

வாரீகை வரீகை
ஆண்டறிக்கை
ANNUAL REPORT
2021



வரீகை கரீகை அமைச்சு
பெருந்தோட்டக் கைத்தொழில் அமைச்சு
Ministry of Plantation Industries



சீ/சு கலாவை வரீகை கலாவை
சீலாபம் பெருந்தோட்ட நிறுவனம்
CHILAW PLANTATIONS LTD

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Vision

To maximize the contribution to the Sri Lankan economy through sustainable development of the Coconut Industry.

Mission

Having utilized limited resources in effective and efficient manner to make sustainable development of coconut based industry and uplifting living standard of employee and general public through accepted policies.

Values

Honesty
Integrity
Transparency
Leadership
Team Spirit
Empowerment
Innovative
Professionalism
Responsibility & Accountability

FINANCIAL HIGHLIGHTS

	2021	2020	Variance%
Coconut Production Nuts '000	14,716	11,943	23.22

Summary Results	Rs'000	Rs'000	%
Revenue	1,049,911	672,967	56
Gross Profit	529,114	274,615	93
Profit Before Interest and Tax	525,689	309,119	70
Profit Before Tax	510,887	283,100	80
Profit for the Year (after tax)	631,979	265,645	138
Total Comprehensive income	652,426	364,691	79
Total Reserves	1,721,083	1,118,657	54

Financial Position

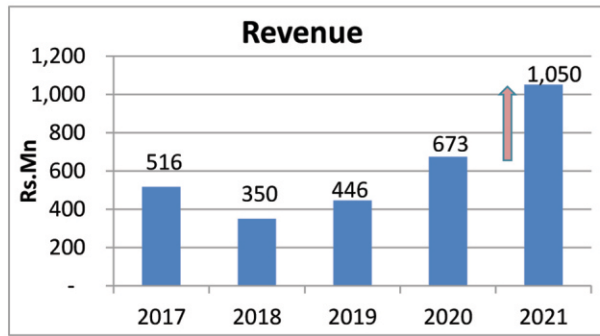
Non Current Asset	1,387,465	1,360,410	2
Mature / Immature Plantations	1,005,696	969,823	4
Current Assets	1,005,036	524,867	91
Inventories	159,176	61,248	160
Short Term Investment (Fixed Deposits)	721,480	380,167	90
Total Assets	2,392,501	1,885,277	27
Current Liabilities	287,756	232,244	24
Non current Liabilities	183,663	334,377	(45)
Stated Capital	200,000	200,000	-
Shareholders' Funds	1,921,083	1,318,657	46

Key Indicators	Times/ %/Rs.	Times/ %/Rs.	Variance %
Current Ratio (Times)	3.49	2.26	55
Quick Ratio (Times)	2.94	2.00	47
Gross Profit Ratio %	50.40	40.81	23
Earning Per Share Rs.	31.60	13.28	138
Return on Average Equity (ROE) %	39.01	23.28	68
Return on Capital Employed (ROCE) %	24.98	18.70	34
Debt Ratio	0.20	0.30	(34)
Shareholders Fund Ratio %	80.30	69.95	15
Interest Cover - Times	13.01	7.87	65

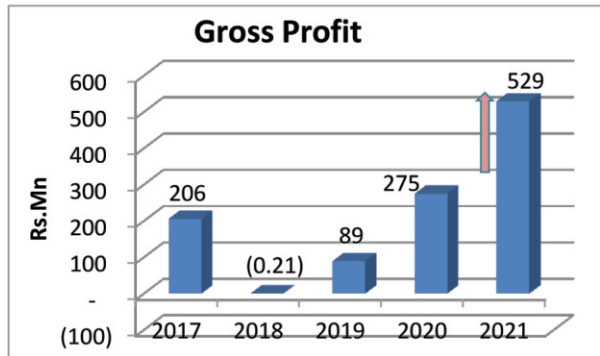

EVER HIGHEST ACHEIVEMENT OF CPL IN2021



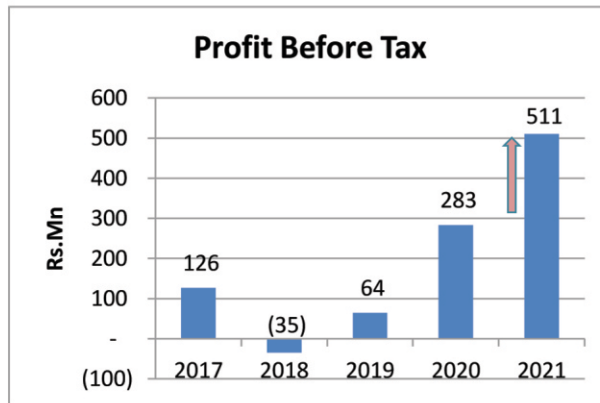

**Rs.1050 Mn.
Revenue**



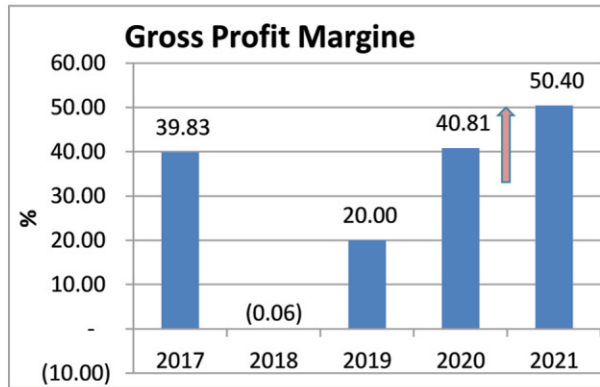

**Rs. 529 Mn.
Gross Profit**

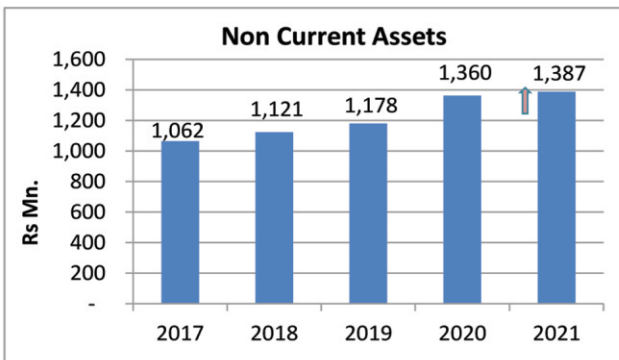
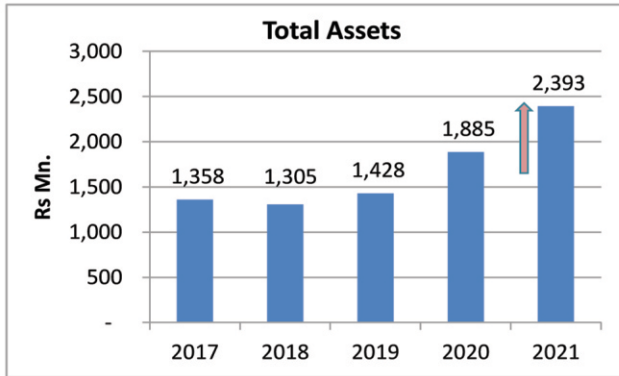
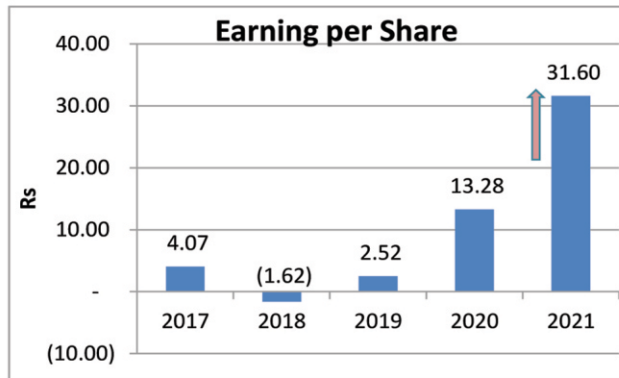
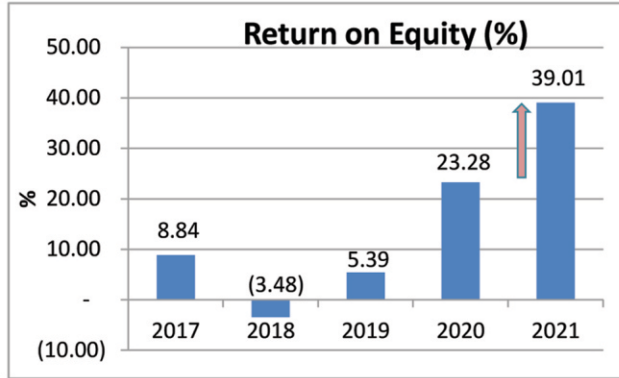



**511 Mn.
Profit Before Tax**

**50.40%
Gross Profit Margine**





REVIEW OF THE CHAIRMAN

With much pleasure and pride, I hereby give my message for year 2021 which is the most successful financial years of Chilaw Plantations Limited's history.

At the beginning of the year, it was my intention to lead the Organization to surpass the performance of the previous year and the goals for the year was set accordingly. My vision was to make optimum profit for the Organization whilst maintaining the sustainability in the process of attaining Organizational goals which indirectly focus any of the attaining of goals of the employees with embarrassing government policies as a Company.

Chilaw Plantations Limited was in a position to make the highest turn over of 1,210 Million and the highest profit of Rs. 510 Mn (PBT) in the year 2021. This profit has been the ever highest profit of the Company in any year since inception and the highest profit of any government owned Plantation Companies for the corresponding year. These performances were frequently praised and identified as one of the most outstanding government organization, comparatively clear vision, team work and proper decision were the reasons for this results.

Coconut Cultivation

76.3% of the total revenue was generated from coconut. In the year 2021, the total harvest was 14,715,763 nuts against the 11,943,494 nuts in 2020 which shows an increase of 23%. Nuts per palm for the year was 53 against 44 of the previous year. This was achieved as result of strategic management methods adopted in spite of travel restrictions and less number of days worked due to Covid-19 Pandemic. Apart from the same, the conducive weather experienced during the year also made a positive impact for these results.

As a Company mainly depend on coconut being the main crop, we focus a proper planting programme is carried out and during the year 119 acres were planted newly. The total number of 10,029 plants were planted in our fields. A considerable amount of Rs.53 Million was spent on under plantations during the year and the Company is spending a large capital for under plantations annually.

Nursery Programme

To extend the coconut cultivation in the country, with the assistance of the Government and private sector, CPL dispose 524,692 coconut seedlings during the year among the growers. This programme to be continued to the coming years as well.

Cashew Harvest

Inspite of the drop on crop compared to the previous year due to the high prices fetched to cashew, we were able to acquire a similar income in 2021 too. CPL initiate Research and development to produce four value added cashew products with the guidance of ITI and these products will be launched in future. We produced cashew seedlings in CPL and disposed to various organizations and farmers.

Special Projects

Without depending only on agri-crops with the opinion of the Board of Directors, decisions were taken to diversification and entering into new ventures for the sustainability of the Organization. Among them integrated Coconut Producing Factory and solar panel project play a key role which aims foreign and local income to the Company. Initial work has been done in year 2021 and the developments will be continued in year 2022. Among other identified projects eco-tourism, value added coconut by products manufacturing on directing to other countries are major contributions. These projects have paved ways to make an impact to the Company and to the country's economy positively.

Employee Welfare

Having identified the vitality of the Human Resource of the Company and to create a satisfying working environment, the management has introduced many programmes such as:

- Payment of highest amount of incentive for the employees among all government owned plantation companies
- To encourage school attendance scholarships are given to the school children from year 5 to university level

- Distribution of exercise books etc., to the School children.
- Commencing of a Welfare Society for all the estate workers.
- Increasing the daily wages of the estate workers to Rs 1000 for the First time in the government owned coconut related institutes with the consent of Board of Directors and line Ministry.
- Providing first aid and rest room facilities to the workers.
- Introducing a comprehensive Insurance scheme for the workers.
- Additionally, employees were encouraged to discuss their problems with the management to find solutions appropriately.

Corporate Social Responsibility

CPL always contributes to the uplifting of community and carries out social welfare activities,

Amongst them one of the main initiative was to provide the community with coconut and coconut oil at a reasonable rate. Further, the consumers were approached directly in order to provide them the products of CPL at concessionary rate.

Additionally

1. Assisting low income families to build their houses.
2. Leasing out of lands to do inter cropping.
3. Distribution of coconut seedlings to the Religious Institutions and lands on lease for the needy.
4. Despite from the fact where most of the government Institutions were struggling to make profits due to prevailed situations, we were able to lead CPL to achieve the corporate goals and profits which we consider as a giant victory. Sustainable development of the Organization would maintain its profitability through out as now the foundation is laid strongly.

I wish to profusely thank the Minister Hon. Ramesh Pathirana and the State Minister Hon. Arundika Fernando for the advice and assistance given to me, Board of Directors and all the employees of CPL for this victory.

Further, Mr. Ravindra Hevavitharana, the Secretary to the Minister and Mr. Tissa Hevavithana, the Secretary to the State Minister also deserves our gratitude.

A special mention is due to the Board of Directors of CPL who extended a tremendous support in decision making which is the primary reason of the success of the CPL. The Senior management, Estate Superintendents and all the Officers and employees of CPL, Brokers, Suppliers and all others for untiring support and help for the growth of the Company. I am sincerely thanking all of them.



**Chairman/CEO
Chilaw Plantations Limited**

BOARD OF DIRECTORS



Mr. Jude Rukantha Perera
(B.A, M.A., H.S.D.)
Chairman/Chief Executive Officer

Mr. Jude Rukantha Perera was appointed as the Chairman/CEO of Chilaw Plantations Limited on the 1st of January 2020.

Mr. Jude comes from a respectable lawyer's family and he studied at the University of Colombo, Aquinas University College and University of Kelaniya and holds a Bachelor of Arts as well as a Master of Arts. He was also a Scholarship winner of American Field Services.

Mr. Jude Rukantha Perera was a former Mayor of Kegalle and was able to raise the urban council of Kegalle as the best urban council in Sri Lanka. He has played an active role in the state sector, having served as Coordinating Secretary and Media Secretary in many ministries throughout the past years. In the period 2009 - 2015 he has served the Kurunegala Plantations Limited as the Working Director where he has made a significant contribution which led KPL to achieve profit records while reaching higher standards. He was also a member of the senior management in a reputed Private company. Hence, Mr. Jude has made outstanding performances with impressive management and leadership skills in both government and private sector.

Under his leadership a rapid progress can be observed in the company in which the CPL has recorded its ever highest profit in the history by the end of December 2021. The profit of Chilaw Plantations Limited has increased by 80% compared to the last year. At the same time Mr. Jude has implemented new projects for the upcoming year with the intention of expanding value added diversified products into the international market.

He is a well-educated, equipped with a sound knowledge on plantation sector and a well experienced person with outstanding management and leadership capabilities.



Mr H.G. Sumanasinghe
Director

Mr.H.G Sumanasinghe was appointed to the Board of Chilaw Plantations Ltd on 05.02.2020 and functions as the Board Director, representing the General Treasury. He serves in Director Boards of several Government Institutions in Sri Lanka.

At present Mr. Sumanasinghe is holding the position of Additional Secretary of the Ministry of Finance and he is a Special Grade Officer in the Sri Lanka Administrative Service with 26 years' experience in Government service.

He holds a Bachelor of Commerce Degree from the University of Colombo and Master of Public Policy from Flinders University, South Australia.



Mr. K.C Niroshan
Director

Mr. K C Niroshan performs as a member of the Board of Directors of the Chilaw Plantations Ltd since 21st July 2021, representing the Ministry of Plantation Industries. He serves as a Board member in several government institutions.

He is the Senior Assistant Secretary of the Ministry of Coconut, Kithul and Palmyrah sector at present. Mr. K C Niroshan is a Grade 1 Officer of the Sri Lanka Administrative Service with 19 years of Government service. He has previously served as the Assistant Director Department of Treasury operations of Finance Ministry, Assistant Divisional Secretary of Seethawaka, Divisional Secretary of Moratuwa and Additional District Secretary of Colombo

He has been graduated with a Degree in Bachelor of Commerce in the University of Sri Jayawardenapura and obtained a Masters in the field of Economics from University of Kelaniya.



Mr. Keerthi Pathirana
Director

Mr. Keerthi Pathirana was appointed as a member of the Board of Directors of Chilaw Plantations Ltd on 05th February 2020. Currently he performs his duties as the Chief Operating Officer at Lanka Sugar Company, Sevenagala.

During the period of 2013 to 2015 he was the Working Director of CPL and also he was an experienced accountant in the field of hotel management.



Mr. Nalinda Kasun Rajasinghe
Director

Mr. Nalinda Rajasinghe was appointed as a Member of the Board of Directors of Chilaw Plantations Ltd on 05th February 2020. He serves on the Boards of several Government Institutions in Sri Lanka.

Currently he holds the position of Head of Operations & Business Development at SLPA, JCT Limited. He has been graduated with a Degree in Bachelor of Business Administration (Special), University of Colombo, Master of Business Administration, University of Sri Jayawardenapura & following the PhD at University of Colombo



Mr. W.W.A.N.T.A. Fernando
Director

Mr. Nirosch Fernando was appointed as a Member of the Board of Chilaw Plantations Ltd on 05th February 2020. He is a versatile businessman hailing from a traditional business family.

He has served as Board Director for many State Organizations.



Mr. I.S.J.P. Gunawardena
Director

Mr. I.S.J.P Gunawardena joined as the member of Board of Directors of Chilaw Plantations Ltd on 05th February 2020.

He was a qualified banking officer at People's bank and retired as a Bank Manager. He has been completed the banking exams to make his career success.



Lt. Col. Ajanta Moonemalle
Director

Mr. Ajanta Moonemalle Joined Chilaw Plantation Ltd., as a Board of - Director on 05th February 2020.

Serves as Group Manager, Kegalle Plantations PLC. He carries 40 years' experience in the Plantations Sector.

He holds a Master Degree in Business Administration from the Institute of Chartered Financial Analysis of India. He also had followed many National and International Diplomas in related to Human Resources, Marketing and Management.

He is a Commissioned Officer of the Sri Lanka Army holding the Rank of Lieutenant Colonel in Voluntary Force and A Chartered Member of Chartered Institute of Personal Management Sri Lanka.

SENIOR MANAGEMENT TEAM

Head Office

01. Mr. R.W.M.J.S.R. Perera	-	Chairman/CEO
02. Mr. A.G.R.M.M.Ranaweera	-	General Manger
03. Mr. B. Hettiarachchi - AGM	-	Plantations
04. Mr. R.M.R.B. Rathnayake	-	Senior Accountant
05. Mr. H.P.M.W. Hemachandra	-	Chief Internal Auditor
06. Mr. A.A. Asoka Ananda	-	Senior Manager Estate
07. Mr. W.K. Pradeep	-	Manager Tec. & Development
08. Mr. A.M.T.H.B. Athapattu	-	Manager HR/Admin
09. Mr. A.N.A.S. Karunathunga	-	Manager Marketing
10. Miss. P.N.N. Gunaseela	-	Manager – Planning & Monitoring

Estate Superintendents

11. Mr. J. H. Fernando	-	Superintendent, Palugaswewa Estate
12. Mr. M.G.C. Dias	-	Superintendent, Diulapitiya Area Estates
13. Mr. D.M.G.A.Dissanayake	-	Superintendent, Madampe Area Estate
14. Mr. B.M.U.B.Basnayake	-	Superintendent, Chilaw Area Estate
15. Mr. A.M.D. Gunathilake	-	Superintendent, Bingiriya Area Estate
16. Mr. H.T.S. Perera	-	Superintendent, Thambapanni Area Estates
17. Mr. B.A.P.D. Dharmasena	-	Superintendent, Mangalaeliya Area Estates
18. Mr. K.A.N.I. Karunarathna	-	Superintendent, Nikaweratiya Area Estates

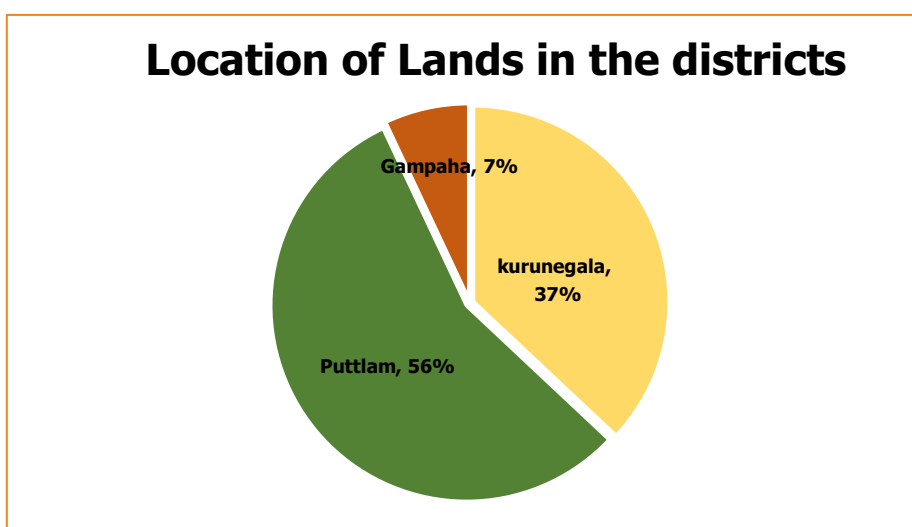
MANAGEMENT REVIEW

Agribusiness Management

Chilaw Plantations Limited (CPL) being, a forerunner in coconut production has directly contributed 0.4% of the national production in the year 2021. According to the data published by the Coconut Research Institute, location of the majority of lands within the coconut triangle and the efficient management methods adopted have led to this productivity.

CPL manages 5,733.23 hectares, of coconut lands which are located in the districts of Kurunegala, Puttalam and Gampaha as follows.

There are 85 different divisions in the area consisting of 5733.23 hectares. These divisions are clustered in to 08 area estates based on the locations of same.



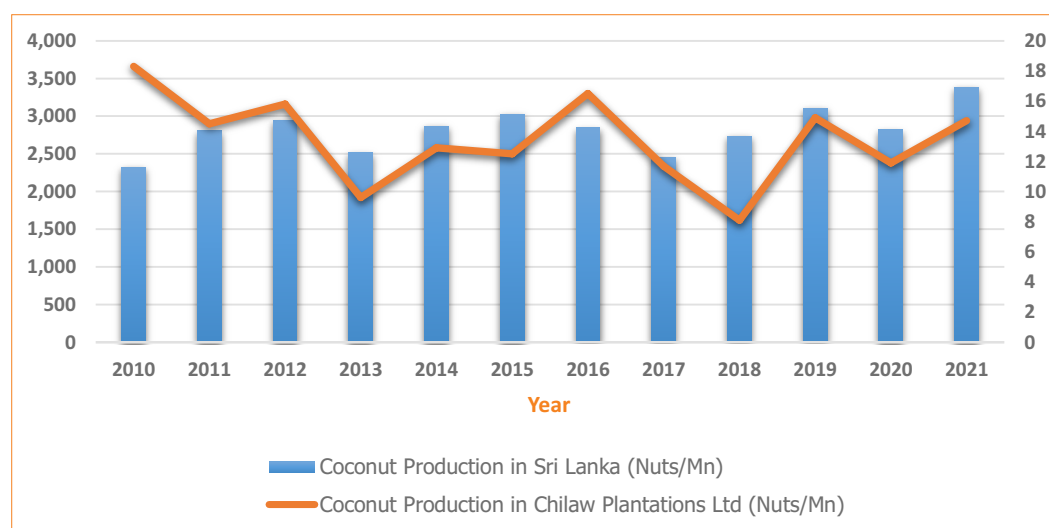
Area Estates	No of divisions	Extent (Ha.)	Main crop	Intercrops	Divisional Secretariate
Bingiriya	11	1,109.74	Coconut	Dragon fruit Cinnamon, Cashew	Bingiriya, Kobeigane
Chilaw	12	645.57	Coconut	Cashew. Cinnamon, Mango	Pallama, Arachchikattuwa, Rasnayakapura
Divulapitiya	14	424.49	Coconut	Pepper, Rambuttan, Cinnoman	Divulapitiya, Katana Dankotuwa
Madampe	12	655.86	Coconut	Dragon fruit, Pineapple, Cashew, Mango	Naththandiya, Chilaw, Bingiriya, Udubaddawa, Madampe

Mangalaeliya	11	816.64	Coconut	Cashew	Puttalam, Mundalama, Mahakumbukkadawala
Nikaweratiya	14	399.92	Coconut	Cashew	Kobeigane, Panduwasnuwara
Palugaswewa	1	672.22	Coconut	Dragon fruit, Cashew	Arachchikattuwa
Thambapanni	10	1,008.79	Coconut, Cashew	Cashew	Puttalam, Wanathawilluwa, Kalpitiya
Total	85	5,733.23			

According to the agro-climatic zones, lands of the CPL are located in the intermediate lowland (IL) and dry climate (DL) zones. Palugaswewa, Mangalaeliya and Thambapanni estates are adjacent to the coastal zone, while Bingiriya, Nikaweratiya, Madampe, Chilaw and Divulapitiya estates are located towards the inland zone. Accordingly, the soil characteristics of each region show a difference. Hence, various suitable crops have been cultivated in these areas.

As per the characteristics of the agro-climatic zones and the main business structure of the CPL coconut cultivation has been undertaken as the main crop in the land most suitable for coconut cultivation, and cashew cultivation as the main crop in the soil with characteristics that are not suitable for coconut cultivation. Additionally, the CPL has attempted to increase the productivity and production of a unit of land by cultivating intercrops that can be combined with coconut. Grafted Mango, Rambutan, and Dragon fruit as fruit crops, Cinnamon and Pepper as spices, and short-term vegetable crops in some lands have flourished. Apart from this, Buffalo husbandry, Goat husbandry and Sheep husbandry are also being successfully carried out as live stock projects.

Annual Coconut Production



Year	Coconut Yield (Nuts)	Variance %	Number of Coconut bearing palms	Variance %	Average number of nuts per coconut palms	Annual Coconut production in Sri Lanka (million)	Variance %
2010	18,256,007	-2	340,586	-10	54	2,317	-16%
2011	14,527,770	-20	353,113	+04%	41	2,808	+09%
2012	15,807,753	+09	312,456	-12%	51	2,940	+05%
2013	09,595,275	-39	313,048	+01%	31	2,513	-14%
2014	12,969,381	35	283,449	-9%	46	2,870	+14
2015	12,517,083	-3	288,951	2%	43	3,026	+5
2016	16,522,290	32%	304,043	5%	54	2,845	-7%
2017	11,651,155	-29%	282,005	-7%	41	2,450	-14%
2018	8,132,121	-30%	262,517	-7%	31	2,737	+10%
2019	14,993,952	84%	259,808	-1%	58	3,106	-13%
2020	11,943,494	_20%	273,429	5%	44	2,818	-9%
2021	14,715,763	23%	275,267	1%	53	3,383	20%

Re-establishment of Coconut Cultivation

Due to the less extents under planted during the period of private management, Chilaw CPL has increased the establishment of new plantations after taking over by the government in year 2008. Many identified suitable areas in almost every estates have been new/ under planted. Being sensitive to the whether parameters such as low rainfall. Management has concentrated on maintaining the persisting young plantations having curtailed the commencing of new plantations.

Area Estate	Extent of Coconut mature area (Hectare)	Extend of UP/NP/RP (Hectare)	As a percentage of UP/NP/RP on mature area (%)
Bingiriya	598.95	108.00	15 %
Chilaw	449.59	35.77	7%
Divulapitiya	366.24	37.5	9 %
Madampe	521.95	81.7	14 %
Mangalaeliya	252.54	46.25	15 %
Nikawaretiya	283.53	49.36	15 %
Palugaswewa	486.16	131.00	21 %
Thambapanni	344.94	41.67	11 %
Total	3,303.88	531.2	14%

Increase the Land Productivity

Increasing the Productivity of low Productive Lands

It is possible to increase the productivity of the land unit by identifying the soil suitability of underutilized land and reusing it for crop cultivation and by cultivating intercrops in addition to the main crop in the lands where the crops can be further diversified. CPL has taken steps to increase the productivity of the land through both methods.

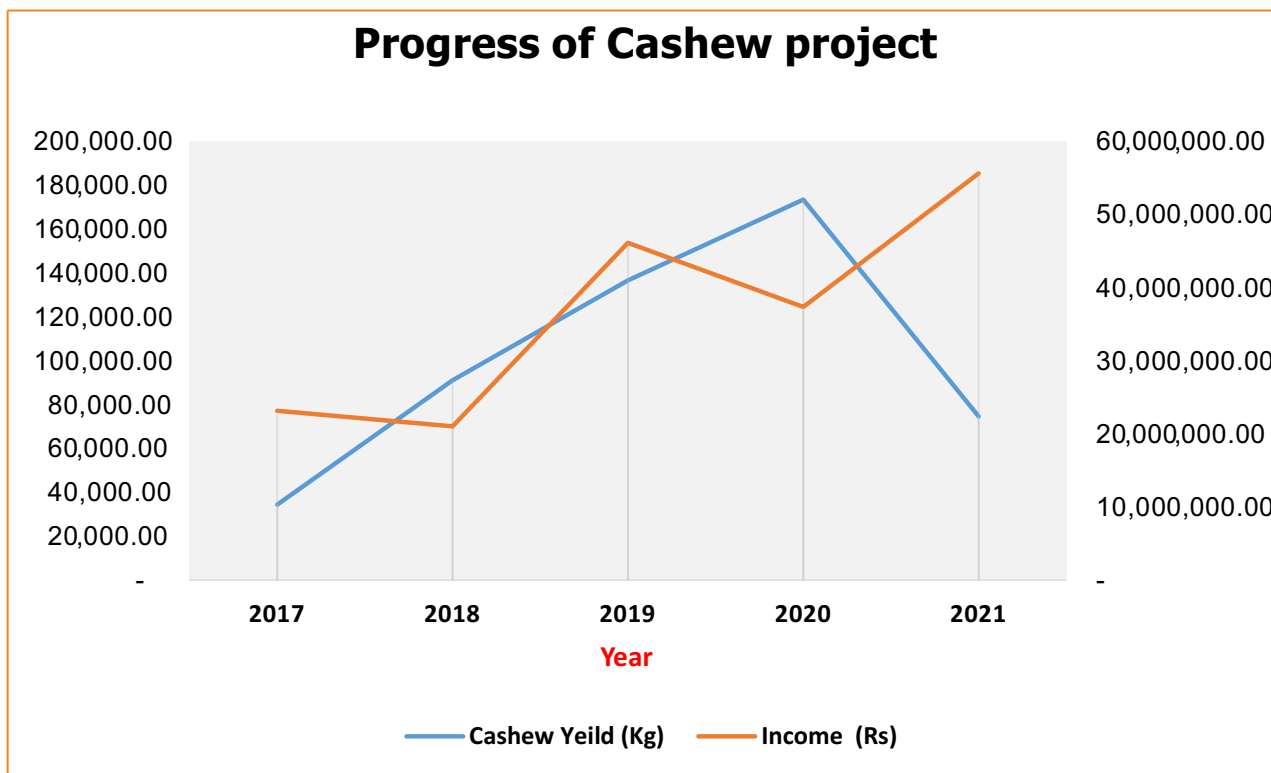
For the first time, the CPL has obtained the contribution of private entrepreneurs to use underutilized land owned by the company for short-term crop cultivation through redevelopment. By this exercise the CPL has achieved successful results and active contribution to increase the food production of the country also has been assured. At the end of the year 2021, 1309.25 acres were cultivated with the assistance of such entrepreneurs.

Organic Certification For Cashew

CPL owns almost 800 hectares of cashew cultivation and there is a unique place for cashews in the world today. Cashew cultivation as a project started in the year 2002 and CPL to become the leader in cashew cultivation in Sri Lanka by obtaining a record harvest in 2020. Although this harvest was locally sold and given to the processors before year 2012, the CPL commenced a project to thereafter supply processed cashew nuts to the customer by establishing a CPL owned processing center. Arrangement is still in operation and high-quality standardized cashew are now available for the consumption of the consumers.

Due to the good agriculture taking another step forward the cashew industry in the year 2021, Good agricultural practices carried out for a long time, we are proud to mention that the CPL was able to elevate the company to become the leader in the cashew industry by becoming the only processor to own the 'organic' certification for organic cashew cultivation among the rest.





Other Inter Crops

In addition to cashew cultivation, which is the main inter crop Tom JC mango, Rambutan and Dragon fruit cultivation can be identified as the other inter crops of CPL.

Mango plantation was started for the first time in the year 2015 and is currently being successfully cultivated in 03 divisions including Nelumkuliya, Seenugala and Heemmaliyagara. In the year 2020, the improved mango plantation was 07 acres, adding another 15 acres in the year 2021, and now CPL has a Tom J C mango plantation of 22 acres. Currently, the plantation started in 2015 is in the fruiting stage, as the other plantations are still in the growing stage.

Rambutan plantation was established in the years 1996 and 2005. Gampaha district is renowned for Rambutan. This has been planted as an intercrop within Coconut land called Kopiwatta estate of Divulapitiya area estates.

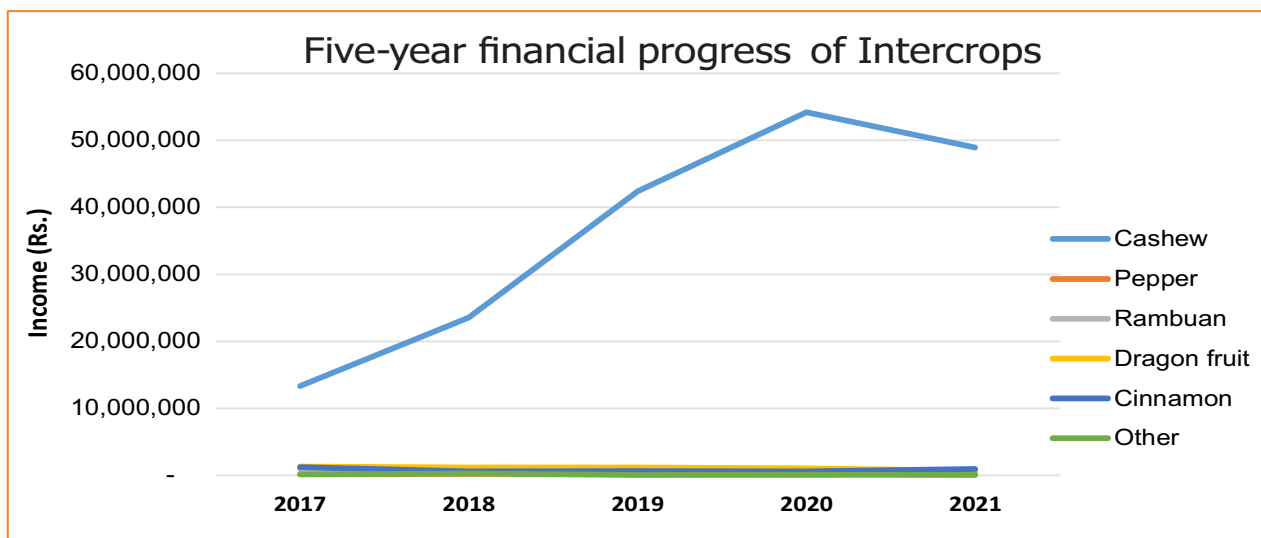
CPL has embarked on cultivation of Cinnamon and Pepper. Pepper cultivation in Divulapitiya Weeranissankamalla Estate and Cinnamon cultivation in Saraswathi, Dombawinna, Siambalawewa, Kola munuoya and Nelumkuliya estates have been undertaken.



Quantitative Information on Intercrops

Estates	Cashew (Hect.)	Pepper (Hect.)	Rambutan (Hect.)	Dragon Fruit (Hect.)	Cinnamon (Hect.)	Mango (Hect.)	Pineapple (Hect.)	Cassava (Hect.)	Vegetables (Hect.)
Thambapanni	409.25	-	-	-	-	-	-	-	-
Mangalaeliya	317.24	-	-	-	-	-	-	-	-
Bingiriya	20.00	-	-	4.44	0.81	-	-	-	2.02
Nikaweratiya	18.20	-	-	-	-	-	-	-	-
Chilaw	45.12	-	-	-	1.60	7.36	-	-	-
Madampe	6.07	-	-	3.64	-	1.6	0.4	-	0.7
Divulapitiya	-	16.06	20.00	-	9.61	-	-	1.62	-
Palugaswewa	-	-	-	0.5	-	-	-	-	-
Total	815.88	16.06	20.00	8.58	12.02	8.96	0.4	1.62	2.72

Review of Intercrop Income



Focusing on Vegetable Cultivation at regional for Food Security

Due to the Corona pandemic situation, the overall vegetable production in the country suffered a setback, and as a remedy, the government made a contribution at the local level for the food security program ('Saubhagya' Gardening Programme) which was started throughout the island and CPL has actively contributed in the production of vegetable crops last year as well as in this year.

Vegetable cultivation which was started in the previous year in Puttalam and Chilaw has continued to work very successfully as model cultivation; especially the vegetables produced in Thambapanni area estates have been high quality aiming the export market.



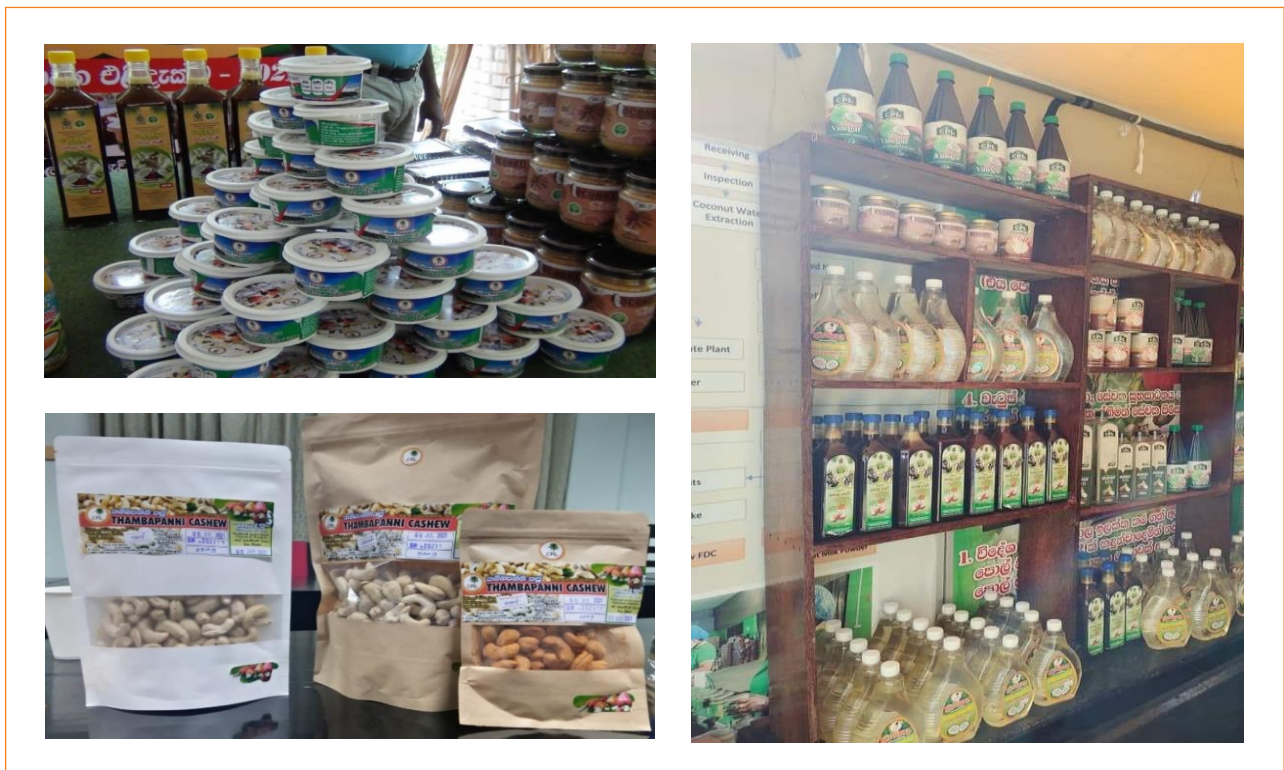
Short-term Leasing of lands for Intercropping

Due to the existing shortage of human resources and the existing difficulties in physical resource management, a shortterm interim lease process was started for the first time in **2020** to external entrepreneurs to revitalize the coconut lands owned by the CPL . By the end of **2021**, the Chilaw Plantations Limited managed to sublease **1,309.25** acres of coconut and by continuing the process.

These lands are leased under a concessional lease amount of **12,000.00** rupees per acre per year. By the end of the year 2021, CPL managed to get an annual income of Rs. **13.1** million. Through this lease, the spontaneous development of coconut lands, the maintenance of its main cultivation and the blocking of the opportunity to acquire unauthorized lands through land use can also be mentioned as side benefits of the Chilaw Plantations Limited .

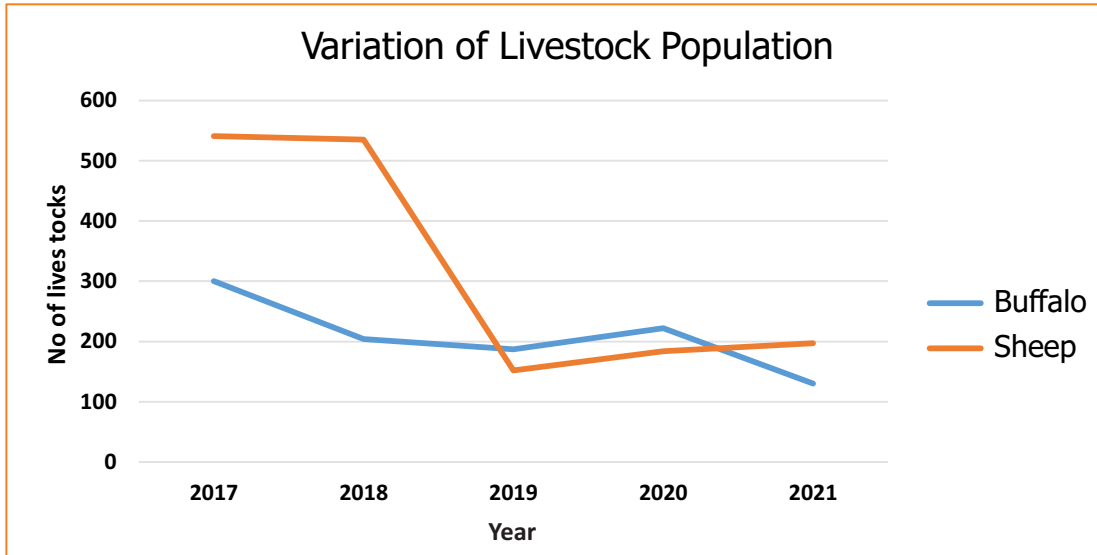
Submission of Value Added Products to the Market by CPL

CPL is undertaking crop diversification as well as product diversification aiming at new markets and priority has been given to the production of high quality Coconut Oil, Mixed Coconut Nectar, Coconut Sugar and Coconut Jaggery, Buffalo milk and Yogurt. The primary objectives of this project are to create new jobs support the local production incentive program, encourage the effective and sustainable use of local resources and provide consumers with environmentally friendly products that are free of toxins at a reasonable price.



Livestock Projects

The company also engages in animal husbandry to increase productivity in addition to maximizing land use and crop production. Livestock projects mainly include buffalo project in Palugaswewa estate, sheep project in Bing iriya and Madampe area estates and goat project in Thambapanni estate.



Product Marketing Strategies

All the marketing activities of Chilaw Plantations Limited are carried out with the aim of obtaining high value for the products. These marketing plans are implemented in a suitable manner to establish on the market.

Products currently offered for sale by CPL

- Coconut
- Copra
- Shelled cashews
- Processed cashews
- Fresh Coconut Oil
- Dairy products
- Coconut related by products
- Valuable Timber
- Coconut Honey, Coconut Jaggery and Coconut Milk
- Intercrop Products
- May introduce other products and services.



The company's main crop is coconut and copra produced throughout the year, and it is mainly sold through the coconut and copra auctions. Accordingly, from Monday to Thursday of the week, coconut and copra will be sold in 02 estate zones per day and on Friday at the Head office coconut market through the tender procedure, through which the buyers will be able to get enough suitable coconut and copra according to any requirement.

Shelled cashew nuts, valuable Timber, coconut shells and other products are mainly sold through tender procedures, and the tender process is determined according to the value of the products sold.

CPL mainly sells our value added products to the consumers through selected sales representatives covering many areas of the island and through our company's outlets in Chilaw, Rajakadal uwa and Colombo. Through these sales channels, our products are promoted in many parts of the island.

The marketing department implements the marketing processes of our value added products by coordinating the welfare societies of many government and non-government organizations. Through these processes, consumers have the opportunity to buy our product directly.

Chilaw Plantations is taking part in exhibitions, seminars and other ceremonial events organized by the Ministry and related institutions in order to promote the products of the company and to make community aware on the processes and products of the organization.

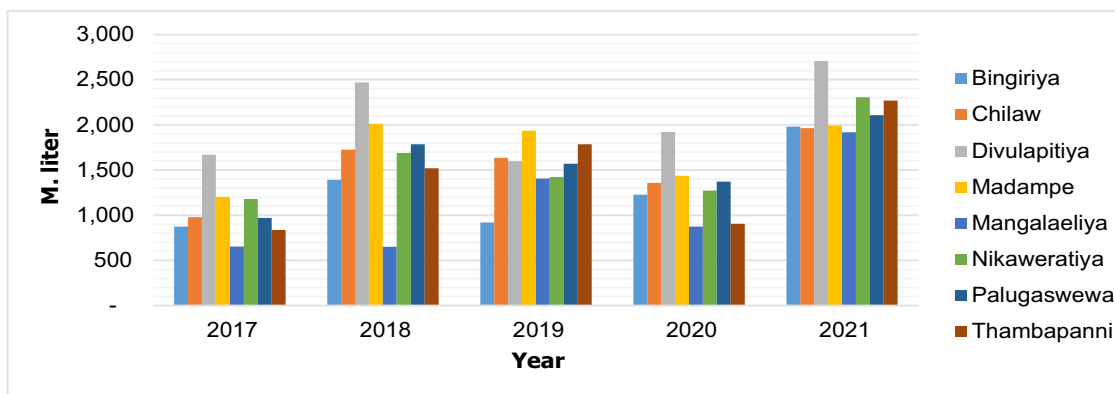
CPL has also focused on online marketing, which is very popular in the market, has planned to provide products ordering facilities to the customers through the "Chilaw Plantations Limited - Kapruka Sewana Facebook page" and through a customer service number.

Effects of Environmental Factors

Rainfall

Coconut palm is a plant with continuous growth throughout the year and is also a plant that sensitive to weather and climate factors. Distribution of the rainfall rather than the intensity to results in optimum soil moisture conditions for productive conditions.

Annual Rainfall Intensity in Plantation Regions



Environmental Temperature

Out of the 8 area estates of, CPL except Mangalaeliya and Thambapanni, which are located in the dry zone, all the remaining area estates are located in intermediate zones in terms of agro-climatic conditions. Mangalaeliya and Thambapanni area estates, experience dry conditions exceeding 06 months of the year and show higher environmental temperature compared to other estates. With increased ambient temperature, flower pollination is limited, and as evapotranspiration increases,

soil moisture decreases and tree recovery declines. As a result, coconut productivity in plantations located in and near the dry zone is lower compared to other plantations.

Soil

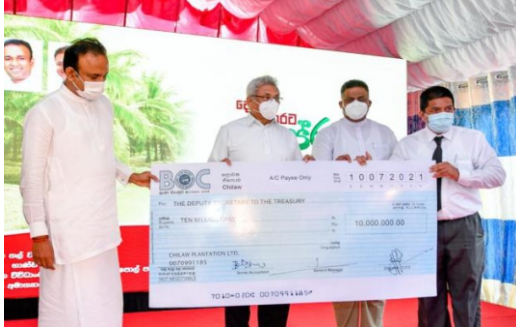
According to the findings of soil classification of the Coconut Research Institute, most of the lands of CPL belong to S3 - S4 categories. These lands are identified as moderately suitable for coconut cultivation. Annual coconut production varies from 3,000 to 12,500 coconuts per hectare.

Administration of Seed Coconut Seed Gardens

With the technical support of the Coconut Research Institute, (CRI) CPL is producing CRISL 98, an improved coconut variety by hand pollination at palugaswewa estate since the year 2013. Further in collaboration with, CRI, CPL jointly started production of "Kapruwana" coconut variety in Kinyama Estate of Bingiriya area estates in the year 2013. This seed garden expanded to 58 hectares



Our Social Responsibilities





Sustainability

Being one of the pioneer plantation companies year 2021 is a milestone to CPL as a year in which company recorded a remarkable income whilst managing the same sustainability and the employees were benefited in recognition of the achievements made.

Managing the physical resources, natural resources and human resources available in the institution well, being able to get higher results compared to the previous year is another special opportunity to be able to fulfill the expectations of the entire public as a public company.

We have been able to achieve the economic benefits generated by conserving ecosystems for the many dwellings living in the plantations of CPL based on mutual social bonds.

Sustainable Agriculture

5,733.23 hectares of land is managed under the administration of CPL. We have managed to utilize the land to the maximum extent by diversifying the biological resources while maintaining coconut cultivation as the main crop. Priority has been given to the establishment of coconut plantations, cultivation of inter-crops, animal husbandry etc. In the year 2008, the amount of coconut under-plantation which was at a rate of 6% has been increased to a percentage of 16%.

We have worked to reduce the unit production cost by increasing the biological properties of the soil and continuously building a special environment through activities such as expanding animal husbandry, in filling of palms that are damaged due to adverse weather conditions, and planting nitrogen-fixing plants etc.

As responsible plantation company involved in agriculture sustainability of the agricultural affairs has been identified to be given highest priority.

Improving Soil Biological Function

Maintaining organic coconut plantations by replacing chemical fertilizers with organic fertilizers in building a sustainable environment, applying animal waste to plant plantations to improve the quality of soil texture and structure by improving microbial activity, following water conservation strategies, conserving surface water by constructing tanks, Increasing the organic biomass of the

soil by cover crops and fixing of atmospheric nitrogen by plants such as Gliricidia have also confirmed the productivity and sustainability of the land.

We have been working to avoid the use of herbicides containing non-biodegradable heavy metals for several years by respecting and adhering to government regulations, and for that

1. Instead of using chemical herbicides, mechanical weed control is carried out using atomizers, establishing cover crops such as peuraria in the cultivation field and animal husbandry.
2. Establishing pheromone traps to prevent the red beetle damage that poses a threat to coconut plantations.
3. Maintaining the cleanliness of the field by integrated field management systems, releasing of predatory mite for the areas of high might infestations.



Use and Recycling of Organic Substances as Fertilizers

Instead of directly applying chemical fertilizers as the only substitute for nutrient deficiencies, applying organic fertilizers along with chemical fertilizers is also an action that is severe, taken to address nutrient deficiencies. By this, we have been able to maintain biological properties of soil and the waste material of sheep are applied to the immature plantations in Kinyama and Heemaliyagara in addition to the chemical fertilizer.

In particular, Mawathagama estate which consists of 100 acres has been done away with chemical fertilizers for past 6 years, and it is currently being managed as an organic coconut plantation. In the future, steps will be taken to obtain necessary local and international organic certificates for the same.

By adding organic matter with chemical fertilizers on the improvement of soil texture and preservation of soil moisture, more nutrients can be prevented from seeping into the soil. It makes the investment more effective. Especially since the coconut plant shows growth with continuous production, a large amount of soil nutrients are absorbed for that process. The absorbed nutrients are returned to the same plant by applying coconut fronds that have dried up as mulch and coconut husks as mulch and coconut husks as pits in the field. In the year 2021, mulching of coconut fronds and coconut husks have been done as follows.

Agricultural Activities	Amount completed
Mulching of coconut fronds(Palms)	293,343
Coconut Husk Mulching (Palms)	17,982
Coconut husk(Burying)	4,049
Cultivation of gingering(hectares)	670

Conservation of Bio Systems

As a biological resource conserved by the severe, atomic release of, the Mawathagama forest reserve with an area of about 50 acres and the Galkanda forest reserve with a size of about 03 acres can be mentioned. These forest systems represent a type of wetland ecosystem, which has been protecting biodiversity for a long time, and which ensures sustainable land management.

Apart from that, there are various sized tanks within many divisions, and many of them have been set up as tanks bio-conservation systems. Therefore, such systems are constantly being maintained.

Timber Based Plantation Management

CPL consists of 85 divisions , and in the total plantation units there are more than 22,000 timber trees of different varieties and growth stages. Most of the plantations are located around plantation boundaries, but over time timber plantations have been identified where the timber plantations have been grown within the plantations. Such places are identified and managed as timber plantations and felled periodically as the trees grow with proper permits and planning. In addition, we have succeeded in resuming teak cultivation in 12 hectares by increasing the amount of teak in the estates like Kasamadu Estate, And Thambapanni Estate.

In environmental management, theCPL is expanding the cultivation of a bio -resource in a phase-by-phase manner. In order to manage forestry and utilize its resources,CPL has prepared a "Five - Year Forest ry Management Plan" in 2019 is being implemented as a practical plan for felling timber trees and reforestation accordingly.

According to the 'Forest ry Management' plan, 729 timber trees were felled in the year 2020, instead 4,108 timber trees and conservation trees have been planted in all 8 plantation zones.

Sustainable Products

Chilaw Plantation Limited has been involved in selling value added products in the local market for several years. There, Palugaswewa coconut oil produced by Palugaswewa high quality copra, processed "Thambapanni cashew", curd and yogurt produced in Palugaswewa estate can be mentioned. We have made it possible for the people of the country to consume high quality products. In order to further bring our products closer to the trading community, we distribute them through the welfare societies of various institutions and sell them through the sales outlets. It is our aim to distribute high quality products for the money that the public spends on products.

Carbon Footprint

We would like to state CPL aims to reduce the production of carbon dioxide or similar gases as a result of its direct and indirect operations. CPL has contributed to the Carbon footprint by providing new machinery with high efficiency instead of least efficient machinery, not running vehicles unnecessarily, allowing decomposing organic matter to be recycled back to the soil, improving the attitude and efficiency of employees, increasing unit productivity and minimizing the use of resources:

Employee and Social Relations

Employee Benefits

Chilaw Plantation s Limited is an organization that is always keen on raising the morale of employees and benefiting them. Recognizing the human resources as most valuable resource of an organization , Chilaw Plantations Limited has increased the incentive payment to the employees by 91% in 2021 compared to the year 2020 based on the performances.

Furthermore, we gave more attention to the marketing activities in 2020 since the COVID pandemic situation affected the market very seriously . The estate staff too were extended their enormous support in this regard. Therefore we encourage them by paying a commission of 2% on the sales achieved.

Due to the corona pandemic situation that occurred from the beginning of March 2020, the Colombo Coconut auction held by the Coconut Development Authority was temporarily stopped, but based on the successful marketing mechanism adopted by the CPL , all the coconuts produced were sold to the buyers without interruption and without stock remaining.

Also, due to the collective dedication and contribution of all the officers, we managed to get the highest cashew harvest in the history of the company in the year 2020, and the officers who contributed to it were also appreciated.

CPL implemented the increase of workers' wages to Rs.1, 000/- well before the wages Board decision on same.

The SHRAMABIMANI Programme granting scholarships to school children of workers was launched in 2021 which scheme was a great benefit to the workers community and their families.

An insurance scheme on personal accidents too was introduced to the workers.

Issuing coconut in every month at a concession rate during the year, insuring all employees and paying insurance compensation, providing distress loans at low interest rates, sponsoring annual outings of plantation employees can also be mentioned as other benefits given to employees.. This has greatly contributed to the motivation strategy of human resource management, increasing the productivity and the commitment to the company.

Social Responsibilities

CPL is constantly building cohesive relationships with external parties and carrying out its business activities. The resources of the company have been given the opportunity to use them for the betterment of the society. The company has allowed grazing cows in many of our lands for the low income farmers. We are contributing to increase the overall milk production of the country with the improvement of their living conditions. Beneficial things such as weed control through animal grazing, increased organic composition of the soil due to animal droppings, indirectly benefit the company.

In addition, we provide many facilities that are requested by temples and shrines every year, and we provide coconut plants for the necessary activities, provide copra for processions, provide company sponsorship for the same and actively provide relief in case of disasters in the country.

As a plantation company, we achieve sustainable development through environmental, social and economic engraining , engaging in economically productive agricultural activities and fulfilling the intentions of all employees to contribute to the development of the country is our sole expectation.

FINANCIAL REVIEW

The Financial Statement sets out the financial performance and the financial position of the Company and the financial review reflects an overview of the Company's financial performance.

COMPANY FINANCIAL PERFORMANCE AT A GLANCE

Rs.Mn

	2021	2020	Variance Rs Mn	%	Key Factor
Coconut Nuts Mn	14.7	11.9	2.8	23%	Strategic management measures adopted
NSA (Net Sale Average) Rs.	57.51	47.90	9.6	20%	Market trends
COP (per nut) Rs.	26.05	26.08	(.03)		Crop increase
Revenue	1050	673	377	56%	Due to crop increase, Increase in NSA of coconut by 20% and increase of nursery income
Cost of Sales	521	398	123	31%	Due to increase in Cost of nursery on large scale nursery planting program in 2021
Gross Profit	529	275	254	92%	
Other Income	161	118	43	36%	Increase of other income Ref. note no.21
Administrative and General Expenses	207	135	72	53%	Provision of Rs 93 Mn has been made for incentive payment compared to Rs 49 Mn in previous year
Finance Income	26	13	13	100%	Due to Increase of FD Balance and interest rate
Finance Expenses	40	39	1	2.5%	Government lease rental has increased based on annual GDP deflator.

Revenue

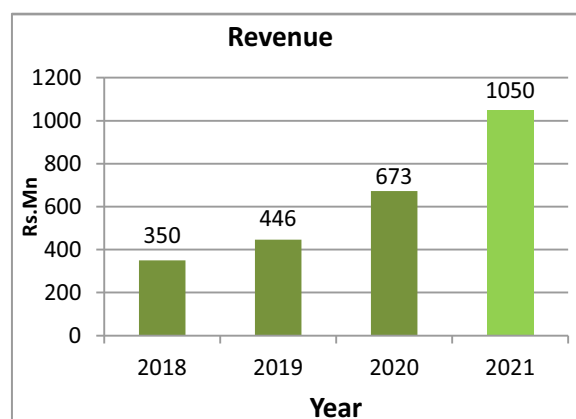
In the year 2021, The Company recorded Revenue of Rs.1050 Mn compared to Rs. 673 Mn recorded in 2020. This is an increase of Rs. 377 Mn in comparison. (56% increase). Increase in revenue from the coconut as a result of increased crop harvested during the corresponding year and increase of Nursery income in 2021 were the main reasons for this revenue increase.

Coconut segment was the main contributor for the revenue with Rs 802 Mn, compared to Rs 592 Mn in last year which is an increase of 35%. Income from coconut represents 76% of the total Revenue.

The Seedlings and nursery segment achieved a Revenue of Rs 142 Mn which is an increase of 1191% compared to Rs 11Mn in previous year. During the corresponding year 500,000 coconut seedlings were sold from the large scale coconut nurseries commenced during the year 2021 which ultimately resulted to increase income generated from coconut nurseries.

The composition of the revenue is as follows

	2021 Rs Mn	2020 Rs Mn
Coconut	801.7	592.1
Seedlings & Nursery	142.2	10.9
Cashew	55.6	37.3
Livestock Project	14.3	9.7
Others	36.1	22.9
Total	1049.9	672.9



Composition of Cost of sales

	2021	2020	Increase/ (Decrease)
	Rs.Mn	Rs Mn	Rs.Mn
Coconut and copra	341.7	334.1	7.6
Cashew	43.3	22.1	21.2
Livestock	14	11.3	2.7
Nursery	82.3	7	75.3
Oil Mill	21.3	8.3	13
Cashew processing	10.5	7.8	2.7
Other	7.7	7.7	
Total	520.8	398.4	122.4

- Cost of Sales of coconut, for the year 2021 Was Rs. 341.7 Mn compared to Rs 334.1Mn in year 2020 reflecting an increase of Rs.7.6 Mn.
- Cost of sale of cashew has increased by Rs 21.2 Mn mainly due to adjustment of high opening stock and low closing stock to cost of production as follows.

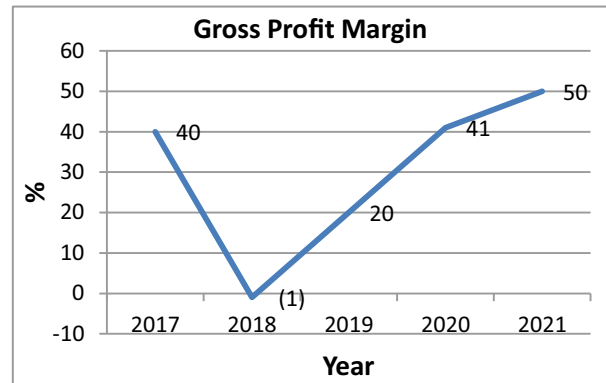
	2021	2020
	Rs. mn	Rs.mn
Cost of Production	35	39
Opening stock	17	-
Closing stock	(9)	(17)
Cost of sales	<u>43</u>	<u>22</u>

- Main reason for Increase in cost of sales of nursery was mainly due to increase in the number of plant sold during the corresponding year.
- As a result of increase in sold quantity of coconut oil during the corresponding year, cost of sale of coconut oil has increased by Rs 13Mn.

Gross Profit

The gross profit for the year under review was Rs 529 Mn, which is an increase of **92%** compared to Rs 275Mn reported in the previous year.

CPL achieved a Gross profit margin of 50% during the year, against the 41% in 2020.



Segmental Gross Profit

Coconut was the main contribution to gross profit, with Rs 460 Mn representing 87%. Whilst, nursery contributed 11% which represented Rs 60 Mn, other sources (Cashew, livestock, oil mill, cashew processing and minor crop, such as cinnamon, pepper, rambuttan and dragon fruit) accounted for balance 2% with a contribution of Rs 9Mn.

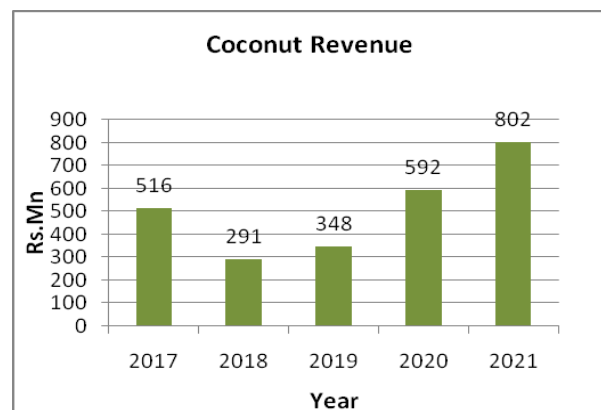
Coconut Sector

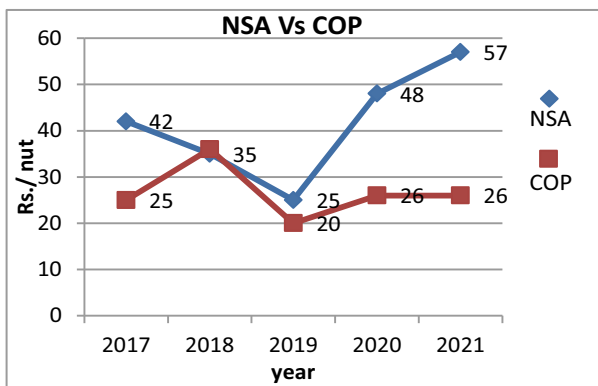
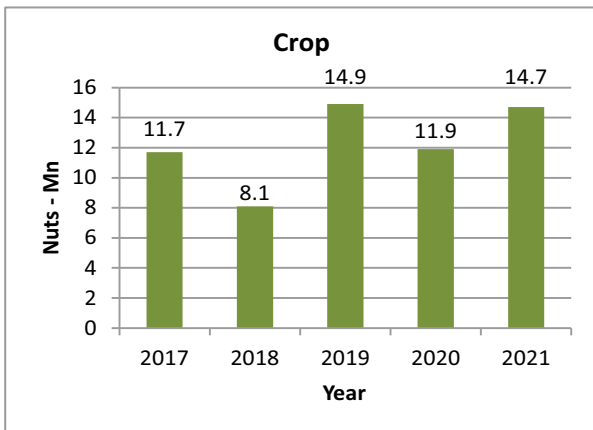
Chilaw plantations ltd has an extent of **3828.85** hectares under coconut and these plantations are managed under the eight area estates. Plantations are situated in the planting districts of Puttalam, Kurunegala and Gampaha.

Currently the Coconut immature plantation extent is 547.2 hectares, which is equal to 14% out of total coconut extent.

During the corresponding year CPL produced 14.7 Mn nuts against to 11.9 Mn nuts in 2020, which is an increase of 23%.

Total revenue generated from Coconut was Rs. 802Mn, an increase of 35% compared to last year's revenue of Rs 592 Mn.





Other Operating Income

Other Operating income that consisted of sales of husks, timber, paddy, and sale of dead/senile trees increased from Rs. 118Mn in 2020 to Rs 161Mn in 2021, which is an increase of 36%. Increased income from sale of timber trees, sale of coconut trees, income from desalting tank, Income from land rehabilitation project and income generated from land provided for cultivation to outsiders in 2021 were the main reasons for this favorable variance.

Details of other income sources are shown in the Note No. 21 for the financial statement.

Administration and General Expenses

Administrative expenditure in the year under reviewed increased by 53% to Rs 207Mn from Rs 135 Mn in 2020. Main reasons for cost increase can be outlined as follows.

- Increase in employee performance incentive from Rs 49 Mn in 2020 to Rs 93 Mn in 2021.

- increase in staff salaries and allowances by Rs 4.4 Mn due to new recruitment and annual salary increment as per management service circulars,
- Increase in provision for depreciation to Rs 9.8 Mn in 2021 from Rs 0.8 Mn in 2020 due to revaluation of motor vehicle at the end of the year 2020.

Finance Income

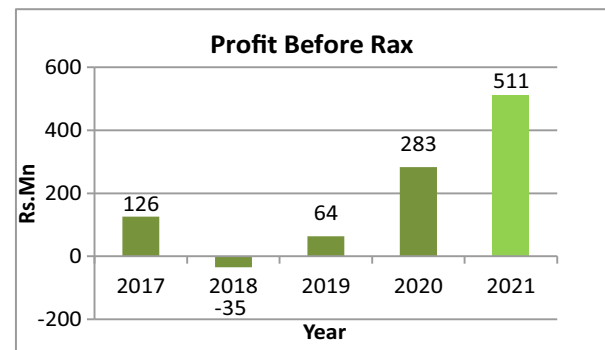
Finance income, mainly represents the interest income from Short- term deposits and interest income on staff loans which has increased from Rs 13 Mn in 2020 to Rs 26 Mn in 2021. This is an increase of 94% in comparison. These increases were mainly due to the increase of Short term investment during the year on remarkable financial performance and increase in interest rate of Fixed deposits.

Finance Cost

Finance cost for the year was Rs 40 Mn compared to Rs 39 Mn in previous year, which mainly reflects the interest and contingent lease rental on JEDB Leasehold Assets. During the year 2021 it was Rs. 39Mn, recording a 3% increase compared to Rs 38mn in previous year. As per the GDP deflator finance cost on JEDB leased hold assets is inflated annually.

Profit before Tax

The company recorded profit before tax (PBT) of Rs 511Mn during the year, compared to Rs 283 Mn in 2020. which is increase of 80%. CPL was able to achieved ever highest financial performance during the year 2021.



Taxation

During the year under review the Company recorded tax reversal of Rs 121 Mn as per Inland revenue amended act No 10 of 2021 compared to provision Rs 17 Mn recorded in previous year. (Refer note no 24 for tax computation)

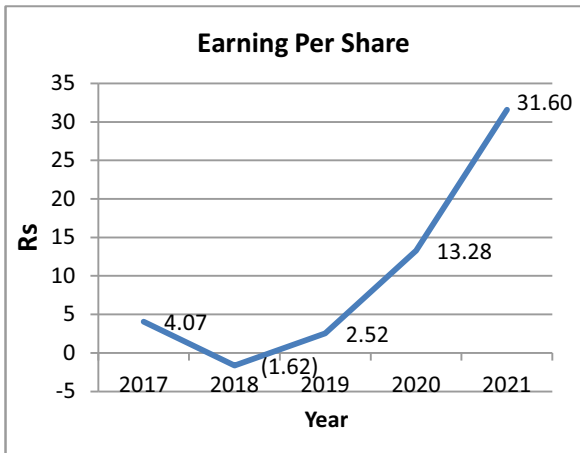
Recognition of Human Resource

The company paid Rs 92.9Mn in the year 2021 as performance incentive to employees compared to the Rs.48.7 Mn in the year 2020. This would encourage the employees to perform better.

In addition to that, a sum of Rs 9.8Mn was paid in the year 2020 as a bonus to the employees as per PED Circular No. 03/2021 compared to Rs 8.9 Mn paid in previous year.

Earnings Per Share (EPS)

The favorable financial performance of the company, increased the EPS to Rs 31.60 from Rs. 13.28 in the previous year.

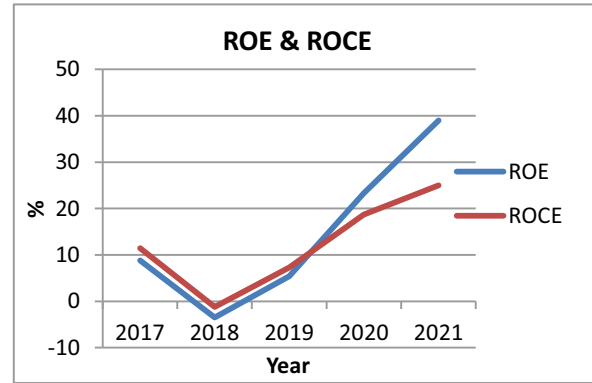


Dividend

Chilaw Plantations Ltd has paid a total dividend of Rs. 365Mn to the Treasury/Golden share holder, after the taking over the management back to the Government in May 2008. In comparison to the profit earned by the company from year 2008 to 2020 this is a significantly high amount. Thus the total dividends paid to the treasury by Chilaw Plantations from 1992 amounts to Rs 527Mn to end year 2020.

Return on Capital Employed (ROCE) and Return on Equity (ROE)

The ROE and ROCE also significantly improved to 39.01% (23.28% last year) and 24.98% (18.70% last year) respectively, adding more value to the investments during the year.



Asset Base

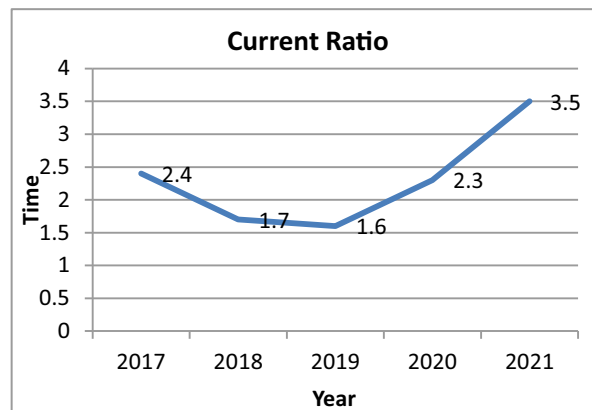
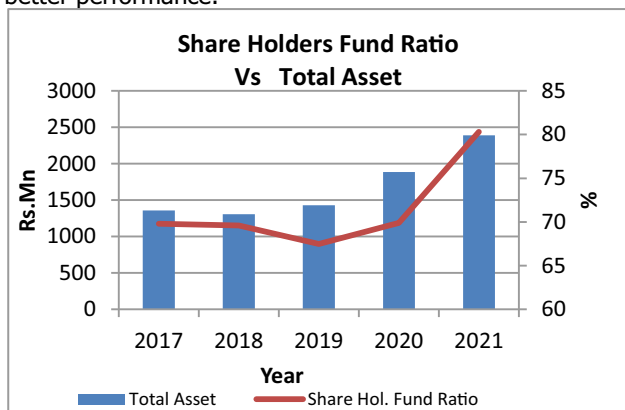
During the year under review, total asset of the company has increased by 27% to Rs 2,393 Mn in comparison to Rs. 1,885 Mn in 2020. The increases in both non-current assets and current assets have contributed towards the improvement on the total asset base.

In the case of non-current assets, the asset base has increased from Rs. 1,360 Mn in 2020 to Rs 1,387 Mn in 2021 which indicates an increase of 2% over the previous year. Increase is mainly due to the increase in bearer biological assets which resulted from the field development expenditure and increase of consumable biological asset on new valuation.

Mean while, the current asset base of the company has increased from Rs. 525 Mn in 2020 to Rs. 1,005 Mn in 2021 which indicates an increase of 91% over the previous year. Increase in trade and other receivable, Inventories and increase in short term deposits at the end of the year were the main reasons for this current assets increase.

Shareholders' Fund Ratio

The shareholders' Fund ratio has increased to 80.3% during the year from 69.9% previous year due to better performance.



Liquidity Position

	2021 Rs.(Mn)	2020 Rs.(Mn)
Total Current assets	1,005	525
Total Current Liability	288	232
Net Working Capital	717	293
Current Ratio	3.5	2.3

The working capital in the year under review has increased to Rs 717Mn, compared to Rs 293 Mn in previous year mainly due to increase in short term investment, increase in inventories and increase in trade and other receivable on better performance

Biological Assets – Consumable & produce

The company's managed timber for commercial use is classified as a consumable biological asset, value of which increased by Rs. 30 Mn due to increased fair value and annual growth.

The gain in fair value less cost to sell on produce bearer biological was Rs 12 Mn, from coconut.

Current Ratio

The Current ratio of the company has increase to 3.5 times, compared to 2.3 times in the previous year. This reflects the increase in companies' ability to pay its short term debts.

Cash flow

Cash generated from operating activities increased to Rs 475Mn compared to Rs 355 Mn reported in last year due to significant improvement of financial performance of the company.

Cash flow from investing activities reported a net cash outflow of Rs.275Mn in the current year compared to a net cash outflow of Rs. 138Mn in the previous year. During the year under review, the company has invested Rs 57 Mn on field development, Rs. 15Mn in Property Plant and Equipment and the company has invested Rs 236 Mn in Short term deposits for the maturity period over three months, which ultimately resulted in creating a net cash outflow from investing activities.

Cash flows from financing activities depict a net cash out flow of Rs 92 Mn during the year under review. Dividend paid to treasury which amounted to Rs 10 Mn, settlement of lease rental arrears Rs 73 Mn to treasury and repayment of temporary loan facility Rs 12 Mn were the main reasons for net cash out flow of finance activities.

As at 31st December 2021, overall cash and cash equivalents and short term deposits of the company were Rs. 739 Mn compared to Rs 396Mn reported at the end of the year 2020.

CORPORATE GOVERNANCE

The Board of the Chilaw Plantations Limited operates on the principles of honesty, corporate fairness, transparency and accountability, and these governing principals would be the foundation on which it will endeavor to build strong relationship with all stakeholders and nurture the environment within which the Company operates.

The Company's activities are conducted with the ethical standards and in the best interest of stakeholders. This commitment is supported with the right roles, structure, information and resources which are embodied with policies, procedures and process that are designed not only to ensure regulatory compliance and sustainability of business but also to enhance business value.

BOARD OF DIRECTORS

The Board of Directors is ultimately accountable and responsible for the performance of the company and is the focal point of the corporate governance process.

RESPONSIBILITY

It sets key policies and strategic objectives and ensures their implementation. The Board also bears the ultimate responsibility for the integrity of the financial information, the effectiveness of the Company's systems of internal control.

COMPOSITION

In 2021 the Board of Directors comprised Eight Directors including the Chairman.

BOARD MEETINGS

Board Meetings are scheduled on a monthly basis. At these Meetings the Board sets out the strategic direction of the Company, reviews the annual budgets, the progress of all activities the recurrent and the capital expenditure programs.

The Board members are given appropriate documentation in advance of each Meeting.

The board met 13 times during the year 2021.

AUDIT COMMITTEE

The Audit Committee is comprised of Three Directors, inclusive of two non- Executive Directors.

Mr. H.G. Sumanasinghe being a non-executive Director functioned as the Chairman of the Audit Committee and conducted four evaluations during the year. Officer of Auditor Generals' Department participated as Observer of Audit Committee meeting.

The Chairman, Executive Director, GM, AGM Plantations and Senior Accountant attended Audit Committee Meetings on invitation.

COMPLIANCE WITH LEGAL REQUIREMENT

The Board of Directors makes every endeavour to ensure that the Company complies with the Memorandum and Articles of Association of the Company and other rules and regulation as applicable to state-owned business undertakings of the Country.

The Board ensures that the financial statements of the company are prepared in accordance with the Sri Lanka Accountings Standards and comply with the requirements of the companies Act No. 07 of 2007.

Risk Management

Risk management is very much vital to organizations of our nature involved in agri-business and agri based affairs. In this context one of the key problems we encounter is climate change. Changing the weather patterns have created an environmental where some of the routine agriculture practices cannot be executed as programmed. Price fluctuations, market fluctuations are also important areas to be concerned. Mitigating these are of paramount importance to the continuity of the organization. These identified risks assessments and mitigating strategies are highly necessary for the betterment of the organization.

Risk mitigation strategies:

Risk Factor	Risk Assessment	Risk Mitigation Strategies
Climate Change	Yields of Coconut, Cashew & other perennial Crops fluctuate unexpectedly due to adverse weather condition mainly due to the unforeseen and elongated drought that prevails continuously for months. Rain fall with high intensity creates flood during rainy season which also creates a threat to agriculture practices and crop harvest.	<p>Undertaking increased soil moisture conservation work by way of husks buried in husk pits, more drains to trap rain water within the plantations soil, more low shades such as gliricidia and cover crops such as pureria being planted.</p> <p>More tanks are also renovated to collect rain water, which could later be used for irrigation whilst such collected water also feed the roots of the palms by maintaining the soil moisture in the vicinity of the tanks.</p> <p>Irrigation systems are being established to ensure the water requirements of the plants are met.</p> <p>Obtain insurance coverage where relevant</p>
Impairment to production	<p>The other cause being due to a high percentage of the mature palms of the age of over 50 years turning into senile, dud or tapering.</p> <p>In addition, any unforeseen pest and diseases and natural causes to the palms and plantation.</p>	<p>Undertaking New Plantings and Under Plantations to replace the over aged palms population.</p> <p>Established two mite labs at Palugaswewa estate and Divulapitiya area estates.</p> <p>Integrated pest management strategies.</p> <p>Frequent trainings are given to staff on pest and disease management.</p>
Commodity Cycle	<p>Impaired prices and unsteady sales, depending on the consumer's demand, due to the increase in substitutes causing declined demand for coconut edible products, resulting in large quantities of nuts in the estates lying on the ground with a possibility to spoil if not alternative measures taken.</p> <p>Competition from close substitutes such as palm oil etc, to which more consumers are being attracted to, due to low cost, affect demand and prices</p>	<p>The Coconuts unsold at the Colombo CDA auction are sold through a mechanism introduced by the management to sell the same at estate level, additionally company level 'Pol Pola' also is in operation, in addition to the weekly CDA Coconut auction.</p> <p>The company has introduced district sales agent ship to sell the coconut and other value added products to the community.</p> <p>Concentrate to produce value added product</p> <p>The nuts not sold at all these auctions are turned into copra, a part of which is sold through auction and the other or major part turned into pure coconut oil at Palugaswewa oil mill.</p> <p>Arrangements have been made to distribute coconut to the consumer direct by sales outlets and deliveries specially to government officers</p>

Credit Risk	<p>The probability of having delays in the buyers settling the dues or failing to abide by the rules and regulations.</p> <p>Accumulation of dues.</p>	<p>Ensuring collection of dues from the buyers, by a closely monitored procedure.</p> <p>Seek the Authorities intervention on the long delayed settlements or on the buyers who don't respond.</p> <p>Government lease payment are closely monitored and settled without a delay.</p> <p>Company has introduced rules and regulations with regard to payments due from the buyers.</p>
Management Personnel	<p>Lack of motivation and lack of knowledge of the job, resulting in poor productivity and outputs.</p> <p>Employees leaving for other industries or companies for better remunerations and higher positions.</p>	<p>Workshops and training programs undertaken.</p> <p>Improving employees' benefits by way of financial / non financial incentives & fringe benefits.</p> <p>Maintaining healthy relationships with trade unions through regular dialogues.</p> <p>Ensure compliance with all regulatory requirements with regard to the benefits applicable to the employees.</p> <p>Ensuring promotions from within, to senior positions as far as possible and depending on the suitability.</p>
Assets Risk	<p>Risks from fire, theft and breakdown of machinery & equipment.</p> <p>Natural disaster, such as, caused by lightning, floods, insects, animals and elements.</p> <p>Land acquisition attempts by various parties.</p>	<p>Obtaining comprehensive insurance covers for all tangible assets.</p> <p>Adoption of stringent procedures with regard to the moving of assets from one location to another.</p> <p>Establishing fire gaps to prevent fire spreading in to our lands from outside and other available precautionary measures.</p> <p>Carrying out frequent preventive maintenance programs / fire drills etc.</p> <p>Adopting good agriculture practices</p> <p>Survey plans are being prepared to all the lands and legal actions are taken against illegal acquisitions.</p>
Capital Investments Risk	<p>Risk of not meeting with profit expectations and not receiving the desired returns on investment.</p>	<p>Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected pay back.</p>

<p>Reputation Risk</p>	<p>Insufficient and improper knowledge of principles, procedures, standards, rules and regulations pertaining to employments, tradings and other procedures of an establishment.</p> <p>Produces not meeting with consumer or market demands and standards.</p> <p>Lack of knowledge pertaining to the performance, targets and standards.</p>	<p>Ensuring effective communication with various stakeholders such as employees, bankers, customers, regulators,</p> <p>Ensure quality in product & manufacturing process and compliance with the standards.</p> <p>Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Company's performance is continuously in line with its targets.</p> <p>Customer feedbacks are obtained to ensure the service and product quality.</p>
<p>Input material Risk</p>	<p>Non availability and deficit of essential inputs such as fertilizer, fuel as a result of current situation of the country.</p>	<p>Converting to substitute inputs such as organic fertilizer.</p> <p>Close monitoring of input usages.</p>
<p>Food security Risk of employees/ community</p>	<p>Prevailing situation of the country can create food shortage.</p>	<p>Provide land plots/ seeds for the employees to cultivate short term crops.</p> <p>Lands provided to outsiders on lease basis for cultivation.</p>

Overview

Audit committee of Chilaw Plantation Limited is a sub group of company's Board of Directors responsible for oversight of financial reporting process and the Audit process etc. The committee consisted three Non – Executive Board of Directors who are well qualified and more experiences in the area of Finance & Administration. In addition to above members, two outside observers who are from Audit Commission and the Ministry of Plantation also attended to committee meeting during the year 2021.

The committee met on regular basis at once in three months with Chairman, General Manager, Assistant General Manager (Plantation), Senior Accountant and Chief Internal Auditor who is as convener of the committee.

Responsibilities of the Audit Committee

Department of Public Enterprises has issued a circular regarding guidelines on corporate governance and operational manuals for estate owned enterprises. In the above circular, paid special attention for internal controls, risk management process and also the purpose of audit committee. Further the Audit charter of the committee consists scope of responsibilities, authorities and specific duties of committee.

Some of the key responsibilities of audit committee are as follows.,

- * Ensure the consistency of accounting policies and compliance with accounting standards, concept, rules & regulations.
- * Review adequacy and existence of internal control procedures imposed by the Management of Chilaw Plantations.
- * Monitoring of Accounting policies and principles of company.
- * Overseeing the financial reporting and disclosure process.
- * Discuss Risk management policies and approve the Annual Internal Audit Programme etc.

Audit committee meetings of Chilaw plantation limited,

The Audit committee of Chilaw Plantation Limited consists of three non-executive Directors represented from the General Treasury and the Ministry of Plantation Industries. Four number of audit committee meetings summoned during the year 2021

The Audit Committee met during the year 2021 as follows,

Name of AMC Member	Date of meetings			
	2021.03.19	2021.06.18	2021.11.25	2021.12.30
Mr. H.G.Sumnasinghe	√	√	√	√
Mrs. Aruni S. Ranasinhe	√	√		
Mr. N. Rajasinghe	√	√	√	√
Mr. K.C. Nroshan				√

(Mr. K.C. Niroshan - Additional Secretary of the estate Ministry was appointed as a member with effect from 30.12.2021 instead of Mrs. Aruni S Ranasinhe)

Functions of Audit committee

- Review the Annual Audit programme and activities of Internal Audit staff.
- Discuss Internal and External audit reports and suggested remedial actions.
- Review and evaluate internal controls systems for key Agricultural activities.
- Ascertain whether the financial reports are compiled with rules, regulations, circulars etc...
- Review the harvest of coconut, cash flow, Liquidity position, Market trend of the coconut production etc...
- Discuss the Annual report, Management letter etc...

Summary of the key activities of the Internal Audit Division

- Review and evaluate the existing internal control procedures, Risk areas, identified weakness and proposed preventive measures.
- Implement the internal audit programme bases on available physical & human resources for Internal Audit Division.
- Attended some investigations with concurrence of the top management.
- Checked & recommended gratuity vouchers of staff and co-ordinated the Audit Committee meetings.
- Carried out Routine audits of 08 estates and also Chilaw Head Office.



H.G.Sumanasinghe
Chairman
Audit & Management Committee

Chilaw Plantation Limited

Annual Report of the Board of Directors

The Board of Directors are pleased to present the Annual Report pertaining to the Chilaw Plantations Ltd, together with the Audited Financial Statement of the company for the year ended 31st December 2021 and the Auditor General's Report thereon.

Legal status

Chilaw Plantations Limited (the Company) is a limited liability Company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The Company re-registered under the companies Act No 07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government Own Business Undertaking into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 165, Puttalam Road, Chilaw and the Colombo office is located at No 55/75, Vauxuall Lane, Colombo 02. Whilst the Plantations are situated in the planting districts of Puttalam, Kurunegala and Gampaha

Which are organized under 08 planting Area Estates as described below.

- Palugaswewa Estate
- Chilaw Area Estates
- Thambapanni Area Estates
- Mangala Eliya Area Estates
- Divulapitiya Area Estates
- Madampe Area Estates
- Bingiriya Area Estates
- Nikawaratiya Area Estates

Principal Activities

The principal activities of Chilaw Plantations Ltd are cultivation, Production and sale of Coconuts, cashew, other agriculture produce and livestock.

Financial Statements

Financial statements of the Company for the year ended 31st December 2021 have been prepared in

accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) and are set out on pages 49 to 91 of the Annual Report.

Auditor's Report

The Auditor General's Report on the Financial Statements of the Company is given on pages 44 to 48

Accounting Policies

All significant accounting policies adopted in the preparation of the financial statements are given on pages 54 to 67 and there were no changes in the Accounting Policies adopted compared to the previous years.

Going Concern

The Board of Directors is satisfied that the Company has adequate resources to continue its operation in the foreseeable future. Accordingly, the financial statements are prepared on the 'Going Concern' Concept.

Directors

Directors of the Board, who served the Company during the year 2021, are given below:

Board of Directors - year 2021

Mr. R.W.M.J.S.R. Perera (from - 31.12.2019)	Chairman/CEO
Mr. H.G. Sumanasinghe (From 03.02.2020)	Director/Treasury Representative
Mrs. Aruni Shanika Ranasinghe (From 14.02.2020 to 21.07.2021)	Director
Mr. N.K.K. Rajasinghe (From 05.02.2020)	Director
Mr. O.P.K. Pathirana (from 05.02.2020)	Director
Mr. Ajanta Moonemalle (From 05.02.2020)	Director
Mr. I.S.J.P. Gunawardhana (From 05.02.2020)	Director
Mr. W.W.A.N.T.A. Fernando (From 05.02.2020)	Director
Mr. K.C. Niroshan (From 21.07.2021)	Director

Audit Committee

Following Directors of the Board served on the Audit Committee and conducted four evaluations during the year.

Audit Committee – 2021

Mr. H.G. Sumanasinghe	Chairman (AMC)
Mrs. Aruni Shanika Ranasinghe	Member (AMC)
Mr. N.K.K.Rajasinghe	Member (AMC)
Auditor General's Department	Observer

Review of Performance

The review of the Company performance during the year and the important management and development programs are given under the Chairman's Review on pages 5 to 6 and the, Management Review and Financial review on the pages 11 to 33 .

Revenue

The Revenue of the Company for the year 2021 is Rs.1,050 Mn (2020 - Rs. 673 Mn) which is 56% increase over last year. Composition of the Revenue is given in notes no 19 to the financial statements. Increase in revenue from coconut as a result of increase in crop harvest during the corresponding year and increase of nursery income in 2021 were the main reasons for this favorable variance.

Other operating Income

The other operating income for the year is Rs. 161Mn (2020- Rs 118Mn). Increased income from sale of timber trees, sale of dead senile coconut palm, income generated from land subleased for cultivation, income from desilting tank and increased income from land development project in 2021 were the main reasons for this favorable variance. Details of other income are provided in notes no 21 to the financial statements.

The interest income earned during the year 2021 is Rs.25.6 Mn compared to Rs 13.2 Mn in previous year. The increase was mainly due to the increase in short term investment during the year on remarkable financial performance and increase in interest rate of fixed deposits.

Details of finance income are given in note no 23 of Audited Financial Statements.

Financial Results

During the year under review, the Company has recorded a Profit before tax of Rs 510.8 Mn and Profit after tax of Rs 631.9 Mn. This is as against the previous year PBT of 283 Mn and PAT of Rs 265.6 Mn.

The Company's total comprehensive income net of tax for the financial year 2021 was Rs. 652.4Mn (2020 - Rs. 364.6Mn).

Details of the financial results are given in the Statement of Comprehensive Income.

Fixed Assets

During the year 2021 the Company has invested Rs. 57.1Mn (2020: Rs. 68Mn) on New/Under Plantations, management of Immature Plantations and Rs.14.6Mn Invested on Property Plant and equipment (2020: Rs. 6.4Mn).

Net Book value of non-current assets (Property Plant & Equipment, Leasehold Right, Biological Asset etc.) as at the Balance Sheet date in year 2021 is Rs. 1,387.4 Mn (2020 : Rs.1,360.4Mn) and details are given in notes 04-08 and 11.1 of the Audited Financial Statements.

Short-term Investments

The Company's Short-term Investments are Rs.721.4 Mn at the end of 2021, compared to Rs.380.1Mn in year 2020. Details are given in notes no 12 of the financial statement

Reserves

The Company Reserves as at 31st December 2021 are represented by Retained Profit of Rs. 1,417.6 Mn, Timber Reserves of Rs 204.9Mn and revaluation reserves of motor vehicle Rs 98.5 Mn.

The movement and composition of the Reserves are disclosed under the statement of changes in equity of the Audited Financial Statements.

Taxation

A detailed statement of the income tax rates applicable to the Company and a reconciliation of the accounting profits with the taxable profits are given in note 24 to the financial statements on pages 83 to 84

Stated Capital

The total Stated Capital of the Company as at 31 December 2021 is Rs.200,000,010 comprising 20,000,001 Ordinary shares, inclusive of one Golden Share. No Share allotments were made during the year.

Capital Commitments & Contingent Liability

Contingent Liabilities and Capital Commitments are disclosed in Note No 28 of the Audited Financial Statements.

Events After The Balance Sheet Date

There were no events subsequent to the Balance Sheet date, which would have any material effect on the Company, other than disclosed in Note no 25.2 to the financial Statements.

Directors' Interest in Contracts

The Directors have no direct or indirect interest in contracts with the company other than those declared in Note 27 to the Accounts.

Directors' Share Holdings

No Director of the Company or his/her spouse holds any shares in the Company.

Employment

The Company practices the Equal Opportunity Policy in relation to all its activities including employment related selection, training, promotions, disciplinary proceedings, etc. based on merits, while complying with the Government Rules and Regulations for sustainable benefit of the Company. The Company also adheres to equal opportunity for all employees irrespective of gender, ethnicity, religion, marital status, political opinion, or physical stature and comply to the benefit the Company.

Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company; all contributions, levies, and taxes payable on-behalf of and in-respect of the employees of the Company; and all other statutory dues, due and payable by the Company as at the Balance Sheet date have been paid or where relevant provided for.

Auditors

The Accounts for the year 2021 have been audited by the Auditor General. Audit opinion on the financial statement is given in the page no 44 to 48

Annual General Meeting

The Annual General Meeting is scheduled to be held at the JEDB Building, No. 55/75, Vauxhall Street, Colombo 02. on 19th December 2022 at 11.30 Am.

The notice of the Annual General Meeting and Form of Proxy are appearing on pages 93 to 94

This Annual report is signed on behalf of the Board of Directors by



Mr. R.W.M.J.S.R. Perera
Chairman/CEO

CORPORATE ADVISORY SERVICES (PRIVATE) LIMITED
PV 3796
SEC/1017/93


Secretary

CORPORATE ADVISORY SERVICES(PVT)LTD
Secretaries - Chilaw Plantations Ltd
Colombo.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In keeping with provisions under the Companies Act No 7 of 2007, the Directors of Chilaw Plantations Ltd do acknowledge their responsibilities in relation to financial reporting of the Company, while the responsibilities of its Auditors, Auditor General' Department, are given in brief in their report.

The Financial Statements of the Company for the year ended 31st December 2021 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting standards and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards.

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. 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 Company maintains accounting records, which are sufficient to prepare Financial Statements to 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 31st December 2021.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by management comprised internal checks, internal audit, financial and other controls so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized 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 its 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 General, with every opportunity to carry out review 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 expressed as Independent Auditors Opinion, which is included in this Annual Report with relevant financial details.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company; all contributions, levies, and taxes payable on-behalf of and in-respect of the employees of the Company; and all other statutory dues as were due and payable by the Company as at the Balance Sheet date have been paid or where relevant provided for.

By Order of the Board,

CORPORATE ADVISORY SERVICES (PVT) LTD
Secretaries - Chilaw Plantations Limited.



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல.
My No. }

PAL/C/CPL/01/2021/02

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உமது இல.
Your No. }

දිනය
திகதி
Date }

31 August 2022

Chairman
Chilaw Plantations Limited.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Chilaw Plantations Limited for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Chilaw Plantations Limited (“Company”) for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

- (a) In terms of paragraphs 51 of Sri Lanka Accounting Standard 16 on property, plant and equipment, the useful life of non-current assets had not been reviewed annually and as such, fully depreciated assets such as office equipment, furniture and fittings and machinery costing Rs. 33,442,625, Rs. 7,418,575 and Rs. 500,000 respectively had been further used by the Company by the end of the year under review. However, action had not been taken to revise the said estimated error and to indicate the accurate carrying amount in the financial statements in terms of Sri Lanka Accounting Standard 8.
- (b) Deeds and plans relating to 68 estates divisions value of Rs.109 Million shown in the statement of financial position were not available with the company. As such company had failed to confirm the legal ownership of lands and clear title of 5184 hectares in extent vested in the company in the year 1992.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information included in the Company's 2021 Annual Report.

The other information comprises the information included in the Company's 2021 Annual Report but does not include the financial statements and my audit report thereon, which is expected to be made available to me after the date of this audit report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Company's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) of the Companies Act, No. 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit matters of 1.2 (a) and (b) described in the basis for Qualified Opinion section of my report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

- 2.2 Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention;
- 2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal course of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018
- 2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018
- 2.2.3 to state that the Company has not performed according to its powers, functions, and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.
- 2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently, and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018 except for.
- a) Although there is no such objective in the articles of association of the Company to lend. However, the company had been given Rs.105 Million loans for Janatha Estate Development Board, Elkaduwa Plantations Limited, Sri Lanka State Plantations Corporation, Ministry of State Resources and Enterprise Development and Sri Lanka Rubber Manufacturing and Export Corporation Ltd. The loans were granted in the year 2010 and the interest-related loan amount to Rs.72.4 Million as at the end of the year 2021. It was observed that the company had not taken the necessary action to recover the loan and interest even as at the end of the year under review


W.P.C. Wickramaratne
Auditor General

CHILAW PLANTATIONS LTD
STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st December,	Notes	2021 Rs.	2020 Rs.
Revenue	19	1,049,911,121	672,967,266
Cost of Sales	20	(520,797,587)	(398,352,513)
Gross Profit		529,113,534	274,614,753
Gain/(loss) on fair value of Biological Assets	7.4	42,531,191	52,138,219
Other Operating Income and Gains	21	160,985,376	117,940,551
Administration and General expenses	22	(206,940,871)	(135,574,801)
Profit from Operations		<u>525,689,231</u>	<u>309,118,723</u>
Finance Income	23	25,611,433	13,277,499
Finance Expenses	23.1	(40,413,552)	(39,296,559)
Profit Before Tax		<u>510,887,112</u>	<u>283,099,662</u>
Tax Expense (Provisions)	24	121,091,847	(17,455,003)
Profit for the Year		<u>631,978,959</u>	<u>265,644,659</u>
Other comprehensive Income			
Defined benefit plan actuarial gains/(losses)	16	20,810,990	158,860
Revaluation Gain of Motor Vehicle	8	-	98,887,979
Deferred tax adjustment on asset revaluation		(364,008)	-
Total Comprehensive Income for the year, Net of Tax		<u>652,425,941</u>	<u>364,691,498</u>
Basic Earning Per Share	25.1.2	<u>31.60</u>	<u>13.28</u>

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Chilaw
March 30, 2022

CHILAW PLANTATIONS LTD
STATEMENT OF FINANCIAL POSITION

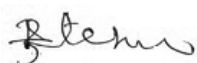
As at 31st December,	Notes	2021 Rs.	2020 Rs.
ASSETS			
Non Current Assets			
Leasehold Right to Bare Land of JEDB Estates	04	63,045,095	65,733,817
Leasehold Property Plant & Equipment of JEDB Estates (Other than Right-to-Use-Land and Leased bearer biological assets)	05	786,290	822,077
Leased Bearer Biological Assets of JEDB Estates	05.1	12,980,315	15,648,015
Improvements to Leasehold property	6	992,716,087	954,175,211
Biological Assets -Livestock	7.1	14,901,800	17,169,050
Consumable Biological Assets	7.2	135,253,639	129,634,311
Freehold Property Plant & Equipment	08	156,222,060	171,065,195
Other finance assets	11.1	11,245,074	6,161,880
Deferred Tax Assets	14	314,675	
		<u>1,387,465,035</u>	<u>1,360,409,558</u>
Current Assets			
Produce on bearer biological assets	9.1	33,767,324	21,746,315
Inventories	9.2	159,175,742	61,247,548
Assets Held for Sale	9.3	4	4
Trade and Other Receivables	10	68,343,764	35,665,015
Income Tax Receivable	11	-	6,107,017
Financial facility to State Enterprises			
Other finance assets	11.1	4,245,244	3,091,809
Other Current Assets		781,768	612,176
Short Term Investment	12	721,479,696	380,166,575
Cash in Hand and at Bank		17,242,514	16,230,744
		<u>1,005,036,055</u>	<u>524,867,203</u>
Total Assets		<u>2,392,501,090</u>	<u>1,885,276,761</u>
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	13	200,000,010	200,000,010
Retained Earnings		1,417,657,528	845,377,761
Revaluation Reserves (Timber revaluation & Vehicle revaluation)		303,424,986	273,278,812
Total Equity		<u>1,921,082,524</u>	<u>1,318,656,583</u>
Non Current Liabilities & Deferred Income			
Interest-bearing Loans & Borrowings	18.1	-	5,794,000
Deferred Tax Liability	14	-	126,445,436
Deferred Grants and Subsidies	15	7,229,055	5,489,829
Retirement Benefit Obligations	16	81,228,433	98,846,211
Liability to Make Lease Payment for the JEDB Estates	17	95,205,455	97,801,126
		<u>183,662,943</u>	<u>334,376,602</u>

Current Liabilities			
Trade and Other Payables	18	279,313,946	218,143,738
Income tax Payable		52,005	
Interest-bearing Loans & Borrowings	18.1	5,794,000	11,604,000
Liability to Make Lease Payment for the JEDB Estates	17	2,595,671	2,495,837
		<u>287,755,622</u>	<u>232,243,575</u>
Total Equity and Liabilities		<u>2,392,501,090</u>	<u>1,885,276,761</u>

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Certification

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



.....
Mr. R.M.R.B. Ratnayake
Senior Accountant

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Chilaw Plantations Limited.



.....
Mr. R.W.M.J.S.R. Perera
(Chairman/CEO)
Chilaw
March 30, 2022



.....
Mr. W.W.A.N.T.A. Fernando
(Director)

CHILAW PLANTATIONS LTD
STATEMENT OF CHANGES IN EQUITY
For the Year ended 31st December, 2021

Description	Stated Capital Rs.	Timber Reserve Rs.	Revaluation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 1 January 2020	200,000,010	127,856,618		636,108,457	963,965,085
Dividend for year 2019				(10,000,000)	(10,000,000)
Profit for the Year				265,644,659	265,644,659
Other Comprehensive Income	-		98,887,979	158,860	99,046,839
Transferred to Timber Reserve (7.2)	-	46,534,215		(46,534,215)	-
Balance as at 31st December 2020	<u>200,000,010</u>	<u>174,390,833</u>	<u>98,887,979</u>	<u>845,377,761</u>	<u>1,318,656,583</u>
Dividend for year 2020				(50,000,000)	(50,000,000)
Profit for the Year	-			631,978,959	631,978,959
Other Comprehensive Income			-	20,446,982	20,446,982
Transferred to Timber Reserve		30,510,182		(30,510,182)	-
Deferred tax adjustment transfer to Motor vehicle Revaluation reserve			(364,008)	364,008	-
Total Comprehensive Income	<u>200,000,010</u>	<u>204,901,015</u>	<u>98,523,971</u>	<u>1,417,657,528</u>	<u>1,921,082,524</u>
Balance as at 31st December 2021	<u><u>200,000,010</u></u>	<u><u>204,901,015</u></u>	<u><u>98,523,971</u></u>	<u><u>1,417,657,528</u></u>	<u><u>1,921,082,524</u></u>

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Chilaw
March 30, 2022

CHILAW PLANTATIONS LTD
STATEMENT OF CASH FLOW

For the Year ended 31st December,	2021 Rs.	2020 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	510,887,112	283,099,662
Adjustments for;		
Depreciation/Amortization	51,134,100	32,785,222
Amortization of Grants	(260,774)	(333,008)
Finance Expenses	40,413,552	39,296,559
Finance Income	(25,611,433)	(13,277,499)
Provision For Defined Benefit Plan Costs	14,905,189	18,719,615
Profit on Disposal of Property, Plant and Equipment	(849)	
Gain/(loss) on fair value of Biological Assets	(42,531,191)	(52,138,219)
Profit on disposal of Timber Trees	(28,607,529)	(15,152,869)
Profit on disposal of Coconut Trees	(38,022,368)	(34,396,776)
Provision For Incentive Payment to the Staff and Workers	92,985,110	48,792,550
Impairment allowance for capital assets	1,471,053	
WIP Transfer out & Other Adjustment	221,325	122,041
	576,983,297	307,517,278
Changes in:		
Inventories	(97,928,193)	6,135,920
Dairy Livestock	2,267,250	(1,763,550)
Trade and other Receivables	(28,953,976)	7,935,121
Other Current Assets	(169,592)	26,381
Trade and other Payables	(1,394,725)	11,830,841
Cash generated from operating activities	450,804,061	331,681,991
Interest paid on government lease	(39,434,368)	
Defined Benefit Plan Costs paid	(11,711,977)	(9,129,367)
Finance costs Paid	(517,516)	(432,020)
Finance Income Received	21,409,692	11,953,618
Income Tax Paid	-	(540,972)
Cash received from sales of valuable trees	54,168,749	21,963,246
Net Cash from Operating Activities	474,718,640	355,496,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of Property, Plant & Equipment	(14,627,649)	(6,437,273)
Field Development Expenditure	(57,143,863)	(68,031,329)
Cash received from sales of coconut trees	38,037,605	34,441,426
Staff loan Granted	(10,121,000)	(3,770,000)
Staff loan recovered	3,884,372	3,985,786
Short Term Investment	(236,002,584)	(98,166,575)
Cash received from Disposal of Property, Plant and Equipment	81,500	
Net Cash used in Investing Activities	(275,891,619)	(137,977,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(10,000,000)	(10,000,000)
Arrears Installment and capital settlement of Government Finance Lease	(72,900,713)	(37,871,208)
Loan Obtained during the year		23,200,000
Grant received for capital expenditure	2,000,000	
Loan repaid during the year	(11,604,000)	(5,802,000)
Net Cash Flows used in Financing Activities	(92,504,713)	(30,473,208)
Net Increase / (Decrease) in Cash & Cash Equivalents	106,322,307	187,045,324
A. Cash & Cash Equivalents at the Beginning of the Year	217,230,744	30,185,420
B. Cash & Cash Equivalents at the End of the Year	323,553,051	217,230,743.6
NOTE A		
Cash & Cash Equivalents at the beginning of the Year		
Short term Investments	201,000,000	24,000,000
Cash in Hand and at Bank	16,230,744	6,185,420
	217,230,744	30,185,420
NOTE B		
Cash & Cash Equivalents at the end of the Year		
Short term Investments	306,310,537	201,000,000
Cash in Hand and at Bank	17,242,514	16,230,744
	323,553,051	217,230,744

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 54 to 91 form an integral part of these Financial Statements.

Chilaw
March 30, 2022

1 CORPORATE INFORMATION

1.1 Reporting Entity

1.1.1 Domicile and Legal Form

Chilaw Plantations Limited (the Company) is a limited liability Company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The Company re-registered under the companies Act No 07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government Own Business Undertaking into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 165, Puttalam Road, Chilaw and the Plantations are situated in the planting districts of Puttalam, Kurunegala and Gampaha.

1.1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation of coconut, manufacture of copra and sale of green nuts, copra.

1.1.3 Parent enterprise and Ultimate parent Enterprise

The company's parent undertaking is the Government of Sri Lanka

1.2 Date of Authorization for Issue

The Financial Statements of Chilaw Plantations Ltd. for the year ended December 31, 2021 was authorized for issue in accordance with a resolution of the Board of Directors on 30th March 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than leased assets of JEDB/SLSPC estates, which have been revalued as described in Note 04, 05 and 06 to the Financial Statements. Where appropriate, specific policies are explained in the succeeding notes and no adjustments have been made for inflationary factors in the Financial Statements.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees (Rs.), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest rupee.

2.4 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLFRS/LKAS requires Management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 recognized in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

2.5 Going Concern

The Management of the company has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.6 Comparative Information

The accounting policies have been consistently applied by the company and, are consistent with those used in the previous year unless otherwise stated and previous year's figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

2.7 Events occurring after the Reporting date

All material Events occurring after the Reporting date have been considered and where appropriate adjustments to or disclosures have been made in the Financial Statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Assets and Bases of their Valuation

Assets classified as current assets in the Statement of Financial Position are cash and those which are expected to realize 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 beyond a period of one year from the reporting date.

3.1.1 Property, Plant & Equipment

3.1.1.1 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 are measured at cost (or at valuation in the case of Leasehold Right to Bare Land), less accumulated depreciation and accumulated impairment losses, if any.

(a) Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. 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. Purchased software that is integral to the functionality of the related equipment is capitalized as apart of that equipment.

When significant parts of Property, Plant & Equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in the Statement of comprehensive income as incurred.

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

The carrying-values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Where motor vehicles are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation on 31st December 2020.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

As per the valuation report of the Department of Government Valuation, Revaluation of the motor vehicles as at 31st December 2020 as follows.

Description	Net Carrying Value as at 31.12.2020 Rs.	Revalued Amount As at 31.12.2020	Revaluation Reserves Rs.
Motor Vehicle (Revalued)	4,987,021.00	103,875,000.00	98,887,979.00

Net book value of the above revalued assets as at 31st December 2021 are shown under the note no. 8 to the financial statements.

However below mentioned vehicles have not been revalued by the Department of Government Valuation due to the repairs being undertaken at the date of revaluation on 31st December 2020. Therefore those motor vehicles are measured at cost less accumulated depreciation.

Details of motor vehicles measured at cost less accumulated depreciation.

Vehicle No	Category	Cost Rs.	Accumulated Depreciation	Net book value As at 31/12/2021
Sri 6018	Hand Tractor	41,500.00	41,499.00	1/=
NW SC 1607	Hand Tractor	104,000.00	103,999.00	1/=
36 Sri 5418	Tractor	1,661,995.70	1,400,015.00	261,980.70
36 Sri 3033	Tractor	467,739.46	467,737.46	2/=
NWRV 0245	Tractor Trailer	152,375.00	152,374.00	1/=
NW UZ 3922	Motor Cycle	148,925.00	148,924.00	1/=
NW UZ 3655	Motor Cycle	148,925.00	148,924.00	1/=

(b) Leased Assets

Assets obtained under the finance lease, (which effectively transfer substantial risks and benefits incidental to ownership of the leased item) are capitalized at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception and depreciated/amortized over the period the Company is expected to benefit from the use of the leased assets.

The corresponding principal amount payable to the lessor is shown as a liability. The interest element of the rental obligation applicable to each financial year is charged to the Statement of Comprehensive Income over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The cost of improvements to the leased property is capitalized and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements whichever is shorter.

3.1.1.2 Subsequent Cost

The cost of replacing part of an item of Property, Plant & Equipment is recognized 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 de-recognized in accordance with the de-recognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in profit or loss as incurred.

3.1.1.3 De - recognition

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

3.1.1.4 Depreciation and Amortization

(a) Depreciation

Depreciation is recognized in Statement of Comprehensive Income using a straight-line method on cost or valuation over the estimated useful economic lives of each part of an item of Property, Plant & Equipment. The estimated useful lives for the current and comparative periods are as follows:

	No. of Years	Rate (%)
Buildings	40	2.50
Plants & Machinery	15	6.67
Furniture & Fittings	10	10.00
Motor Vehicles	05	20.00
Equipment	08	12.50
Permanent Land development	30	3.33
Fencing	03	33.33
Water Supply	20	5.00

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 de-recognized. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate.

(b) Amortization

Assets held under finance leases are amortized 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 the year 2045.

The leasehold rights of assets taken over from JEDB/SLSPC are amortized in equal amounts over the shorter of the remaining lease periods and the useful lives and the estimated useful lives for the current and comparative periods are as follows:

	No. of Years	Rate (%)
Leasehold right to bare Land	53	1.89
Improvements to Land	30	3.33
Other Vested Assets	30	3.33
Buildings	25	4.00
Machinery	15	6.67
Water Supply	20	5.00

3.1.2 Biological Asset

3.1.2.1 Immature and Mature Plantations

A) Immovable Leased Bearer Biological Assets (Immature and Mature Plantations)

In terms of the ruling of the UITF of Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, Immovable Leased Bearer Biological Assets (Immature and Mature Plantations) in the JEDB/SLSPC estates under finance leases have been taken into the books of the Company retroactive with effect from 11th June 1992.

Amortization on Immovable Leased Bearer Biological Assets is recognized in Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of the asset and the estimated useful life for the current and comparative periods is as follows:

	No. of Years	Rate (%)
Mature Plantations	30	3.33

B) Improvements to Leasehold Property (Immature and Mature Plantations)

The cost of land preparation, rehabilitation, new planting, replanting, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity after 8 years), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (i.e. Coconut) which comes into bearing during the year, is transferred to mature plantations.

Depreciation on Improvements to Leasehold Property is recognized in Statement of Comprehensive Income on a straight-line basis over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

The expenditure incurred on immature plantations which comes into bearing during the year, is transferred to mature plantations at the end of the year and is depreciated over their useful lives as follows.

The immature period and estimated useful life span for the current and comparative periods are as follows: (useful life span is counted after immature period)

	Immature Period No. of Year	Lifespan No. of Years	Depreciation Rate (%)
Coconut	08	50	2.00
Cashew	08	25	4.00
Dragon Fruit	03	20	5.00
Cinnamon	04	20	5.00
Pepper	06	20	5.00
Rambutan	06	20	5.00
Mango	05	20	5.00

C) Consumable Biological Assets

Consumable 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. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period are immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

The gain or loss arising on initial recognition of Consumable Biological assets at fair value less cost to sell and from a change in fair value less cost to sell of Consumable Biological assets are included in profit or loss for the period in which it arises all other assumptions are given in Note 7.2

The main variables in DCF model concerns.

Variable	Comment
Currency valuation	Sri Lankan Rupees (Rs.)
Timber content	Estimate based on physical verification of girth, height and considering the growth of each species in different geographical regions. Factor all the prevailing statutory regulations enforced for harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees in to saleable condition.

Discount Rate Future cash flows are discounted at following discount rates:

- Age to harvest 5 or below years 12%
- Age to harvest 6 -15 years 13%
- Age to harvest 15 years or above 14%

3.1.2.2 Dairy Live Stock

Dairy Live Stocks are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

3.1.3 Non - Current Assets Held for Sale

Non- current assets, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets are classified as held for sale only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Property, Plant & Equipment once classified as held for sale are not depreciated or amortized.

3.1.4 Inventories

Inventories are valued at lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula.

Input Material Consumables & Spares	At actual cost on FIFO basis.
Growing Crop – Nurseries	At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.
Harvested Crop	Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi- finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce
Live Stocks	Dairy Live Stocks are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

3.1.4.1 Harvestable Agricultural Produce Growing on Bearer Biological Assets

In accordance with LKAS 41, company recognize agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce ascertained based on harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further 50% of the crop in that harvesting cycle considered for the valuation. For the valuation of the harvestable agricultural produce, the company uses the following price formulas.

Coconut – fair value less cost of picking & Transport ect.

3.1.5 Financial Instruments

3.1.5.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.1.5.2 Classification and subsequent measurement

3.1.5.2.1 Financial assets

i) Policy applicable from 1st January 2018

On initial recognition, a financial asset is classified as measured at; amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequently to their recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

a) Business model assessment:

The Company makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes;

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.1.5.2.2 Financial liabilities

i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost of FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de recognition is also recognised in profit or loss.

3.1.5.3 Derecognition

3.1.5.3.1 Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3.1.5.3.2 Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of

the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.1.5.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.1.5.5 Impairment - Financial Assets **Non-derivative financial assets**

Policy applicable from 1st January 2018

3.1.5.5.1 Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
 - the financial asset is more than 180 days past due.
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3.1.5.5.2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

3.1.5.5.3 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit -impaired includes the following observable data;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

3.1.5.5.4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.1.5.5.5 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.2.1. Financial Risk Management Objectives and Policies

The Company principal financial liabilities comprise trade and other payables, and income tax payables. The main purpose of these financial liabilities is to finance the Company operations. The Company has loans provided to state enterprises and 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, Currency Risk and Interest Rate 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.

3.2.1.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Company's receivable from customers.

3.2.1.2. 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.

3.2.2. Employees' Benefits

(a) Defined Contribution Plans - Provident Fund and 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 recognized 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 such employees to Employees' Provident Fund (EPF) and 3% on the consolidated salary of such employees to the Employees' Trust Fund .

(b) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and staff turnover. Due to the long-term nature of these obligations, such estimates are subject to significant uncertainty. Details of the key assumptions used in the estimates are contained in Note 16.

The liability is externally funded in fixed deposits with Bank of Ceylon.

3.3. Deferred Income

Grants and Subsidies

Government grants are recognized 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 recognized 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 recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Grants related to Property, Plant & Equipment are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows:

Assets are amortized over their useful lives or unexpired lease period, whichever is less.

Buildings	40 years
Water Supply	20 years
Motor Vehicles	05 years
Furniture and Fittings	10 years
Equipments	08 years

3.4. Income and Expenses

For the purpose of presentation of Income Statement, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance.

3.4.1. Revenue Recognition

SLFRS 15 provides a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced LKAS 18 Revenue, LKAS 11 Construction Contracts and related interpretations. Under SLFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when or as an entity transfers control of goods and services to a customer at the amount at which the entity expects to be entitled. Revenue principally comprises of Coconut and copra sales.

As per SLFRS 15, which became effective from January 1, 2018, the Company adopts principles based five step model for revenue recognition. Accordingly, revenue is recognized only when all of the following criteria are met.

- The parties to the contract have approved the contract/s;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance;
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

There is no significant impact on the Financial Statement of the Company resulting from the application of SLFRS 15

- a) **Gains and losses on disposal of an item of Property, Plant & Equipment** are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant & Equipment and are recognized within 'other operating income' in the Income Statements.
- b) **Other Incomes** are recognized on accrual basis.

3.4.2. Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.5. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

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 Inland Revenue Act and amendments thereto.

(b) Deferred Tax

Deferred tax is recognised using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax withheld on dividend income from subsidiaries and Associates is recognised as an expense in the Consolidated Income Statement at the same time as the liability to pay the related dividend is recognised.

3.6 Changes in Accounting Policies and Disclosures

Amendment to LKAS 41 & 16 – Harvestable produce growing on Bearer Biological assets

Amendments to LKAS 16- Property, plant and equipment and LKAS 41- Agriculture, require entity to recognize agricultural produce growing on bearer plants at fair value less cost to sell separately by from its bearer plants prior to harvest. After initial recognition, changes in the fair value of such agricultural produce growing on bearer plants, recognized in profit or loss at the end of each reporting period. Accordingly, the Company has applied these amendments retrospectively in the Financial Statements.

3.7 Segment Reporting

Segmental information is provided for the different business segments of the Company. Business segmentation has been determined based on the Geographical area of Plantations are situated. The activities of the segments are described in the Note 26 to the Financial Statements and Geographical area of Plantations are as follows,

Group I Estates	Group II Estates
Chilaw Area Estate	Bingiriya Area Estate
Palugaswewa Estate	Divulapitiya Area Estate
Thambapanni Area Estate	Madampe Area Estate
Mangala Eliya Area Estate	Nikawaratiya Area Estate

04. LEASEHOLD RIGHT TO BARE LAND OF JEDB ESTATES

Leases have been executed for all estates for a period of 53 years. All of these leases are retroactive with effect from June 11, 1992 the date of formation of the Company. The leasehold right to the land on all these estates have been taken into the books of the Company on June 11, 1992 immediately after the formation of the Company, in terms of the ruling on this matter obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose the Board decided at its meeting on 08th March 1995 that this bare land would be revalued at the value established for this land by valuation specialist, D.R.Wickramasinghe just prior to the formation of the company.

These assets are taken into the Balance Sheet as at 11th June 1992 and amortized by equal amounts over a 53 year period and the unexpired period of the lease as at the Reporting date is 23.5 years.

	Gross Carrying Value	
	as at 31.12.2021 Rs.	as at 31.12.2020 Rs.
Leasehold Right to Bare land	142,502,287	142,502,287

	Amortization		
	as at 31.12.2021 Rs.	for the Year Rs.	as at 01.01.2021 Rs.
Leasehold Right to Bare land	79,457,192	2,688,722	76,768,470

	Carrying Value	
	as at 31.12.2021 Rs.	as at 31.12.2020 Rs.
Leasehold Right to Bare land	63,045,095	65,733,817

05.IMMOVABLE LEASED ASSETS OF JEDB ESTATES (OTHER THAN RIGHT-TO-USE LAND AND LEASED BEARER BIOLOGICAL ASSETS)

In terms of the ruling of the UITF of Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, all immovable Assets in the JEDB/SLSPC estates under finance leases have been taken into the books of the Company retroactive with effect from 22nd June 1992. For this purpose the Board decided at its meeting on March 08, 1995 that these assets would be taken at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the 11th June 1992 Balance Sheet and the amortization of immovable estate assets up to 31st December 2021 are as follows.

At Valuation	Improvements to Land		Other Vested Assets		Buildings		Machinery		Water Supply		2020	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Capitalized Value	841,193	1,002,944	25,356,498	530	4,026,236	31,227,401	31,227,401					
Amortization												
As at 1 January	68,262	953,798	25,356,498	530	4,026,236	30,405,323	30,405,323					30,369,536
Amortization for the Year	2,390	33,397	-	-	-	35,787	35,787					35,787
As at 31 December	70,652	987,195	25,356,498	530	4,026,236	30,441,110	30,405,323					30,405,323
Carrying Amount	770,541	15,749	-	-	-	786,290	822,077					

05.1. LEASED BEARER BIOLOGICAL ASSETS OF JEDB ESTATES

<u>Revaluation</u>	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
Mature Plantation	79,653,582	80,529,939
Disposal Adjustment	(863,248)	(876,357)
	<u>78,790,334</u>	<u>79,653,582</u>
As at 01 January	64,005,567	62,155,627
Amortization for the Year	2,652,464	2,681,646
Disposal Adjustment	(848,012)	(831,706)
As at 31 December	<u>65,810,019</u>	<u>64,005,567</u>
Carrying Amount	<u>12,980,315</u>	<u>15,648,015</u>

Investment in Plantation assets Which were immature the time of handing Over to the company by way of estate leases are shown under immature plantation (revalued as at 11th june,1992) all of which have been transferred to mature Plantations as at the reporting date. Investment by the Company on Mature and immature Plantation is Shown separately under Improvement to Leasehold Property (Mature/Immature plantation) in Note 6 These Mature/Immature Plantation were Classified as bearer Biological assets in terms of LKAS 41- Agriculture.

06 IMPROVEMENTS TO LEASEHOLD PROPERTY (Bearer Biological Assets)

Cost	Immature Plantation Rs.	Mature Plantation			2021 Rs.	2020 Rs.
		Coconut Rs.	Cashew Rs.	Other Rs.		
At the beginning of the - Year	338,837,542	599,720,756	100,026,612	9,321,826	1,047,906,736	979,955,396
Additions	56,473,497	-	-	-	56,473,497	67,951,341
Transferred from Immature	-	101,753,048	-	747,730	102,500,779	171,607,008
Transferred to Mature	(102,500,779)	-	-	-	(102,500,779)	(171,607,008)
Impairment of assets	-	-	-	(2,101,503)	(2,101,503)	-
At the end of the Year	292,810,260	701,473,805	100,026,612	7,968,053	1,102,278,731	1,047,906,736
Depreciation						
At the beginning of the - Year		51,425,438	40,515,346	1,790,740	93,731,525	81,160,453
Charge for the Year		11,994,414	4,001,064	466,091	16,461,569	12,571,072
Impairment of assets				(630,450)	(630,450)	
At the end of the Year		63,419,852	44,516,410	1,626,381	109,562,644	93,731,525
Carrying Value	292,810,260	638,053,952	55,510,202	6,341,672	992,716,087	954,175,211

Note :

These are investments in immature/mature plantations since the formation of the Company. The assets (including plantations assets) taken over by way of estate leases are set out in Notes 4, and 5 to the Financial Statements. Further investment in immature plantations taken over by way of leases are shown in this Note. When such plantations become mature, the additional investments since taken 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 under taken by JEDB/SLSPC on the same plantation prior to the lease will be carried out under Note No. 5.1

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 using LKAS 16 - Property Plant & Equipment.

Specific borrowings have not been obtained to finance the planting expenditure. Hence, borrowing costs were not capitalized during the year under Immature Plantations (2021 - Nil)

07.1 BIOLOGICAL ASSETS - LIVESTOCK

	2021 Rs.	2020 Rs.
Dairy Livestock	8,144,710	8,763,745
Other Livestock	6,757,090	8,405,305
	<u>14,901,800</u>	<u>17,169,050</u>

07.1.1 DAIRY LIVESTOCK

	Immature Cows (Calves / (Milking and Dry Heifers)		Mature Cows	
	Rs.	Rs.	Rs.	Rs.
As at 1 st January	1,391,435	7,372,310	8,763,745	8,188,790
Additions during the Year	56,266		56,266	253,200
Gain/(Loss) on fair value for the Year	(188,634)	589,878	624,668	260,383
Value increase/decrease on physical changes	486,880	(33,020)	453,860	106,767
Transfer in from other estates	(515,017)	1,377,326	1,377,326	
Death/Sales/Trans out	(2,616,138)	(3,131,155)	(3,131,155)	(45,395)
As at 31 st December	<u>1,230,930</u>	<u>6,690,356</u>	<u>8,144,710</u>	<u>8,763,745</u>

Livestock are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

07.1.2 Other Livestock (Bearer Biological Assets)

	Buffalos		Cart Bull		Stud Bulls		Sheep/Goat		Neat Cattle	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
As at 1 st January	4,062,910	1,687,930	194,040	2,102,425	358,000	8,405,305	7,216,710	430,325	536,000	
Additions during the Year	69,776		140,000	488,475	29,500	727,751	(1,377,326)	(836,905)	1,059,175	
Transfer in and Out	(729,598)	(56,550)	(129,360)	(397,380)	(193,000)	(1,505,888)	(1,505,888)	(836,905)	(836,905)	
Death/Sales	294,728	(90,520)	(59,240)	288,180	74,100	507,248	1,059,175	1,059,175	1,059,175	
Gain/Loss on fair Value for the year	<u>2,320,490</u>	<u>1,540,860</u>	<u>145,440</u>	<u>2,481,700</u>	<u>268,600</u>	<u>6,757,090</u>	<u>8,405,305</u>	<u>8,405,305</u>	<u>8,405,305</u>	

7.2 Consumable Biological Assets- Timber Plantations

	2021. Rs			2020. Rs		
	Immature	Mature	Total	Immature	Mature	Total
Balance as at 1 st January	79,988	129,554,323	129,634,311	2,857,785	86,972,699	89,830,484
Increase due to development/ Investment	670,366		670,366	79,988		79,988
Trans In/(Out)		-	-	(2,857,785)	2,857,785	
Changes in fair value less cost to sell		30,510,182	30,510,182		46,534,215	46,534,215
Decrease due to harvest		(25,561,220)	(25,561,220)		(6,810,376)	(6,810,376)
Balance as at 31st December	750,354	134,503,285	135,253,639	79,988	129,554,323	129,634,311

Consumable Biological assets include timber trees grown in estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material.

The valuation was carried by Mr. A.A.M. Fathihu, Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber a physical verification was carried out covering all the estates.

Key assumption used in Valuation

1. Based on the price list of the state timber corporation of timber logs
2. The Prices adopted are net of expenditure.
3. Discount rate - Age to harvest 5 or below years 12%
Age to harvest 6 -15 years 13%
Age to harvest 15 years or above 14%
4. Time period of maturity estimated at 30 years

The valuations, as presented in the external valuation models based on net present values, take into accounts the long term exploitation of the timber trees. 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 realizable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable

The company is exposed to the following risks relating to its timber trees.

Regulatory and environmental risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Company's timber trees are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural

7.4 Change in Fair Value of Biological Assets

	2021 Rs.	2020 Rs.
Changes in fair value of consumable biological assets (Note 7.2)	30,510,182	46,534,215
Changes in fair value of Produce on bearer biological Assets (Note 9.1)	12,021,009	5,604,004
	42,531,191	52,138,219

08. FREEHOLD PROPERTY PLANT & EQUIPMENTS

Cost/ Valuation	Buildings		Plant & Machinery		Motor Vehicles Equipment		Furniture & Fittings		Fencing		Water Supply		2021		2020		
	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	
As at 1 January	50,532,778	7,839,761	106,600,460	56,031,137	11,144,791	27,930,026	11,848,095	271,927,048	316,409,413								
Additions	260,874.96	1,063,076	-	6,413,393	1,177,670	3,722,805	574,830	13,212,648	5,970,730								
Transfers/Disposal	-	-	-	(81,500)	-	-	-	(81,500)	-								
Transf. to held for sale																	(400,450)
Transferred due to revaluation																	(148,940,624)
Revaluations																	98,887,979
As at 31 December	50,793,653	8,902,837	106,600,460	62,363,029	12,322,461	31,652,831	12,422,925	285,058,196	271,927,048								
Depreciation																	
As at 1 January	12,337,446	4,026,693	2,368,234	44,708,920	9,140,210	23,312,264	5,434,628	101,328,395	235,861,471								
Charge for the Year	1,264,066	501,380	20,870,258	3,107,896	415,182	2,610,598	526,177	29,295,558	14,807,994								
Transfers/Disposal	-	-	-	(849)	-	-	-	(849)	-								
Transferred due to revaluation																	(148,940,624)
Transf. to held for sale																	(400,446)
As at 31 December	13,601,512	4,528,073	23,238,492	47,815,968	9,555,392	25,922,862	5,960,805	130,623,104	101,328,395								
Net Value																	
Capital Work-in-progress																	
As at 1 January																	466,542
Additions during the Year																	1,673,968
Capitalized during the year & Transfer out																	353,542
As at 31 December																	1,786,968
Carrying amount																	
																	466,542
																	1,673,968
																	122,041
																	466,542
																	1,786,968
																	156,222,060
																	171,065,195

Note :

The assets shown above are those movable assets vested in the Company by Gazette notification on the date of formation of the Company (11.06.1992) and all investment in tangible assets by the company since its formation. The assets taken over by way of estate leases are set out in Notes 4 and 5. Further, the valuation of immovable JEDB / SLSPC estate assets on finance lease (other than leasehold property) and tangible assets other than immature / mature plantations taken over on 11 June 1992 is based on net book values obtained from the State Plantations Corporation and Janatha Estate Development Board as at such date. These values were not made available to us by individual asset.

09. PRODUCE ON BEARER BIOLOGICAL ASSETS AND INVENTORIES

09.1 PRODUCE ON BEARER BIOLOGICAL ASSETS

	2021	2020
	Rs.	Rs.
At the beginning of the year/ as previously reported	21,746,315	16,142,311
Change in fair value less cost to sell	12,021,009	5,604,004
At the end of the year	33,767,324	21,746,315

09.2 INVENTORIES

	2021	2020
	Rs.	Rs.
Input Materials	8,460,461	4,183,849
Growing Crop - Nurseries	42,547,154	3,425,602
Harvested Crop	82,733,478	45,777,613
Consumables and Spares	25,434,649	7,860,485
	159,175,742	61,247,548
Impairment allowance for Obsolete Stocks	159,175,742	61,247,548

9.3 ASSETS HELD FOR SALE

	2021	2020
	Rs.	Rs.
Gross Carrying Value	400,450	400,450
Less; Accumulated Depreciation	400,446	400,446
Carrying Value	4	4

9.3.1 Carrying Value of Assets Held for Sale

Description	Vehicle No.	Cost	Depreciation	Carrying Value
Hand Tractor	NW SC 1610	104,000	103,999	1
Hand Tractor and trailer	NW SC 1611	145,500	145,498	2
Motor Cycle	NW GB 7012	150,950	150,949	1
		400,450	400,446	4

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	Rs.	Rs.
Produce Debtors	29,564,923	16,951,003
Staff Debtors	4,749,559	5,503,814
Other Debtors	34,940,025	13,778,785
Wair-Coir Project	13,325,233	13,325,233
	82,579,739	49,558,835
Impairment allowances for Wair-Coir Project	(13,325,233)	(13,325,233)
Impairment allowances for Bad Debts	(568,587)	(568,587)
Provision for coconut rejection	(342,155)	
	68,343,764	35,665,015

11. FINANCIAL FACILITY TO STATE ENTERPRISES	Amount Granted	2021	2020
	Rs.	Rs.	Rs.
Loan Receivables			
Elkaduwa Plantations Ltd	20,000,000	23,519,452	23,519,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000	10,000,000	10,000,000
Sri Lanka State Plantations Corporation	20,000,000	23,610,959	23,610,959
Ministry of State Resources & Enterprise Development	15,000,000	15,000,000	15,000,000
Janatha Estate Development Board	40,000,000	47,627,397	47,627,397
	105,000,000	119,757,808	119,757,808
Less:			
Impairment Loss	(105,000,000)	(119,757,808)	(119,757,808)
	-	-	-

The Company has granted temporary financial facility to the above government enterprises amounting to LKR 105 Million in the year 2010. However, the outstanding dues were not settled up to the 31 December 2014 by the respective parties and the amount with accumulated interest totaling to LKR 119,757,808/-. The Board of Directors of Chilaw Plantation Limited resolved to make a full provision for impairment for the year ended 2014.

Considering the fact that the company was unable to recover the interest income due from above state organizations, from the year 2010 to 2012, the board of directors of chilaw plantations ltd decided not to recognize the unrecoverable interest income to the accounts of chilaw plantation limited from the year 2013. Subsequently the Board of Directors of Chilaw Plantations Limited resolved to make a full provision for impairment of financial assets for the year ended 2014. However, if interest income from 2013 to 2021 is taken in to the accounts, total loan receivable balance would be Rs. 177,357,808 as details given below

Elkaduwa Plantations Ltd	37,919,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000
Sri Lanka State Plantations Corporation	38,010,959
Ministry of state Resources & Enterprise Development	15,000,000
Janatha Estate Development Board	76,427,397
	177,357,808

11.1 OTHER FINANCIAL ASSETS

	Loan Given to Employees Rs.	Pre-Paid staff Benefit Rs.	Total Rs.
Balance as at 01/01/2020	8,492,911	976,564	9,469,475
Loan Granted During the Year 2020	3,407,323	362,677	3,770,000
Loan Recovered During the year 2020	(3,459,936)	(525,850)	(3,985,786)
Balance as at 31/12/2020	8,440,298	813,392	9,253,689
Loan Granted During the year 2021	8,784,785	1,336,215	10,121,000
Loan Recovered During the year 2021	(3,378,992)	(505,380)	(3,884,372)
Balance as at 31/12/2021	13,846,090	1,644,227	15,490,317
Non- Current Balance as at 31/12/2020	5,748,278	413,602	6,161,880
Current Balance as at 31/12/2020	2,692,020	399,789	3,091,809
Balance as at 31/12/2020	8,440,298	813,392	9,253,689
Non- Current Balance as at 31/12/2021	10,294,483	950,590.70	11,245,074
Current Balance as at 31/12/2021	3,551,608	693,636.26	4,245,244
Balance as at 31/12/2021	13,846,090	1,644,227	15,490,317

The company provides loans to employees at concessionary rate of 5% per annum. These loans are recognized on fair value at their initial recognition. The fair value of the loans given to employees are determined by discounting expected future cash flows using market rates related to the similar loans. The difference between cost and fair value of loans given to employees is recognized as prepaid staff benefits. The loans given to employees are classified as loans and receivables and subsequently measured at amortized cost. The loans given to employees are secured and interest is charged at the following rates.

	Market rate	Concessionary rate
2016	11.00%	5%
2017	14.00%	5%
2018	13.00%	5%
2019	12.50%	5%
2020	9.25%	5%
2021	10.25%	4% (w.e.f 1/9/2021)

	2021	2020
	Rs.	Rs.
12. SHORT TERM INVESTMENTS		
Fixed Deposit - BOC (Over three months)	362,509,708	89,166,575
Fixed Deposit- Peoples Bank (Over three months)	52,659,451	90,000,000
Total short term investment over Three months	415,169,159	179,166,575
Fixed Deposit - BOC (Below three months)	125,310,537	40,000,000
Treasury Bills and REPO (Below three months)	181,000,000	161,000,000
Total short term investment Below Three months	306,310,537	201,000,000
Grand Total	721,479,696	380,166,575

Short-term deposits are made for varying periods of between one month and twelve months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The above fixed deposits with Bank of Ceylon represent, Plan assets in respect of gratuity liability amounting to Rs. 81,228,433/-

13. STATED CAPITAL

Ordinary shares including one golden Shares held by the Treasury which have Special rights	20,000,001	20,000,001
Value of Issued and Fully Paid Shares		
Ordinary shares including one golden Shares held by the Treasury which have Special rights	200,000,010	200,000,010

Stated Capital represents the amount paid to the company in respect of issuing 20,000,001 ordinary shares including one Golden share which has special rights. With the enactment of the Companies Act No. 07 of 2007 which is applicable with effect from 03 May 2007, the concept of authorized share capital and par value is no longer applicable.

14. DEFERRED TAX LIABILITY

	2021	2020
	Rs.	Rs.
At the beginning of the Year	126,445,436	111,959,742
Charged / (reversal) during the year	(127,124,119)	14,485,694
Deferred Tax adjustment on assets revaluation	364,008	
At the end of the Year	(314,675)	126,445,436

	Temporary Difference	Tax Effect	
	Rs.	2021	2020
		Rs.	Rs.
-Property, Plant and Equipment	(126,698,373)	(569,937.71)	(6,596,721)
-Mature and Immature Plantation	-	-	(133,584,530)
-Consumable Biological Assets	-	-	(18,148,804)
		-	-
-Impairment allowances for Bad Debts	14,235,975	64,039	1,945,135
-Retirement Benefit Obligation	81,228,433	365,396	13,838,470
Carried forward Tax Losses	101,187,054	455,178	16,101,014
Carried forward Tax Credit	-	-	-
Deferred Tax Assets / (Liability)	69,953,089	314,675	(126,445,436)

Applicable Tax Rate for all temporary differences other than mature plantation.

14%

14%

Provision has been made for deferred tax on applicable tax rate up to 31st December 2020 under the liability method in respect of temporary difference arising from carrying amounts of assets and liabilities for financial reporting purposes. As per the policy decision taken by the government, Business profit arising from the agro farming is exempt from the income tax w.e.f 1st April 2019 (Refer Note no 24.1). Therefore the company has decided to reverse the brought forward deferred tax liability, relating to agro farming business, through the statement of comprehensive income for the year 2021. The effective tax rate used to calculate deferred tax liability for all temporary difference of agro processing as at 31/12/2021 is 14%.

15. DIFERRED GRANTS AND SUBSIDIES

	2021 Rs.		2021	2020
	Received from PHDT	Received from CRI	Rs.	Rs.
At the beginning of the Year	5,489,829		5,489,829	5,822,837
Grant Received	-	2,000,000	2,000,000	
Less : Amortization for the Year	(260,774)		(260,774)	(333,008)
At the end of the Year	5,229,055	2,000,000	7,229,055	5,489,829

i) Grants were received from the Plantation Human Development Trust for the Development of facilities of workers such as re-roofing of Line rooms, Latrines, Water supply and Sanitation etc.

The amount spent is capitalized under relevant classification of Property, Plant & Equipment. Corresponding grant component is reflected under Deferred Grants and Subsidies and amortized over the useful life span of the asset.

ii) During the year 2021 grant of Rs 2,000,000 was received from Coconut Research Institute for a installation of irrigation system in kiniyama seed garden. This capital work was not completed by end of the year.

Due to which the amortization of above mention grant was not made during the corresponding year

16. RETIREMENT BENEFIT OBLIGATIONS

	2021	2020
	Rs.	Rs.
At the beginning of the year	98,846,211	89,414,823
Interest Cost	7,907,697	9,835,631
Current Services Cost	6,997,492	8,883,984
Gratuity Payments for the Year	(11,711,977)	(9,129,367)
Actuarial (Gain) / Loss	(20,810,990)	(158,860)
At the end of the Year	81,228,433	98,846,211

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the Projected Unit Credit Method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at

According to the actuarial valuation report issued by the actuarial value as at 31 December 2021 the actuarial present value of promised retirement benefits amounted to Rs.81,228,433. If the company had provided for gratuity on the basis of 14 days wages and half months salary for each completed year of service, the liability would have been Rs. 106,901,346.18. Hence, there is a contingent liability of Rs.25,672,913.18 which would crystallise only if the company ceases to be a going concern.

The key assumptions used by Messrs Actuarial & Management Consultants (Pvt) Ltd. include the following;

(i) Rate of Discount	11% p.a.	(ii) Rate of Salary Increase	
(iii) Retirement Age		Monthly paid Staff	5% p.a.
Monthly paid Staff	60 years	Daily Paid Staff	10% p.a.
Daily Paid Staff	60 years		
(iv) Daily Wage Rate	Rs. 740/-	(v) Staff turnover rate	5%

17. LIABILITY TO MAKE LEASE PAYMENT FOR THE JEDB/SLSPC ESTATES

	Repayable within 1 Year Rs.	Repayable after one Year Repayable within two to five Years Rs.	Repayable after five Years Rs.	Sub Total Rs.	Total Rs.
Gross Finance Lease Liability	6,508,000	26,032,000	120,014,652	146,046,652	152,554,652
Less : Future Finance Charges	(3,912,329)	(14,568,680)	(36,272,517)	(50,841,197)	(54,753,526)
Net Finance Lease liability-2021	<u>2,595,671</u>	<u>11,463,320</u>	<u>83,742,134.97</u>	<u>95,205,455</u>	<u>97,801,126</u>
Net Finance Lease liability-2020	<u>2,495,837</u>	<u>11,022,423</u>	<u>86,778,702.97</u>	<u>97,801,126</u>	<u>100,296,963</u>

The leases of the estates have been amended, with effect from 11th June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The rental payable under the revised basis is Rs. 6.508 million per year. 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 during the current year charged to the Income Statement amounted to Rs. 35,422,205/- which is based on GDP deflator of 3.4% (2020 - Rs. 34,249,564/- 2.2%)

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 19 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 21 August 2013. The Company has not reassessed the Right-to-use of Land because this is not a 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.

Gross	=	1,639,080,038
Finance Charges	=	<u>(1,030,773,109)</u>
Net Liability	=	<u><u>608,306,929</u></u>

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

18. TRADE AND OTHER PAYABLES

	2021	2020
	Rs.	Rs.
Trade Creditors	1,109,524	6,368,577
Others (Fertilizer, Contractors etc.)	99,299,058	60,935,898
Holiday Pay	4,340,378	4,002,632
Accrued Expenditure	28,171,072	13,524,271
Audit Fee	902,592	1,608,722
Incentive payable to Employee	92,985,110	48,792,550
Dividend /Lease rental Payable to Treasury	52,506,212	82,911,088
	279,313,946	218,143,738

18.1 INTEREST- BEARING LOANS & BORROWINGS

	2021	2020
	Rs	Rs
At the beginning of the Year	17,398,000	17,398,000
Obtaining During the year		23,200,000
Repayment during the year	11,604,000	5,802,000
At the end of the year	5,794,000	17,398,000
Payable withing one year	5,794,000	11,604,000
Payable Two to Five years	-	5,794,000
At the end of the year	5,794,000	17,398,000

Following assets have been pledged as security for above liability:

Lender and Loan amount Rs.	Rate of the Interest p.a	Monthly Installment	Term of Repayment	Security Pledged
BOC Rs.23.2 Mn	4%	967,000	24 installments commenced on 19/7/2020	Fixed Deposit No 84976446 invested at Bank of ceylon Pledged as security

	2021	2020
	Rs.	Rs.
19. REVENUE		
Coconut (Note 19.1)	801,718,449	592,179,338
Cashew	55,637,407	37,352,690
Livestock project (Note 19.2)	14,355,287	9,758,136
Dragon Fruit	696,646	1,158,336
Seedlings & Nursery	142,246,454	10,973,225
Pepper	327,630	100,975
Cinnamon	981,578	619,280
Rambuttan	435,000	665,100
Coconut Oil	17,640,851	8,068,004
Cashew processing	11,141,408	8,317,642
Others	4,730,412	3,774,540
	1,049,911,121	672,967,266
19.1 Coconut Income		
Green Nuts	766,078,838	533,259,557
Copra	35,639,611	58,919,781
	801,718,449	592,179,338
Production (Nuts)	14,715,763	11,943,494
Net Sales Average (per 1000 nuts)	57,517	47,908
19.2 Income from livestock		
Income from Dairy livestock project	11,075,787	7,626,472
Other livestock	1,693,723	705,339
Gain/loss on fair value	1,585,776	1,426,325
	14,355,287	9,758,136
20 Cost Of Sale		
Coconut and Copra	341,789,681	334,141,557
Cashew	43,364,677	22,103,851
Livestock project	14,026,502	11,274,014
Dragon Fruit	1,770,174	387,869
Seedlings & Nursery	82,280,471	7,043,495
Pepper	467,750	509,392
Cinnamon	657,123	674,604
Rambuttan	184,275	308,754
Coconut Oil	21,309,012	8,289,132
Cashew processing	10,465,280	7,845,556
Others	4,482,642	5,774,289
	520,797,587	398,352,513

For the Year ended 31st December,

	2021	2020
	Rs.	Rs.
21. OTHER INCOME AND GAINS		
Amortization of Grant	260,774	333,008
Gain /(Loss) on Timber sale	28,607,529	15,152,869
Coconut Palms	38,022,368	34,396,776
Coconut Husks & Shells	14,447,717	28,169,738
Penalty on delay payment and removal of coconut Paddy	3,346,944	6,088,631
Fire wood	2,886,006	2,731,691
Desaiting Tank (sale of Mud soil)	1,628,850	1,901,578
Income from Land development Project	26,006,412	16,025,468
Income from Land subleased for cultivation	26,939,049	
Income from coconut treacle project	13,970,183	1,046,548
Others	2,192,546	157,875.8
	2,676,997	11,936,369
	160,985,376	117,940,551
22. ADMINISTRATION & GENERAL EXPENSES (Details P 41- P 42)		
Personal Direct expenses	45,859,507	40,911,795
Personal Indirect expenses	17,073,832	14,778,460
Office expenses	38,319,036	20,861,453
Other expenses	105,688,495	59,023,093
	206,940,871	135,574,801
22.1 PROFIT BEFORE TAX IS STATED AFTER CHARGING		
Depreciation		
- Leasehold Right to bare land	2,688,722	2,688,722
- Immovable Leased Assets	35,787	35,787
- Freehold Property, Plant and Equipments	29,295,558	14,807,994
- Biological Assets	19,114,033	15,252,718
Directors Remuneration	2,570,636	2,153,751
Auditors Remuneration	862,992	845,396
Defined Benefit Plan Costs	14,905,189	18,719,615
Defined Contributions Plan Costs - EPF & ETF	34,242,125	31,893,386
Salaries & Wages	250,109,060	225,757,417
Employees' Bonus	9,824,726	8,947,810
Employees' Incentive payment	92,985,110	48,792,550
	456,633,938	369,895,148
23. FINANCE INCOME		
Interest on Fixed Deposits	18,834,001	8,627,784
Interest on Treasury bill/REPO	5,820,527	3,638,211
Interest income on Savings Account	28,987	106,126
Interest on Loan given to Staff	450,950	421,519
Unwinding of Pre-paid Staff Benefits	476,969	483,858
	25,611,433	13,277,499
23.1 FINANCE COST		
Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	35,422,205	34,249,564
Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	4,012,163	4,108,156
Interest Expense and Bank Charges	502,215	454,982
Amortization of Staff Cost	476,969	483,858
	40,413,552	39,296,559
Net Finance Income/(Expenses)	(14,802,119)	(26,019,061)
INCOME TAX EXPENSE		
24. 24.1 The major components of income tax expenses for the year ended 31 December 2021 are as follows.		
Current Tax Expenses		
Current Income Tax (Note 24.2)	6,032,272	2,969,309
Deferred taxation Provision /(Reversal) (Note 14)	(127,124,119)	14,485,694
Income tax expense reported in the Income statement	(121,091,847)	17,455,003

24.1 In terms of item 2A (g) of the First schedule to the Inland Revenue Act, No. 24 of 2017 (As amended by Act, No. 10 of 2021) with effect from January 01, 2020 gains and profits from the agro processing is taxable at the rate of 14%. As per item (u) of the Third schedule to the Inland Revenue Act, No. 24 of 2017, gains and profits from the agro farming is exempt from the income tax commencing from April 1,2019.

24.2 Reconciliation Between Tax Expenses and the Product of Accounting Profit

	2021	2020
	Rs.	Rs.
Accounting Profit before tax	510,887,112	283,099,662
Income not subject to tax	<u>(69,512,206)</u>	<u>(64,843,348)</u>
	441,374,906	218,256,314
Aggregate disallowable items	66,809,024	51,504,836
Aggregate allowable items	<u>(80,084,161)</u>	<u>(87,484,390)</u>
Adjusted Business profit / (Loss)	428,099,769	182,276,760
Assessable Charge or (Balancing Allowance) on depreciable assets	16,300	
During the Year grant received	2,000,000	
Less- Gain from unprocessed exempt income	(416,295,880)	(160,232,335)
Brought forward Tax loss utilized	13,820,189	(22,044,425)
Other income liable for Taxation	<u>25,134,465</u>	<u>12,372,121</u>
	52,774,843	12,372,121
Statutory Tax rate 24%	6,032,272	2,969,309
Current Income Tax Expenses	<u>6,032,272</u>	<u>2,969,309</u>
Tax loss Brought forward	115,007,243	137,051,668
Tax loss utilized/ addition	<u>(13,820,189)</u>	<u>(22,044,425)</u>
	101,187,054	115,007,243

25.1 EARNINGS PER SHARE

25.1.1 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.

25.1.2 The following reflects the income and share data used in the computation of basic earnings per share.

Amounts used as the Numerator :	2021	2020
Net profit applicable to ordinary share holders for basic earnings per share	Rs. 631,978,959	Rs. 265,644,659
	<u>631,978,959</u>	<u>265,644,659</u>
Amounts used as the Denominator :	Number	Number
Weighted average number of ordinary shares in issue applicable to basis earnings per share	20,000,001	20,000,001
	<u>20,000,001</u>	<u>20,000,001</u>
Basic Earning per share	31.60	13.28

25.2. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments or disclosures in the Financial Statements.

26 Segment Information

Geographical Segment	Group 01		Group 02		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Results	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	612,654,367	270,602,629	437,256,754	174,899,870	-	-	1,049,911,121	672,967,266
Revenue Expenditure	(299,951,316)	(182,081,846)	(179,520,805)	(142,234,827)	-	-	(479,472,121)	(366,377,722)
Depreciation	(22,849,079)	(19,613,074)	(18,476,387)	(12,486,575)	-	-	(41,325,466)	(31,974,791)
Segment Results	289,853,971	68,907,709	239,259,563	20,178,468	-	-	529,113,534	274,614,753
Gain/(loss) on fair value of Biological Assets							42,531,191	52,138,219
Other Income and Gain							160,985,376	117,940,551
Unallocated Expenses							(206,940,871)	(135,574,801)
Finance Cost							(40,413,552)	(39,296,559)
Finance Income							25,611,433	13,277,499
Profit before Income Tax							510,887,112	283,099,662
Income Tax Expenses							121,091,847	(17,455,003)
Net Profit for the Year							631,978,959	265,644,659
As at 31st December								
Segment Assets								
Non Current Assets	622,899,008	549,678,316	716,073,099	619,605,358	48,492,928	8,953,287	1,387,465,035	1,360,409,558
Current Assets	161,729,358	78,157,429	95,537,844	44,501,451	747,768,852	127,574,482	1,005,036,055	524,867,203
Total Assets	784,628,366	627,835,746	811,610,943	664,106,809	796,261,781	136,527,769	2,392,501,090	1,885,276,761
Segment Liabilities								
Non Current Liabilities	35,639,615	34,299,709	33,085,583	38,972,844	114,937,745	234,221,812	183,662,943	334,376,602
Current Liabilities	54,893,847	22,494,639	24,058,756	22,466,935	208,803,019	112,049,298	287,755,622	232,243,575
Total Liabilities	90,533,463	56,794,348	57,144,339	61,439,779	323,740,764	346,271,110	471,418,566	566,620,177

27. RELATED PARTY DISCLOSURES

Details of significant Related Party Disclosures are as follows.

27.1 Transactions with the key management personnel of the company.

LKAS 24 'Related party Disclosures', Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non- Executive Directors) as key management personnel of the Company have been classified as Key Management

	2021	2020
	Rs.	Rs.
Salaries and other Employment Benefits	<u>2,570,636</u>	<u>2,153,751</u>

27.2. Related Party Transactions

There are no related party transaction during the year.

28. COMMITMENTS AND CONTINGENCIES**28.1 Capital Commitments**

There have been no significant Capital Commitment as at the reporting date.

28.2 Contingent Liabilities

There were no contingent liabilities other than disclosed in Note No. 16 and as following as at the reporting date.
Legal case filed

No.	Case No.	Description	Present Situation
1	DMR/03137/15 District Court - Aluthkade	CPL is Claiming Rs. 2,963,522.15 the cost for Coconuts from Bee Pee & David Pvt. Ltd.	Matter is Pending
2	28/2051/14 - Labour Tribunal - Chilaw	Mr. W.M.P Weerasekara - a former Asst. Supdt. Claiming re employment	Matter is Pending
3	28/2052/14 - Labour Tribunal - Chilaw	Mr. B.M.S.S Balasooriya a former Asst. Supdt. Claiming re employment	Matter is Pending
4	A 3536 - Industrial Court - Colombo	S.C George and 8 Others ex - Employees Claiming arrears on Salary Revision	Matter is Pending
5	FR/343/2016 - Supreme Court - Colombo	Mr. Anurudda Dissanayake - Supdt. Claiming Damages on his Interdiction	Matter is Pending
6	SC/FR/364 - Supreme Court - Colombo	Mr. A.A Ananda, G.A Dissanayake, M.G.C Dias, W.K pradeep Contesting the proceduress adopted in interview for AGM Plantations	Matter is Pending
7	IR/22/17/2013 Labour Department - Narahenpita	Mrs. K.D.N Rajapaksha Claining Payment arrears for Rs. 1,250/-	Matter is Pending
8	A/112/2019	Mr. S.K.D Gunawardhana a former Supdt. Claiming for relief from Punishment and benefits of the assigned post	Matter is Pending
9	CHW/101/C/5/2016 - Chilaw Labour Office	Mr. M.M Merly a Manager Estate Claiming Salary Increment	Matter is Pending
10	28/2334/18/ලබන/ Labour Tribunal Chilaw	Mr. Peduru Appuhami former Watcher Claiming re employment	Matter is Pending
11	350/RE Marawila	Kahatawilla B - Land Case	Matter is Pending
12	SC/HCCA/LA/462/2019	Division Secretariat, Katana Divisional Secretariat, Demanhandiya	Matter is Pending
13	SPL/2913 - Negombo	Requesting Land Value from Katana Divisional Secretariat	Matter is Pending
14	A/18/2018	Ceylon Estate Staff Union Claiming Permanancy of employment and arrears	Matter is Pending
15	21451/20	Mr. Arumugam	Matter is Pending
16	3746	Imbulgaswadiya Land Matter	Matter is Pending
17	3885	Imbulgaswadiya Land Matter	Matter is Pending

	Notes	2021 Rs.	2020 Rs.
REVENUE	(i)	1,049,911,121	672,967,266
COST OF SALES	(ii)	<u>(520,797,587)</u>	<u>(398,352,513)</u>
GROSS PROFIT		529,113,534	274,614,753
GAIN/(LOSS) ON FAIR VALUE OF BIOLOGICAL ASSETS		42,531,191	52,138,219
OTHER INCOME	(iii)	160,985,376	117,940,551
ADMINISTRATIVE EXPENSES	(iv)	(101,252,375)	(76,551,708)
OTHE EXPENSES	(v)	(105,688,495)	(59,023,093)
FINANCE COST	(vi)	(40,413,552)	(39,296,559)
FINANCE INCOME		25,611,433	13,277,499
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		<u><u>510,887,112</u></u>	<u><u>283,099,662</u></u>

For the Year ended 31st December,	2021 Rs.	2020 Rs.
(i) REVENUE		
Coconut	801,718,449	592,179,338
Cashew	55,637,407	37,352,690
Livestock project	14,355,287	9,758,136
Dragon Fruit	696,646	1,158,336
Seedlings & Nursery	142,246,454	10,973,225
Pepper	327,630	100,975
Cinnamon	981,578	619,280
Rambuttan	435,000	665,100
Coconut Oil	17,640,851	8,068,004
Cashew processing	11,141,408	8,317,642
Others	4,730,412	3,774,540
	1,049,911,121	672,967,266
(ii) COST OF SALE		
Coconut and Copra		
General Charges	241,150,459	196,781,981
Field Work & Cultivation	57,629,682	43,000,947
Harvesting	70,658,747	55,466,042
Manufacture	9,877,024	8,324,651
Transport	111,919	281,703
Other Expenses	3,967,067	7,680,505
Cost Of Production	383,394,898	311,535,829
Opening Stock Adjustment	28,619,050	51,224,778
Closing Stock Adjustment	(70,224,267)	(28,619,050)
Cost of Sales Coconut	341,789,681	334,141,557
Cashew	43,364,677	22,103,851
Livestock project	14,026,502	11,274,014
Dragon Fruit	1,770,174	387,869
Seedlings & Nursery	82,280,471	7,043,495
Pepper	467,750	509,392
Cinnamon	657,123	674,604
Rambuttan	184,275	308,754
Coconut Oil	21,309,012	8,289,132
Cashew processing	10,465,280	7,845,556
Others	4,482,642	5,774,289
Cost of sales	520,797,587	398,352,513
(iii) OTHER INCOME		
Amortization of Grant	260,774	333,008
Gain /(Loss) on Timber sale	28,607,529	15,152,869
Coconut Palms	38,022,368	34,396,776
Coconut Husks & Shells	14,447,717	28,169,738
Penalty on delay payment and removal of coconut	3,346,944	6,088,631
Paddy	2,886,006	2,731,691
Fire wood	1,628,850	1,901,578
Desalting Tank (sale of Mud soil)	26,006,412	16,025,468
Income on Land Rehabilitation Project (Sale of sand)	26,939,049	-
Income on Land provided for cultivation	13,970,183	1,046,548
Coconut treacle projec income	2,192,546	157,876
Other	2,676,997	11,936,369
	160,985,376	117,940,551

(iv) ADMINISTRATIVE EXPENSES

	Year Ended 2021	Year Ended 2020
	Rs	Rs
PERSONAL DIRECT EXPENDITURE		
Chairman /CEO and Executive Staff Salaries/Allowances	18,587,038	16,581,317
Clerical & Other Staff Salaries & Allowances	23,046,370	20,646,972
Attendance Incentives	43,000	45,000
Retiring Gratuity	1,256,318	1,276,161
Over Time	2,466,877	1,976,215
Travelling & Subsistence	383,227	348,296
Payment for Unutilized Annual Leave for Retired Officers	76,676	37,834
	45,859,507	40,911,795
PERSONAL INDIRECT EXPENDITURE		
Staff Welfare	2,668,931	2,551,964
Staff Uniform	193,649	198,254
Sorts expenses	-	103,776
Non Executive Medical Scheme	1,526,044	1,363,296
Chairman/CEO and Executives Staff Bungalow Expenses	11,834,180	10,291,574
Staff Quarters Maintenance	125,336	17,058
Canteen Expenses	271,640	240,537
Employee transport	111,600	12,000
Transport Allowance for MM category employees	342,453	
	17,073,832	14,778,460
OFFICE EXPENDITURE		
Electricity	697,634	674,350
Postage & Telegram	147,107	136,263
Telephone	597,005	468,934
Rates Assessment Tax and water	161,032	170,722
Building Upkeep	546,557	603,040
Equipment Upkeep	326,194	328,338
Computers Expenses	190,966	285,930
Furniture & Fitting Upkeep A/C	6,175	5,092
Conference Expenses	222,240	135,731
Printing & Stationery	1,837,340	942,888
Book, Periodicals and News Papers	20,052	26,360
Supervisory Field Vehicles-Fuel Costs	4,418,521	2,773,791
Supervisory Field Vehicles - Other Costs (Repairs & Maintenance)	4,381,506	3,559,816
Legal Expenses (Labour Tribunal, Lands)	1,734,758	1,411,284
Professional & Technical Consultancy Fees	2,773,926	1,279,212
Audit Fees	120,000	120,000
Insurance (Field Vehicles, Buildings, Medical)	1,494,280	1,418,568
Entertainment (Estate Field Progress Reviews, Workshops, Meetings)	974,847	194,741
Paper Advertisement (Papers - Procurements, Tenders, Recruitments)	498,388	410,287
Sundry Expenses	51,980	79,243
Junior Executive Development Program (NIPM, Workshops)	610,692	106,235
Business Promotion & CSR (Estate Temple, Kovil, Church, Schools)	2,884,361	982,160
Subscription	21,000	150,000
Bad debt	-	8,806
	24,716,562	16,271,791

(iv) ADMINISTRATIVE EXPENSES

	Year Ended 2021 Rs	Year Ended 2020 Rs
OFFICE EXPENDITURE (Contd...)		
Depreciation	9,808,634	810,431
Colombo Office Expenses / Building Rent	1,860,000	1,860,000
Other Board Meeting Expenses (Fees, Refreshments)	1,933,841	1,919,232
	<u>13,602,475</u>	<u>4,589,662</u>
Total office Expenditure	38,319,036	20,861,453
Grand Total	101,252,375	76,551,708

(v) OTHER EXPENSES

Annual Bonus	9,824,726	8,947,810
Previous year and other Adjustments	2,439,159	1,282,732
Staff & Labour Performance Incentives	92,985,110	48,792,550
Estate labour welfare Activities	439,500	
	<u>105,688,495</u>	<u>59,023,093</u>

(vi) FINANCE COSTS

Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	4,012,163	4,108,156
Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	35,422,205	34,249,564
Amortization of Staff Cost	476,969	483,858
Interest Expenses and Bank Charges	502,215	454,982
	<u>40,413,552</u>	<u>39,296,559</u>

TEN YEAR SUMMERY

	Re - stated					Re - stated					
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Coconut Production Nuts '000	14,716	11,943	14,994	8,132	11,651	16,522	12,517	12,969	9,595	15,808	14,528
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000

Treding Results

Revenue	1,049,911	672,967	445,502	350,022	516,178	383,090	399,368	374,851	287,152	339,051	322,909
Gross Profit	529,114	274,615	89,086	(208)	205,574	148,707	148,748	152,726	112,890	123,713	163,228
Profit Before Interest and Tax	525,690	309,120	93,055	(14,529)	141,701	103,411	109,175	(43,271)	87,821	73,746	85,841
Profit Before Tax	510,887	283,100	64,010	(35,179)	126,415	84,817	88,293	(61,273)	81,820	86,225	95,771
Profit for the year (after tax)	631,979	265,645	50,499	(32,302)	81,446	69,672	78,682	(62,072)	73,747	77,975	77,670
Total Comprehensive income	652,426	364,691	52,543	(36,642)	82,149	70,764	81,444	(61,680)	72,919	77,975	77,670
Reserves	1,721,083	1,118,657	763,965	708,382	747,876	695,727	654,963	543,862	625,542	587,623	584,648
Dividend Paid		50,000	10,000		10,000	30,000	30,000		20,000	35,000	75,000
Dividends TOTAL	526,650	526,650	476,650	466,650	466,650	456,650	426,650	396,650	396,650	376,650	341,650

Financial Position

Fixed Assets	1,387,485	1,360,410	1,178,237	1,120,859	1,062,090	978,182	886,295	792,832	737,497	602,610	560,326
Mature / Immature Plantations	1,005,696	969,823	917,169	870,102	802,088	728,533	653,072	581,618	502,826	410,033	354,712
Current Assets	1,00,036	524,867	250,233	184,466	296,326	300,494	256,882	233,545	356,230	454,231	519,019
Total Asset	2,392,501	1,885,277	1,428,470	1,305,325	1,358,416	1,278,676	1,143,177	1,026,377	1,093,727	1,056,841	1,079,345
Inventories	159,176	61,248	67,383	56,610	58,754	100,759	47,613	73,432	71,398	82,606	94,295
Short Term Investment - Fixed Deposit	721,480	380,167	105,000	80,625	190,312	140,868	152,646	113,276	128,996	199,377	244,814
Current Liabilities	287,756	232,244	157,011	107,101	123,432	134,591	54,740	57,100	45,452	60,149	90,605
Long term Liabilities	183,663	334,377	307,494	289,841	287,108	248,358	233,474	225,414	222,734	209,070	204,092
Stated Capital	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Shareholders' Funds	1,921,083	1,318,657	963,965	908,382	947,876	895,727	854,963	743,861	825,542	787,623	784,648

Current Ratio (Times)	3.49	2.26	1.59	1.72	2.40	2.23	4.69	4.09	7.84	7.55	5.77
Quick Rattio (Times)	2.94	2.00	1.16	1.19	1.92	1.48	3.82	2.80	6.27	6.18	4.69
Gross Profit Ratio %	50.40	40.81	20.00	(0.06)	39.83	38.82	37.25	40.74	39.31	36.49	44.71
Earning Per Share Rs.	31.6	13.28	2.52	(1.6)	4.07	3.48	3.93	(3.10)	3.69	3.90	3.88
Return on Average Equity (ROE) - %	39.01	23.28	5.39	(3.48)	8.84	7.96	9.84	(7.91)	9.14	9.92	9.90
Return on Capital Employed (ROCE) - %	24.98	18.70	7.32	(1.21)	11.47	9.04	10.03	(4.46)	8.38	7.40	8.68
Interest Cover - (times)	13.01	7.87	2.33	(0.41)	4.21	3.17	3.45	(1.48)	3.20	2.95	3.70
Shareholders Fund Ratio %	80.30	69.95	67.48	69.59	69.78	70.05	74.79	72.47	75.48	74.53	72.70
Debt Ratio	0.20	0.30	0.33	0.30	0.30	0.30	0.25	0.28	0.25	0.25	0.27

CHILAW PLANTATIONS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chilaw Plantations Limited will be held at JEDB Building, No. 55/75, Vauxhall Street, Colombo 02 on 19th December 2022 at 11.30 a.m. for the following purposes.

AGENDA

1. To receive and consider the Statement of Accounts for the year ended 31st December 2021 with the Report of the Directors and Auditors thereon.
2. To appoint Auditor General's Department as Auditor of the company for year 2022 .
3. To Declare a final Dividend for the year 2021

BY ORDER OF THE BOARD

CHILAW PLANTATIONS LIMITED
CORPORATE ADVISORY SERVICES (PRIVATE) LIMITED
PV 3796
SEC/1017/93



Secretary

CORPORATE ADVISORY SERVICES (PVT) LTD
SECRETARIES - CHILAW PLANTATIONS LTD

Date: 16th December 2022

NOTES:

1. A shareholder/member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead.
2. A Proxy need not be a member of the Company.
3. A Form of Proxy is enclosed for this purpose.

CHILAW PLANTATIONS LTD

FORM OF PROXY

I/We the undersigned.....

of

being a member/members of Chilaw Plantations Limited hereby appoint :

- | | |
|------------------------------|----------------|
| 1. Mr. R.W.M.J.S.R. Perera | or falling him |
| 2. Mr. H.G. Sumanasinghe | or falling him |
| 3. Mrs. Aruni S. Ranasinghe | or falling her |
| 4. Mr. N.K.K. Rajasinghe | or falling him |
| 5. Mr. G.C.S. Madugoda | or falling him |
| 6. Mr. Ajanta Moonemalle | or falling him |
| 7. Mr. I.S.J.P. Gunawardhana | or falling him |
| 8. Mr. W.W.A.N.T.A. Fernando | or falling him |

As my/our proxy to represent me/us and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 19th December 2022 at 11.30 am and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' against the Resolution No.

	FOR	AGAINST
1. To receive and consider the Statement of Accounts for the year ended 31st December 2021 with the Report of the Directors and Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To appoint Auditor General's Department as Auditor of the company for year 2022.	<input type="checkbox"/>	<input type="checkbox"/>
3. To declare a final Dividend for the year 2021.	<input type="checkbox"/>	<input type="checkbox"/>

Signature of Shareholder's:.....

Shareholders NIC No:.....

Signed this day of2022

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy by signing in the space provided and please fill in the date of signature.
2. If the proxy is signed by an attorney the relative power of attorney should also accompany the completed form of proxy if it has not already been registered with the Company.
3. The completed form of proxy should be deposited at the Secretaries' Office (i.e. Corporate Advisor Services (Private) Limited, No. 47, Alexandra Place, Colombo 7 not less than 48 hours before the time appointed for the holding of the meeting.

CORPORATE INFORMATION

Name of the Company : **Chilaw Plantations Limited (CPL)**

Head Office : 'Kapruka Sewana',
No 165,PuttalamRoad,CHILAW. 61000.

Colombo City Office : : No 55/75, Vaxuall Lane, Colombo 02.

Date of Incorporation : 11th June 1992

Company Registration No. : PB 703 (under new Company Act 07 of 2007)

Legal Status : Chilaw Plantations Ltd . (the Company) is a limited liability Company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The Company re -registered under the companies Act No 07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government Own Business Undertaking into Public Companies Act No. 23 of 1987.

Shareholdings: Full Shares (100%) and the 'Golden Shareholder' Status are allotted to the 'Secretary to the Treasury' - Ministry of Finance , on - behalf of the State of the Democratic Socialist Republic of Sri Lanka.

Share Capital : 20,000,001 Shares of Rs . Ten (Rs . 10/=) including 'One Golden Share' held by the General Treasury with special rights.

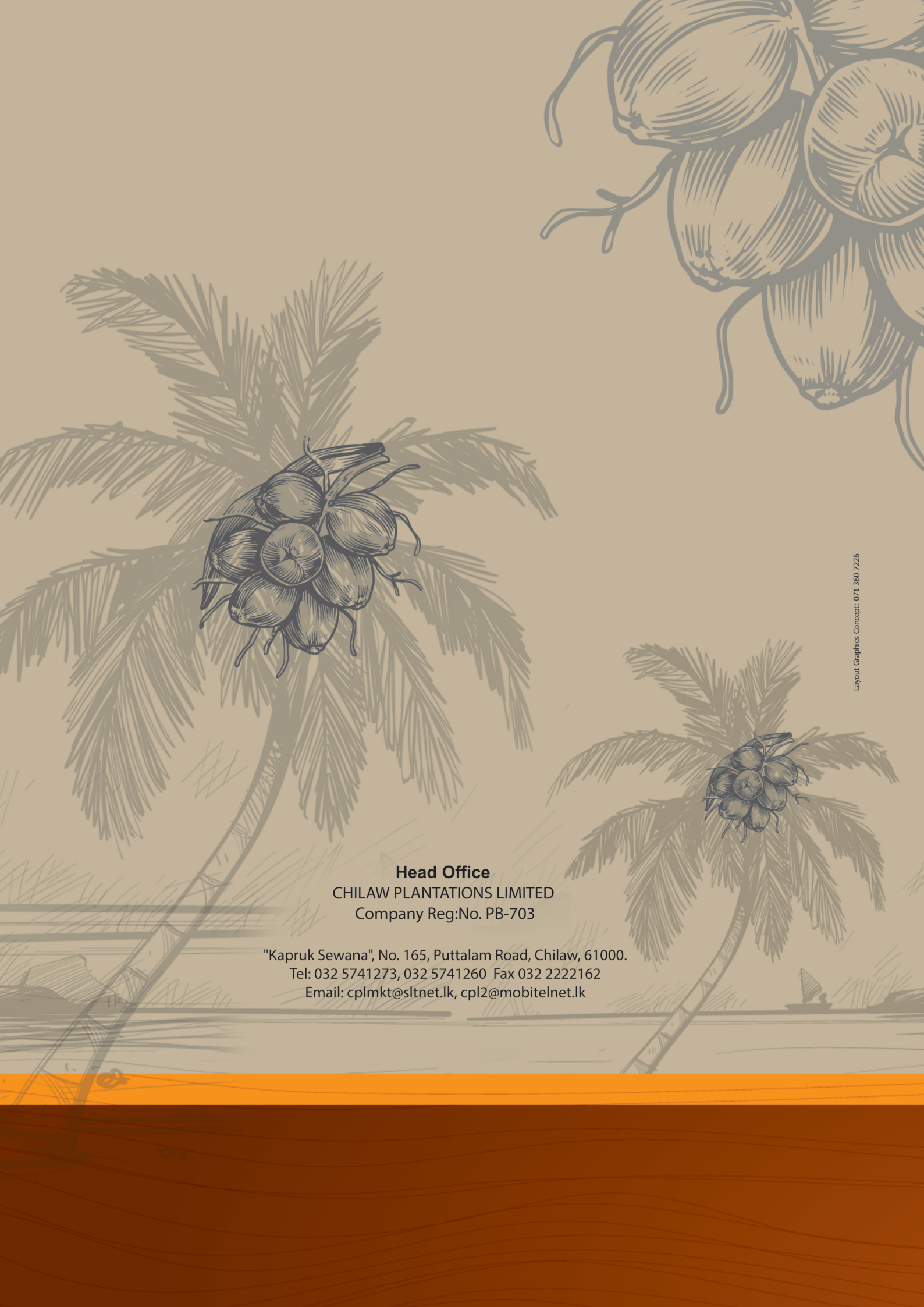
Present Board Of Directors 2022

Mr. R.W.M.J.S.R. Perera	- Chairman
Mr. H.G. Sumanasinghe	- Director (Treasury Representative)
Mrs. Aruni S Ranasinghe	- Director (Ministry Representative)
Mr. N.K.K.Rajasinghe	- Director
Mr. G.C.S. Madugoda	- Director
Mr. Ajanta Moonemalle	- Director
Mr. I.S.J.P. Gunawardhana	- Director
Mr. W.W.A.N.T.A. Fernando	- Director

Auditors : Auditor General's Department
No. 306/72, Polduwa Road, Battaramulla.

Bankers : Bank of Ceylon

Secretaries : Corporate Advisory Services (Pvt) Ltd
No. 47, Alexandra Place, Colombo 07.



Head Office
CHILAW PLANTATIONS LIMITED
Company Reg:No. PB-703

"Kapruk Sewana", No. 165, Puttalam Road, Chilaw, 61000.
Tel: 032 5741273, 032 5741260 Fax 032 2222162
Email: cplmkt@sltnet.lk, cpl2@mobitелnet.lk