015.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

25 Retiring Benefit Obligations

	2015	2014
	Rs.'000	Rs.'000
At the beginning of the year	243,567	216,423
Re Acquisition	306,706	-
Interest Cost	60,530	23,807
Current Service Cost	35,126	18,264
Actuarial (Gain) / Loss	(17,434)	8,367
Gratuity Payments for the year	(33,093)	(23,293)
At the end of the year	595,402	243,567

The employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial & Management Consultants (Pvt) Ltd.

The actuarial Valuation had been carried out for retiring gratuity of estate workers and estate staff as at 31 March 2015, which amount to Rs. 595,401,637/-. If the Company had provided for gratuity for workers on the basis of 14 days wages and for staff and executive a half month salary for each completed year of service, in line with the Gratuity Act No.12 of 1983, the liability would have been Rs. 843,998,436/-. Hence there is a contingent liability of Rs. 248,596,799/- which would crystallise only if the Company ceases to be a going concern, or the resignation or termination of employees whichever is earliest.

The following payment are expected from defined benefit plan obligation on annual basis.

	Staff	Workers	Company
	Rs.'000	Rs.'000	Rs.'000
Within the next 12 Months	32,422	33,151	65,574
Between 02 to 05 Years	35,297	97,825	133,121
After 05 Years	25,365	371,341	396,707
	93,084	502,318	595,402

The weighted average duration of the Defined Benefit obligation for the Namunukula Plantation PLC is 7.4 years.

25.1 Sensitivity of Assumptions Employed in Actuarial Valuation

The following tables are demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

Simulation made for retirement obligation show that, a rise or decrease by 1% of the rate of salary & wage or discount rate has the following effect on the retirement benefit obligation.

Variable	Sensitivity Effect on,			
	Statement of Profit or Loss			Statement of Financial Position
	Benefit Obligation to staff Rs.'000	Benefit Obligation to Workers Rs.'000	Total Rs.'000	Total Rs.'000
1 % Increase in discounting Rate	3,776	35,797	39,573	39,573
1 % Decrease in discounting Rate	(4,218)	(40,827)	(45,045)	(45,045)
1 % Increase in salary/Wages escalation rate	(4,441)	(20,689)	(25,130)	(25,130)
1 % Decrease in salary/Wages escalation rate	4,019	19,636	23,655	23,655

26 Deferred Grants and Subsidies

	2015 Rs.'000	2014 Rs.'000
At the beginning of the year	114,479	111,662
Re Acquisition	11,412	-
Add : Grants received for the year - Monetary	2,832	5,647
Less : Amortisation for the year	(2,847)	(2,829)
At the end of the year	125,876	114,479

The Company has received funding from the Plantation Housing Development Trust and Asian Development Bank for the development of worker facilities such as re-roofing of line rooms, latrines, water supply and sanitation etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies.

27 Liability to Make Lease Payment

	2015 Rs.'000	2014 Rs.'000
Repayable after 5 years		
Gross Liability	332,946	346,132
Less : Finance Charges	(127,448)	(135,924)
Net Liability	205,498	210,208
Repayable after 1 year less than 5 years		
Gross Liability	52,744	52,744
Less : Finance Charges	(34,962)	(35,646)
Net Liability	17,782	17,098
Repayable after 1 year	223,280	227,306
Repayable within 1 year		
Gross Liability	13,186	13,186
Less : Finance Charges	(9,160)	(9,314)
Net Liability	4,026	3,872
Total	227,306	231,178

For the year ended 31 March 2015

The leases of the estates have been amended with effect from 22 June, 1996 to an amount substantially higher than the previous lease rental of Rs. 500/- per estate per annum. The first rental payable under the revised basis is Rs. 13.186 Mn from 22 June 1996 to 21 June 1997. This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator, and is in the form of a contingent rental.

The contingent rental charged during the current year to the Statement of Profit or Loss amounted to Rs. 31,257,535/- (2013/14 - Rs. 28,466,795/-) and is based on GDP deflator of 6.7% (2013).

The Statement of Recommended Practice (SoRP) for Right-to-use of Land on Lease was approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19th December 2012. Subsequently, the amendments to the SoRP along with the modification to the title as Statement of Alternative Treatment (SoAT) were approved by the Council on 21st August 2013. The Company has not reassessed the Right-to-use of Land because this is not mandatory requirement. However, if the liability is reassessed according to the alternative treatment (SoAT) on the assumption that the lease rent is increased constantly by GDP deflator of 4% and discounted at a rate of 13%, liability would be as follows.

	Rs. '000
Gross Liability	2,786,675
Finance Charges	(1,901,854)
Net Liability	884,821

The above reassessed liability is not reflected in these Financial Statements.

28 Trade and Other Payables

	2015	2014
	Rs.'000	Rs.'000
Trade Creditors	52,202	21,050
Accrued Expenses	214,287	1,326
Payable to Employees	95,730	60,149
Others	77,804	106,748
	440,023	189,273

29 Amounts Due to Related Companies

		2015	2014
	Relationship	Rs.'000	Rs.'000
RPC Plantation Management Services (Pvt) Ltd	Parent Company	28,319	18,116
Richard Pieris & Company PLC	Fellow Subsidiary Company	531	-
Kegalle Plantations PLC	Fellow Subsidiary Company	2,207	620
Maskeliya Plantations PLC	Fellow Subsidiary Company	10	-
RPC Logistics (Pvt) Ltd	Fellow Subsidiary Company	44	665
		31,112	19,400

Notes to the Financial Statements (Contd.)

30 Securities Pledged

Following assets have been pledged as security for liabilities.

Nature of Liability	Facility Rs. Mn	Loan Outstanding Rs. Mn	Security	Carrying amount pledged	
				2015 Rs.Mn	2014 Rs.Mn
Overdraft					
Bank of Ceylon	90	2	Floating mortgage bond over stock in trade and movables of the Company	168.91	173.78
Sampath Bank PLC	50	-	Corporate guarantee	-	-
Hatton National Bank	150	10	Corporate guarantee	-	-
Long Term Loans					
DFCC Loan (ADB Credit Line)	233	-	Primary mortgage over leasehold rights of Pallegoda estate.	17.19	18.19
National Development Bank PLC	56	33	Primary mortgage over Property Plant purchase under this project	57.20	57.20
LOLC Loan (ADB Credit Line)	64	17	Corporate guarantee	-	-
Indian Bank Indian Overseas Bank	200	193	Primary mortgage over leasehold rights of Yatadola estate.	15.27	16.27

31 Capital Expenditure Commitments

Followings are the capital expenditure commitments as at the reporting date,

	2015 Rs.'000	2014 Rs.'000
Approved by the Board & Contracted for	Nil	Nil
Approved by the Board & not Contracted for	379,687	469,608

32 Related Party Disclosures

The details of the significant related party disclosures are as follows.

32.1 Transactions with the Parent and Related entities.**32.1.1 Parent Company**

	2015 Rs.'000	2014 Rs.'000
Amounts Payable	(28,319)	(18,116)
Management Fee	(45,216)	(89,455)
Settlements of Dues	35,013	65,862

32.1.2 Management Fee

The Management agent shall be paid for each fiscal year fifteen percent (15%) of the earnings of the Company before interest received/paid corporate tax, depreciation and amortization of land and management fees (EBIDTA) applicable in that fiscal year.

For the year ended 31 March 2015

Notes to the Financial Statements (Contd.)

	2015 Rs.'000	2014 Rs.'000
32.1.3 Group Companies		
Amounts Receivable	250,000	35,576
Amounts Payable	(2,793)	(1,284)
Sale of Goods	69,201	47,892
Settlements of Dues	(68,751)	(4,650)
Salary Cost & Other Charges Paid	(12,539)	(2,251)
Salary Cost & Other Charges Received	168	905
Current Account Settlement	(27,886)	(96,718)
Interest income Received (RPC & Co)	27,380	38,824
Investment in Debentures	250,000	-
Interest income from debentures	(24,658)	-
Insurance claim Received	665	344
Insurance premium Paid	(1,708)	(1,658)
32.1.4 Joint Venture		
Amounts Receivable	17,185	10,193
Sale of Goods	554,560	553,285
Reimbursement of Transport Cost	11,059	13,831
Settlements of dues	(558,627)	(562,128)

32.2 Terms and Conditions

Transaction with related parties are carried out in the ordinary course of business (at arms length transactions). Outstanding balances at the year end are unsecured and net settlement occurs in cash.

32.3 Transactions with the key management personnel of the Company and parent

There were no material transactions with the key management personnel of the Company and its parent for the year ended 31 March 2015 other than disclose in note 32.4. Further there were no key management compensation paid during the year other than those disclosed in management fee expenses.

32.4 Other related party disclosures

Professional fees amounting to Rs. 3,521,882/- (2013/14 - Rs. 5,232,491/-) was paid by the Company to an entity in which Key Management personnel was a partner.

33 Contingencies

33.1 There are more than 29 cases outstanding filed by the Commissioner of Labour (Badulla) against Tusker Bottling Co. (Pvt) Ltd, the Company and the Superintendent of the Estate regarding the payment of employees' statutory dues, which the Sub Lessee has failed to pay in respect of the said 6 estates. The Company has filed objections that the Company is not liable to pay such dues. The Court has directed the Commissioner of Labour to find out the correct respondent who is liable to pay such dues and institute fresh legal action against the correct party.

33.2 Contingent liabilities that may result, depending on the timing of the taxability of certain fair value adjustments is amounted to approximately Rs. 1,487,739/-.

34 Events Occurring After the Reporting Period

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

35 Related Party Transactions

There are no related party transactions other than those disclosed in notes 16, 17, 21, 29 & 32 to the Financial Statements.



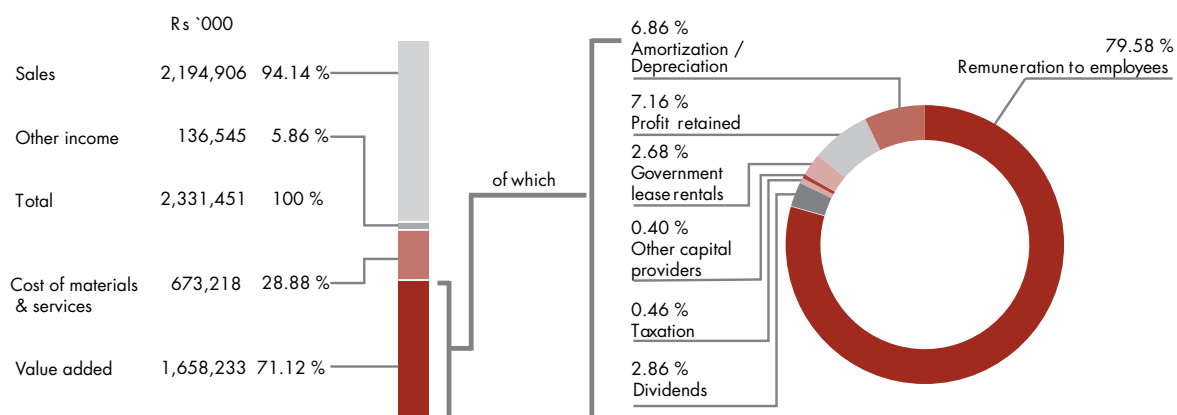
After the end of a generation, older generation paves the way to lead the new generation. As it still needs the shelter that needs to grow new generation; we tend to grow our business model into diversified operations that help us to sustain in the dynamic business environment.

SUPPLEMENTARY INFORMATION

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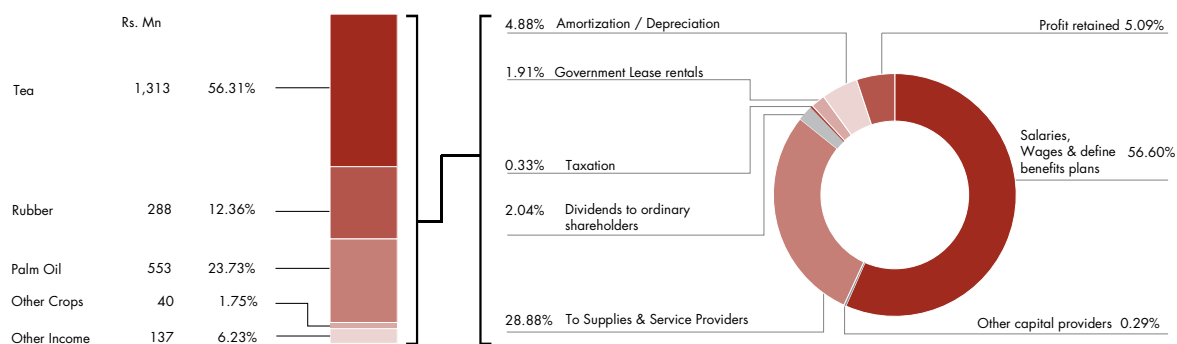
Value Added Statement

	2014/15 Rs. '000	%	2013/14 Rs. '000	%
Sales	2,194,906		2,092,782	
Other income	136,545		98,606	
Total	2,331,451		2,191,388	
Cost of materials & services purchased	673,218		858,440	
Total Value Added	1,658,233		1,332,948	
Applied as follows :				
To remunerate employees				
Salaries, Wages & define benefits plans	1,319,585	79.58	840,087	63.02
To reward providers of capital				
Dividends to ordinary shareholders	47,500	2.86	249,375	18.71
Other capital providers	6,666	0.40	8,668	0.65
To the Government				
Taxation	7,614	0.46	21,694	1.63
Government Lease rentals	44,444	2.68	41,653	3.12
To Replace assets				
Amortization / Depreciation	113,758	6.86	92,072	6.91
To expand the Company				
Profit retained	118,667	7.16	79,399	5.96
Total	1,658,233	100	1,332,948	100
Value Added per Employee - Rs.'000	244.43		345.59	
Value Added % of Turnover	75.55		63.69	



Sources of Income & Utilisation

Sources of Income	2014/15		2013/14		2012/13		2011/12		2010/11	
	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%	Rs.'000	%
Tea	1,312,932	56.31	1,015,203	46.33	753,136	40.00	710,596	37.53	929,254	44.49
Rubber	288,067	12.36	480,464	21.93	591,315	31.41	744,664	39.33	829,909	39.73
Palm Oil	553,206	23.73	556,708	25.40	439,678	23.35	366,198	19.34	282,041	13.50
Other Crops	40,702	1.75	40,407	1.84	34,427	1.83	37,083	1.96	33,474	1.60
Total	2,194,906		2,092,782		1,818,556		1,858,541		2,074,678	
Other Income	136,545	6.23	98,606	4.50	64,231	3.41	34,996	1.85	14,013	0.67
Total	2,331,451	100.00	2,191,388	100.00	1,882,787	100.00	1,893,537	100.00	2,088,691	100.00
Utilisation of Income										
To remunerate employees										
Salaries, Wages & define benefits plans	1,319,585	56.60	840,087	38.34	733,159	38.94	748,650	39.54	578,676	27.71
To providers of funds										
Other capital providers	6,666	0.29	8,668	0.40	11,612	0.62	11,436	0.60	23,905	1.14
To Supplies & Service Providers	673,218	28.88	858,440	39.17	573,187	30.44	604,716	31.94	866,305	42.73
To Providers of Capital										
Dividends to ordinary shareholders	47,500	2.04	249,375	11.38	-	-	123,500	6.52	23,905	1.14
To the Government										
Taxation	7,614	0.33	21,694	0.99	35,731	1.90	21,628	1.14	65,851	3.15
Government Lease rentals	44,444	1.91	41,653	1.90	38,249	2.03	67,892	3.59	39,872	1.91
To Replace assets										
Amortization / Depreciation	113,758	4.88	92,072	4.20	81,690	4.34	86,594	4.57	78,661	3.77
To expand the Company										
Profit retained	118,667	5.09	79,399	3.62	409,159	21.73	229,121	12.10	411,516	18.46
Total	2,331,451	100.00	2,191,388	100.00	1,882,787	100.00	1,893,537	100.00	2,088,691	100.00



Shareholders and Investor Information

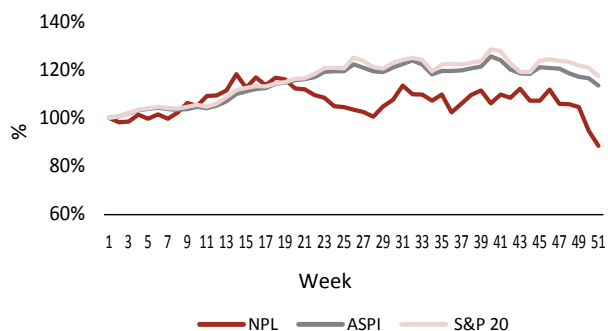
1. Stock Exchange

The issued Ordinary Shares of Namunukula Plantations PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company for the year ended 31 March 2015 have been submitted to the Colombo Stock Exchange.

2. The NAMU.N0000 Share

The Performance of Namunukula Plantations PLC's Share is as follows compared to the Performances of All Share Price Index (ASPI) in the Share Market during the year.

NPL Share Price Vs Market Indices



3. NPL Share Information

NPL share Information from CSE website:

- Log on to Colombo Stock Exchange – website: www.cse.lk
- Enter company code (NAMU.N0000) in the box at the top right hand corner of CSE home page and go to the company description.

4. Public Holding

The percentage of shares held by the public is 19.25% of the issued Share Capital of the Company.

5. Golden Shareholder

The Golden Share of Rs 10/- is currently held by the Secretary to the Treasury and should be owned either directly by the Government or by a 100% Government owned Company. In addition to the rights of the Normal Ordinary Shareholder, the Golden Shareholder has the following rights;

- 1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/ to be leased to the Company by the Janatha Estate Development Board / Sri Lanka State Plantations.
- 2) The concurrence of the Golden Shareholder will be required to amend any clause in the Article of Association of the Company which grants specific right to the Golden Shareholders.
- 3) The Golden Shareholder or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks of written notice.
- 4) The Company will be required to submit a detailed quarterly accounts report to the Golden Shareholder in a specified format within 60 days of the end of each fiscal year.
- 5) The Golden Shareholder can request the Board of Directors of the Company to meet with him/ his Nominee, once every quarter to discuss issues related to the Company's operation of interest to the Government.

6. Key Information

		2014/15	2013/14	2012/13	2011/12	2010/11
Market Value per Share						
Highest	Rs.	100.00	97.80	90.00	139.90	159.90
Lowest	Rs.	70.00	43.00	51.00	46.00	29.75
As at the year end	Rs.	70.90	83.80	76.60	60.00	114.60
Trading Activities						
Market Capitalization	Rs. Million	1,684	1,990	1,819	1,425	2,722
No. of Transaction	No. of times	1,355	2,405	2,121	2,749	5,951
No. of Shares Traded	Million	4	1	2	3	9
Value of Shares Traded	Rs. Million	82	77	114	329	884
Investor Ratios						
Earnings per share	Rs.	6.37	14.14	15.28	14.85	17.23
Dividend per share	Rs.	2.00	10.50	-	4.50	1.70
Price earnings Ratio	No. of times	11.13	5.92	5.01	4.04	6.65
Earnings Yield	%	9%	17%	20%	25%	15%
Net Assets per share	Rs.	92.37	87.38	84.03	66.81	57.16
Gearing Ratio	%	10%	12%	13%	8%	13%
Interest Cover	No. of times	3.77	9.16	9.99	10.57	6.53
Exchange Rates - US\$						
As at the year end	Rs.	132.76	130.73	126.90	129.57	111.33

7. Distribution of Shareholding

	31 March 2015				31 March 2014			
	No of shareholders	%	No of shares held	%	No of shareholders	%	No of shares held	%
Less than or equal to 1,000	11,611	98.76%	1,802,922	7.75%	11,728	98.64%	1,840,384	7.75%
1,001 – 5,000	98	0.83%	276,599	1.29%	107	0.90%	306,259	1.29%
5,001 - 10,000	19	0.16%	153,367	0.66%	20	0.17%	157,101	0.66%
10,001 - 50,000	17	0.14%	534,487	2.50%	23	0.19%	592,966	2.50%
50,001- 100,000	5	0.04%	352,621	1.40%	5	0.04%	332,861	1.40%
100,001 - 500,000	5	0.04%	1,453,968	5.66%	5	0.04%	1,344,393	5.66%
500,001 - 1,000,000	-	-	-	-	-	-	-	-
Over 1,000,001	2	0.02%	19,176,037	80.74%	2	0.02%	19,176,037	80.74%
Grand Total	11,757	100%	23,750,001	100%	11,890	100%	23,750,001	100%

8. Composition of Shareholders

(a) Resident & Non - Resident

	31 March 2015				31 March 2014			
	No of shareholders	%	No of shares held	%	No of shareholders	%	No of shares held	%
Resident	11,736	99.82%	23,169,900	97.56%	11,876	99.88%	23,587,701	99.32%
Non Resident	21	0.18%	580,101	2.44%	14	0.12%	162,300	0.68%
Total Shareholding	11,757	100%	23,750,001	100%	11,890	100%	23,750,001	100%

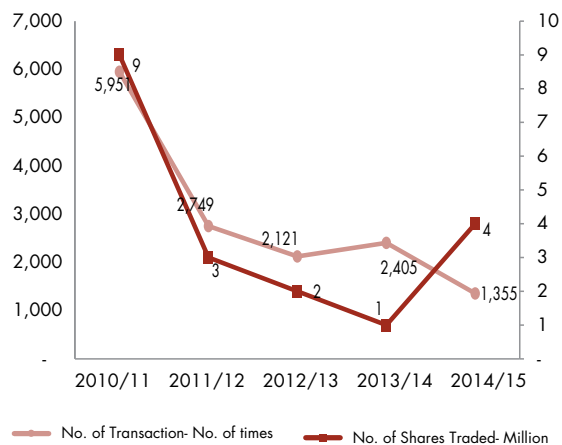
(b) Individuals & Institutions	31 March 2015				31 March 2014			
	No of shareholders	%	No of shares held	%	No of shareholders	%	No of shares held	%
Individuals	11,694	99.46%	3,137,507	13.21%	11,822	99.43%	3,260,112	13.73%
Institutions	63	0.54%	20,612,494	86.79%	68	0.57%	20,489,889	86.27%
Total Shareholding	11,757	100%	23,750,001	100%	11,890	100%	23,750,001	100%

(c) Public & Other Holding	31 March 2015			31 March 2014		
	No of shareholders	No of shares	%	No of shareholders	No of shares	%
Public Holding	11,754	4,570,964	19.25%	11,887	4,570,964	19.25%
Other Holding	3	19,179,037	80.75%	3	19,179,037	80.75%
Total No of Shares	11,757	23,750,001	100.00%	11,890	23,750,001	100.00%

9. Twenty Largest Shareholders

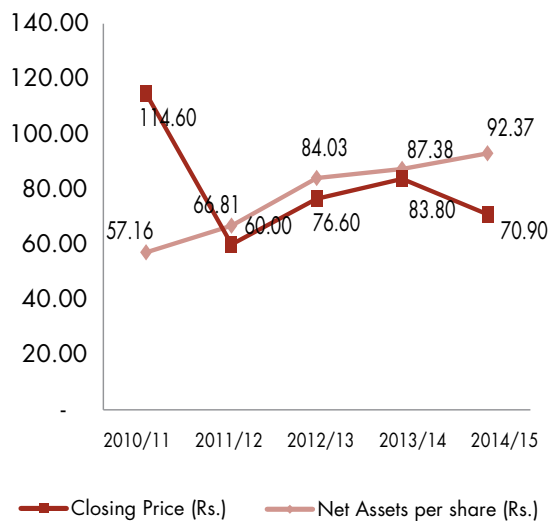
	As at 31/03/2015		As at 31/03/2014	
	No. of shares held	% of the holding	No. of shares held	% of the holding
1 RPC Plantation Management Services (Pvt) Ltd	15,412,737	64.90%	15,412,737	64.90%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 Mr. T.T.T Al Nakib	395,000	1.66%	406,209	1.71%
4 National Development Bank PLC/Sakuvu Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
5 Bank of Ceylon A/C Ceybank Century Growth Fund	329,955	1.39%	329,888	1.39%
6 Seylan Bank PLC	211,013	0.89%	-	0.00%
7 National Savings bank	150,000	0.63%	-	0.00%
8 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
9 Mr. H.A.A.H Algharabally	77,000	0.32%	77,000	0.32%
10 Mr.K.C.Vignarajah	73,434	0.31%	45,437	0.19%
11 Mr.H.G.Carimjee (Deceased)	64,800	0.27%	64,800	0.27%
12 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
13 Mrs. K.S. Cooray	50,000	0.21%	50,000	0.21%
14 Mr. C.Chanmugam	50,000	0.21%	50,000	0.21%
15 Mrs. J.K.P Singh	50,000	0.21%	50,000	0.21%
16 Dr.T.Senthilverl	49,627	0.21%	-	0.00%
17 J.B. Cocoshell (Pvt) Ltd	40,072	0.17%	41,100	0.17%
18 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
19 Waldock Mackenzie Ltd/Mr H.M.S Abdulhussein	31,800	0.13%	31,800	0.13%
20 Mrs. N.M Guruge	31,600	0.13%	31,600	0.13%
Sub Total	21,324,023	89.79%		
Balance held by 11,737 shareholders (2014 - 11,870 shareholders)	2,425,978	10.21%	2,852,445	12.01%
Total No of Shares	23,750,001	100.00%	23,750,001	100.00%

10. Share Trading (Nos.)



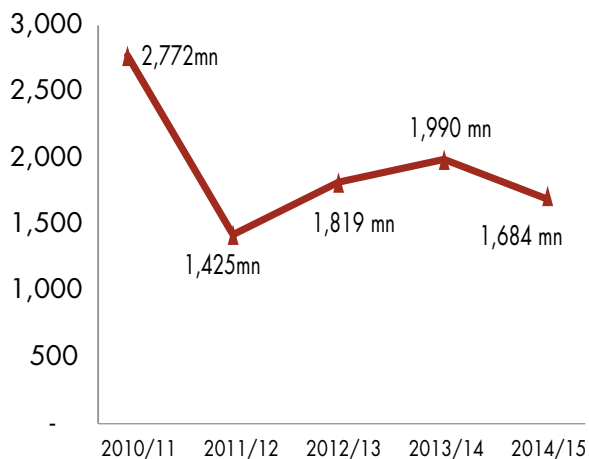
		2010/11	2011/12	2012/13	2013/14	2014/15
Transaction- No. of times	No. of times	5,951	2,749	2,121	2,405	1,355
No. of Shares Traded- million	Million	9	3	2	1	4

11. Net Assets & Closing Price per Share (Rs.)



		2010/11	2011/12	2012/13	2013/14	2014/15
Net Assets per share	(Rs.)	57.16	66.81	84.03	87.38	92.37
Closing Price	(Rs.)	114.60	60.00	76.60	83.80	70.90

12. Market Capitalization (Mn)



Year	2010/11	2011/12	2012/13	2013/14	2014/15
Rs.Mn	2,772	1,425	1,819	1,990	1,684

Achievements

Annual Report Awards 2014

Namunukula Plantations PLC was awarded the certificate of compliance for Plantation Sector at the 50th Annual Report awards ceremony held in 2014, conducted by the Institute of Chartered Accountants of Sri Lanka.



Inter Plantations Cricket Sixes Tournament

13th Inter Plantations Cricket Sixes Hard ball Tournament Organized by Plantation Human Development Trust, Galle conducted on 18th October 2014 at the Radella Cricket Ground. At this tournament Namunukula Plantation team led by Mr. Nishantha Randeniya (Superintendent – Canavarella Estate) and due to outstanding performance of the team emerged ball Champ of the tournament.



Southern Cup - Cricket Tournament

Southern Cup Planters Cricket Tournament Organized by Plantation Human Development Trust, Galle conducted on 11th October 2014 at the BOI grounds Koggala. Planters from regional plantation companies comprising 56 estates from the south took part in the event.

The Chief Guest of this event was Mr. Manuja Kariapperuma, Chief Executive Officer Horana Plantations and the guest of Honour was Mr. Dilantha Seneviratne, Deputy-Chief Executive Officer Talawakelle Plantation.

Event was filled with pleasure and excitement for both participating members of the plantation sector and audience. At this tournament Namunukula Plantations team led by Mr. Nilanga Rajapaksha (Pelawatte Estate – Asst. Superintendent) and due to tremendous performance of the team, Namunukula Plantations PLC was talented to win runners up of the tournament.



The team spirit, determination and courage of our NPL team contributed for this special achievement. In addition to that, when mentioning our team members, Mr. Wageesh Kularathne (Tennahena Estate – Asst. Superintendent) due to his best all-round performance selected as the man of the tournament.

Decade at a Glance

Year Ended 31 March		2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06
OPERATING RESULTS											
Turnover	Rs.'000	2,194,906	2,092,782	1,818,556	1,858,540	2,074,678	1,516,375	1,272,252	1,767,989	1,363,014	1,676,557
Gross profit	Rs.'000	86,973	503,048	475,426	532,036	666,343	319,597	256,558	400,561	186,246	44,403
Earnings before interest and taxation (EBIT)	Rs.'000	178,017	388,958	377,688	376,002	479,457	179,589	94,619	313,848	351,333	54,916
EBIT before management fee	Rs.'000	223,233	478,413	456,353	462,357	583,857	229,454	128,535	390,025	432,896	75,380
Profit/(loss) before taxation	Rs.'000	130,779	380,436	415,595	416,157	435,421	158,730	38,743	234,810	256,921	(37,310)
Profit/(loss) after taxation	Rs.'000	151,261	335,928	362,962	352,621	409,329	146,655	40,670	229,705	256,921	(41,202)
Retained profit/(loss)	Rs.'000	1,843,890	1,725,224	1,645,825	1,236,665	1,007,544	575,492	428,837	435,668	205,963	(69,920)
FINANCIAL POSITION											
Stated capital	Rs.'000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Revenue reserves	Rs.'000	1,843,890	1,725,224	1,645,825	1,236,665	1,007,544	575,492	428,837	435,668	205,963	(69,920)
Total equity	Rs.'000	2,193,890	2,075,224	1,995,825	1,586,665	1,357,544	925,492	778,837	785,668	555,963	280,080
Total debt	Rs.'000	254,947	270,637	308,654	130,339	205,249	321,776	381,205	466,121	521,585	964,071
Total capital employed	Rs.'000	2,448,837	2,345,861	2,304,479	1,717,004	1,562,793	1,247,268	1,160,043	1,251,789	1,077,548	1,244,151
ASSETS EMPLOYED											
Leasehold property, plant & equipment	Rs.'000	224,687	222,713	237,149	251,625	266,109	280,601	295,093	309,585	324,134	481,190
Freehold property, plant & equipment	Rs.'000	405,319	284,358	290,269	286,936	256,757	239,661	246,683	212,709	169,930	273,990
Bearer biological assets	Rs.'000	2,076,171	1,724,980	1,492,925	1,286,567	1,138,640	1,061,582	985,300	938,754	913,828	1,038,574
Other non current assets	Rs.'000	818,473	142,653	124,950	184,819	170,743	86,374	64,673	106,475	88,969	16,417
Total current assets	Rs.'000	364,063	801,725	963,065	572,809	535,001	292,785	194,497	318,399	259,426	287,686
Total liabilities net of debt	Rs.'000	1,439,876	830,569	803,880	865,752	804,457	713,735	626,204	634,133	678,739	853,706
KEY RATIOS											
Equity/Asset ratio	No of times	0.56	0.65	0.64	0.61	0.57	0.47	0.44	0.42	0.32	0.13
KEY INDICATORS											
Revenue extent											
Tea	hectares	2,444	396	374	439	464	479	500	509	599	2,701
Rubber	hectares	1,780	1,851	1,898	2,013	2,061	2,108	2,187	2,256	2,296	2,252
Oil palm	hectares	1,215	1,128	1,061	1,106	1,106	1,056	1,013	935	906	862
Other	hectares	347	368	383	366	357	350	353	336	350	327
		5,786	3,743	3,716	3,923	3,988	3,993	4,053	4,036	4,150	6,142
Production											
Tea	kg'000	3,230	2,284	1,942	2,118	2,572	1,805	2,065	3,546	4,586	7,908
Rubber	kg'000	1,179	1,482	1,573	1,670	1,689	1,820	1,889	2,155	2,035	1,969
Oil palm	kg'000	14,833	16,505	14,453	14,368	12,135	14,653	14,238	10,582	5,947	5,163
Yield											
Tea	kg./ha	674	822	917	908	979	850	815	1,184	1,100	1,156
Rubber	kg./ha	661	796	829	830	818	864	864	955	885	865
Oil palm	kg./ha	12,203	14,634	13,620	12,994	10,975	13,880	14,059	11,318	6,663	5,991
NSA											
Tea	Rs./kg	392.71	450.32	394.43	338.49	362.27	384.60	285.02	294.36	188.31	169.56
Rubber	Rs./kg	240.68	326.58	370.89	449.92	491.26	265.75	206.69	231.53	220.73	155.92
Oil palm	Rs./kg	37.30	33.73	30.42	25.49	23.24	21.37	18.29	20.34	6.43	4.45
COP (Rs./kg)											
Tea	Rs./kg	440.27	430.76	378.00	341.86	346.70	349.53	296.31	270.62	182.66	171.19
Rubber	Rs./kg	262.32	263.69	238.31	236.55	185.13	152.28	131.27	115.90	105.64	93.22
Oil palm	Rs./kg	9.70	7.32	6.67	6.37	7.05	6.38	5.84	6.20	6.34	6.81

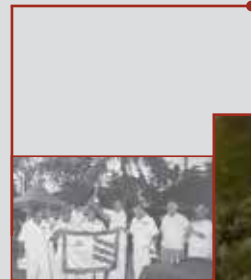
Historical Landmarks

1992

- Namunukula Plantations PLC (NPL) was incorporated on 22 June 1992, and registered with company registrar under the company registration No of – N (PBS/CGB) 139.
- The company took over all movable assets and liabilities of the 24 estates including 9 tea estates, 3 rubber estates, 11 tea cum rubber estates & 1 coconut cum rubber estate with 12,600 total hectares and other operational units constituting the company with net asset of 417.98 Mn including share capital of 5 Mn (500,000 ordinary shares).

1998-99

- In October 1998, 10% of the issued share capital amounting 2,000,000 shares were distributed among the employees free of charge. Over 11,800 eligible employees qualified to receive shares.



1995

- The leasehold right to bare land and immovable assets was reduced from 99 years to 53 years from July 1995.
- The issued share capital of the company increased by the allotment of 19,500,000 ordinary shares and 1 golden share issued to the secretary to the treasury as at 1st August 1995 as bonus shares.



1997-98

- From the time of incorporation up to 31 December 1996, the "Financial year end" of company was 31st December. However from the financial year of 1997/98 company's "Financial year end" was changed as 31st March.
- The ownership of the company was privatized in July 1997 with the sale of 51% of the issued share capital to Keells Plantations Management Services (Pvt) Ltd, a joint venture company between John Keells Holdings Limited, Commonwealth Development Corporation, Tea Plantation Investment Trust and Regent Ceylon Planters Limited.



1999-00

- A comprehensive diversification programme was drawn up to take advantage of the land base of the company. Oil palm was identified as a potentially lucrative third crop and NPL diversified over 750 Ha of land into Oil palm.

2000-01

- With the vision of "To be a diversified agri-business company with an international reputation for excellence in quality, innovation & Land use" the diversification programme accelerated.

2002-03

- In August 2002, the company converted Rs.150 Mn worth convertible debentures into 3,750,000 ordinary shares and issued. There by increasing no of shares up to 23,750,000 and 1 golden share issued to the secretary to the treasury.
- A joint venture project named AEN Palm Oil Processing (Pvt) Ltd formed with equal shares of Agalawatte, Elpitiya and Namunukula Plantation PLCs to manage the Oil Palm processing factory.

2007-08

- 1st Dividend payment since privatization of Namunukula Plantations PLC at Rs.2 per share was paid. Total dividend paid Rs. 47,500,002/-.

2008-09

- The company was re-registered under the companies Act No. 07 of 2007 and new company registration no is PQ 136.

2011-12

- NPL was the Winner of Bronze award for best presented Annual Report awarded by South Asian Federation of Accounts (SAFA) in Colombo Sri Lanka for the Annual Report for the year 2011.

2014-15

- The Uva range six estates were reacquired by Namunukula Plantations PLC and continued their operations under the legal entity of Namunukula Plantations PLC. Accordingly, the assets and liabilities of the Uva range six estates were amalgamated with Namunukula Plantations PLC.

2005-06

- RPC plantation management services (Pvt) Ltd acquired 58.74% shares held by Keells Plantation Management Services (Pvt) Ltd on 13 September 2005.

2006-07

- The management of the Namunukula Plantations PLC was decided to sublease the six estates in the Namunukula region. The lease was affected from 15 June 2006.
- AEN oil palm processing (Pvt) Ltd commenced its operations in January 2007.



Hindagala Estate

Hindagala estate has an extent of 1130.12 hectares of prime agricultural land of which 445.34 hectares is planted in combination of VP and old seedling tea.

The estate is uniquely and picturesquely located in the agro climatic district of Namunukula in the Uva famed for the high quality of teas, that is evident through out most months of the year and particularly in the seasonal period of July to September each year when ideal weather conditions conducive for the production of the best seasonal quality uva teas.



Kaloogala Bungalow



Consequent to the nationalization in October 1975 this estate was managed by Sri Lanka State Plantations Corporation (SLSPC) an organization created by the government to manage the estates vested with the state. The government de-vested the state owned estates with the private sector, forming several regional plantations companies (RPCS). Upon which the estate became the property of Namunukula Plantations PLC in June 1992.

The factory of Hindagala estate was built in 1950 and continued to be in operation producing excellent uva tea. The factory elevation is 3,800 ft above sea level.

This estate was originally planted in 1878 with old seedling teas by the European planters namely Mr. Walas, Mr. Williams and Mr. Macmission and this estate had been managed by the Uva Ceylon Tea Company. Hindagala estate originally consisted with only Hindagala upper division. In 1975 October, three more divisions namely Ellawatte, Ambagamuwa and Galapitakanda amalgamated due to easy administrative reasons. And Kaloogala division was amalgamated in 1992.

The name of this estate initially had been HINDUKOLLAI (means Hindu Colony) and in the year 1895 Mr. S.P. Pillai has changed the name to read as HINDAGALA.

In the FY 2014/15, Hindagala estate manufactured 382,525 kg tea having achieved a sale average of Rs. 386.67 as against the national Uva medium average of Rs. 406.48 Mr. A.U.M. Tharaka Athukorala the Superintendent of Hindagala estate and his team is confident of optimizing productivity and achieving the potential profitability of this property thereby contributing positively towards achieving the set goal of the company in the year 2015/16.



Glossary

A

Accounting policies

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

AGM

Annual General Meeting.

Agricultural activity

Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets.

Agricultural produce

Agricultural produce is the harvested produce of the entity's biological assets.

Amortization

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AWPLR

Average Weighted Prime Lending Rate.

B

Basic earnings per share (EPS)

Profit after tax divided by the weighted average number of ordinary shares outstanding during the period.

Bearer biological assets

Biological assets those are not to be harvested as agricultural produce or sold as biological assets. The biological assets other than the consumable biological assets.

Biological assets

Is a living animal or plant.

Borrowing costs

Borrowing Costs are interest and other costs incurred by an enterprise in connection with borrowing of funds.

BOP

Balance of Payment

C

CGU

Cash Generating Units.

CIS

Common wealth of Independent states.

Consumable biological assets

The biological assets those that are to be harvested as agricultural produce or sold as biological assets.

Contingent liabilities

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

Cost of production (COP)

Cost of producing a kilo/unit of tea/rubber/coconut/oil palm at estate level.

CRTA

Colombo Rubber Trader's Association

CSR

Corporate Social Responsibility

CTC

Crush, Tear and Curl - Method of Black Tea Processing.

CTR

Colombo Tea Auction

Current ratio

Current assets divided by Current liabilities.

D

DCF

Discounted Cash Flow.

Deferred taxation

The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

Dividend cover

Profits after tax divided by dividends.

Dividend Payout

The Percentage of Earnings paid to shareholders in dividends.

E

EBITDA

Earnings before Interest, Tax, Depreciation, and Amortization.

Earnings Yield

The earnings per share for the most recent 12 months period divided by the current market price per share.

Equity / Assets ratio

Shareholders' funds divided by Non-current assets plus current assets.

Equity method

The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post acquisition changes in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

F

Fair value

Fair value is the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in arm's length transaction.

FFB

Fresh Fruit Bunch

G

GDP

Gross Domestic Production

Gearing ratio

Total interest bearing loans & borrowings as a percentage of total Shareholders' funds plus total interest bearing loans & borrowings.

Gross dividends

Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

GSA

Gross Sale Average. Average sale price obtained (over a period of time, for a kilo of produce) before any deductions such as brokerage, etc.

H

HACCP

Hazard Analysis Critical Control Point system. Internationally accepted food safety standard.

I

IAS

International Accounting Standards.

IFRS

International Financial Reporting Standards.

Immature plantation

The extent of plantation that is under development and is not being harvested.

Infilling

A method of field development whereby planting of individual plants is done in order to increase the yield of a given field, whilst allowing the field to be harvested.

Interest cover ratio

Profit before tax and interest divided by interest charge.

ISO

International Standards Organization.

J**JEDB**

Janatha Estate Development Board.

K**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

M**Mature plantation**

The area of land developed with a perennial crop, which has been brought into bearing ready for commercial harvesting. A perennial crop is a crop with a useful economic life which extends over more than one accounting period.

Market capitalisation

Number of shares in issue multiplied by the market value of each share at the reporting date.

N**Net assets**

Total assets less Current liabilities and non-current liabilities.

Net assets per share

Net assets at the end of period divided by the number of Ordinary Shares issued.

Net sale average (NSA)

This is the average sale price obtained (Over a period of time) after deducting brokerage fees and cost of gratis from Gross Sale Average (GSA).

P**PHDT**

Plantation Human Development Trust

PMMD

Plantation Management Monitoring Division.

Price earnings

Market price of a share divided by Earnings per Share.

Public shareholding

Shares of a listed entity held by any person other than those directly or indirectly held by;

- a) its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and,
- b) its directors who are holding office as directors of the entity, their spouses and children under 18 years of age; and'
- c) Chief Executive Officer, his/her spouse and children under 18 years of age; and'
- d) Any single shareholder who holds 10% or more of the shares.

R**Related parties**

Parties who could control or significantly influence the financial and operating policies of the company.

Replanting

A method of field development where an entire unit of land is taken out of "bearing" and developed by way of uprooting the exiting trees/bushes and replanting with new trees/bushes.

Return on assets

Profit after tax as a percentage of total assets.

Return on capital employed

Profit before interest and tax as a percentage of total Capital Employed. (Shareholders' funds plus total Interest bearing borrowings).

Return on equity

Profit after tax as a percentage of shareholder's funds.

ROI

Return on Investment

RRI

Rubber Research Institute

RSS - 1

Ribbed Smoked Sheet - Grade 1.

S

Shareholders' funds

Funds attributable to Shareholders and comprising of share capital, reserves and retained profit.

SIC

Standing Interpretations Committee.

SLFRS/LKAS

Sri Lanka Accounting standards corresponding to International Financial Reporting Standards.

SLSPC

Sri Lanka State Plantations Corporation.

SoRP

Statement of Recommended Practice issued by the Institute of Chartered Accountants of Sri Lanka.

S&P SL20

Standard & Poor's Sri Lanka 20 covers the largest and most liquid stocks from the Sri Lankan Equity market.

T

TRI

Tea Research Institute

U

UITF

Urgent Issues Task Force of the Institute of Chartered Accountants of Sri Lanka.

V

Value addition

The quantum of wealth generated by the activities of the Company and its application.

W

WACC

Weighted average cost of capital

Working capital

Capital required financing the day to day operations computed as the excess of current assets over current liabilities.

Y

Yield (YPH)

Average yearly output of produce from hectare of plantation.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Twenty Second (22nd) Annual General Meeting of Namunukula Plantations PLC will be held at the Registered Office, No. 310, High Level Road, Nawinna, Maharagama on Tuesday, 30th June 2015 at 11.30 a.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2015 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Henry Jayatissa De Costa as a Director.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

"That Dr. Henry Jayatissa De Costa of No. 496/3, Havelock Road, Colombo 06, who is 73 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Henry Jayatissa De Costa".

The Company has also received a letter dated 15th May 2015 from Dr. Jayatissa De Costa declaring his willingness to be elected to the Directorate of the Company.

The Directors who considered the contents of the letters received by the Company from RPC Plantation Management Services (Private) Limited and Dr. Jayatissa De Costa decided to notify the Shareholders of the Company of the Special Notice received by the Company and the proposed Resolution, which is to be moved at the Annual General Meeting of the Company for the purpose of considering and if thought fit passing the said Resolution as an Ordinary Resolution.

3. To re elect Mr. Sunil Poholiyadde, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director.
4. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.
5. To authorize the Directors to determine contributions to charities.
6. To consider any other business of which due notice has been given.

By Order of the Board
(Sgd.)
Richard Pieris Group Services (Private) Limited
Secretaries

No. 310, High Level Road, Nawinna, Maharagama

28 May 2015

Note:

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.
- b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report
- c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) of
 being a member / members of the NAMUNUKULA PLANTATIONS PLC, hereby
 appoint.....of.....

whom failing DR. SENA YADDEHIGE whom failing JAMES HENRY PAUL RATNAYEKE whom failing NEVILLE CHRYSOSTON
 PEIRIS whom failing SUNIL SOMINDRANATH POHOLIYADDE whom failing DR. JAYATISSA DE COSTA *as my/our proxy
 to represent me/us and to vote on my/our behalf at the 22ND ANNUAL GENERAL MEETING of the Company to be held
 on 30th June 2015 and any adjournment there of, and at every poll which may be taken in consequence thereof to vote:-

	In Favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2015 with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Jayatissa De Costa at the Annual General Meeting, a Director.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re elect Mr. Sunil Poholiyadde, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorize the Directors to determine contributions to charities.	<input type="checkbox"/>	<input type="checkbox"/>
6. To consider any other business of which due notice has been given.	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2015

.....
 Signature of shareholder

- Notes:**
- (i) Please delete the inappropriate words.
 - (ii) A proxy need not be a member of the Company.
 - (iii) Instruction as to completion appear on the reverse of this form.

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama, not later than 11.30 a.m. on Sunday, 28th June 2015.

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointer or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Corporate Information

Name of Company	: Namunukula Plantations PLC
Legal Form	: A Quoted Public Limited Liability Company Incorporated in Sri Lanka
Date of Incorporation	: 22 June 1992
Company Registration No.	: PQ 136
Principal Business Activities	: Cultivation, manufacture & sale of Tea, Rubber, Oil palm, Coconut & Cinnamon Plantations
Ultimate Parent Enterprise	: Richard Pieris & Company PLC
Board of Directors	: Dr. S. Yaddehige - Chairman Mr. J.H.P. Ratnayeke - Director Mr. S.S. Poholiyadde - Director / Chief Executive Officer Mr. N.C. Peiris - Non Executive Director Mr. A.K.Perera - Non Executive Director (Resigned w.e.f. 20-05-2015) Dr. H.J.De Costa - Non Executive Director
Stated Capital	: Rs. 350,000,010/- represented by 23,750,001 shares
Group Holding	: 64.90 %
Stock Exchange Listings of Sri Lanka	: The Ordinary Shares of the Company are listed with the Colombo Stock Exchange
Senior Management	: Mr. S.S. Poholiyadde - Managing Director - Plantations Mr. R.D. Jayasinghe - General Manager Mr. S. Epitakumbura - Financial Controller Mr. N. B. Senevirathne - Deputy General Manager Mr. P. de S. A. Gunasekara - Deputy General Manager Mr. Y. S. Nagahawatte - Deputy General Manager Mr. D. Sivaraj - Senior Manager Mr. K.W.R.I. Fonseka - Accountant Mr. R.M.S.S.Herath - Manager IS
Registered / Head Office	: No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Company Secretaries	: Richard Pieris Group Services (Pvt) Ltd Secretaries, No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka. Telephone: + (94) 11 4310564
Auditors	: Messrs. Ernst & Young, Chartered Accountants P.O. Box 101, Colombo. Sri Lanka.
Bankers	: Bank of Ceylon - Corporate Branch & Regional Branches People's Bank - Pelawatta Branch Hatton National Bank - City Branch Sampath Bank - Head Office Branch Development Finance Corporation of Ceylon National Development Bank Indian Overseas Bank / Indian Bank
Legal Advisors	: Paul Ratnayeke Associates International Legal Consultants Solicitors and Attorney-at-law No. 59, Gregory's Road, Colombo 07.
Contact Details	: Telephone : + (94) 11 4310500 Facsimile : + (94) 11 2801400 Internet : www.arpico.com E-mail : npl.rpk@arpico.com

Namunukula Plantations PLC

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