



Balangoda
PLANTATIONS PLC
A MEMBER OF MELSTACORP

MF678 - Elevation 3400ft
Telbedde Estate 1947

ANNUAL REPORT 2024

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OUR VISION

To be a trailblazer in the plantation industry by establishing ourselves as a dynamic and results-driven Tea and Rubber plantations company, renowned for innovation, sustainability, and excellence.

OUR MISSION

- To manage our plantations as economically sustainable and environmentally responsible enterprises, continually enhancing their intrinsic and market value.
- To uplift the socio-economic standards of our workforce through fair employment practices, capacity building, and community development.
- To maximize value creation for our shareholders through operational excellence, strategic growth, and prudent financial stewardship.
- To evolve into a world-class Tea and Rubber plantations company, recognized globally for superior quality, ethical practices, and industry leadership.

HISTORICAL BACKGROUND

The Company was originally incorporated as Balangoda Plantations Ltd on 11th June 1992 by Certificate of Incorporation issued in terms of Section 15 (1) of the Company's Act No. 17 of 1982 read with Section 2 (2) of the Conversion of Public Corporation or Government owned Business Undertakings into Public Company's Act No. 23 of 1987 and the order published in the Gazette Extra Ordinary of the Democratic Socialist Republic of Sri Lanka dated 11th June 1992. The Company was thereafter re-registered under the Company's Act No. 07 of 2007 as Company No PQ 165 and a fresh Certificate of Incorporation was issued under the provision of Section 485 (6) of the Company's Act No. 7 of 2007 with the corporate name changed by operation of law to Balangoda Plantations PLC.

The first tranche of 51% of the issued share capital of the Company was sold by the Secretary to the Treasury through the Colombo Stock Exchange on an "all or nothing" basis and was purchased by Distilleries Company of Sri Lanka Limited (DCSL). The convertible Debentures held by Milford Exports (Ceylon) Limited were converted into 3,636,363 shares.

As per the decision of the Government, 10% of the Shares of the Company belonging to the Secretary to the Treasury on behalf of the Government were distributed among the employees of the Company.

20% of the Shares of the Company belonging to the Secretary to the Treasury on behalf of the Government were sold to the public through the Colombo Stock Exchange and the balance 19% of the shares belonging to the Secretary to the Treasury were also sold on an "all or nothing" basis through the Colombo Stock Exchange.

Corporate Information

Company

Balangoda Plantations PLC

Legal Form

Public Listed Company

Date of Incorporation

11th June 1992

Company Registration No.

P Q 165

Registered Office

#110, Norris Canal Road, Colombo 10, Sri Lanka

Board of Directors

Mr. D Hasitha S Jayawardena	Executive Chairman
Mr. D H S Jayawardena	Deceased on 03rd February 2025
Mr. C R Jansz	Non-Independent Non-Executive Director
Mr. M A N S Perera	Executive Director
Mr. K Dayaparan	Non-Independent Non-Executive Director
Dr. A Shakthevale	Independent Non-Executive Director (resigned w.e.f. 01-10-2024)
Mr. D S K Amarasekera	Independent Non-Executive Director (resigned w.e.f. 01-10-2024)
Mr. M R Mihular	Senior Independent Non-Executive Director (appointed w.e.f. 01-10-2024)
Dr. R A Fernando	Independent Non-Executive Director (appointed w.e.f. 01-10-2024)
Mr. P A Jayatunga	Executive Director (appointed w.e.f. 17-02-2025)

Secretary

Mr. P A Jayatunga
833, Sirimavo Bandaranayake Mawatha
Colombo 14
Telephone : 252 4734 / 252 2871

Registrars

Central Depository Systems (Pvt) Ltd
Registrars Unit
Ground Floor,
M & M Center, 341/5, Kotte Road
Rajagiriya
Telephone :+011 235 6446

Auditors

Messrs. KPMG (Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha
Colombo 03.

Bankers

Hatton National Bank PLC
City Office
16, Janadhipathi Mawatha
Colombo 01.

Parent Company

Melstacorp PLC
110, Norris Canal Road
Colombo 10.

Financial Highlights

		2024	2023	Change %
Financial Performance				
Revenue	Rs. Million	4,842	4,130	17.24
Gross profit	Rs. Million	868	377	130.08
Operating profit	Rs. Million	1113	678	64.23
Net finance cost	Rs. Million	(156)	(323)	51.67
Profit before tax	Rs. Million	957	355	169.75
Income tax expense	Rs. Million	(216)	(286)	24.42
Profit for the year	Rs. Million	741	69	973.15
Gross margin	%	18%	9%	96.25
Operating margin	%	23%	16%	40.08
Net profit margin	%	15%	2%	815.34
Return on total assets	%	9%	1%	932.23
Position / Key Ratio				
Total assets	Rs. Million	8,059	7,752	3.96
Long term interest-bearing borrowing	Rs. Million	-	415	-100.00
Total equity	Rs. Million	3,717	3,138	18.45
Debt/total assets	Times	0.54	0.60	-9.48
Current ratio	Times	0.73	0.57	27.31
Shareholder Information				
Earning per share	Rs.	15.68	1.48	958.45
Net asset value per share	Rs.	78.63	67.30	16.83
Market price per share	Rs.	72.00	50.80	41.73
Market capitalization	Rs. Million	864	610	41.64
Value Addition				
To lenders of capital as interest	Rs. Million	158	328	-51.85
To employees as remuneration	Rs. Million	2,350	2,019	16.39
Provision for depreciation	Rs. Million	225	226	-0.44
Profit retained	Rs. Million	741	69	973.15

Financial Calendar

1st Quarter Interim Financial Report (Unaudited)	13th May 2024
2nd Quarter Interim Financial Report (Unaudited)	13th August 2024
3rd Quarter Interim Financial Report (Unaudited)	12th November 2024
4th Quarter Interim Financial Report (Unaudited)	25th February 2025
Annual Report for the Year 2024 (Audited)	22nd May 2025
32nd Annual General Meeting	24th June 2025

Board of Directors

MR. D. HASITHA S. JAYAWARDENA

EXECUTIVE CHAIRMAN

Consequent to the demise of Deshamanya D. H. S. Jayawardena, Mr. D. Hasitha S. Jayawardena was appointed as the Executive Chairman on 6th February 2025.

Mr. Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.

He has also worked as an Intern at the Clinton Global Initiative Programme (CGI) in New York in 2007.

Mr. Jayawardena is the Chairman & Managing Director of Stassen Group of Companies and the Chairman of Melstacorp Group and DCSL Group. He is also a Director of Lanka Milk Foods Group, Zahra Exports (Pvt) Ltd., McSen Range (Pvt) Ltd. and several other companies.

MR C R JANSZ

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Mr Jansz specializes in the movement and finance of international trade.

He has been the Chairman of DFCC Bank the Sri Lanka Shippers Council.

Mr Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd, and the Deputy Chairman of Melstacorp Group. He is also a Director of Stassen Group, DCSL Group, Aitken Spence PLC and several other companies.

MR M A N S PERERA

EXECUTIVE DIRECTOR

Mr. M A N Sampath Perera holds an MBA from the prestigious University of Cambridge and is a Fellow of the Institute of Chartered Accountants of Sri Lanka. He is also a Certified Management Accountant and has other qualifications and exposure to investment and financial strategy, risk management, and international tax planning.

Mr. Perera has over 20 years of investment and banking experience. He specializes in the areas of financial and investment strategy, risk management, and financial technology solutions. He has extensive experience in corporate restructuring, turnaround, and mergers & acquisitions.

During the last two decades, Mr. Perera worked in the investment, banking, and fintech sectors in London. He started his UK chapter with PwC-London and was involved in several strategic projects with global top-tier banks including JP Morgan, ING, Bank of Montreal, National Australia Bank, and BNP Paribas. He was pivotal in setting up two London-based international investment banks and a FinTech banking institute. He served these institutions in various leadership capacities including Finance Director, Chief Financial Officer, Head of Strategy, and part-time Chief Risk Officer. Mr. Perera has led strategic and economic research initiatives at a corporate level. He has over 25 years of international experience spanning Europe, Asia, the Americas, the Middle East, and Southern Africa.

Board of Directors (Continued)

Mr. M.A.N.S. Perera is the Managing Director of Melstacorp PLC and a Director of Distilleries Company of Sri Lanka PLC, DCSL Breweries Lanka Ltd, Madulsima Plantations PLC, Melsta Health (Pvt) Ltd, Periceyl (Pvt) Ltd and several other companies.

MR K DAYAPARAN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr K Dayaparan holds a Diploma in Marketing from The Chartered Institute of Marketing (UK).

Mr Dayaparan is a Per-Pro of Stassen Exports (Pvt) Ltd., and he is a Director of Madulsima Plantations PLC and Bogo Power (Pvt) Ltd.

Mr Dayaparan has been a Past Chairman of The Coconut Products Manufacturers' & Exporters' Association and a past Committee Member of the Exporters' Association of Sri Lanka. He has more than 40 years of experience in the export sector.

MR M R MIHULAR

SENIOR INDEPENDANT NON-EXECUTIVE DIRECTOR

Mr Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives from April 1, 2012 to March 31, 2022 and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Mr Mihular previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Mr Mihular is a Past President and Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK. He also served as the Chairman of the CIMA Sri Lanka. Mr Mihular has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Mr Mihular served as a Board Member of the International Accounting Standards Committee (IASC) from 1996 to 2000. Subsequently he served on the IASC's Standing Interpretations Committee and as a Member of the IFRS Advisory Council of the International Accounting Standards Board. He also served as a Member of the International Ethics Standards Board for Accountants (IESBA) from 2021 to 2018.

Mr Mihular presently serves as Chairman of Watawala Plantations PLC and Bairaha Farms PLC and as an Independent Non-Executive Director of Sunshine Holdings PLC, Melstacorp PLC, Sunshine Teas (Pvt) Ltd, Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Lonach Dairy Ltd, Agility Innovation (Pvt) Ltd, DAMRO Holdings Ltd, LTL Holdings Ltd and as the Senior Independent Non-Executive Director of Madulsima Plantations PLC. He also serves as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

DR R A FERNANDO

INDEPENDENT NON EXECUTIVE DIRECTOR

Dr R A Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable Business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo. He holds a Doctor of Business Administration Degree from the European Business School in 2016. He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010.

Board of Directors (Continued)

In April 2010, he created the 21st Century Board Leadership Model-Masterclass for the Institute of Directors of Luxembourg which is running in Luxembourg and Sri Lanka. Dr Fernando published '21st Century Leadership to fight the code red for Business' in 2023 (Archway Publishing).

Dr Fernando is the Chairman/CEO of Global Strategic Corporate Sustainability Pvt Ltd, which operates in Luxembourg and Sri Lanka. His career multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, SmithKline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011 – 2016. He was the first UN Global Compact focal point 2007 and set up the UNGC Sri Lanka Network. He serves on the Boards of Melstacorp PLC, Aitken Spence PLC, Distilleries Company of Sri Lanka PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, Madulsima Plantations PLC, UNGC Sri Lanka Network, Ceylon Graphene Technologies and Dilmah Ceylon Tea Company.

In 2007 “Global Strategy Leadership award” was presented to Dr Fernando by Professor Renee Aubergine of INSEAD at the World Strategy summit.

MR P A JAYATUNGA

EXECUTIVE DIRECTOR

(Appointed w.e.f. 17th February 2025)

Mr Jayatunga has been serving as the Company Secretary of Balangoda Plantations PLC and heading the Legal and Company Secretarial Department of Stassen Group of Companies for over 26 years.

He is an Attorney at Law with over 35 years of experience. He is also a Non-Independent Non-Executive Director of DFCC Bank PLC, and an Executive Director of Madulsima Plantations PLC.

Management Team

HEAD OFFICE - RATNAPURA

Chief Executive Officer	Mr. D Wekunagoda
General Manager – Finance	Mr. R Kodikara
Senior Accountant	Mr. P Hevavitharana

HEAD OFFICE - COLOMBO

Director Operations	Maj. Gen. (Retd.) D. Fernando
General Manager Finance (Plantations)	Mr. D S Heenatigalage
General Manager – Plantations Audit	Mr. T Ratnam

COMPANY SECRETARIAL & LEGAL DIVISION

Company Secretary/Legal Officer	Mr. P A Jayatunga
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ESTATE MANAGERS

Balangoda Region

Name of the Estate	Name of the Superintendent
Balangoda Estate	Mr. A I Vadysinghe (Cluster Manager - Balangoda Region)
Cecilton Estate	Mr. D A V R Priyadarshana
Meddakande Estate	Mr. G K M A Gannoruwa
Non Pareil Estate	Mr. S A de Livera
Pettigalla Estate	Mr. V C Hewage
Rasagalla Estate	Mr. N M P C Nawaratne
Rye/Wikiliya Estate	Mr. V C Hewage (Overlooking Superintendent w.e.f. 15-05-2025)
Walaboda Estate	Mr. M Nilumshan

Badulla Region

Glen Alpin Estate	Mr. M Pilapitiya (Cluster Manager - Badulla Region)
Cullen Estate	Mr. T L S Perera
Gowerakelle Estate	Mr. M Markandan
Spring Valley Estate	Mr. R D K K Pallemulla
Telbedde Estate	Mr. T L S Perera
Ury Estate	Mr. A P S Wishwanath
Wewesse Estate	Mr. C P de Arthur

Ratnapura Region

Galatura Estate	Mr. R A I Ramanayake (w.e.f. 15-01-2025)
Mahawale Estate	Mr K G A I Jayasinghe (w.e.f. 15-09-2024)
Millawitiya Estate	Mr. H K R S Bandaranayake (w.e.f. 01-03-2025)
Mutwagalla Estate	Mr. K M A S Wijeratne (w.e.f. 15-01-2025)
Palmgarden Estate	Mr. P K A H Thilakarathne
Rambukkande Estate	Mr. P K A H Thilakarathne (Overlooking Superintendent w.e.f. 28-03-2025)

Chairman's Review

It is with profound sorrow that after the demise of my beloved father, Deshamanya D. H. S. Jayawardena, Former Chairman of Balangoda Plantations PLC, who was famous for his vision, leadership and who was a towering figure in the business world in Sri Lanka and beyond, I present the Annual Report and Audited Financial Statements of Balangoda Plantations PLC for the year ended 31st December 2024.

On behalf of the Board of Directors and the entire team at Balangoda Plantations PLC, I extend our deepest gratitude for his outstanding service, unwavering commitment of over more than three decades and exceptional contribution to both the Company and the nation.

2024 was a remarkable year for Balangoda Plantations PLC, recording an operational profit of Rs.1.1 billion and reflecting a growth of Rs. 436 million compared to 2023.

Tea

Sri Lanka Tea Production

	2024	2023	2022	2021	2020
Production (in Mn kg)	262	256	252	299	279
Annual Increase (Decrease)	6	4	(48)	20	(21)
Annual Increase (Decrease) %	2%	2%	(16%)	7%	-7%

(Source - Sri Lanka Tea Board)

Company Performance

Tea Sector	2024	2023	2022	2021	2020
Production (000' kg)	3,882	3,548	4,482	5,744	5,704
Yield (kg/Hectare)	836	807	859	1,028	975
Turnover (Rs. Mn)	4,390	3,783	5,407	3,383	3,244
NSA (Rs/kg)	1,095	995	1,180	554	581
COP (Rs/kg)	908	899	898	594	558
Profit/(Loss) (Rs/kg)	187	96	282	(40)	23

Overall, Tea production of the Company increased by 10% against the previous year due to timely inputs and Good Agricultural Practices adopted. Close Management supervision and teamwork contributed to this significant improvement. The yield per hectare increased to 836 kg/Ha when compared with the previous year's 807 kg/Ha. The Company Net Sales Average (NSA) too significantly improved with much focus on the quality aspect of the end product and taking advantage of the market conditions, to Rs. 1,095 against Rs. 995 per kg in 2023 an increase of 10%. Even with the 35% wage increase impact during the last three months of the year, the outgoings were well managed, which is evidenced by the year end Cost of Production (COP) which has increased only by 1% or Rs.9.

Chairman’s Review (Continued)

Noteworthy Performance

Wewesse Mark, Wewesse Tea Factory awarded as the Joint Winner from the Region of Uva at T.E.A. Awards for Outstanding Tea Producers 2024 presented by Tea Exporters Association of Sri Lanka.

Glen Alpin, Balangoda, Meddakande, Rasagalla, Spring Valley, Telbedde, Ury & Wewesse Estates manufactured & sold 291 kgs of Silver Tips and Pettiagalla, Glen Alpin & Ury Estates sold 56 kgs of Golden Tips as specialty Teas in the year 2024.

The following Estates achieved Top Prices during the year 2024.

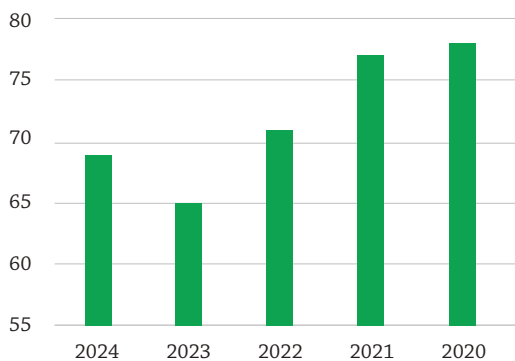
Balangoda 9, Spring Valley 53, Telbedde 42, Glen Alpin 20, Ury 38, Wewesse 17, Cecilton 1 and Meddakande 1.

Rubber

Sri Lanka’s rubber production in 2024 showed a growth in some months and others a decline. Generally, the industry maintained stable growth, driven by rising demand for rubber products in the healthcare and automotive sectors.

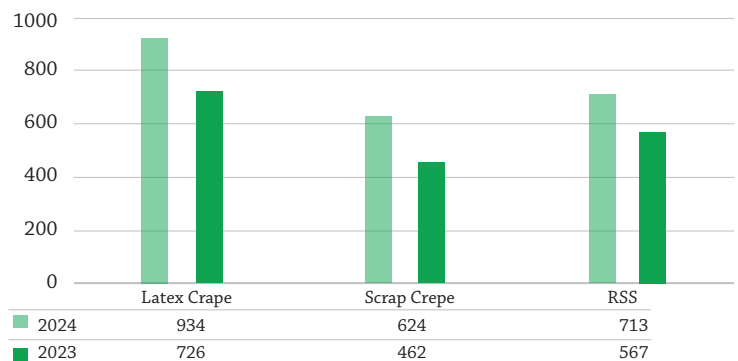
The year ended with average Latex Crepe price of Rs. 934, Scrap Crepe Rs. 624 and the RSS with Rs. 713.

**Sri Lanka Rubber Production
(Mn Kg)**



Source : Central Bank of Sri Lanka

**National Average
Rubber (Rs per Kg)**



Source : Forbs & Walker Commodity Brokers

Chairman's Review (Continued)

Company Performance

Rubber Sector	2024	2023	2022	2021	2020
Production (000' kg)	592	603	883	1141	1,013
Yield kg/ha	458	490	712	905	847
Turnover (Rs.Mn)	452	347	664	620	329
NSA (Rs/kg)	784	564	756	543	322
COP (Rs./kg)	845	796	593	465	317
Profit/(Loss) (Rs./kg)	(61)	(232)	163	78	5

The Rubber Production of the Company has slightly declined by 2 % during the year 2024 when compared to previous year mainly due to weather being unfavorable and the abnormal leaf fall experienced due to the Circular Leaf Spot Disease (CLSD) that was prevalent in the Island.

The Net Sale Average (NSA) of Rs.784 recorded during the year 2024 for Rubber Sector is an increase of 39% compared to last year which contributed to the turnover increase of Rs.105 Mn (30%).

The cost of production (COP) increased by 6% when compared to the previous year due to the increase in chemical cost, the electricity tariff and the low crop production. The 35% wage hike during the latter part of the year contributed to the increase.

In the bottom line of Rubber Sector the loss of Rs.232 per kg in 2023 was reduced to a mere Rs. 61 per kilo loss in year 2024.

We are pleased to inform that Balangoda Plantations PLC is fully compliant with the European Union Deforestation Regulations (EUDR).

Noteworthy Performance Rubber

Number of Rubber invoices achieved top prices
during the year as follows:

Galatura – 41

Rambukkande – 70

Other projects

❖ BPL's Dolomite Project produced 899,250 kg of Dolomite for the year 2024.

❖ Profit achieved from the Quartz Project at Meddakande Estate in 2024 was Rs. 1,005,000.

❖ Pineapple planting - 2024

Pineapple planting was initiated in 2024 at Palmgarden, Millawitiya and Galatura Estates in Ratnapura Region and expecting the revenue during the year 2025.

This project was one of the key projects of our late Chairman, Deshamanya D. H. S. Jayawardena.

Chairman's Review (Continued)

	PALMGARDEN	MILLAWITIYA	GALATURA	TOTAL
No of Plants	28,000	9,232	11,500	48,732
Extent in Hectares	1.67	0.53	0.63	2.83

Prospects for 2025

Tea-Value Addition

Single-origin/"garden mark" teas to be looked at with the assistance of M/s Stassen Exports (Pvt) Ltd a pioneer in the trade and Artisanal Teas to be produced to suit the Niche Market.

High Value Timber Planting:

High value /area specific timber proposed to be planted in Telbedde, Meddakande and Cullen Estates to bolster our Timber Tree stock, utilizing plants from our own Timber Nursery at Telbedde Estate.

Cinnamon:

As the indicators suggest that the world demand for Sri Lankan Cinnamon would increase, plans are afoot to convert old Rubber areas in Ratnapura and the poor 'C' category Tea fields in Balangoda into Cinnamon. We have planned to plant up to 20 Ha. of Cinnamon in the ensuing period and to eventually convert Mahawale Estate in Ratnapura to a fully-fledged Cinnamon Estate with a manufacturing facility.

Rain guarding:

Rain guarding will be undertaken in Millawitiya Estate extent of 44.69 Ha, Palmgarden Estate - 116.73 Ha & Rambukkande Estate 63.75 Ha totaling 255.17 Ha, thereby mitigating the loss of crop due to rain interference thus ensuring a consistent crop to our Crepe Rubber Factories especially during the wet months.

Value Addition of Rubber Produce:

Manufacturing sole Crepe, Un-fractioned & Unbleached (UFUB)/Fractioned Unbleached (FUB) crepe rubber to suit the buyer requirements.

As we possess crepe manufacturing, having RSS manufacturing factory provides the opportunity to switch manufacture to suit market conditions.

Rubber Replanting:

Planned to plant 10 Hectares of Rubber in Galatura and Mutwagalla Estates for the sustainability of Rubber in Balangoda Plantations PLC with selected disease resistant high yielding Rubber clones in consultation with Rubber Research Institute of Sri Lanka (RRISL).

Coconut & King Coconut Planting:

We have earmarked to pay more attention to diversify in to coconut and king coconut in year 2025 due to the huge demand forecasted. In addition to stabilizing our existing coconut blocks King Coconut planting in Palmgarden Estate and Coconut planting in Mutwagalla Estate are planned for 2025.

Chairman's Review (Continued)

Dividends

I am pleased to inform you that your Directors recommend a dividend of Rs. 1/= per share for the year ended 31st December 2024.

Acknowledgements

I would like to thank our Buyers, Brokers and Suppliers for their continued patronage. I would also like to place on record my appreciation for the contribution of the Board of Directors.

The dedication, commitment and loyalty of the Management Team, Executives, Staff and Work Force of the Company who have worked tirelessly to make these results possible are much appreciated. I also express my deep gratitude to all our shareholders who have continued to place their trust and confidence with us.

Sgd.

D Hasitha S Jayawardena

Chairman

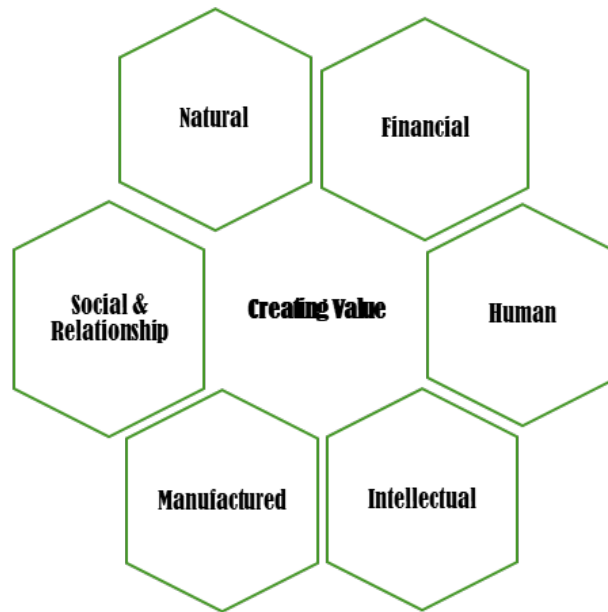
Balangoda Plantations PLC

22nd May 2025

Management Discussion & Analysis

Managing Our Resources

Our long-term success is built on a balanced and sustainable use of multiple forms of capital. These resources are not only essential inputs to our business model but also the foundation for delivering value to our stakeholders. In line with integrated thinking, we recognize that value is created through the transformation of six key capitals, each playing a distinct role in our strategy, operations, and creates long term impact.



By actively managing and developing these capitals, we strive to create sustainable value — not only in financial terms but also for people, society, and the planet.

1. Financial Capital

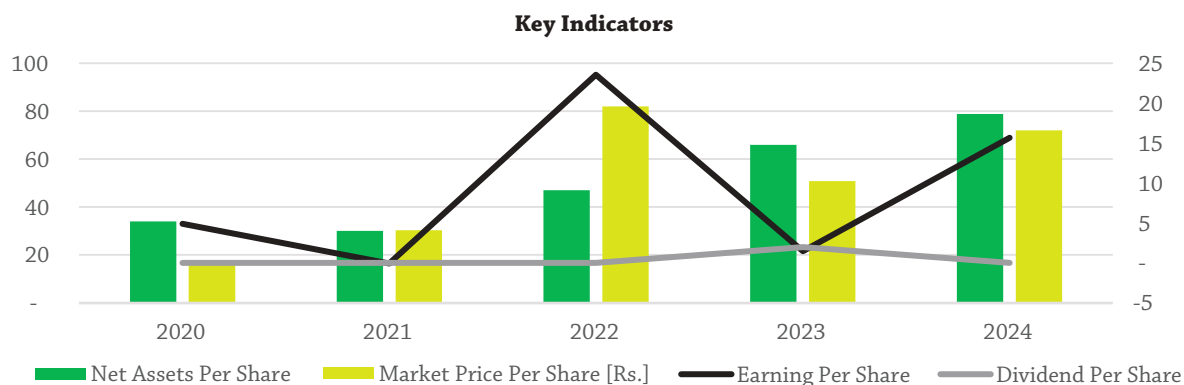
Balangoda Plantations maintained strong performance during the year, despite challenging economic conditions both in Sri Lanka and globally. This resilience highlights the Company's ability to navigate economic fluctuations, improve operational efficiency, and preserve its presence in the Plantation industry.

Earnings	Profitability
Revenue - Rs. 4,842 Mn	Gross Profit Margin - 18%
EBIT - Rs. 1,113 Mn	Operating Margin - 23 %
PBT - Rs. 957 Mn	Net Profit Margin - 15 %
PAT - Rs. 741 Mn	Assets Turnover - 61 %
Liquidity	Value to Shareholders
Debt to Equity Ratio - 0.16	Earning Per Share - Rs. 15.68
Interest Cover - 7.06	Net Assets Per Share - Rs. 78.63
Current Ratio - 0.73	Market Price Per Share - Rs. 72.00
Quick Asset Ratio - 0.18	Price Earning Ratio - 4.59

Management Discussion & Analysis (Continued)

Value to Shareholders

In the year 2024, Balangoda Plantations significantly enhanced shareholder value, evidenced by a notable increase in Earnings Per Share (EPS) to Rs. 15.68, up from Rs. 1.48 in the previous year. Net Assets per Share also rose to Rs. 79, compared to Rs. 66, while the Market Price per Share climbed to Rs. 72.00 from Rs. 50.80. Additionally, the Dividend Per Share was recorded as Rs. 1.00, reflecting the Company's commitment to rewarding its shareholders.



Revenue

Balangoda Plantations achieved a total gross revenue of Rs. 4,842 million for the year, representing an increase of 17% compared to Rs. 4,130 million in the previous year. This increase reflects the positive impact of improved market conditions, higher crop yields, and continued operational efficiencies across our estates.

Operating Expenses

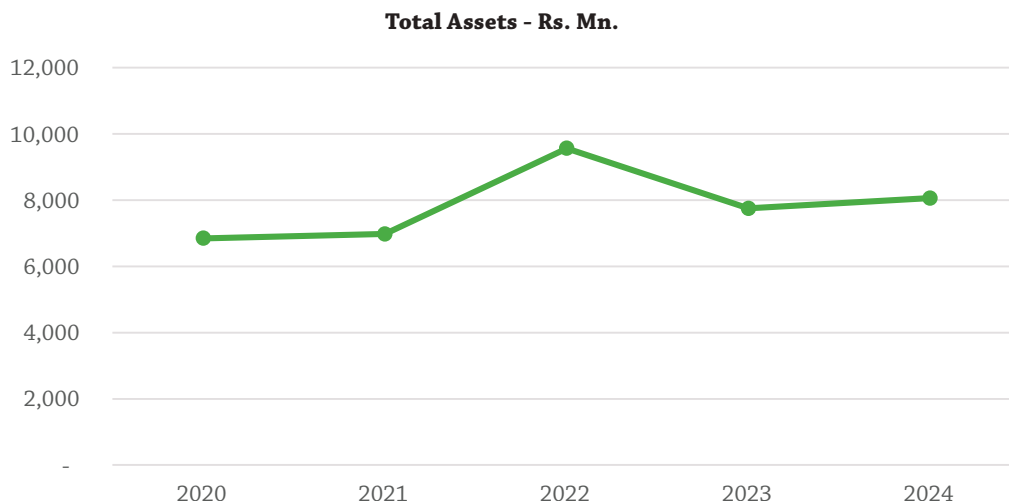
For the fiscal year 2024, the Company's total operational expenses amounted to Rs. 3,974 million, reflecting a 6% Increase from Rs. 3,753 million in 2023. This stability in expenses was achieved despite the challenges, such as 35% increase in plantations wages in September 2024.

Profit Before and After Tax

For the year 2024, the profit before tax increased to Rs. 957 million from Rs. 355 million in 2023 and reported a profit after tax of Rs. 741 million, a substantial increase of 973% from Rs. 69 million in 2023.

Total Assets

Total assets increased to Rs. 8,059 Mn in 2024, Rs. 307 Mn up from Rs. 7,752 million in 2023. This growth in assets reflects the company's strategic efforts, underscoring its commitment to enhancing operational capabilities and market presence.

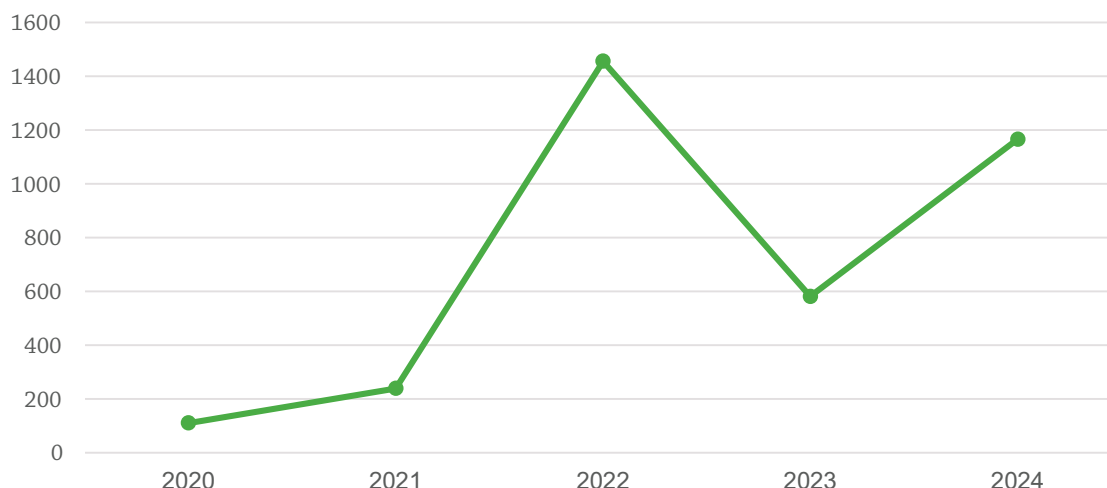


Management Discussion & Analysis (Continued)

Cash Flow

For the fiscal year 2024, the Company reported net cash flows from operating activities of Rs. 1,166 million, an increase of Rs 585 Mn from Rs. 581 million in 2023. This improvement reflects the company's enhanced operational efficiency which has contributed to stronger cash flow performance.

Net Cash Generated from Operating Activities - Rs. Mn.



Future Outlook

Company's future outlook, is cautiously optimistic despite the challenges faced by the plantations industry. The Company's focus will be the product quality to harness the full potential of the good agricultural practices implemented in our Estates in the recent past.

2. Human Capital

At Balangoda Plantations we encourage a happy work culture and foster relationships with our employees to bring about improvements in the organization towards the achievement of the common goals described in our vision and mission statements.

Believing that our employees are our most valuable asset we always make an effort to develop the ability and productivity of our employees at all levels. Easy payment schemes for facilities such as obtaining goods and equipment, distress loans, the death benefit, welfare scheme, medical insurance, sport and recreational activities, and religious programmes, are some of the welfare measures the Company undertakes.

We invest in our employees' development, creating a culture of continuous learning that empowers individuals and drives our success. Our training programmes include on-the-job, off-the-job, external, hands-on, and internal initiatives, designed to enhance knowledge, update skills, and foster an empowered workforce that contributes to the Company's aspirations. The Company uses both internal and external training resources. The Company identifies training needs through a comprehensive approach that includes annual performance evaluations and periodic reviews throughout the year. These reviews include probation evaluations, objective setting and evaluation during role changes and promotions, and other relevant assessments, ensuring a holistic understanding of employee development needs.

Employee Skill Development on Estates

During the period under review, the Company conducted a series of training sessions for employees on quality manufacturing and agricultural practices, teamwork, career growth and development etc.,

Management Discussion & Analysis (Continued)

Tea

- Frequent Calibration Training Session for ISO 22000 for Factory Staff and Planting Executives of Balangoda Region Estates conducted by the Tea Research Institute Low Country Station Ratnapura.
- A Session with Tea Brokering companies, Asia Siyaka Commodities PLC, John Keells PLC, Ceylon Tea Brokers, Mercantile Produce Brokers (Pvt) Ltd and Forbes & Walker Tea Brokers (Pvt) Ltd held at Kethumathee Hotel, Ratnapura for Cluster Managers and all Superintendents
- Cullen Estate conducted a Worker Output Development Programme and Price Giving Programme for the Best Pluckers.
- Plucking Demonstration Programme was held in Cullen Estate to improve leaf standards and obtain higher NSA.

Rubber

- Training programme on improving tapping skills and related work conducted by Rubber Development Department.
- Mr M Wijedasa – In charge of Rubber Abandoned Area Crop conducted following programmes on Training Tappers/ Staff of Ratnapura Region Estates.

- ❖ Training Programmes for the Assistant Superintendents & Estates Staff
- ❖ Tapping Training Programmes for Tappers
- ❖ “Shakasara” was made for under girth trees
- ❖ Monitoring of Girth Census
- ❖ Panel Marking Training Programme
- ❖ Rainguarding
- ❖ Abandoned Tapping
- ❖ Weed Management

With a view to encouraging youth to remain on Estate and also discourage premature retirement and residents working outside the Estates, outsourcing has been introduced and presently working well in Telbedde, Glen Alpin & Spring Valley Estates in Badulla Region and Balangoda, Cecilton, Meddakande, Pettiagalla, Non Pariel, Rasagalla, Rye/Wikiliya and Walaboda Estates in Balangoda Region.

Furthermore, it is the policy of the Company to give priority to the children of the existing employees whenever an employment opportunity arises.

Future Outlook

Our commitment to investing in our employees will remain a top priority, ensuring we attract and retain top talent while supporting the Company’s aspirations. We will continue to hone skills, build competencies, and pave the way for career progression, equipping our staff to perform effectively and contribute to our success.

3. Intellectual Capital

As a producer of Ceylon Tea, our own Intellectual Capital comprising our renowned Tea Garden Marks, tacit knowledge, and well established systems and processes has been instrumental in driving our progress in an increasingly competitive operating environment.

Our Intellectual Capital is further enriched by the unique geographical locations of our tea estates, each contributing distinctive characteristics to our teas and reinforcing the heritage and global recognition of Ceylon Tea.

We therefore continue to strategically invest in research, systems and skills development, foster a culture of innovation and entrepreneurship, and embrace digital transformation to further enhance our Intellectual Capital.

Management Discussion & Analysis (Continued)

The following Artisanal Teas are crafted by the Estates of Balangoda Plantations at present:

- Golden Tips
- Silver Tips
- White Tea
- Ooling Tea

Awards & Accolades

Many of the our Estates have achieved awards in recognition of excellence in operations as listed below.

- Wewesse Tea Factory was awarded as the Joint Winner from the Uva Region at T.E.A. Awards for Outstanding Tea Producers 2024 presented by Tea Exporters Association of Sri Lanka.
- Balangoda Plantations achieved 181 top prices for tea.

Processes and Certifications

Balangoda Plantations have invested in key management systems and processes, facilitating efficient processing of agricultural products, documentation, and management information. Many of these processes are covered by internal audit and assurance provided on key systems. Additionally, we have benchmarked key systems to global best practice and obtained certifications affirming compliance.

The key certifications are listed below.

- ISO 22000/HACCP: 2005 Certified Food Safety Systems
- Fully compliant with the European Union Deforestation Regulations (EUDR).

Investing in Digital

Our Estates operations seek to transition processes to digital platforms to drive process efficiencies and connect with stakeholders more effectively. Significant investments are being made in transforming our field and factory operations to digitalization, supporting our digital aspirations and integrating them into the workplace of the future.

4. Manufactured Capital

We invest strategically to expand capacity, diversify our business, and enhance operations — creating long-term value for stakeholders while ensuring the Company's stability. We remain focused on upholding operational standards, supported by industry certifications, which help minimize downtime and maintain consistent performance.

Manufactured Capital of the Company encompasses tea and rubber factories and tea, rubber, timber and other crop fields covering 9,076 hectares with estates in Sabaragamuwa and Uva provinces.

Value Addition to Manufactured Capital

Total capital expenditure for the year amounted to Rs 112 million.

Item	Rs Mn
Field development	55
Factory	15
Vehicles	31
Systems and IT Infrastructure	-
Others	11
Total	112

As we progress, our focus on operational excellence, sustainability, and resilience will drive our investments, ensuring continued growth and stability for the Company.

Management Discussion & Analysis (Continued)

5. Social and Relationship Capital

Our Social and Relationship Capital reflects the strength of the connections we foster with our stakeholders including employees, customers, suppliers, communities, and industry partners. These relationships are vital to the resilience of our business and the long-term sustainability of our operations.

We place high importance on transparent communication, ethical practices, and mutual value creation. Through continuous engagement, we seek to understand stakeholder expectations and respond proactively to evolving needs. Our commitment to responsible business practices has helped us build trust and strengthen our reputation both locally and globally.

With our customers and business partners, we focus on long-term, mutually beneficial relationships, backed by product quality assurance, timely delivery, and a commitment to shared growth. Our adherence to local and international certifications and ethical sourcing standards further reinforces confidence among our partners and end-consumers.

At Balangoda Plantations, we believe in building strong, collaborative relationships with our suppliers. We recognise that effective partnerships require more than just transactional processes. Our Supplier Policy promotes a level playing field and equal opportunities for all, regardless of size or category. We foster open communication, emotional engagement, and a shared commitment to responsible behaviour, ensuring both the Plantations and our suppliers benefit from a mutually beneficial partnership.

At the community level, we invest in social development initiatives that uplift livelihoods, support education, promote health and well-being, and preserve the environment. We maintain collaborative partnerships with local stakeholders, donors, and government bodies to amplify impact and ensure inclusivity.

We focus on improving the lives of our estate communities by focusing on health, housing, and sanitation. Significant investments have been made in providing new housing and enhancing working conditions, creating a comfortable and safe environment for employees.

Furthermore, numerous awareness programmes have been implemented to promote socio-economic growth, improve health and nutrition, enhance the living environment, empower youth, and build community capacity.

We have initiated several projects to uplift the living standards with the assistance of the Plantation Human Development Trust.

We prioritise the health and well-being of our community by providing a comprehensive range of programmes and services. Managing child care centers and preschools within the plantations, ensuring a nurturing environment for children with full-time trained teachers and nutritional feeding programmes and regular immunisation programmes at the centres guarantee access to essential healthcare for all estate children. To further promote health and wellness, the Company conduct awareness programmes on improving the nutritional status of women and children, offer dental clinics, and provide education on cancer prevention and detection.

Additionally, we conduct disaster management training and rehearsals for landslide situations, building resilience and preparedness within the community.

Some of the programmes conducted during the period is listed below:

- Precautionary Actions to Mitigate Human Leopard Negative Interactions Programme was conducted at Pettiagalla Estate by Leopard Research and Conservation Project to facilitate human leopard coexistence and education and aware the estate community on leopards and their behaviors.

Management Discussion & Analysis (Continued)

- Eye Screening Camp was conducted at Palmgarden Estate with collaboration of Ratnapura Hospital Eye Unit for Estate Workers.
- Demonstration and Awareness Programme on Nutrition Rich Meal Preparation and distribution of Nutrient rich meals at Walaboda Estate conducted by Balangoda Pradeshia Sabha.
- A Drug Prevention Programme was conducted by the Divisional Secretariat Badulla to Estate Workers at Wewesse Estate
- Celebration of New Year, Children Fair, Tree Planting Programme, Aesthetic Programme with Children, Celebration of Children's Day were undertaken in Child Development Centres at Spring Valley Estate.
- Health and Safety Programme was undertaken for Estate Workers at Cecilton Estate.
- Non-communicable Diseases & Mouth Cancer Clinics were conducted by Maratenne and Oluganthota Hospitals for Estate Workers in Cecilton Estate.
- Eye Screening Camp was carried out by Veenus Hospital for Estate Workers of Cecilton Estate
- Cook Stoves were distributed by Tea Vision Lanka (Pvt) Ltd to Workers and Non-Workers of Balangoda, Cecilton, Pettiagalla, Rye/Wikiliya & Walaboda Estates.

As we move forward, we remain dedicated to nurturing these relationships with integrity, empathy, and purpose recognizing that our success is deeply connected to the strength of the communities and networks we serve.

6. Natural Capital

We adopt sustainable practices, recognising the interconnectedness of our operations and the environment. Our efforts focus on maximising positive environmental impacts while proactively mitigating any adverse consequences. We are continuously working to advance sustainable management practices, implementing strategic interventions to optimise resource utilisation and minimise our environmental footprint.

We are committed to environmental responsibility and adheres to the standards set by the Central Environmental Authority. Regular audits ensure full transparency, allowing us to monitor and mitigate our environmental impact. We have consistently worked to improve our processes and systems, reducing our environmental footprint, and contributing to climate change mitigation efforts. Our efforts include improving waste and energy management in our manufacturing processes, reducing our carbon footprint through green initiatives, and decreasing our reliance on fossil fuels. We are also enhancing forest cover and food security by planting hardwood and fruit trees.

Biodiversity Conservation

Operating across diverse industries and geographical regions, often in areas of significant biodiversity, we are committed to the preservation of these ecosystems.

Balangoda Plantations is committed to protecting the natural environment, adhering to the guidelines of the Central Environmental Authority, and aligning with the ethical standards of the Rainforest Alliance. The Company embarked on a reforestation drive, which, while increasing its forest cover, also significantly impact the challenges the country will face in the future of food security.

Water Management

Recognising the importance of water conservation, we place a strong emphasis on responsible water management, minimising our impact on water bodies.

Sustainable Land Utilisation

We strive to optimise the utilisation of land. Accordingly, Balangoda Plantations has embarked on crop diversification by introducing other crops such as cinnamon, pepper, coffee, cardamom and fruits. This has enabled efficient land utilisation and contributed to the sustainable development of the regions where we operate.

Management Discussion & Analysis (Continued)

Waste Management

We are committed to responsible waste disposal, minimising environmental impact, and protecting our land.

The Company has implemented a composting programme, which converted non-usable materials into compost, deemed for use in the three hectares that are being replanted with tea.

We have upgraded the Waste Water Management System at Rambukkande Rubber Factory, Ratnapura.

Future Outlook

We are committed to continuous improvement in our environmental sustainability efforts. We will continue to reduce our carbon footprint, optimise water usage, minimise energy consumption, and implement responsible waste management practices, ensuring a positive impact on our planet.

Corporate Governance Statement

Corporate Governance is the system by which companies are managed and controlled. Balangoda Plantations PLC is committed to comply with the code of Best Practices of Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) & the Securities Exchange Commission of Sri Lanka (SEC) and the Listing Rules of the Colombo Stock Exchange. A comprehensive view of the Governance System in the Company is given below.

The Board of Directors and its Functions

The Company is governed by its Board of Directors who direct, lead, and supervise the business and affairs of the Company on behalf of its shareholders. The Board consists of the Executive Chairman, Senior Independent Director, two Executive Directors, two Non-Executive Directors and an Independent Director. The composition of the Company's Board has been structured in accordance with the principles of good governance and long-term strategy. Names of the members of the Board of Directors and their brief resumes are given on pages 5 to 7 and their roles are set out below.

Directors	Directorship Status	Attendance
Mr D Hasitha S Jayawardena	Executive Chairman	2/2
Mr. D H S Jayawardena	Deceased on 03rd February 2025	2/2
Mr. C R Jansz	Non-Independent Non-Executive Director	2/2
Mr. M A N S Perera	Executive Director	2/2
Mr. K Dayaparan	Non-Independent Non-Executive Director	2/2
Dr. A Shakthevale - resigned w.e.f. 01.10.2024	Independent Non-Executive Director	1/2
Mr. D S K Amarasekara - resigned w.e.f. 01.10.2024	Independent Non-Executive Director	1/2
Mr M R Mihular - appointed w.e.f. 01.10.2024	Senior Independent Non-Executive Director	1/2
Dr R A Fernando - appointed w.e.f. 01.10.2024	Independent Non-Executive Director	1/2
Mr P A Jayatunga - appointed w.e.f. 17.02.2025	Executive Director / Company Secretay	-

The Board meets when required to make all major decisions. Prior to each meeting the Directors are provided with all relevant management information and Board papers are submitted in advance on new investments, capital projects, company performance, and other issues which require specific Board approval.

The main functions of the Board:

- Conducting the business and facilitating executive responsibility for the management of the Company's affairs,
- Formulate short and long term strategies and monitor implementation,
- Identify the principal risks of the business and ensure adequate risk management policies in place.
- Institute effective internal control systems to safeguard the assets of the Company.
- Ensure compliance with rules and regulations.
- Approve the financial statements of the Company.

Following the changes to the CSE Rules, the Company formally appointed its own Board Audit Committee, Remuneration Committee, Nominations and Governance Committee and the Related Party Transactions Review Committees effective from 1st October 2024. Until such time, the Board sub committees of the parent company, Melstacorp PLC, functioned as the Board sub committees of the Company.

Corporate Governance Statement (Continued)

Executive Chairman

Mr. D Hasitha S Jayawardena was appointed as Executive Chairman upon the demise of the late Chairman Deshamanya D H S Jayawardena. Mr Hasitha Jayawardena has vast experience in the Tea Trade including agriculture, production, trading and export. It is imperative that he holds an executive position in the Board of Balangoda Plantations PLC, so that he can leverage this experience to the benefit of the Company.

Chief Executive Officer

Mr. D Wekunagoda continues to function as the Chief Executive Officer of the Company oversees the day-to-day management affairs of the Company and is accountable to the Board for the exercise of authorities delegated by the Board and for the performance of the Company. CEO has oversight into the overall strategy formulation of the company, setting and executing the organization's strategy by driving the KPI's for delivery of sustainable returns.

Senior Independent Director

Given that the Chairman functions in an Executive capacity, the Company has appointed a Senior Independent Director (SID) as stipulated by the CSE Listing rules. The SID exercises independent judgement on Board related matters. The SID is also required to meet separately with all Non-Executive Directors at least once every year to discuss governance related matters without the presence of Executive Directors.

Audit Committee

The Audit Committee assists the Board by overseeing the entity's compliance with financial reporting requirements, the Company's internal controls, risk management of the independence, and performance of the external auditors. The Company has an Internal Audit Division, which submits its reports regularly to the Audit Committee. The guidelines for the Internal Audit ensure that the assets of the Company are protected against any unauthorized use or misappropriation, proper records are maintained and reliable information is received. The Audit Committee Report on page 45 to 46 describes the activities carried out during the financial year.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on the Company's framework of remunerating the key management personnel of the company. The Remuneration Committee Report appears on page 48.

Related Party Transactions Review Committee

All Related Party Transactions except for transactions set out in Rule 9.5 of the CSE Listing Rules are reviewed by the Related Party Transactions Review Committee. The Related Party Transactions Review Committee Report appears on page 49 to 50.

Plantations Executive Committee

Plantations Executive Committee, which consists of the Director of Operations, Chief Executive Officers, and General Manager of Finance (Plantations), is delegated with the responsibility of monitoring the progress and implementing the policies of the Company under the preview of the Executive Director. The Chief Executive Officer reports monthly on the progress of every estate and that of the Company to the Board of Directors.

Corporate Governance Statement (Continued)

Compliances

Disclosure in terms of rule 9.10.4(e) of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange: Companies in which the Directors of Balangoda Plantations PLC serve as Directors;

Mr. D Hasitha S Jayawardena

Chairman

- Madulsima Plantations PLC
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.
- Melstacorp PLC
- Distilleries Company of Sri Lanka PLC

Director

- Periceyl (Pvt) Ltd.
- Lanka Milk Foods (CWE) PLC – Non-Independent / Non -Executive Director
- Lanka Dairies (Pvt) Ltd.
- Ambewela Livestock Company Limited
- Pattipola Livestock Company Limited
- Ambewela Products (Pvt) Ltd.
- United Dairies Lanka (Pvt) Ltd.
- Zahra Exports (Pvt) Ltd.
- Mcsen Range (Pvt) Ltd.
- Melsta Health (Private) Limited
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- DSCL Breweries Lanka Limited
- Melsta House (Private) Limited
- DCSL Group Marketing (Pvt) Ltd.

Alternate Director

- Melsta Gama (Private) Limited.

Mr. C R Jansz

Chairman

- Lanka Milk Foods (CWE) PLC
- Ambewela Livestock Company Limited
- Ambewela Products (Pvt) Ltd
- Lanka Dairies (Pvt) Ltd.
- Pattipola Livestock Company Limited
- United Dairies Lanka (Pvt) Ltd.
- Melsta Hospitals Ragama (Pvt) Ltd.
- Melsta Hospitals Colombo North (Pvt) Ltd.

Deputy Chairman

- Melstacorp PLC

Executive Director

- Distilleries Company of Sri Lanka PLC
- Lanka Power Projects (Pvt) Ltd.
- Milford Holdings (Pvt) Limited

Director

- Aitken Spence PLC
- Madulsima Plantations PLC
- Periceyl (Pvt) Limited
- Indo Lanka Exports (Pvt) Ltd.
- Stassen Exports (Pvt) Ltd.
- Milford Exports (Ceylon) (Pvt) Ltd.
- C B D Exports (Pvt) Ltd.
- Ceylon Garden Coir (Pvt) Ltd.
- Stassen Foods (Pvt) Ltd.
- Stassen Natural Foods (Pvt) Ltd.
- DCSL Brewery (Pvt) Ltd.
- Melsta Health (Pvt) Ltd.
- Bogo Power (Pvt) Ltd.
- DCSL Breweries Lanka Limited

Corporate Governance Statement (Continued)

Mr. M A N S Perera

Manging Director

- Melstacorp PLC

Executive Director

- Distilleries Company of Sri Lanka PLC
- Madulsima Plantations PLC

Director

- Periceyl (Pvt) Ltd.
- DCSL Breweries Lanka Limited
- Melsta Health (Pvt) Ltd.
- Lanka Bell Limited
- Melsta Logistics (Private) Limited
- Melsta Tower (Private) Limited
- Bellvantage (Private) Limited
- Melsta Pharmaceuticals (Private) Limited
- Melsta Labs (Private) Limited
- Melsta Healthcare Colombo (Private) Limited
- Formula World (Private) Limited
- Melsta Hospitals Ragama (Private) Limited
- Bellactive (Private) Limited
- Bell Solutions (Private) Limited
- Melsta House (Private) Limited

Mr. M R Mihular

Chairman

- Watawala Plantation PLC
- Bairaha Farms PLC

Independent Non-Executive Director (Listed Companies)

- Sunshine Holdings PLC,
- Melstacorp PLC
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Madulsima Plantations PLC

Independent Non-Executive Director

- Agility Innovation (Pvt) Ltd,
- Damro Holdings Ltd
- LTL Holdings Ltd.
- Sunshine Teas (Pvt) Ltd
- Lonach Dairy (Pvt) Ltd

Dr. R A Fernando

Non-Executive Director

- Dilmah Ceylon Tea Company
- Aitken Spence Hotel Holdings PLC
- Aitken Spence PLC
- Elpitiya Plantations PLC
- Distilleries Company of Sri Lanka PLC
- Melstacorp PLC
- Madulsima Plantations PLC
- Ceylon Graphene Technologies Ltd

Hon. Director

- UN Global Compact Sri Lanka Network
- Global Strategic Corporate Sustainability (Pvt) Ltd

Mr. K Dayaparan

Non-Executive Director

- Madulsima Plantations PLC
- Bogo Power (Pvt) Ltd

Mr. P A Jayatunga

Non-Executive Director

- DFCC Bank PLC

Executive Director

- Madulsima Plantations PLC

Corporate Governance Statement (Continued)

Levels of Compliance with the Rules are as follows:

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (c)	Auditors Report on Financial Statements of the Company	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

Corporate Governance Statement (Continued)

COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS - SECTION 7.6 ON THE CONTENT OF ANNUAL REPORT ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 ii)	Principal activities of the entity during the year under review	Refer Annual Report of the Board of Directors	Compliant
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	Compliant
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Investor Information of this Annual Report	Compliant
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	Compliant
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Enterprise Risk Management of this Annual Report	Compliant
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Annual Report of the Board of Directors this Annual Report	Compliant
7.6 ix)	Number of shares representing the stated capital	Refer Investor Information of this Annual Report	Compliant
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Investor Information of this Annual Report	Compliant
7.6 xi)	Ratios and market price information	Refer Investor Information of this Annual Report	Compliant
7.6 xii)	Significant changes in the entity's fixed assets and the market value of land	Refer Note 15 and 16 to the Financial Statements of this Annual Report	Compliant
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As at date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 xvi)	Related Party Transactions	Refer Note 40 to the Financial Statements	Compliant

Corporate Governance Statement (Continued)

SECTION 9 – CORPORATE GOVERNANCE

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE

CSE Rule	Requirement	Effective Date	How We Comply
9.1 Corporate Governance Rules			
9.1.1	Statement confirming the extent of compliance with the	01st October 2024	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below
9.1.3	Corporate Governance Rules		Also refer 'Annual Report of the Board of Directors' of this Annual Report
9.2 Policies			
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	01st October 2024	Compliant
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	01st October 2024	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	01st October 2024	Compliant
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.3 Board Committees			
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	01st October 2024	Compliant.
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	01st October 2024	Refer 'How we Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	01st October 2024	Compliant
9.4 Principles of Democracy in Shareholder Dealings			
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favor of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	01st October 2024	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto
9.4.2			
	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.5 Policy on matters relating to the Board of Directors			
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.6 Chairperson and CEO			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	01st October 2024	Compliant Chairman is an Executive Director and SID has been appointed.
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	01st October 2024	Compliant Market announcement has been made following the appointment of an Executive Director as the Chairperson.
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	01st October 2024	Compliant. Refer Statement by The Senior Independent Director of this Annual Report
9.6.4	Rationale for appointing Senior Independent Director	01st October 2024	Compliant. Refer Corporate Governance Statement of this Annual Report
9.7 Fitness of Directors and CEOs			
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	01st October 2024	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times be fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.7 Fitness of Directors and CEOs (contd..)			
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	01st April 2024	Refer 'How We Comply' under Rule 9.7.1 above
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	01st October 2024	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st December 2024
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01st October 2024	Compliant Refer the 'Annual Report of the Board of Directors' of this Annual Report N/A
9.8 Board Composition			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	01st October 2024	As of the date of the publication of this Annual Report, the Company consists of 7 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	01st October 2024	Compliant
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Criteria 9.8.3 (i) to (viii) - 01st October 2023 Criteria 9.8.3 (ix) - 01st January 2025	Compliant in terms of Rule 9.1.4(3)

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.8 Board Composition (contd..)			
9.8.5	<p>a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified in Rule 9.8.3 of the Listing Rules and in the format in Appendix 9A of the said Rules</p> <p>(b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report</p> <p>(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof</p>	01st October 2024	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE.
9.9 Alternate Directors			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	01st January 2024	Compliant
9.10 Disclosures Relating to Directors			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	01st October 2024	Compliant with the establishment of the Policy on matters relating to Board of Directors
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: a brief resume of such Director; his/her capacity of directorship; and, Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.10 Disclosures Relating to Directors (contd..)			
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	01st October 2024	Would comply when the need arises
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members has any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	01st October 2024	a), b) and d) - Refer 'Board profiles' of this Annual Report c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect is included in the 'Annual Report of the Board of Directors' of this Annual Report e) - Refer 'Corporate Governance Report' of this Annual Report f) and g) - Refer 'Composition' and 'Details of Directors' Attendance at Board Meetings held during the financial year 2024 in the Corporate Governance Report of this Annual Report h) - Refer Committee Reports of this Annual Report i) - Refer Report of the SID of this Annual Report
9.11 Nominations and Governance Committee			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	01st October 2024	Compliant
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	01st October 2024	Compliant
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2024	Compliant

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee (contd..)			
9.11.4	<p>(1) The members of the Nominations and Governance Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company</p> <p>(b) not comprise of Executive Directors of the Listed Company.</p> <p>(2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors</p> <p>(3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company</p>	01st October 2024	Compliant
9.11.5	The functions of the Nominations and Governance Committee	01st October 2024	Refer 'Nomination and Governance Committee Report' of this Annual Report
9.11.6	<p>The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson</p> <p>Nominations and Governance Committee Report shall include the following:</p> <p>(a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee</p> <p>(c) Availability of documented policy and processes when nominating Directors</p> <p>(d) Requirement of re-election at regular intervals at least once in 3 years</p> <p>(e) Board diversity</p> <p>(f) Effective implementation of policies and processes relating to appointment and reappointment of Directors</p> <p>(g) Details of directors re-appointed</p> <p>Board Committees served</p> <p>Date of first appointment</p> <p>Date of last re-appointment Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years</p> <p>Any relationships – close family member, more 10% shareholding</p> <p>(h) Performance of periodic evaluation of board</p>	01st October 2024	Refer 'Nomination and Governance Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.11 Nominations and Governance Committee (contd..)	(i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non-compliant reasons and remedial actions		
9.12 Remuneration Committee			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	01st October 2024	Compliant
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	01st October 2024	Refer 'Remuneration Committee Report' of this Annual Report
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (3) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.12 Remuneration Committee (contd..)			
9.12.7	The functions of the Remuneration Committee	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) A statement regarding the Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	01st October 2024	Compliant Refer 'Remuneration Committee Report' of this Annual Report Refer Note 09 to the Financial Statements of this Annual Report
9.13 Audit Committee			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	01st October 2024	The Audit Committee of the Company also performs the risk functions
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	01st October 2024	Compliant
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation.	01st October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.13 Audit Committee (contd..)	(7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body		
9.13.4	The functions of the Audit Committee	01st October 2024	Refer 'Audit Committee Report' of this Annual Report
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	01st October 2024	Compliant Refer 'Audit Committee Report' of this Annual Report
9.14 Related Party Transactions Review Committee			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.3	The functions of the Related Party Transactions Review Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.14 Related Party Transactions Review Committee (contd..)			
	<p>3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.</p> <p>4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:</p> <p>(a) be present while the matter is being considered at the meeting; and,</p> <p>(b) vote on the matter</p>		
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	01st October 2024	<p>Compliant</p> <p>Refer 'Related Part Transactions Review Committee Report' of this Annual Report</p>
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	01st October 2024	<p>There were no Related Party Transactions during the year which required shareholder approval</p> <p>The Company would comply with this Rule should a need arise</p>
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	01st October 2024	<p>There were no Related Party Transactions during the year which required an immediate Market Announcement</p> <p>The Company would comply with this Rule should a need arise</p>
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	01st October 2024	<p>Compliant</p> <p>Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report</p>
9.14.8 (2)	Recurrent Related Party Transactions exceeding 10% of the gross revenue/income (in the specified format)	01st October 2024	<p>Compliant</p> <p>Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report</p>

Corporate Governance Statement (Continued)

CSE Rule	Requirement	Effective Date	How We Comply
9.14.8 (3)	Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that committee has reviewed RPTs and communicated comments/ observations to the Board Policies and procedures adopted by the Committee	01st October 2024	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	01st October 2024	Compliant Refer 'Annual Report of the Board of Directors' of this Annual Report
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	01st October 2024	N/A The Company has not acquired or disposed of any assets from/to Related Parties during the year under review The Company would comply with this Rule should a need arise
9.16 Additional Disclosures	Additional disclosures by Board of Directors Declaration on the following: All material interests in contracts and have refrained from voting on matters in which they were materially interested Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	01st October 2024	Compliant Refer 'Annual Report of the Board of Director' of this Annual Report

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

The Board of Directors of Balangoda Plantations PLC have the pleasure in presenting their Annual Report together with the Audited Financial Statement of the Company for the year ended 31st December 2024.

Principle Activities

The Company's principal activities, which remained unchanged during the year were: the cultivation, and processing of tea, rubber, forestry products, and other crops.

The Company has 6 Tea Estates, 11 Tea and Rubber Estates and 4 Rubber Estates in three regions 8 estates in Balangoda, 7 estates in Badulla and 6 in Ratnapura consisting 3,931 hectares of Tea and 1,941 hectares of Rubber.

Parent Company

The Company's parent undertaking and controlling party is Melstacorp PLC, which is incorporated in Sri Lanka as a Public Listed Company.

Review of Performance

The review of the Company's performance during the year 2024 is given in the Chairman's Review in pages 9 to 13 and Management Discussion & Analysis in pages 14 to 21 of the Annual Report.

Development and Diversification

Development and Diversification are covered in the Chairman's Review on pages 9 to 13 and Management Discussion and Analysis Report on pages 14 to 21 in this Annual Report.

Financial Statements

The Financial Statements of the Company are given in the pages 62 to 123 of this Annual Report.

Auditors' Report

The Auditors' Report on the Financial Statements is given in pages 56 to 61 of this Annual Report.

Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given in pages 66 to 123.

Remuneration and other Benefits of Directors

The directors remuneration and other benefits are disclosed in Note 38.3 to the Financial Statements in page 112.

Donations

The company did not make any donations during the year.

Report of the Board of Directors on the Affairs of the Company (Continued)

Financial Results

	2024 Rs.'000	2023 Rs.'000
Revenue	4,841,854	4,129,862
Profit before Tax	957,201	354,851
Income Tax Expense	(215,985)	(285,782)
Profit After Tax	741,216	69,069
Net Comprehensive Income	(162,156)	43,655
Loss Brought Forward	(2,750,712)	(2,344,665)
Transferred to Revaluation Reserve	-	(18,319)
Transferred to Timber Reserve	(370,342)	(405,689)
Transferred to Available for sales reserves	(333)	(217)
Dividend Paid	-	(94,545)
Accumulated Losses	(2,542,327)	(2,750,712)
Proposed Dividend	(47,273)	-

Ratio Analysis

	2024	2023
Profitability Ratios		
Gross Profit Ratio (%)	17.93	9.13
Net Profit Ratio (%)	15.31	1.67
Asset Ratios		
Current Ratio (Times)	0.73	0.57
Acid Ratio (Times)	0.18	0.14
Performance Ratios		
Return on Investment (%)	25.75	11.31
Return on Share Capital (%)	40.57	15.04
Leverage Ratios		
Debt/Equity Ratio (%)	0.12	0.43
Interest Coverage (Times)	7.06	2.07
Investor Ratios		
Price Earnings Ratio (Times)	4.59	34.29

Appropriation and dividend

The directors have recommended a dividend payment of Rs. 1 per share for the year ended 31st December 2024 (2023: Nil).

Capital Expenditure

The Company incurred a capital expenditure of Rs. 112 Mn (2023: Rs 159 Mn) of which Rs. 55 Mn (2023: Rs. 100 Mn) has been invested on field development and Rs. 57 Mn (2023: Rs. 59 Mn) has been invested on upgrading factories, machinery, motor vehicles, and other capital assets.

Report of the Board of Directors on the Affairs of the Company (Continued)

Buildings & Investment Properties

The valuations, floor area and the number of buildings of the company are as follows:

Number of Buildings, Floor area & Value

Estate	Floor Area Sq.ft	Number of Buildings	Value (Rs.)
Balangoda	102,313	48	79,218,183
Cecilton	67,151	24	58,993,479
Meddekande	79,985	37	56,816,679
Non Pareil	62,437	34	57,796,102
Pettiagalla	21,340	23	44,430,088
Rasagalla	100,200	45	94,254,736
Rye / Wikiliya	171,072	46	242,316,933
Walaboda	12,309	10	9,292,261
Galatura	91,652	30	83,729,690
Mahawale	89,433	43	74,477,370
Millawitiya	48,151	18	54,462,868
Mutwagalla	84,375	40	92,301,840
Palmgarden	76,698	40	143,446,135
Rambukkande	44,096	28	43,834,853
Cullen	24,480	22	16,517,550
Glen Alpin	129,968	61	106,926,463
Gowerekelle	64,739	23	95,220,954
Spring Valley	193,989	76	148,483,468
Telbedde	151,870	80	106,482,761
Ury	136,174	52	105,888,553
Wewesse	91,390	43	69,141,986
Head office	34,425	2	3,434,925
Total	1,878,247	825	1,787,467,877

Capital Commitments & Contingents Liabilities

Capital commitments and contingent liabilities are disclosed in Notes 39 & 40 to the Financial Statements. The brief profiles of the Board of Directors are given on pages 5 to 7 of this Annual Report.

Directorate

The following Directors held office during the year under review.

Mr D Hasitha S Jayawardena	–	Executive Chairman, appointed w.e.f. 6th February 2025
Mr. D. H. S. Jayawardena	–	Deceased on 03rd February 2025
Mr. C. R. Jansz	–	Non-Independent Non-Executive Director
Mr. M A N S Perera	–	Executive Director
Mr. K Dayaparan	–	Non-Independent Non-Executive Director
Dr. A. Shakthevale	–	Independent Non-Executive Director, resigned w.e.f. 01.10.2024
Mr. D. S. K. Amarasekara	–	Independent Non-Executive Director, resigned w.e.f. 01.10.2024
Mr M R Mihular	–	Senior Independent Non-Executive Director, appointed w.e.f. 01.10.2024
Dr R A Fernando	–	Independent Non-Executive Director, appointed w.e.f. 01.10.2024
Mr. P A Jayatunga	–	Executive Director/Company Secretary, appointed w.e.f. 17.02.2025

Report of the Board of Directors on the Affairs of the Company (Continued)

Re-appointment & Re-election of Directors

In terms of Article, 92 of the Articles of Association Mr. M A N S Perera retires by rotation and is eligible to offer himself for re-election.

Directors' Interests in Shares

No shares of the Company were held by the Directors of the Company, their spouses, or dependents at the beginning and at the end of the financial year.

Related Party Transactions

The Directors hereby confirms that the Rules pertaining to Related Party Transactions in accordance with Section 9.14.8.4 of the Listing Rules of the Colombo Stock Exchange have been complied with by the Company.

Interest Register

Directors' interests in the Company are disclosed in Note 38 to the Financial Statements and have been declared at meetings of the Directors. The Directors have no direct or indirect interest in any other contracts or proposed contracts of the company.

Shareholders and Investor Information

Distribution of Shareholdings as at 31st December 2024, Analysis Report of Shareholders, Market Statistics of Company's share and the list of 20 major shareholders are given on pages 124 and 125 of this Annual Report.

Employees and Industrial Relations

The number of persons employed by the Company as at 31st December 2024 was 4,270 (2023: 4,656). Details of the Company's human resource initiatives are provided in the Human Capital section of the Management Discussion and Analysis section of the Annual Report.

There have been no material issues pertaining to employees and industrial relations of the Company.

Event Occurring after the Date of the Statement of Financial Position

Please refer to Note 41 for events occurring after the date of the Statement of Financial Position, which would require disclosure in the Financial Statement.

Matters Pertainin to the Golden Share

The Golden Share shall only be held by the Secretary to the Treasury in his official capacity and not in his name, for and on behalf of the Democratic Socialist Republic of Sri Lanka, or by a company in which the State of the Democratic Socialist Republic of Sri Lanka owns 99% or more of the issued share capital.

The Company shall obtain the written consent of the Golden Shareholders prior to sub-leasing, ceding, or assigning its rights in parts or all of the lands set out in Section 3A (1) of the Memorandum of Association.

Report of the Board of Directors on the Affairs of the Company (Continued)

The Articles of the Company as originally framed may from time be altered by special resolution, provided that the concurrence of Golden Shareholder in writing shall be first obtained to amend the definition of the words Golden Share and Golden Shareholder and Articles 2A, 2B, 3(C), 3(C)(1), 3(C)(2), 25A, 127A, 127B, 127C and 128

The Golden Share may be converted into an ordinary share with the concurrence of the Golden Shareholder and the concurrence of a majority of the shareholders.

The Golden Shareholder shall be entitled to call upon the Board of Directors of the Company once every three months if desired to meet with the Golden Shareholder and or his nominees, and the Directors if so called upon shall meet with the Golden Shareholder and or his nominees to discuss matters of the Company of interest to the State of the Democratic Socialist Republic of Sri Lanka.

The Golden Shareholder and or his nominee shall be entitled to inspect the books of accounts of the company after giving two weeks written notice to the Company.

Auditors

The Financial Statements for the year have been audited by M/s KPMG, Chartered Accountants who offer themselves for reappointment. Fees paid to Auditors are disclosed on in Note 11 to the Financial Statements on page 86.

As far as the Directors are aware, the auditors do not have any relationship (Other than that of an Auditor) with the company other than those disclosed above. The auditors do not have any interest in the Company.

Sgd.
C R Jansz
Director

Sgd.
M A N S Perera
Director

Sgd.
P A Jayatunga
Director/Company Secretary
22nd May 2025

Board Audit Committee Report

Committee

Following the changes to the CSE Rules, the Company formally appointed its own Board Audit Committee on 1st October 2024. Until such time, the Audit Committee of the parent company, Melstacorp PLC, functioned as the Audit Committee of the Company.

The Board Audit Committee appointed w.e.f. 1st October 2024 by and responsible to the Board of Directors is made up of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the Audit Committee is Mr. M. Reyaz Mihular who is Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of Chartered Institute of Management Accountants (CIMA)- UK. The other members of the Audit Committee comprise of Dr. R.A. Fernando, Independent Non-Executive Director, and Mr. K. Dayaparan, Non-Independent Non-Executive Director. Mr. P A Jayatunga functions as the Secretary to the Audit Committee. A brief profile of each member is given on pages 5 to 7.

Meetings

The Audit Committee met Four [04] times during the year 2024. The Attendance of the members at these meetings is as follows:

Name of the Director	Attendance
Mr. M R Mihular	3/4
Dr. A N Balasuriya	3/4
Mr. D Hasitha S. Jayawardena	3/4
Mr. N De S Deva Aditya	3/4
Dr. R A Fernando	1/4

The Managing Director of Melstacorp PLC and Group Financial Controller also attend these meetings by invitation when needed.

Terms of Reference

The Audit Committee Charter approved and adopted by the Board clearly sets out the terms of reference governing the Audit Committee ensuring the highest compliance with the Corporate Governance rules applicable to Listed Companies in accordance with the Rules of the CSE and the Code of Best practice on Corporate Governance.

Role of the Audit Committee

The Audit Committee in its role assists the Board in fulfilling their responsibility with regard to:

- Ensuring the integrity of the statements of the Company and that good financial reporting systems are in place and are managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders in accordance with the financial reporting standards of the Institute of Chartered Accountants of Sri Lanka, Companies Act No: 07 of 2007, the Sri Lanka Accounting and Auditing Standards and the Continuing Listing Rules of the Colombo Stock Exchange.
- Assessing the independence and monitoring the performance of external auditors.
- Ensuring the Company's internal control and risk management process operates efficiently and effectively.

Board Audit Committee Report (Continued)

- Ensure compliance with applicable laws, regulations and policies of Melstacorp Group and Company.
- Assess the Company's ability to continue as a going concern in the foreseeable future.

Risks and Controls

The Committee obtained and reviewed the major business risks and mitigatory action taken or contemplated for each business sector of the Company. In particular, the Committee deliberated on the financial implications to the Company arising from the world market prices for Tea, labor issues, wage increases etc., and appraised the Board as appropriate.

Internal Audit

The internal audit function of the company was carried out by the Internal Audit Division. The Committee reviewed the effectiveness of the internal audit plan to ensure that it has been designed to provide reasonable assurance that the financial reporting system adopted by the Company can be relied on in the preparation and presentation of the financial statements. The Committee also reviewed the findings of the Internal Auditors and their recommendations together with the management responses and regularly followed up the progress of the implementation of such recommendations in order to enhance the overall control environment.

External Audit

The Audit Committee met with the External Auditors to discuss the scope and the audit strategy. The Committee also reviewed and discussed the Report of the Auditors and Management Letters issued by them to ensure that no limitations have been placed on their scope of work and conduct of the audit.

The Committee carried out an annual evaluation of the External Auditors to establish their independence and objectivity and also obtained a written declaration from the Auditors in this regard.

The Audit Committee has recommended to the Board of Directors that Messrs KPMG be reappointed as the External Auditors for the financial year ending 31st December 2025.

Compliance with Laws and Regulations

The Committee reviews the quarterly compliance reports submitted by the relevant officers to ensure that the Company has complied with all statutory requirements.

Conclusion

The Audit Committee is satisfied that the Company's accounting policies, operational controls and risk management processes provide reasonable assurance that the affairs of the Company are managed in accordance with Company policies and that the Company's assets are properly accounted for and adequately safeguarded.

Sgd.

M R Mihular

Chairman - Audit Committee

22nd May 2025

Nominations and Governance Committee Report

Committee

The Nominations and Governance Committee of the Company was constituted by the Board of Directors w.e.f. 1st October 2024 in compliance with the new listing rules of the Colombo Stock Exchange consisting of three Non-Executive Directors and two of them are Independent. Non-Executive independent Director Dr. R A Fernando is the Chairman. Mr. Reyaz Mihular and Mr. K Dayaparan serve as its members. The Secretary to the Board functions as the Secretary of the Committee.

Terms of Reference

The function of the Committee is governed by the Nominations and Governance Committee Charter approved and adopted by the Board of Directors which have been developed in line with Rule 9.11.5 of the Listing Rules. Accordingly, the Committee is delegated with the authority by the Board to review the Board's composition and diversity, formulate and implement the policy for nominating Board candidates for election by Shareholders, make recommendations to the Board on the appointment of Directors and members to the Board committees, and assess Independent Non-Executive Director's independence and commitment. The Committee is also responsible for succession planning for Directors, CEO and senior executives, leadership training and development, and oversight of matters relating to corporate governance.

The Committee will perform its duties with responsibility, ethics and independence. The Nominations and Governance Committee shall ensure that the nomination and remuneration procedures are transparent and fair in accordance with the corporate governance rules. The Nominations and Governance Committee will help enhance efficiency of the Board of Directors in steering the operation of the Company forward in line with new strategies and help build confidence among the shareholders, investors and all stakeholders.

Sgd.

Dr. R A Fernando

Chairman - Nominations and Governance Committee

22nd May 2025

Remuneration Committee Report

Committee

Following the changes to the CSE Rules, the Company formally appointed its own Remuneration Committee on 1st October 2024. Until such time, the Remuneration Committee of the parent company, Melstacorp PLC, functioned as the Remuneration Committee of the Company.

The Remuneration Committee appointed by and is responsible to its Board of Directors. It consists of two Independent Non-Executive Directors, namely Dr. R.A. Fernando, Independent Non-Executive Director, Mr. M. Reyaz Mihular Senior Independent Non-Executive Director, and Mr. K. Dayaparan, Non-Independent Non-Executive Director. Brief profiles of these Directors are given on pages 5 to 7 Mr. P A Jayatunga functions as the Secretary to the Remuneration Committee.

Terms of Reference

The Remuneration Committee is governed by the Remuneration Committee Charter, which has been approved and adopted by the Board of Directors. It is responsible for determining the Remuneration Policy of the Key Management Personnel of the Company. The Remuneration Policy of the Company is based on the evaluation of individual performance. An annual assessment is carried out and increments and incentives are awarded based on the rating/ranking of each individual.

Meetings

The Board Remuneration Committee met Two (02) times during the year 2024. The attendance of the members at these meetings are as follows.

Name of the Director	Attendance
Dr. A N. Balasuriya	2/2
Mr. N. de. S. Deva Aditya	2/2
Mr D. Hasitha S. Jayawardena	1/2

The Managing Director of Melstacorp PLC and the Director Operations – Plantations & General Manager HR and Administration also attend these meetings by invitation when needed.

Sgd.

Dr. R A Fernando

Chairman - Remuneration Committee

22nd May 2025

Related Party Transactions Review Committee Report

Committee

Following the changes to the CSE Rules, the Company formally appointed its own Related Party Transactions Review Committee on 1st October 2024. Until such time, the Related Party Transactions Review Committee of the parent company, Melstacorp PLC, functioned as the Related Party Transactions Review Committee of the Company.

The Related Party Transactions Review Committee appointed by the Board of Directors comprises two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. The Chairman of the Related Party Transactions Review Committee is Mr. M. Reyaz Mihular who is Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of Chartered Institute of Management Accountants (CIMA) - UK. The other members of the Committee comprise of Dr. R. A. Fernando, Independent Non-Executive Director, Mr. K. Dayaparan, Non-Independent Non-Executive Director. A brief profile of each member is given on pages 5 to 7 Mr. P.A. Jayatunga functions as the secretary to this committee.

Purpose of the Committee

The Committee's key focus is to review all proposed related party transactions prior to entering into or completing the transaction according to the procedures laid down by Section 9 of the Listing Rules of the Colombo Stock Exchange.

Meetings

The Related Party Transaction Review Committee met Four (04) times during the year 2024. The attendance of the members at these meetings is as follows:

Name of the Director	Attendance
Mr. M R Mihular	3/4
Dr. A N Balasuriya	1/4
Mr. D Hasitha S Jayawardena	3/4
Dr. R A Fernando	3/4

The Managing Director of Melstacorp PLC and Group Financial Controller also attend these meetings by invitation when needed.

Key Functions Performed During the Year

- The Committee has reviewed all related party transactions of the Company in respect of the financial year and communicated the activities of the Committee to the Board of Directors on a quarterly basis.
- Reviewed the thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure and confirmed that there were no non- recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange requiring immediate announcement.

Related Party Transactions Review Committee Report (Continued)

Disclosures

Details of the related party transactions entered into by the Company during the year including recurrent and non-recurrent related party transactions are disclosed in Notes 24, 31 and 38 of the financial statements.

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8.4 of the Listing Rules of the Colombo Stock Exchange.

Sgd.

M.R. Mihular

Chairman - Related Party Transactions Review Committee

22nd May 2025

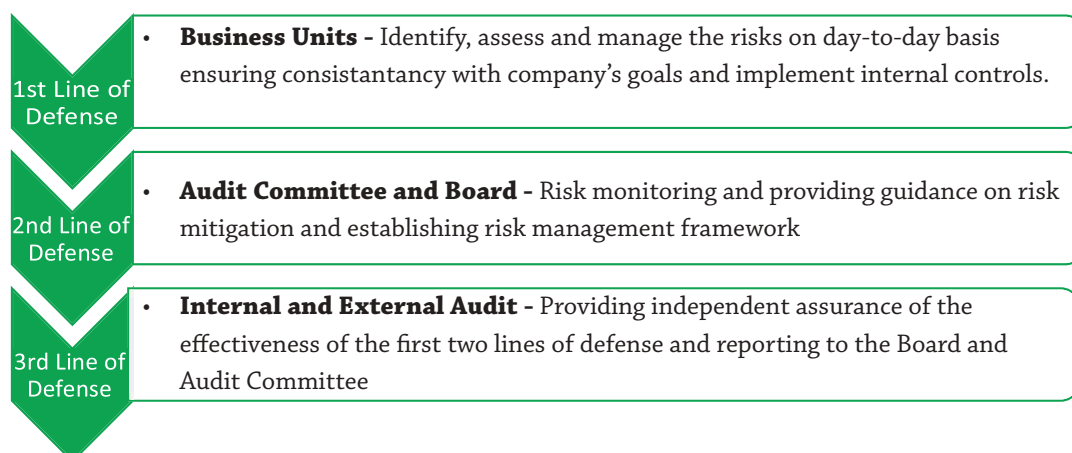
Risk Management

The Company operates in an evolving environment which exposes it to different types of risks especially being in the Agricultural Sector which is very sensitive to weather patterns. An effective risk management system is an important area of business management that would enable the company to proactively identify and address key risks to achieve an optimum balance between minimizing the risks and maximizing shareholder value. The Risk Management Process is designed to ensure the identification of any circumstances that would adversely affect the goals of the Company. Our Risk Management Process ensures that we accept or manage unavoidable risks and that uncertainties are minimized.



The Board of Directors holds responsibility for the risk management function of the Company, assisted by the audit committee which has oversight responsibility for matters relating to risks and internal control.

The Company has identified the importance of having a proactive approach in managing risk while maintaining a comprehensive system of internal controls to track and monitor the subsequent effects of each risk on Company's performance. The Company has adopted 'Three Lines of Defense Model' in managing its risks.



Risk Management (Continued)

Following are the key risks that the company is exposed to while carrying out its business activities and mitigation measures implemented.

Risk	Risk Assessment	Mitigating Strategies	Threat Probability
Environmental Risk	The variability of weather conditions influences crop outcomes. Adverse weather, shifts in ambient temperature, and natural calamities can all disrupt crop growth and development. These factors impact the quantity, quality, market positioning, and financial performance of agricultural products.	<ul style="list-style-type: none"> Monitoring weather patterns and their impact on crop harvests. Adoption of sustainable agricultural practices. Constant examination and review of soil nutrient contents Undertaking effective soil conservation measures. Reservation of forests and watersheds 	High
Human Resource	Low productivity, reduction in resident manpower, disruptions in achieving the targeted objectives.	<ul style="list-style-type: none"> Providing welfare facilities and introducing participative housing projects to retain workers on plantations and improve their productivity. Train and encourage Plantation Executives to acquire communication skills in resolving labour disputes. Improve employee motivation, commitment, welfare, recognition and appreciation. 	Moderate
Product Quality Risk	Inconsistency in quality of end products and its negative impact on prices and market share.	<ul style="list-style-type: none"> Ensure safety and ethical standards in providing a quality consumable product. Upgrade manufacturing process and factories to cater to the fluctuating market demand. Monitor quality assurance measures 	Moderate
Political Risk	The impact of political intervention, major industrial relations issues, regulatory changes, ad-hoc acquisitions of land etc. are constraints faced by the plantations industry.	<ul style="list-style-type: none"> Maintaining a close engagement with the employees and other stakeholders. Implementing human development policies 	High
Inflationary pressures	Cost of Production escalations from various factors, including government imposed import restrictions, currency devaluation, wages and other macroeconomic measures enacted to navigate economic crises.	<ul style="list-style-type: none"> Ongoing measures to improve cost efficiencies Reducing reliance on high priced imported agrochemicals and nutrients Crop diversification and value addition to improve margins 	Moderate

Risk Management (Continued)

Risk	Risk Assessment	Mitigating Strategies	Threat Probability
Interest Rate Risk	Fiscal and monetary policy changes have a direct impact on liquidity and production costs.	<ul style="list-style-type: none"> • Close monitoring of interest rate developments and negotiating with funding partners • Capital development • Maintenance of biological assets in optimum condition to enhance productivity, turnover and cash-flows. 	Moderate
Technology & IT Risk	Lack of accurate and timely information due to ineffective IT systems. Increase in digitization of operations pose a threat of loss of data and hacking.	<ul style="list-style-type: none"> • Strengthen software development with internal controls and IT security. • Overlooking by the group IT Division of the parent company, Melstacorp PLC • Implement a sound backup system • Use Licensed Software 	Moderate
Inventory cycle	Liquidity is impacted as the industry is cyclical with long gestation periods.	<ul style="list-style-type: none"> • Produce stocks are monitored closely for speedy disposal. • Input stock levels are controlled to avoid obsolescence and theft. • High value input stocks such as fertilizer, firewood and packing materials are purchased on a need basis. 	Moderate
Risk of Competition	Competition from other major low cost producers.	<ul style="list-style-type: none"> • Monitoring market trends and fluctuations in supply and demand closely. • Regular check of tea samples to maximize market gains, • Adopting appropriate remedial measures to ensure market leadership of quality marks. • Rationalize manufacture during lean cropping months. • Close executive supervision on quality of leaf harvested. • Educating employees on the importance of their services 	Moderate
Company Reputation Risk	The reputation of the company could be damaged by noncompliance, unethical behavior, and inconsistent product quality.	<ul style="list-style-type: none"> • Compliance with statutory requirements • Compliance with the code of corporate governance by all employees • Protection of the environment and adoption of sustainability initiatives • Employee health and safety and food safety procedures. 	Moderate

Statement by the Senior Independent Director

Profile of Mr. M Reyaz Mihular is given on page 6 of this report.

In order to comply with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 6th February 2025. Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman is an Executive Director, a Senior Independent Director (SID) shall be appointed. The Chairman of Balangoda Plantations PLC, Mr. D Hasitha S Jayawardena is an Executive Director.

Role of the Senior Independent Director

The Senior Independent Director provides guidance to the Chairman on matters of governance of the Company. The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

In line with the regulatory requirements, SID is required to preside over meetings called for evaluation of Board Performance, evaluation of the performance of the Chairman and the Executive Directors, and hold meeting only with the Independent Directors on matters relating to effectiveness of Directors when making deliberations at meetings and maintenance of board balance in the decision-making process. The outcome of these meetings together with recommendations are duly informed to the Chairman and the Board.

Activities during the Year

As the appointment was made in February 2025, there were no significant activities during the year under review.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence. I am available for all key stakeholders to raise any concerns which they have. I believe such unbiased and independent engagements have made a positive impact on value creation. As such I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.

Sgd.

M R Mihular

Senior Independent Director

22nd May 2025

Statement of Directors' Responsibilities

The Directors are responsible under the Companies Act No. 07 of 2007, to ensure compliance of the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of the affairs of the Company as at the Reporting date and the profit of the Company for the financial year. The Directors are also responsible for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts the responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that proper accounting records have been maintained and appropriate accounting policies have been selected and applied consistently in the preparation of such Financial Statements which have been prepared and presented in accordance with Sri Lanka Accounting Standards and provide information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

Further, the Directors confirm that the Financial Statements have been prepared on a going concern basis and are of the view that sufficient funds and other resources are available within the Company to continue its operations and to facilitate planned future expansions and capital commitments. The Directors have taken adequate measures to safeguard the assets of the Group and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities. The External Auditors were provided with all information and explanations necessary to enable them to form their opinion on the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge and belief that all statutory payments in relation to regulatory and statutory authorities that were due in respect of the Company as at the reporting date have been paid or where relevant, provided for.

By Order of the Board,

Sgd.

P A Jayatunga

Director/Company Secretary

22nd May 2025

Independent Auditor's Report



KPMG
 (Chartered Accountants)
 32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF BALANGODA PLANTATIONS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Balangoda Plantations PLC ("the Company"), which comprise the statement of financial position as at 31st December 2024, and the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information set out on pages 62 to 123 of the annual report.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2024, and of its financial performance and its cash flows for the year that ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
 Ms. S. Joseph FCA
 R.M.D.B. Rajapakse FCA
 M.N.M. Shameel FCA
 Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
 W. K. D. C. Abeyrathne FCA
 Ms. B.K.D.T.N. Rodrigo FCA
 Ms. C.T.K.N. Perera ACA
 R. W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
 G. A. U. Karunaratne FCA
 R. H. Rajan FCA
 A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT,
 K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D. Corea Dharmaratne



Independent Auditor's Report (Continued)

1. Measurement of Biological Assets

Refer to the material accounting policies in Note 3.1.5 and explanatory Notes 19 and 20 of the financial statements.

Risk Description

The Company has reported consumable biological assets carried at fair value, amounting to Rs. 3,366 Mn and bearer biological assets amounting to Rs. 1,596 Mn as at 31st December 2024.

The valuation of consumable biological assets requires significant levels of judgments, technical expertise in selecting appropriate valuation models and assumptions. Management engaged an independent external valuation expert to assist in determining the fair value of the consumable biological assets. Changes in the key assumptions used such as discount rate, value per cubic meter and available timber content used for the valuation of consumable biological assets could have a material impact on the fair value gain or loss for the year and the carrying value of consumable biological assets as of the reporting date.

Bearer biological assets mainly include mature and immature tea and rubber trees in identified plantation fields. Inappropriate transfer from immature to mature plantations has a significant impact on the carrying value of the bearer plants and the reported profits as capitalization of costs will cease from the point of transfer and the mature plantations are depreciated over the useful lives of the plants. As per the industry practice, the transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting. The actual point at which commercial harvesting could start depends on the soil conditions, weather patterns and plant breed. Further, bearer biological assets are subject to impairment assessment which involves management judgements in assessing the impairment indicators and in impairment assessment.

We identified the measurement of biological assets as a key audit matter because the valuation of consumable biological assets involved significant assumptions and judgments exercised by the management and the independent valuation expert which could be subjected to significant levels of estimation uncertainty and management bias. Further, the impairment assessment for bearer biological assets requires management to exercise their judgment in determining the impairment indicators and in impairment assessment which is based on significant estimates.

Our audit procedures for consumable biological assets included;

- Understanding the process of valuation and testing the design and operating effectiveness of the key controls relating to the valuation of consumable biological assets.
- Assessing the objectivity and independence of the external valuation expert and the competence and qualification of the external expert.
- Challenging the key assumptions and methodology used in the valuation, in particular the discount rate, average market price, and expected timber content at harvest and harvesting plan.
- Obtaining estate-wise census books of timber trees and comparing the number of timber trees with the valuation report to ensure the completeness and accuracy of the data and checking the mathematical accuracy of the consumable biological assets valuation.
- On a sample basis, physically verifying trees during estate visits to assess the girth and height of the respective trees.
- Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.



Independent Auditor's Report (Continued)

Our audit procedures for bearer biological assets included;

- Testing the design, implementation and operating effectiveness of key internal controls with respect to the capitalisation of bearer biological assets.
- Obtaining schedules of costs incurred and capitalised under immature plantations as well as costs transferred to mature plantations by each estate and reconciling those balances to the general ledger on a sample basis, verifying the reconciling items and obtaining explanations from management for any significant variances identified.
- Testing immature to mature cost transfer worksheets for selected estates to check whether the amount transferred during the year was consistent with the Company's accounting policy and industry norms.
- Testing the impairment assessment performed by the management, by challenging the impairment indicators identified and the judgements involved in impairment assessment.
- Assessing the adequacy of the disclosures made in the financial statements in accordance with the relevant accounting standards.

2. Valuation of Retirement benefit obligation

Refer to the significant accounting policy in Note 3.2.1 and explanatory Note 32 of the financial statements.

Risk Description

The Company has recognised a retirement benefit obligation of Rs. 1,076 Mn as at 31st December 2024. The retirement benefit obligation of the Company is significant in the context of the total liabilities of the Company. The valuation of the retirement benefit obligation requires significant judgment and estimation to be applied across numerous assumptions, including salary increases and the discount rate. Minor changes in those assumptions could have a significant effect on the financial performance and financial position of the Company. Management engaged an independent actuary to assist them in the estimation of the retirement benefit obligation.

We considered the estimation of the retirement benefit obligation to be a key audit matter due to the magnitude of the amounts recognized in the financial statements as well as the estimation uncertainty involved in determining the amounts.

Our audit procedures included;

- Assessing the competency, objectivity and capabilities of the independent actuary engaged by the Company.
- Testing the samples of the employees' details used in the computation to the human resource records and performing re-computation of the post-employment benefit liabilities with the assistance of our internal valuation specialist.
- Challenging the key assumptions used in the valuation, in particular the discount rate, future salary increases and mortality rates.
- Assessing the adequacy of the disclosures made on the financial statements in accordance with the relevant accounting standards.



Independent Auditor's Report (Continued)

3. Valuation of Investment Property

Refer to the significant accounting policy in Note 3.1.4 and explanatory Note 18 of the financial statements.

Risk Description

The Company has recognised Investment property of Rs. 508 Mn and a fair value gain amounting to Rs. 56 Mn as at 31st December 2024.

Management's assessment of the fair value of the Investment Properties is based on valuations performed by qualified independent property valuers in accordance with recognised industry standards.

We identified the valuation of investment property as a key audit matter due to the use of significant estimates and judgement such as appropriate valuation methodology to be used and in estimating the underlying assumptions to be applied. These key assumptions include the specialised nature of the assets, what would be the cost of a modern equivalent asset, the condition of the existing assets and the age and assessment of remaining useful lives and depreciation method.

Our audit procedures included;

- Assessing the objectivity, independence, competency and qualifications of the external valuer engaged by the Company.
- With the assistance of our own internal valuation specialists assessing the key assumptions applied and conclusions made in deriving the fair value of the Investment Properties. In addition, we have assessed the valuation methodologies with reference to recognized industry standards.
- Assessing the adequacy of disclosures made in relation to the valuation of Investment Properties in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used in the estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report (Continued)

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 determines 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs 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 SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 management.
- Conclude on the appropriateness of 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Independent Auditor's Report (Continued)

- 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.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3029.

Sgd.
Chartered Accountants
Colombo, Sri Lanka
22nd May 2025

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December		2024	2023
	Notes	Rs.	Rs.
Revenue	5	4,841,854,427	4,129,861,890
Cost of Sales		(3,973,901,108)	(3,752,618,846)
Gross Profit		867,953,319	377,243,044
Other Income	7	172,340,516	157,077,414
Gain on Changes in Fair Value of Biological Assets	8	373,211,318	401,037,660
Administrative Expenses		(192,704,894)	(157,828,194)
Other Expenses	9	(107,486,899)	(99,638,091)
Profit from Operations		1,113,313,360	677,891,833
Finance Income		1,944,753	5,193,576
Finance Costs		(158,057,587)	(328,234,479)
Net Finance Costs	10	(156,112,834)	(323,040,903)
Profit Before Taxation	11	957,200,526	354,850,930
Income Tax Expense	12	(215,984,888)	(285,781,698)
Profit for the Year		741,215,638	69,069,232
Other Comprehensive Income/(Expenses)			
Items that will not be Reclassified to Profit or Loss			
Gain on Revaluation - Assets Transferred from PPE to Investment Property	16	-	26,169,988
Actuarial (Loss)/ Gain on Retirement Benefit Obligations	32	(232,126,889)	35,884,259
Deferred Tax Charge on Revaluation Surplus	12.2	-	(7,850,996)
Deferred Tax on Actuarial (Loss)/ Gain on Retirement Benefit Obligation	12.2	69,638,067	(10,765,278)
Net Change in the Fair Value of Financial Assets Measured at FVOCI	21	333,306	217,063
Total Other Comprehensive (Expense)/ Income		(162,155,516)	43,655,036
Total Comprehensive Income		579,060,122	112,724,268
Basic Earnings per Share	13	15.68	1.48

Figures in brackets indicate deductions

The Accounting Policies and Notes on pages 66 to 123 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31 DECEMBER	Notes	2024 Rs.	2023 Rs.
ASSETS			
Non Current Assets			
Right of Use Assets	14	455,941,502	398,965,728
Immovable Leased Assets	15	349,388	366,356
Property, Plant and Equipment	16	1,364,751,972	1,425,087,290
Intangible Assets	17	682,977	1,255,866
Investment Properties	18	508,763,432	452,755,391
Bearer Biological Assets	19	1,596,473,598	1,740,190,231
Consumable Biological Assets	20	3,366,849,374	2,995,452,585
Financial Assets Measured at FVOCI	21	742,241	408,935
Total Non Current Assets		7,294,554,484	7,014,482,382
Current Assets			
Produce on Bearer Biological Assets	20.2	8,165,674	5,296,369
Inventories	22	563,351,640	549,719,713
Trade and Other Receivables	23	144,458,400	128,366,373
Amounts due from Related Companies	24	5,323,594	30,103,004
Cash and Cash Equivalents	25	43,273,484	23,864,993
Total Current Assets		764,572,792	737,350,452
Total Assets		8,059,127,276	7,751,832,834
EQUITY AND LIABILITIES			
Equity			
Stated Capital	26	2,359,090,865	2,359,090,865
Share Application Pending Allotment	27	-	-
Revaluation Reserve	28	760,007,706	760,007,706
Timber Reserves	29	3,139,655,990	2,769,313,977
FVOCI Reserve	30	593,601	260,295
Accumulated Losses		(2,542,327,092)	(2,750,711,895)
Total Equity		3,717,021,070	3,137,960,948
Non Current Liabilities			
Interest Bearing Loans and Borrowings	31	-	415,034,241
Retirement Benefit Obligations	32	1,076,902,650	903,264,034
Deferred Tax Liability	33	1,591,130,844	1,444,784,023
Deferred Income	34	103,090,984	111,864,391
Lease Liability	35	516,951,840	444,827,562
Total Non Current Liabilities		3,288,076,318	3,319,774,251
Current Liabilities			
Interest Bearing Loans and Borrowings	31	132,609,057	575,000,000
Lease Liability	35	5,720,550	4,133,684
Trade and Other Payables	36	610,157,043	361,477,492
Amounts due to Related Companies	37	3,485,477	949,004
Bank Overdraft	25	302,057,761	352,537,455
Total Current Liabilities		1,054,029,888	1,294,097,635
Total Liabilities		4,342,106,206	4,613,871,886
Total Equity and Liabilities		8,059,127,276	7,751,832,834
Net Assets per Share		79	66

Figures in brackets indicate deductions

The Accounting Policies and Notes on pages 66 to 123 form an integral part of the Financial Statements.

These financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Sgd.
D.S. Heenatigalage
General Manager - Finance

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

Sgd.
C R Jansz
Director
22nd May 2025
Colombo

Sgd.
M A N S Perera
Director

Statement of Changes in Equity

For the Year Ended 31 December

	Stated Capital	Pending Allotment	Revaluation Reserve	Timber Reserve	FVOCI Reserves	Accumulated Losses	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2023	350,000,010	2,169,642,340	741,688,714	2,363,624,592	43,232	(2,344,665,271)	3,280,333,617
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	69,069,232	69,069,232
Other Comprehensive Income for the Year - Net of Tax	-	-	18,318,992	-	217,063	25,118,981	43,655,036
	-	-	18,318,992	-	217,063	94,188,213	112,724,268
Transferred to Timber Reserve	-	-	-	405,689,385	-	(405,689,385)	-
Transactions with Owners directly recorded in Equity							
Issue of Shares (Note 27.1)	2,009,090,855	(2,009,090,855)	-	-	-	-	-
Refund of unaccepted shares applications (Note 27.1)	-	(160,551,485)	-	-	-	-	(160,551,485)
Dividend paid (Note 13.2)	-	-	-	-	-	(94,545,452)	(94,545,452)
	2,009,090,855	(2,169,642,340)	-	-	-	(94,545,452)	(255,096,937)
Balance as at 31 December 2023	2,359,090,865	-	760,007,706	2,769,313,977	260,295	(2,750,711,895)	3,137,960,948
Balance as at 1 January 2024	2,359,090,865	-	760,007,706	2,769,313,977	260,295	(2,750,711,895)	3,137,960,948
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	741,215,638	741,215,638
Other Comprehensive Income for the Year - Net of Tax	-	-	-	-	333,306	(162,488,822)	(162,155,516)
	-	-	-	-	333,306	578,726,816	579,060,122
Transferred to Timber Reserve (Note 20.1)	-	-	-	370,342,013	-	(370,342,013)	-
Balance as at 31 December 2024	2,359,090,865	-	760,007,706	3,139,655,990	593,601	(2,542,327,092)	3,717,021,070

Figures in brackets indicate deductions

The Accounting Policies and Notes on pages 66 to 123 form an integral part of the Financial Statements.

Statement of Cash Flows

For the Year Ended 31 December		2024	2023
	Notes	Rs.	Rs.
Cash Flows From Operating Activities			
Profit Before Taxation		957,200,526	354,850,930
Adjustments for			
Depreciation and Amortization	14-19	225,167,847	226,087,475
Impairment of Immature Bearer Biological Assets	19	104,746,345	85,790,465
Write off of Bearer Biological Assets	9	-	9,336,256
Provision for/ Write off of Other Receivables	9	1,939,555	984,260
Provision for Obsolete Inventory	22.1	800,999	963,114
Gain on Disposal of Property, Plant and Equipment	7	(3,300,000)	(6,350,000)
Interest Income	10	(1,944,753)	(5,193,576)
Provision for Retirement Benefit Obligations	32	173,588,181	213,337,099
Amortization of Government Grants	34	(8,773,407)	(9,213,681)
Interest Expenses	10	158,057,587	328,234,479
Write off of Capital Work in Progress	10	8,780,100	-
Change in Fair Value of Investment Properties	18	(56,008,041)	(35,648,228)
Gain on Changes in Fair Value of Biological Assets	20	(373,211,318)	(401,037,660)
Operating Profit before Working Capital Changes		1,187,043,621	762,140,933
Working Capital Changes			
(Increase)/ Decrease in inventories		(14,432,926)	124,917,116
Increase in Trade and Other Receivables		(18,031,582)	(13,767,485)
Decrease/ (Increase) in Amounts Due From Related Companies		24,779,410	(3,403,680)
Increase/ (Decrease) in Trade and Other Payables		203,912,091	(52,107,106)
Increase in Amounts Due to Related Companies		2,536,473	22,932
Cash Generated from Operations		1,385,807,089	817,802,710
Gratuity Paid	32	(187,308,996)	(177,205,438)
Interest Paid		(88,114,349)	(111,883,004)
Net Cash Generated from Operating Activities		1,110,383,744	581,461,672
Cash Flows From Investing Activities			
Interest Received	10	1,944,753	5,193,576
Purchase of Property, Plant and Equipment	16	(57,942,284)	(56,783,918)
Acquisition of Investment Property	18	-	(2,414,770)
Investment in Immature Bearer Biological Assets	19	(54,704,141)	(97,360,539)
Investment in Consumable Biological Assets	20	(1,054,776)	(2,883,761)
Proceeds from Disposal of Property, Plant And Equipment		3,300,000	6,350,000
Net Cash Used in Investing Activities		(108,456,448)	(147,899,412)
Cash Flows from Financing Activities			
Repayment of Long Term Borrowings	31	(927,368,421)	(2,555,143,486)
Repayment of Lease Liabilities	35	(4,670,690)	(3,439,291)
Dividend Paid		-	(94,545,452)
Refund of unaccepted shares applications	27	-	(160,551,485)
Net Cash Used in Financing Activities		(932,039,111)	(2,866,427,118)
Net Increase/ (Decrease) in Cash and Cash Equivalents		69,888,185	(2,432,864,858)
Cash and Cash Equivalents at the Beginning of the Year		(328,672,462)	2,104,192,396
Cash and Cash Equivalents at the End of the Year	25	(258,784,277)	(328,672,462)

Figures in brackets indicate deductions

The Accounting Policies and Notes on pages 66 to 123 form an integral part of the Financial Statements.

Notes to the Financial Statements

1 REPORTING ENTITY

1.1 Domicile and Legal Form

Balangoda Plantations PLC (“the Company”) is a Company domiciled in Sri Lanka, incorporated under Companies Act No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government-Owned Business Undertakings into Public Companies under Public Companies Act No. 23 of 1987. The registered office of the Company is located at No 110 Norris Canal Road, Colombo 10, and estates are situated in the planting districts of Rathnapura, Balangoda, and Badulla.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal activities of Balangoda Plantations PLC consist of cultivation, production, processing and sale of tea, rubber and other crops.

1.3 Parent Enterprise

The Company’s immediate parent Company is Melstacorp PLC and the ultimate parent Company is Milford Exports (Ceylon) (Private) Limited which are incorporated in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and Statement of Cash Flows together with the Material Accounting Policies and notes to the Financial Statements which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Further, these statement comply with the requirements of the Companies Act No. 07 of 2007. These Financial Statements except information on Cash Flows have been prepared following the accrual basis of accounting.

2.2 Basis of Measurement

These financial statements of the Company have been prepared in accordance with the historical cost conversion except for the following material items in the statement of financial position:

- Consumable biological assets are measured at fair value less cost to sell as per LKAS 41- “Agriculture.”
- Liability for Retirement Benefit Obligation is recognized as the present value of the defined benefit obligation based on actuarial valuation as per LKAS 19 - “Employee Benefits’.
- Agriculture produce harvested from biological assets are measured at fair value as per LKAS 41 - “Agriculture”.
- Buildings under Property, Plant and Equipment are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated any impairment loss as per LKAS 16 “Property, Plant and Equipment”.
- Investment Properties are measured at fair value as per LKAS 40- “Investment Properties”.

2.3 Functional and Presentation Currency

The Financial Statements of the Company are presented in Sri Lankan Rupees, which is the Company’s functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee.

Notes to the Financial Statements (Continued)

2.4 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard -1 on 'Presentation of Financial Statements'.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

2.5 Use of Estimates and Judgments

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

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumption are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

(a) Assumptions and estimation uncertainties

Information about the assumptions on the future and other major sources of estimation uncertainties that the management has made at the end of reporting period that have a significant risk of resulting in a material adjustment to the carrying value of assets and liabilities within the next financial year is included in the following notes.

Financial Statement Area	Note
Measurement of defined benefit obligations: Key actuarial assumptions.	32
Recognition and measurement of provisions for impairment of Bearer Biological Assets.	19
Measurement of fair value of Consumable Biological Assets.	20
Measurement of lease liability to SLSPC/JEDB	35
Revaluation of Buildings under Property, Plant and Equipment	16
Fair Value Measurement of Investment Properties	18
Recognition of Deferred Tax on Accumulated Tax Losses	33
Recognition and Measurement of provisions and contingencies	40

2.6. Determination of Fair Values

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. Several of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Notes to the Financial Statements (Continued)

2.6. Determination of Fair Values (Continued)

When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes.

Financial Statement Area	Note
Consumable Biological Assets - Timber	20
Produce on Bearer Biological Assets	20.2
Property, Plant and Equipment- Buildings	16
Investment Properties	18

2.6.1 Fair Value of Non-Financial Assets

The fair value used by the Company in the measurement of non-financial assets is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market that is accessible by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would act in their economic best interest when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Notes to the Financial Statements (Continued)

2.7 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future. Furthermore, the 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 of the company continue to be prepared on a going concern basis. Refer Note 42 which presents the factors that have been considered by the Board of Directors in preparing and presenting these financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The Accounting Policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

3.1 Assets and basis of their valuation

Assets classified as current assets in the statement of Financial Position are cash and bank balances and those which are expected to be realized 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 date of statement of financial position are classified as non-current assets.

3.1.1 Leased Assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether,

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either; the Company has the right to operate the asset; or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Where the lease agreement includes an annual adjustment on a variable such as GDP deflator, the Company shall annually reassess the liability considering such variable and recognise the amount of remeasurement of the lease liabilities as an adjustment to the right-of-use asset.

i) As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs

Notes to the Financial Statements (Continued)

3.1.1 Leased Assets (Continued)

to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or is there is a revised in substance fixed lease payments.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.1.2 Property, Plant and Equipment

3.1.2.1 Recognition and Measurement

At the initial recognition all the items in all the items Property, Plant and Equipment are recognised at cost and subsequently, stated at cost or at fair value in the case of buildings; less accumulated depreciation and accumulated impairment losses.

The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any incidental expenditure incurred in bringing the asset to its working condition for its intended use. Capital work-in-progress is transferred to the respective asset accounts when the assets are available for use. When parts of an item of property,

Notes to the Financial Statements (Continued)

3.1.2.1 Recognition and Measurement (Continued)

plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3.1.2.2 Owned Assets

The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring at the site on which they are located and borrowing cost on qualifying assets.

3.1.2.3 Subsequent Expenditure

The Cost of replacing part of an item of Property, Plant and Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of Property, Plant and Equipment are recognised in Statement of Profit or Loss and Other Comprehensive Income as incurred.

3.1.2.4 Capital Work-in-Progress.

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Capital work-in-progress transferred to the respective asset accounts at the time of first utilisation or at the time of the asset is commissioned.

Permanent land development costs incurred in making major infrastructure development and building new access roads on leasehold lands. These costs have been capitalized and amortized over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.1.2.5 Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset. The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 – “Borrowing Costs”. Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss and Other Comprehensive Income.

3.1.2.6 Revaluation

The Company revalues its buildings at least once in five years or at any shorter interval when a significant valuation adjustment becomes evident, which is measured at its fair value at the date of revaluation less any accumulated depreciation and any accumulated impairment losses. On revaluation of buildings, any increase in the revaluation amount is credited to the revaluation reserve in shareholder’s equity unless it offsets a previous decrease in value of the same asset that was recognised in the profit or loss. A decrease in value is recognised in the profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not considered in arriving at the gain or loss on disposal.

3.1.2.7 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment, since this most closely reflects the expected

Notes to the Financial Statements (Continued)

3.1.2.7 Depreciation (Continued)

pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

Category	Useful Lives (Years)
Land Improvements	40
Buildings	40
Motor Vehicles	5
Furniture and Fittings	10
Equipment and Tools	4
Water Sanitation	20
Plant and Machinery	10

Depreciation of an asset begins when it is available for use, whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.1.2.8 Derecognition

An item of Property, Plant and Equipment is de-recognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit or Loss in the year the asset is derecognised.

3.1.3 Immovable Leased Assets

3.3.1 Recognition and Measurement

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatisation of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 11 June 1992. For this purpose, the Board decided at its meeting on 8 March 1995, that these assets be stated 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.

3.1.3.2 Amortisation

Amortisation is calculated based on the useful life of the asset or the lease period whichever is lower. Amortisation is recognised in the Statement of Profit or Loss on a straight-line basis.

Notes to the Financial Statements (Continued)

3.1.3.2 Amortisation (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Category	Useful Lives (Years)
Unimproved Lease Land	53
Mature Bearer Biological Assets	
Tea	33.3
Rubber	20
Improvement to Land	30
Other Vested Assets	30
Machinery	15

3.1.3.3 Intangible Assets

An intangible asset is recognised if it is probable that economic benefits attributable to the assets will flow to the entity and cost of the assets can be measured reliably and carried at cost less accumulated amortisation and accumulated impairment losses.

3.1.3.4 Software

Purchased software is recognised as an intangible asset and is amortised on a straight-line basis over its useful life.

The estimated useful life is as follows:

Asset Category	Useful life
Computer Software	5

3.1.4 Investment Property

3.1.4.1 Recognition and Measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of the business, use in the production or supply of goods or services or administrative purposes. Investment properties are initially measured at its cost including related transactions and subsequently at fair value with any change therein recognised in profit or loss.

3.1.4.2 Derecognition

Investment properties are derecognized disposed or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on the retirement or disposal is recognised in the profit or loss in the year of retirement or disposal. Transfers are made to investment property, when there is a change in use.

When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Notes to the Financial Statements (Continued)

3.1.4.2 Derecognition (Continued)

Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

3.1.5 Biological Assets

Biological assets are classified as Bearer Biological assets and Consumable Biological assets. Bearer Biological assets include tea and rubber trees, those that are not intended to be sold or harvested but are however used to grow for harvesting agricultural produce from such Biological assets. Consumable Biological assets include managed timber trees (those that are to be sold as Biological assets).

Biological assets are further classified into Mature Biological assets and Immature Biological assets. Mature Biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature Biological assets are those that have not yet attained harvestable specifications.

3.1.5.1 Recognition and Measurement

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

The Bearer Biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property, Plant and Equipment.

The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants (age below 4 years) as the impact on biological transformation of such plants to price during this period is immaterial.

3.1.5.2 Bearer Plants

The costs of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting, fertilising and so on incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. Biological assets (Tea, Rubber fields) which comes into bearing during the year, is transferred to mature plantations. These immature plantations are shown at direct costs plus attributable overheads including interest attributable to long-term loans used for financing immature plantations.

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

3.1.5.2.1 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling are capitalised when infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance and infilling costs so capitalised are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation or unexpired lease period, whichever is lower. Infilling costs that are not capitalized have been charged to the Statement of Profit or Loss and Other Comprehensive Income in the year in which they are incurred.

Notes to the Financial Statements (Continued)

3.1.5.2.2 Depreciation

Mature Plantations (Replanting and New Planting) are depreciated on a straight-line basis over the expected period of their commercial harvesting or the lease period, whichever is less.

The estimated useful lives of significant items of Bearer Biological Assets are as follows:

Category	Useful Lives (Years)
Tea	33.3
Rubber	20
Cinnamon	25

No depreciation is provided for Immature Plantations.

3.1.5.3 Biological Assets at Fair Value

Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees of the estates of the Company are measured on initial recognition at cost and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41– “Agriculture”.

The cost of young plants which are below 4 years is treated as an approximation to the fair value as the impact on biological transformation of such plants to price is immaterial.

The fair value of timber trees is measured using discounting cash flows method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

3.1.5.3.1 Non- harvested Produce crop on Bearer Biological Assets

The Company recognizes its agricultural produce prior to harvest separately from its bearer plant. Such agricultural produce prior to harvest continues to be in the scope of LKAS 41 and is measured at fair value less costs to sell. Changes in the fair value of such agricultural produce are recognised in profit or loss at the end of each reporting period.

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows,

Tea-Three days’ crop (50% of 6 days cycle)

Rubber-One day’s crop (50% of 2 days cycle)

The value of the unharvested green leaves is measured using the Tea Commissioner’s formula for bought leaf and rubber crop is fair valued using RSS prices.

Notes to the Financial Statements (Continued)

3.1.6 Financial Instruments

3.1.6.1 Recognition and Initial Measurement

Trade receivables and debt securities issued 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.

3.1.6.2 Classification and subsequent measurement

3.1.6.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised 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 amortised 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.

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.

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 realizing 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.

Notes to the Financial Statements (Continued)

3.1.6.2.1 Financial Assets (Continued)

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

a) Subsequent measurement and gains and losses:

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 derecognition is recognised in 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.

3.1.6.2.2 Financial Liabilities

(i) Classification, subsequent measurement and gain and loss

Financial liabilities are classified as measured at amortised cost. 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 derecognition is also recognised in profit or loss.

3.1.6.3 Derecognition

3.1.6.3.1 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.

3.1.6.3.2 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 derecognition 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.

Notes to the Financial Statements (Continued)

3.1.6.4 Impairment- Financial Assets

3.1.6.4.1 Financial Instruments

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 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 realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

For individual customers, the Company has a policy of writing off the gross carrying amount as approved by the Board of Directors 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. Evidence of impairment included a significant or prolonged decline in its fair value below its cost.

3.1.6.5.2 Impairment of Non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the assets recoverable amount. An assets recoverable amount is the higher of an assets value in use and its fair value less cost to sell and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Notes to the Financial Statements (Continued)

3.1.6.5.2 Impairment of Non-Financial assets (Continued)

Impairment loss is recognised in the Statement of Profit or Loss in those expenses' categories consistent with the function of the impaired asset.

3.1.7 Inventories

3.1.7.1 Agricultural Produce after further processing

Further processed output of Agricultural Produce is valued at the lower of cost and estimated net realisable value, after making due allowances for obsolete and slow-moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

3.1.7.2 Input Material, Consumables and Spares

Valued at actual cost on weighted average basis.

3.1.7.3 Growing Crop Nurseries

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

3.1.8 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realise inclusive of provisions for bad and doubtful debts. Other receivables and dues from related parties are recognised at cost less provision for bad and doubtful receivables.

3.1.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, call deposits, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the Statement of Cash Flows.

3.2 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from Statement of Financial Position date. Non-current liabilities are those balances that fall due for payment after one year from Statement of Financial Position date. All known liabilities have been accounted for in preparing these Financial Statements.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.2.1 Employee Benefits

3.2.1.1 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

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

Notes to the Financial Statements (Continued)

3.2.1.1 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund (Continued)

The Company contributes 12% of gross emoluments of the employees to Employees' Provident Fund (EPF)/Estate Staff Provident Society (ESPS).

All of the employees are eligible for Employees' Trust Fund to which the Company contributes 3% of gross emoluments of such employees.

3.2.1.2 Defined Benefit Plan - Retirement Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The valuation is performed annually by a qualified actuary using the projected unit credit method as recommended by Sri Lanka Accounting Standards No 19 - 'Employee Benefits'

The Company recognises all actuarial gains and losses arising from defined benefit plans directly in the other comprehensive income and all expenses related to defined benefit plan in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

The key assumptions used in determining the Retirement Benefit Obligations are given in Note 32.

3.2.2 Contingent Liabilities

The Company does not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognized because it cannot be measured reliably.

3.2.3 Deferred Income

3.2.3.1 Government Grants and Subsidies

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

Notes to the Financial Statements (Continued)

3.2.3.1 Government Grants and Subsidies (Continued)

Grants related to Property, Plant and Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant and Equipment. Grants received for forestry are initially deferred and credited to Statement of Profit or Loss and Other Comprehensive Income at once when the related blocks of trees are harvested.

3.2.4 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired on ordinary course of business from Suppliers. Trade and other payables are stated at cost.

3.3 Ordinary Shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

3.4 Statement of Profit or Loss and Other Comprehensive Income

For the purpose of presentation of the Statement of Profit or Loss and Other Comprehensive Income the Directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted in line with the provisions of LKAS 1- "Presentation of Financial Statements".

3.4.1 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over goods to a customer.

The Company generates revenue primarily from the sale of tea, rubber, coconut, cinnamon and other agricultural produce. The revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue. The Company recognises revenue when it transfers control over good or service to a customer. The Company considers sale of tea, rubber, coconut, cinnamon and other agricultural produce as one performance obligation and recognises revenue when it transfers control to the customer.

3.4.1.1 Disaggregation of revenue

SLFRS 15 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Company's revenue comprises of sale of tea, rubber, and other agricultural produce and no disaggregation is required.

3.4.1.2 Sale of Goods

Revenue from the sale of goods in the course of ordinary activities is measured at invoice value net of brokerage, sale expenses and other levies related to revenue. Revenue from sale of goods is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

3.4.1.3 Interest Income

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

Notes to the Financial Statements (Continued)

3.4.1.4 Rental income

Rental income arising from operating leases is recognised on an accrual basis.

3.4.1.5 Gain and Losses on Disposal

Gains and losses on disposal of an item of Property, Plant and Equipment are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant and Equipment and are recognised within other operating income in the Statement of Profit or Loss.

3.4.2 Expenditure Recognition

3.4.2.1 Operating Expenses

All expenses incurred in the day-to-day operations of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to the Statement of Profit or Loss and Other Comprehensive Income in arriving at the profit/(loss) for the year. Provision has also been made for impairment of non-financial assets, slow-moving stocks, overgrown nurseries, all known liabilities and depreciation on property, plant and equipment.

3.4.2.2 Finance Cost

Finance costs comprise interest expense on external borrowings and related party loans and payments made under lease agreements. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.4.2.3 Income Tax Expense

Income Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or OCI.

The company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for the under LKAS 37 provision, contingent liabilities, and contingent assets.

3.4.2.3.1 Current Taxes

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability taxes arising from the tax on dividend income.

Current tax assets and liabilities are offset only if certain criteria are met.

3.4.2.3.2 Deferred Taxation

Deferred taxation is recognised using the Balance Sheet liability method, in respect of 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 nor taxable profit or loss.

Notes to the Financial Statements (Continued)

3.4.2.3.2 Deferred Taxation (Continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflect uncertainty related to income taxes, if there is any.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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.

Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method". Interest paid is classified as operating cash flows, interest received and dividends received are classified as investing cash flows while dividend paid and Government grants received are classified as financing cash flows for the purpose of presentation of the Statement of Cash Flows.

3.6 Segmental Reporting

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

Revenue and Expenditure directly attributable to each segment are allocated to the respective segments. Revenue and Expenditure not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible. Unallocated items comprise mainly income accrued and expenses incurred at Head office level.

Assets and Liabilities directly attributable to each segment are allocated to the respective segments. Assets and Liabilities which are not directly attributable to a segment are allocated on a reasonable basis wherever possible.

The activities of the segments are described in the Note 45 to the Financial Statements.

3.7 Related Party Transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - 'Related Party Disclosures'. The pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated customers.

According to LKAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the board of directors (including executive and non-executive directors) and their immediate family members have been classified as key management personnel of the Company.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective director for more than 50% of his/her financial needs.

Notes to the Financial Statements (Continued)

3.8 Earnings per Share

The Company presents Earnings per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.9 Events after the Reporting Date

All material events after the reporting date have been considered and where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the company has not early adopted any of the new or amended standards in the preparation of these financial statements.

Accounting Standards (SLFRSs/LKASs) which will become applicable for financial periods beginning on 1 January 2025.

Accordingly, the Company has not applied these standards in preparing these Financial Statements.

- **SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information**
- **SLFRS S2 – Climate Related Disclosure**

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

5. REVENUE	2024 Rs.	2023 Rs.
5.1 Revenue Streams		
Revenue from Contracts with Customers – Sale of Goods	4,841,854,427	4,129,861,890
Total Revenue	4,841,854,427	4,129,861,890
5.2 Disaggregation of Revenue from Contracts with Customers		
The Company generate its revenue locally and the following is the revenue from contracts with customers disaggregated by the timing of revenue recognition.		
Timing of Revenue Recognition		
Goods transferred at point in time	4,841,854,427	4,129,861,890
Total Revenue	4,841,854,427	4,129,861,890
6. INDUSTRY SEGMENT	2024 Rs.	2023 Rs.
6.1 Revenue		
Tea	4,390,210,908	3,783,092,903
Rubber	451,643,519	346,768,987
	4,841,854,427	4,129,861,890
6.2 Cost of Sales		
Tea	(3,484,018,173)	(3,211,129,121)
Rubber	(489,882,935)	(541,489,725)
	(3,973,901,108)	(3,752,618,846)
6.3 Gross Profit/ (Loss)		
Tea	906,192,735	571,963,782
Rubber	(38,239,416)	(194,720,738)
	867,953,319	377,243,044
7. OTHER INCOME	2024 Rs.	2023 Rs.
Rent Income	83,028,836	73,163,569
Amortisation of Government Grants (Note 34)	8,773,407	9,213,681
Subsidy Received	3,223,797	4,819,847
Gain on Disposal of Property, Plant and Equipment	3,300,000	6,350,000
Sale of Rubber Trees	1,825,573	940,500
Gain from Sundry Projects	16,180,862	26,941,589
Change in Fair Value of Investment Properties (Note 18)	56,008,041	35,648,228
	172,340,516	157,077,414

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

8. GAIN ON CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS	2024 Rs.	2023 Rs.
Fair Value Gain/ (Loss) on Produce on Bearer Plants (Note 20.2)	2,869,305	(4,651,725)
Fair Value Gain on Consumable Biological Assets (Note 20.1)	370,342,013	405,689,385
	373,211,318	401,037,660
9. OTHER EXPENSES	2024 Rs.	2023 Rs.
Impairment of Immature Plantations (Note 19.1.1)	104,746,345	85,790,465
Write-Off of Bearer Biological Assets (Note 19.1)	-	9,336,256
Provision for/ Write-Off of Other Receivables (Note 23.1)	1,939,555	984,260
Write-Off of Obsolete Inventories	-	2,563,996
Provision For Obsolete and Slow Moving Inventories (Note 22.1)	800,999	963,114
	107,486,899	99,638,091
10. NET FINANCE COSTS	2024 Rs.	2023 Rs.
Finance Income		
Interest Income on Fixed Deposit and Saving Deposits	1,832,684	5,100,942
Interest Income on Distress Loan	112,069	92,634
	1,944,753	5,193,576
Finance Costs		
Interest on Loans from Melstacorp PLC	69,943,237	216,351,482
Interest on Bank Overdrafts	23,552,000	59,135,600
Interest on Lease Liability to SLSPC/JEDB (Note 35.1)	64,562,350	52,747,397
	158,057,587	328,234,479
Net Finance Costs	(156,112,834)	(323,040,903)
11. PROFIT BEFORE TAXATION	2024 Rs.	2023 Rs.
<i>Profit before taxation is stated after charging all the expenses including the followings;</i>		
Directors' Remuneration	1,171,875	-
Auditors' Remuneration		
-Audit Services	5,900,000	5,225,000
-Non- Audit Services	1,082,250	715,344
Depreciation / Amortization		
- Right of Use Assets (Note 14.1)	21,406,059	16,958,003
- Immovable Leased Assets (Note 15)	16,968	6,452,789
- Property, Plant and Equipment (Note 16)	109,497,502	107,195,092
- Intangible Assets (Note 17)	572,889	567,825
- Bearer Biological Assets (Note 19.2)	93,674,429	94,913,766
Personnel Costs		
- Salaries and Wages	1,968,908,317	1,615,090,442
- Defined Benefit Plan Costs - Retiring Gratuity (Note 32)	173,588,181	213,337,099
- Defined Contribution Plan Cost - EPF / CPPS / ESPS and ETF	203,909,559	187,594,113
- Surcharges on EPF / ETF/ ESPS / Gratuity Payable	3,926,075	3,333,324

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

12. INCOME TAX EXPENSE	2024 Rs.	2023 Rs.
12.1 Amounts Recognised in Profit or Loss		
Current Tax Expense		
Income Tax Charge for the Year (Note 12.3)	-	-
Over Provision with Respect of Previous Years	-	-
	-	-
Deferred Tax Expense		
Deferred Tax Charge Recognised in Profit or Loss (Note 33)	215,984,888	285,781,698
	215,984,888	285,781,698
12.2 Amounts Recognised in Other Comprehensive Income		
Deferred Tax Charge on Revaluation Surplus	-	7,850,996
Deferred Tax on Actuarial (Loss)/ Gain on Retirement Benefit Obligation (Note 33.1)	(69,638,067)	10,765,278
	(69,638,067)	18,616,274

In accordance with the provisions of the Inland Revenue (Amendment) Act No. 45 of 2022, the Company has calculated its profits from both the “Agro processing” and “Investment income” for the year ended on 31 December 2024, applying the standard tax rate of 30%.

Profit from the business of “Agro farming” was exempted from income tax until 2023/24 under the Inland Revenue (Amendment) Act No. 45 of 2022.

12.3 Reconciliation of Accounting Profit to Taxable Income	2024 Rs.	2023 Rs.
Profit before taxation	957,200,526	354,850,930
Less: Income from other sources	(1,944,753)	(5,193,576)
Add: Disallowable Expenses	761,064,490	2,748,846,777
Less: Non-Taxable Income	(250,520,143)	(483,239,404)
Less: Allowable Expenses	(702,348,267)	(98,043,464)
Less: Exempt Income	-	(1,670,851,503)
Business Income	763,451,853	846,369,760
Investment Income	1,944,753	5,193,576
Less: Tax loss utilized for the year (Note 12.4)	(765,396,607)	(851,563,336)
Taxable Income	-	-
Income Tax Expense	-	-

Notes to the Financial Statements (Continued)

For the Year Ended 31 December

12. INCOME TAX EXPENSE (CONTINUED)	2024 Rs.	2023 Rs.
12.4 Accumulated Tax Losses		
Tax Losses Brought Forward	881,369,013	3,574,292,981
Adjustments due to Finalization of Prior Year Taxes	318,557,882	(1,841,360,632)
Utilization of Tax Losses During the Year	(765,396,607)	(851,563,336)
Tax Losses Expired During the year	(261,471,743)	-
Tax Losses Carried Forward	173,058,545	881,369,013

13 Earnings Per Share and Dividend Per Share

13.1 Basic Earnings Per Share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders for the year divided by weighted-average number of ordinary shares outstanding during the year and calculated as follows.

	2024	2023
Profit attributable to ordinary shareholders (Rs.)	741,215,638	69,069,232
Weighted average number of ordinary shares (Nos.)	47,272,727	46,625,155
Basic Earnings per Share (Rs.)	15.68	1.48

13.1.1 Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share shown above.

13.2 Dividend per Share	2024	2023
	Per Share Rs.	Total Rs.
Dividend Paid	-	94,545,452
	-	94,545,452

14. RIGHT OF USE ASSETS	2024 Rs.	2023 Rs.
Right of Use - Land (Note 14.1)	455,941,502	398,965,728
	455,941,502	398,965,728
14.1 Right of Use - Land		
Capitalised Value : As at 11 June 1992	625,183,607	477,056,623
Remeasurement during the year	78,381,833	148,126,984
Balance as at 31 December	703,565,440	625,183,607
Accumulated Amortisation		
Balance as at 1 January	226,217,879	209,259,876
Amortisation Charge for the Year	21,406,059	16,958,003
Balance as at 31 December	247,623,938	226,217,879
Carrying Amount as at 31 December	455,941,502	398,965,728

The Right of Use - Lands consist of the lease rights on Janatha Estates Development Board / Sri Lanka State Plantations Corporation Estates. Leases have been executed for a period of 53 years. All of these leases are retroactive to 11 June 1992 the date of formation of the Company. The leasehold right to the land on all of these estates have been taken into the books of the Company on 11 June 1992 immediately after formation of the Company, in terms of the ruling obtained from the Urgent Issues Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka.

Notes to the Financial Statements (Continued)

As at 31 December

14. RIGHT OF USE ASSETS (CONTINUED)

14.1 Right of Use - Land (Continued)

14.1.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka

The Government of Sri Lanka has initiated actions under provisions of the Land Acquisition Act No.28 of 1964, to acquire lands from lands leased to the Company in Agarsland Estate, Cecilton Estate, Rasagalla Estate, Non Pareil Estate, Rye Wikiliya Estate and Balangoda Estate located in Balangoda region; Mutuwagala Estate, Palmgarden Estate, Millawitiya Estate, Galathura Estate and Rambukkanda Estate located in Ratnapura region, and Glen Alpin Estate, Telebedde Estate, Ury Estate and Wewesse Estate located in Badulla region.

The Government of Sri Lanka has already acquired a total land extent of 198.50 hectares (refer Note A below) and also there are no lands in the process of acquiring as at 31 December 2024 (refer Note B below).

(A) List of lands acquired by the Government as at 31 December 2024

Region	Estate	Purpose of Acquisition	Extent (Hectares)
Balangoda	Cecilton Estate	Expansion of an Village	7.21
Balangoda	Non Perial Estate	Construction of R/Non Paeril Tamil Vidyalaya	0.81
Balangoda	Non Perial Estate	Construction of Army camp	36.18
Balangoda	Non Perial Estate	Construction of R/Karagastalawa Maha Vidyalaya	1.21
Balangoda	Non Perial Estate	Widening of Road	0.38
Balangoda	Non Perial Estate	Widening of Road	0.30
Balangoda	Non Perial Estate	Village Alienation	12.09
Balangoda	Agarsland Estate	Construction of R/Wellawala Mukalana Tamil School	0.81
Balangoda	Agarsland Estate	Village Alienation	6.79
Balangoda	Rasagalla Estate	Village Alienation	7.87
Balangoda	Rasagalla Estate	Village Alienation	4.34
Balangoda	Rasagalla Estate	Village Alienation	2.37
Balangoda	Rasagalla Estate	Construction of Estate Hospital – Rasagalla	0.81
Balangoda	Rye Wikiliya Estate	Construction of Balangoda Pinnawala Police Station	1.00
Balangoda	Rye Wikiliya Estate	Village Alienation	2.02
Ratnapura	Mutuwagala Estate	Construction of North Karadana Police Post	0.06
Ratnapura	Palmgarden Estate	Construction of an Industrial Estate	34.49
Ratnapura	Palmgarden Estate	Village Alienation	5.26
Badulla	Glen Alpin Estate	Expansion of Uva Wellassa University	10.10
Badulla	Glen Alpin Estate	Construction of an Industrial Zone	9.49
Badulla	Telbedde Estate	Construction of a Lake	1.62
Badulla	Ury Estate	Village Alienation	2.90
Badulla	Wewesse Estate	Expansion of Uva Wellassa University	17.81
Ratnapura	Galathura Estate	Construction of Houses for Flood Victims	1.18
Ratnapura	Millawitiya Estate	Village Alienation	11.86
Ratnapura	Mutuwagala Estate	Village Alienation	4.90
Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	3.49
Ratnapura	Rambukkanda Estate	Construction of Houses for Flood Victims	4.78
Balangoda	Balangoda Estate	Build a Mini Hydro Project	0.66
Badulla	Ury Estate	Construction of Peradeniya Badulla Highway	0.01
Badulla	Wewesse Estate	Construction of Peradeniya Badulla Highway	2.91
Badulla	Telbedde Estate	Construction of a Rural Hospital	0.37
Badulla	Glen Alpin Estate	Relocation of Diyanaglla Tamil School	0.40
Ratnapura	Palmgarden Estate	Relocation Rathnapura Tamil Maha Vidyalaya	2.02
			198.50

Notes to the Financial Statements (Continued)

As at 31 December

14. RIGHT OF USE ASSETS (CONTINUED)

14.1 Right of Use - Land (Continued)

14.1.1 Leasehold rights to bare land of JEDB / SLSPC estate assets and immovable (JEDB / SLSPC) estate assets of finance lease acquired by the Government of Sri Lanka (Continued)

No adjustments have been made to the financial statements in respect of these lands acquired as the compensation receivable on these acquisitions are not known and the Government Valuation is pending as at 31 December 2024. Accordingly, the transactions pertaining to those acquisitions are incomplete as at 31 December 2024.

“(B) List of lands in the process of being acquired by the Government of Sri Lanka under the Land Acquisition Act as at 31 December 2024”

There are no lands in the process of being acquired by the Government of Sri Lanka under the Land Acquisition Act as at 31 December 2024.

15. IMMOVABLE LEASED ASSETS

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 11 June 1992. For this purpose, the Board of Directors of the Company decided, that these assets be stated 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 Statement of Financial Position as at 11 June, 1992 and amortisation of immovable leased assets to 31 December 2024 are as follows;

	Unimproved Lease Land Rs.	Mature Bearer Biological Assets Rs.	Improvement to Land Rs.	Other Vested Assets Rs.	Machinery Rs.	Total Rs.
Capitalised Value (11 June 1992)						
As at 1 January 2024	899,449	271,224,580	15,701,754	151,815	26,164,471	314,142,069
As at 31 December 2024	899,449	271,224,580	15,701,754	151,815	26,164,471	314,142,069
Accumulated Amortisation						
As at 1 January 2023	518,520	264,786,364	15,701,754	151,815	26,164,471	307,322,924
Amortisation for the year	16,968	6,435,821	-	-	-	6,452,789
As at 31 December 2023	535,488	271,222,185	15,701,754	151,815	26,164,471	313,775,713
As at 1 January 2024	535,488	271,222,185	15,701,754	151,815	26,164,471	313,775,713
Amortisation for the year	16,968	-	-	-	-	16,968
As at 31 December 2024	552,456	271,222,185	15,701,754	151,815	26,164,471	313,792,681
Carrying Amounts at 31 December 2023	363,961	2,395	-	-	-	366,356
Carrying Amounts at 31 December 2024	346,993	2,395	-	-	-	349,388

Notes to the Financial Statements (Continued)

As at 31 December

16. PROPERTY, PLANT AND EQUIPMENT

	Land Improvements	Buildings	Motor Vehicles	Furniture and Fittings	Equipment and Tools	Water Sanitation	Plant and Machinery -in-Progress (A)	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/ Revalued Amounts								
Balance as at 1 January 2023	118,747,903	1,267,459,114	257,391,009	11,232,620	106,417,269	60,790,825	697,901,706	2,537,872,775
Additions During the Year	-	8,910,697	23,406,658	517,340	9,271,220	-	14,678,003	56,783,918
Disposals During the Year	-	-	(11,991,250)	-	-	-	-	(11,991,250)
Transfers During the Year	-	800,000	-	2,803,486	2,578,847	-	4,318,225	(10,500,558)
Adjustment on Revaluation	-	(5,225,186)	-	-	-	-	-	(5,225,186)
Revaluation Gain During the Year	-	26,169,988	-	-	-	-	-	26,169,988
Transfers to Intangible Assets	-	-	-	-	-	-	(151,923)	(151,923)
Transfers from Investment Property	-	45,984,443	-	-	-	-	-	45,984,443
Transfers to Investment Property	-	(71,625,501)	-	-	-	-	-	(71,625,501)
Balance as at 31 December 2023	118,747,903	1,272,473,555	268,806,417	14,553,446	118,267,336	60,790,825	716,897,934	2,577,817,264
Balance as at 1 January 2024	118,747,903	1,272,473,555	268,806,417	14,553,446	118,267,336	60,790,825	716,897,934	2,577,817,264
Additions During the Year	-	6,230,890	30,842,401	-	8,930,315	-	525,000	57,942,284
Disposals During the Year	-	-	(5,463,126)	-	-	-	-	(5,463,126)
Transfers During the Year	-	-	-	-	1,200,000	-	8,063,426	-
Write off During the Year	-	-	-	-	-	-	(8,780,100)	(8,780,100)
Balance as at 31 December 2024	118,747,903	1,278,704,445	294,185,692	14,553,446	128,397,651	60,790,825	725,486,360	650,000 2,621,516,322
Accumulated Depreciation								
Balance as at 1 January 2023	71,216,260	104,580,310	218,254,983	10,946,429	92,324,322	57,373,337	508,055,677	1,062,751,318
Depreciation Charge for the Year	3,300,901	55,420,232	15,130,902	371,647	5,935,510	828,776	26,207,124	107,195,092
Transfers to Investment Property	-	-	(11,991,250)	-	-	-	-	(11,991,250)
Disposals During the Year	-	(5,225,186)	-	-	-	-	-	(5,225,186)
Balance as at 31 December 2023	74,517,161	154,775,356	221,394,635	11,318,076	98,259,832	58,202,113	534,262,801	1,152,729,974
Balance as at 1 January 2024	74,517,161	154,775,356	221,394,635	11,318,076	98,259,832	58,202,113	534,262,801	1,152,729,974
Depreciation Charge for the Year	3,211,361	53,344,909	19,264,369	386,786	7,495,216	532,845	25,262,016	109,497,502
Disposals During the Year	-	-	(5,463,126)	-	-	-	-	(5,463,126)
Balance as at 31 December 2024	77,728,522	208,120,265	235,195,878	11,704,862	105,755,048	58,734,958	559,524,817	1,256,764,350
Carrying Amounts								
As at 31 December 2023	44,230,742	1,117,698,199	47,411,782	3,235,370	20,007,504	2,588,712	182,635,133	1,425,087,290
As at 31 December 2024	41,019,381	1,070,584,180	58,989,814	2,848,584	22,642,603	2,055,867	165,961,543	650,000 1,364,751,972

(A) The Capital Work in progress balance represents the weighing project, which is ongoing at the Pettiagalla and Rasagalla Estates. As at 31 December 2024, the project remained incomplete and had not yet reached to the implementation stage.

Notes to the Financial Statements (Continued)

As at 31 December

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

16.1 Revaluation of Buildings under Property, Plant and Equipment

Buildings of the Company are stated based on a valuation performed by Mr.W.M Chandrasena, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor, as at 31 December 2020 using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc.

The fair value measurement for all of Buildings has been categorized as level 03 fair value based on the input to the valuation technique used.

The details of which are as follows,

Region	Estate	Location	Valuation of Building		No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
			2024 Rs.	2023 Rs.					
Rathnapura	Galatura	Galatura Estate, Kiriella	83,729,690	83,729,690	25	46,592	Estimated replacement cost of a Sq. Ft. adjusted for wear and tear	Rs. 700-8,000	"Positively correlated sensitivity"
Rathnapura	Mahawela	Mahawela Estate, Ratnapura	74,477,370	74,477,370	43	89,433	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 500-7,000	"Positively correlated sensitivity"
Rathnapura	Mutwagalla	Mutwagalla Estate, Kiriella	31,203,470	31,203,470	32	43,819	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 700-4,000	"Positively correlated sensitivity"
Rathnapura	Millawitiya	Millawitiya Estate, Ratnapura	9,957,537	9,957,537	14	16,686	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 600-2,700	"Positively correlated sensitivity"
Rathnapura	Palmgarden	Palmgarden Estate, Ratnapura	78,551,642	78,551,642	46	147,912	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 700-3,000	"Positively correlated sensitivity"
Rathnapura	Rambukkande	Rambukkande Estate, Ratnapura	43,834,853	43,834,853	27	44,096	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 850-7,500	"Positively correlated sensitivity"
Balangoda	Balangoda	Balangoda Estate, Balangoda	79,218,183	79,218,183	48	102,313	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,000-3,500	"Positively correlated sensitivity"

Notes to the Financial Statements (Continued)

As at 31 December

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Region	Estate	Location	Valuation of Building		No of Buildings	Extent Building (Sq. Ft.)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
			2024 Rs.	2023 Rs.					
Balangoda	Cecilton	Cecilton Estate, Balangoda	58,993,479	58,993,479	24	67,151	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 750-3,250	"Positively correlated sensitivity"
Balangoda	Meddakande	Meddakande Estate, Balangoda	56,816,679	56,816,679	37	79,985	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 700-3,000	"Positively correlated sensitivity"
Balangoda	Non Pareil	Non Pareil Estate, Belihuloya	43,912,047	43,912,047	35	67,082	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 750-4,500	"Positively correlated sensitivity"
Balangoda	Pettiagalla	Pettiagalla Estate, Balangoda	44,430,088	44,430,088	22	52,145	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,000-3,250	"Positively correlated sensitivity"
Balangoda	Rasagalla	Rasagalla Estate, Balangoda	75,775,788	69,544,898	45	100,200	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 750-3,000	"Positively correlated sensitivity"
Balangoda	Rye/Wikiliya	Rye/Wikiliya Estate, Balangoda	20,929,730	20,929,730	27	40,004	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,000-3,000	"Positively correlated sensitivity"
Balangoda	Walaboda	Walaboda Estate, Balangoda	9,292,261	9,292,261	10	12,309	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,000-3,500	"Positively correlated sensitivity"
Badulla	Cullen	Cullen Estate, Badulla	16,517,550	16,517,550	22	24,480	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 600-4,500	"Positively correlated sensitivity"
Badulla	Gowerakelle	Gowerakelle Estate, Badulla	14,140,847	14,140,847	20	27,709	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,500-2,500	"Positively correlated sensitivity"
Badulla	Glen Alpin	Glen Alpin Estate, Badulla	106,926,463	106,926,463	61	129,988	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 600-3,000	"Positively correlated sensitivity"

Notes to the Financial Statements (Continued)

As at 31 December

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Region	Estate	Location	Valuation of Building		No of Buildings	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
			2024	2023					
			Rs.	Rs.					
Badulla	Spring Valley	Spring Valley Estate, Badulla	148,483,468	148,483,468	76	193,989	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 500-3,500	"Positively correlated sensitivity"
Badulla	Telbedde	Telbedde Estate, Badulla	106,482,761	106,482,761	80	151,870	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 700-3,000	"Positively correlated sensitivity"
Badulla	Ury	Ury Estate, Badulla	105,888,553	105,888,553	52	136,174	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 700-3,500	"Positively correlated sensitivity"
Badulla	Wewesse	Wewesse Estate, Badulla	69,141,986	69,141,986	43	91,390	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 500-3,200	"Positively correlated sensitivity"
Total			1,278,704,445	1,272,473,555	789	1,665,307			

16.1.1 The carrying amount of revalued buildings if they were carried at cost less depreciation is Rs. 177,279,758 as at 31 December 2024 (2023: Rs 185,721,652)

16.1.2 Sensitivity of the Company's buildings stated at valuation are indicated below.

Total buildings sensitivity on per square feet		
	+5% Value as stand	-5%
	Rs.	Rs.
Buildings	1,342,639,667	1,214,769,223
	1,342,639,667	1,214,769,223

Notes to the Financial Statements (Continued)

As at 31 December

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2024	2023
	Rs.	Rs.
16.2 Fully Depreciated Assets The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at the reporting date are as follows.		
Land Improvements	8,310,502	4,728,923
Motor Vehicles	185,601,625	192,306,985
Furniture and Fittings	10,685,582	10,659,082
Equipment and Tools	91,137,401	91,137,401
Water Sanitation	50,149,416	44,230,810
Plant & Machinery	464,540,275	440,405,228
	810,424,801	783,468,429
17. INTANGIBLE ASSETS	Computer Software	Total
	Rs.	Rs.
Cost		
Balance at 1 January 2023	2,916,522	2,916,522
Additions During the Year	151,923	151,923
Balance at 31 December 2023	3,068,445	3,068,445
Balance at 1 January 2024	3,068,445	3,068,445
Balance at 31 December 2024	3,068,445	3,068,445
Accumulated Amortization		
Balance at 1 January 2023	1,244,754	1,244,754
Amortisation During the Year	567,825	567,825
Balance at 31 December 2023	1,812,579	1,812,579
Balance at 1 January 2024	1,812,579	1,812,579
Amortisation During the Year	572,889	572,889
Balance at 31 December 2024	2,385,468	2,385,468
Carrying Amounts		
At 31 December 2023	1,255,866	1,255,866
At 31 December 2024	682,977	682,977

- 17.1** Intangible assets consist of the cost incurred to acquire and install the accounting system of the company, "Olax" and the cost incurred to acquire a computerised forestry management system.

Notes to the Financial Statements (Continued)

As at 31 December

18. INVESTMENT PROPERTIES	2024	2023
	Rs.	Rs.
Cost		
Building		
Balance as at 1 January	452,755,391	389,051,335
Transfer from Property Plant and Equipment	-	71,625,501
Transfer to Property Plant and Equipment	-	(45,984,443)
Additions During the Year	-	2,414,770
Change in Fair Value	56,008,041	35,648,228
Balance as at 31 December	508,763,432	452,755,391

Investment property reflects the tea factories in Gowerakelle Estate, Mutuwagala Estate, Millawitiya Estate, Palmgarden Estate, Rye/ Wikiliya Estate, Agarsland Estate, Nagrak Bungalow in Non Perieil Estate and Restaurant in Palmgarden Estate.

18.1 Income from Investment Properties	2024	2023
	Rs.	Rs.
Rent Income from Investment Properties	54,017,730	40,875,657
	54,017,730	40,875,657

The Company has incurred Rs.2,401,110/- (2023: Rs.2,342,231/-) as insurance expenses on these properties during the year ended 31 December 2024.

18.2 Sensitivity of the Company's buildings stated at valuation are indicated below.

	Total buildings sensitivity on per square feet		
	+5%	Value as stand	-5%
	Rs.	Rs.	Rs.
Buildings	534,201,604	508,763,432	483,325,260
	534,201,604	508,763,432	483,325,260

18.3 Valuation of Investment Properties

Investment Properties of the Company are stated at fair value as at 31 December 2024 based on a valuation performed by Mr.W.M Chandrasena, R I C S (Sri Lanka) an external, independent Chartered Valuation Surveyor using Depreciation Replacement Cost method. This reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost) and discounted for the age, condition, refurbishment level of maintenance etc.

Notes to the Financial Statements (Continued)

As at 31 December

18. INVESTMENT PROPERTIES (CONTINUED)

18.3 Valuation of Investment Properties (Continued)

The fair value measurement for all of Buildings has been categorized as level 03 fair value based on the input to the valuation technique used. The details of which are as follows,

Region	Estate	Location and Property Type	Fair Value 2024 Rs.	Fair Value 2023 Rs.	Extent Building (Sq. Ft)	Significant Unobservable Inputs	Range of estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Rathnapura	Mutwagalla	Tea Factory- Mutwagalla Estate, Kiriella	61,098,370	53,323,194	41,366	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500-5,000	"Positively correlated sensitivity"
Rathnapura	Millawitiya	Tea Factory- Millawitiya Estate, Rathnapura	44,505,330	45,717,589	28,655	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,000-5,000	"Positively correlated sensitivity"
Rathnapura	Palmgarden	Restaurant - Palmgarden Estate, Rathnapura	14,992,994	8,517,585	7,425	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500-5,000	"Positively correlated sensitivity"
Balangoda	Rye/Wikiliya	Tea Factory- Rye/Wikiliya Estate, Balangoda	221,387,224	185,488,837	139,052	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,800-5,500	"Positively correlated sensitivity"
Badulla	Gowerakelle	Tea Factory- Gowerakelle Estate, Badulla	81,080,107	74,929,510	37,030	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 4,200-5,200	"Positively correlated sensitivity"
Balangoda	Non-Periel	Holiday Bungalow - Non-Periel Estate, Balangoda	13,884,035	13,153,172	4,645	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 7,000	"Positively correlated sensitivity"
Rathnapura	Palmgarden	Tea Factory - Palmgarden Estate, Rathnapura	52,691,424	53,230,561	38,036	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 1,200-5,500	"Positively correlated sensitivity"
Balangoda	Agarsland	Tea Factory - Agarsland Estate, Rasagalla, Balangoda	19,123,948	18,394,943	19,228	Estimated replacement cost per Sq. Ft. adjusted for wear and tear	Rs. 2,500-3,800	"Positively correlated sensitivity"
Total			508,763,432	452,755,391				

Notes to the Financial Statements (Continued)

As at 31 December

19. BEARER BIOLOGICAL ASSETS	2024				2023			
	Tea Rs.	Rubber Rs.	Others Rs.	Total Rs.	Tea Rs.	Rubber Rs.	Others Rs.	Total Rs.
19.1 Immature Plantations								
Cost								
Balance as at 1 January	74,143,577	1,023,294,359	27,562,921	1,125,000,857	62,103,477	1,038,030,491	23,622,073	1,123,756,041
Additions During the Year	17,086,499	28,091,224	9,526,418	54,704,141	29,240,310	53,950,100	14,170,129	97,360,539
Transfers to Mature During the Year	-	(42,824,219)	-	(42,824,219)	(17,200,210)	(68,686,232)	(10,025,142)	(95,911,584)
Write-Off During the Year	-	-	-	-	-	-	(204,139)	(204,139)
	91,230,076	1,008,561,364	37,089,339	1,136,880,779	74,143,577	1,023,294,359	27,562,921	1,125,000,857
Provision for Impairment (Note 19.1.1)	-	(860,549,984)	(4,430,310)	(864,980,294)	-	(760,233,949)	-	(760,233,949)
Balance as at 31 December	91,230,076	148,011,380	32,659,029	271,900,485	74,143,577	263,060,410	27,562,921	364,766,908
19.1.1 Provision for Impairment of Immature Plantations								
Balance as at 1 January	-	760,233,949	-	760,233,949	-	674,443,484	-	674,443,484
Impairment Charge For the Year	-	100,316,035	4,430,310	104,746,345	-	85,790,465	-	85,790,465
Balance as at 31 December	-	860,549,984	4,430,310	864,980,294	-	760,233,949	-	760,233,949

The Company has performed an impairment assessment on immature biological assets - rubber and identified that some of rubber trees located in new planting fields are non existing and / or untappable. Accordingly, the management has performed a calculation of provision for impairment on such rubber immature fields based on the costs incurred after considering the recoverable amount of untappable trees based on fair value less cost to sell.

As a result, the Company has recognised an impairment provision of Rs. 864,980,294 as at 31 December 2024 (2023: Rs. 760,233,949).

Notes to the Financial Statements (Continued)

As at 31 December

19. BEARER BIOLOGICAL ASSETS (CONTINUED)	2024				2023			
	Tea Rs.	Rubber Rs.	Others Rs.	Total Rs.	Tea Rs.	Rubber Rs.	Others Rs.	Total Rs.
19.2 Mature Plantations								
Cost								
Balance as at 1 January	490,295,170	1,707,356,850	68,082,913	2,265,734,933	473,094,960	1,638,670,618	73,267,622	2,185,033,200
Transfers During the Year	-	42,824,219	-	42,824,219	17,200,210	68,686,232	10,025,142	95,911,584
Write-off During the Year	-	-	-	-	-	-	(15,209,851)	(15,209,851)
Balance as at 31 December	490,295,170	1,750,181,069	68,082,913	2,308,559,152	490,295,170	1,707,356,850	68,082,913	2,265,734,933
Accumulated Depreciation								
Balance as at 1 January	212,924,940	660,450,239	16,936,431	890,311,610	196,741,387	584,726,176	20,008,015	801,475,578
Depreciation During the Year	16,191,396	74,513,618	2,969,415	93,674,429	16,183,553	75,724,063	3,006,150	94,913,766
Write-off During the Year	-	-	-	-	-	-	(6,077,734)	(6,077,734)
Balance as at 31 December	229,116,336	734,963,857	19,905,846	983,986,039	212,924,940	660,450,239	16,936,431	890,311,610
Carrying Amount of Mature Plantations	261,178,834	1,015,217,212	48,177,067	1,324,573,113	277,370,230	1,046,906,611	51,146,482	1,375,423,323
Total Bearer Biological Assets	352,408,910	1,163,228,592	80,836,096	1,596,473,598	351,513,807	1,309,967,021	78,709,403	1,740,190,231

Notes to the Financial Statements (Continued)

As at 31 December

20. CONSUMABLE BIOLOGICAL ASSETS	2024	2023
	Rs.	Rs.
Mature Plantations (Note 20.1)	3,366,849,374	2,995,452,585
	3,366,849,374	2,995,452,585
20.1 Consumable Biological Assets- Mature Plantations		
Balance as at 1 January	2,995,452,585	2,586,879,439
Increase due to New Planting	1,054,776	2,883,761
	2,996,507,361	2,589,763,200
Gain arising from Changes in Fair Value	370,342,013	405,689,385
Balance as at 31 December	3,366,849,374	2,995,452,585

20.1.1 Measurement of Fair Value

The valuation of consumable biological assets was carried by Mr. W.M Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flows (DCF) methods. The Valuation Report dated 31 December 2024 has been prepared based on the physically verified timber statistics provided by the Company.

The future cash flows are determined by reference to current timber prices.

The fair value measurement for the consumable biological assets has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

Notes to the Financial Statements (Continued)

As at 31 December

20. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

20.1 Consumable Biological Assets - Mature Plantations (Continued)

20.1.2 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques used in measuring Level 3 fair value of consumable biological assets as well as the significant unobservable inputs used for the valuation as at 31 December 2024.

Type	Valuation technique used	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing Timber	Discounted cash flows	Determination of Timber Content	
Standing timber older than 4 years.	The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis.	Timber trees in inter-crop areas and pure crop areas have been identified field-wise and species were identified and harvestable trees were separated, according to their average girth and estimated age. Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.	The estimated fair value would increase/(decrease) if; <ul style="list-style-type: none"> - the estimated timber content were higher/(lower). - the estimated timber prices per cubic foot were higher/(lower).
	Expected cash flows are discounted using a risk-adjusted discount rate of 16.5% (2023: 17%)	Determination of Price of Timber Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of logs sawn timber at the popular timber traders in Sri Lanka.	<ul style="list-style-type: none"> - the estimated selling related costs were lower/(higher).
		In this exercise, following factors have been taken into consideration. <ul style="list-style-type: none"> a) Cost of obtaining approval of felling. b) Cost of felling and cutting into logs. c) Cost of transportation. d) Sawing cost. e) Cost of sale. 	<ul style="list-style-type: none"> - the estimated maturity age were (higher)/lower. - the risk-adjusted discount rate were lower/(higher).
		Accordingly, prices falling within the range of Rs. 150 - 50,000 per cubic ft./ per tree has been considered in the valuation.	
		f) Exclusion of trees located in restricted area specialized in the circular no 2019/01 dated on 6 November 2019 issued by the Ministry of Plantation Industries.	
		Risk-adjusted discount rate.	
		2024 - 16.5% (Risk Premium 4.5%)	
		2023 - 17% (Risk Premium 3.5%)	

Notes to the Financial Statements (Continued)

As at 31 December

20. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

20.1 Consumable Biological Assets- Mature Plantations (Continued)

20.1.3 Sensitivity Analysis

(a) Sensitivity Variation on Sales prices

Values as appearing in the statement of financial position are sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that an increase or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

	-10%	2024	+10%
	Rs.	Rs.	Rs.
Timber	3,030,164,437	3,366,849,374	3,703,534,311
Total	3,030,164,437	3,366,849,374	3,703,534,311

(b) Sensitivity Variation on Discount Rate

Values as appearing in the statement of financial position are sensitive to changes of the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	-1%	2024	+1%
	Rs.	Rs.	Rs.
Timber	3,578,820,552	3,366,849,374	3,173,223,526
Total	3,578,820,552	3,366,849,374	3,173,223,526

20.1.4 The Company is exposed to the following risks relating to its timber plantation

(a) 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 the management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

(b) Supply and Demand Risks

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.

(c) Climate and Other Risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

Notes to the Financial Statements (Continued)

As at 31 December

20. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)	2024	2023
	Rs.	Rs.
20.2 Produce on Bearer Biological Assets		
Balance at 1 January	5,296,369	9,948,094
Change in Fair Value less Cost to Sell	2,869,305	(4,651,725)
Balance at 31 December	8,165,674	5,296,369

The volume of produce growing on bearer plants are measured using the estimated crop of the last harvesting cycle of the year as follows

Tea – Three days crop (50% of 6 days cycle)

Rubber - One Day Crop (50% of 2 days cycle)

Produce that grows on mature bearer plantations are measured at fair value less cost to sell. The value of the unharvested green leaves is measured using the Tea Commissioner's formula for bought leaf and rubber crop is fair valued using Rubber Smoked Sheets (RSS) prices.

21. FINANCIAL ASSETS MEASURED AT FVOCI	2024		2023	
	No. of Shares	Fair Value	No. of Shares	Fair Value
		Rs.		Rs.
Quoted Equity Investments in Ordinary Shares				
National Development Bank PLC	6,554	742,241	6,358	408,935
	6,554	742,241	6,358	408,935

The Company designated the investment shown above as equity securities at Fair value through other comprehensive income because these equity securities represent investment that the Company intends to hold for medium to long term for strategic purpose.

No strategic investments were disposed during the year ended 31 December 2024, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

22. INVENTORIES	2024	2023
	Rs.	Rs.
Nurseries	4,412,339	931,386
Harvested Crops	484,970,486	439,728,504
Input Stocks, Consumables and Spares	76,453,889	110,743,898
	565,836,714	551,403,788
Less: Provision for Obsolete Slow Moving Inventories (Note 22.1)	(2,485,074)	(1,684,075)
	563,351,640	549,719,713

Notes to the Financial Statements (Continued)

As at 31 December

22. INVENTORIES (CONTINUED)	2024	2023
	Rs.	Rs.
22.1 Provision For Obsolete and Slow Moving Inventories		
Balance at 1 January	1,684,075	720,961
Charge for the Year	800,999	963,114
Balance at 31 December	2,485,074	1,684,075
23. TRADE AND OTHER RECEIVABLES	2024	2023
	Rs.	Rs.
Trade Receivables	28,927,599	17,210,832
Employee Related Debtors	65,904,432	62,581,674
Other Taxes Receivable	16,247,584	10,489,699
Advances & Prepayments	2,292,108	1,542,906
Staff Loans	953,499	473,275
Other Receivables	36,225,065	40,220,319
	150,550,287	132,518,705
Less: Provision for Impairment of Other Receivables (Note 23.1)	(6,091,887)	(4,152,332)
	144,458,400	128,366,373
23.1 Provision For Impairment of Other Receivables		
Balance at 1 January	4,152,332	3,168,072
Charge for the Year	1,939,555	984,260
Balance at 31 December	6,091,887	4,152,332
24. AMOUNTS DUE FROM RELATED COMPANIES	2024	2023
	Rs.	Rs.
Madulsima Plantations PLC	-	24,019,191
Milford Exports (Ceylon) (Private) Limited	5,323,594	3,583,813
Formula World (Private) Limited	-	2,500,000
	5,323,594	30,103,004
25. CASH AND CASH EQUIVALENTS	2024	2023
	Rs.	Rs.
Favourable Balances		
Cash at Bank	40,431,161	20,955,142
Cash in Hand	2,842,323	2,909,851
	43,273,484	23,864,993
Less: Unfavourable Balances		
Bank Overdrafts	(302,057,761)	(352,537,455)
Cash and Cash Equivalents for the Purpose of Cash Flows	(258,784,277)	(328,672,462)

Notes to the Financial Statements (Continued)

As at 31 December

26. STATED CAPITAL	2024		2023	
	No. of Shares	Value of Shares Rs.	No. of Shares	Value of Shares Rs.
Balance at 1 January	47,272,727	2,359,090,865	23,636,364	350,000,010
Issue of Shares (Note 27.1)	-	-	23,636,363	2,009,090,855
Balance at 31 December	47,272,727	2,359,090,865	47,272,727	2,359,090,865

26.1 Golden Shareholder

The Golden Share has been allotted to the Secretary to the Treasury by capitalization of revaluation reserve on 1 August 1995. Articles of Association of the Company embodies the specific rights assigned to the Golden Shareholder on behalf of the State of Democratic Socialist Republic of Sri Lanka. In addition to the rights of the normal ordinary shareholders, in terms of the Articles of the Company, the Golden Shareholder has the following rights.

- The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/to be leased to the Company by the Janatha Estate Development Board/Sri Lanka State Plantation Corporation (JEDB/SLSPC).
- The concurrence of the Golden Shareholder will be required to amend any clause in the Articles of Association of the Company which grant specific rights to the Golden Shareholder.
- The Golden Shareholder, or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks written notice.
- The Company will be required to submit a detailed quarterly accounts report to the Golden Shareholder in a specified format within 60-days of the end of each quarter. Additional information relating to the Company in a specified format must be submitted to the Golden Shareholder within 90-days of the end of the each fiscal year.
- The Golden Shareholder can request the Board of Directors of the Company to meet with him/his Nominee, once every quarter to discuss issues related to the Company's operation of interest to the Government.

27. PENDING ALLOTMENT	2024	2023
	Rs.	Rs.
Balance as at 1 January	-	2,169,642,340
Pending Allotment	-	-
Issue of Shares (Note 27.1)	-	(2,009,090,855)
Refund of unaccepted shares applications (Note 27.1)	-	(160,551,485)
Balance as at 31 December	-	-

27.1 Issuing Shares (Pending Allotment) to Shareholders

With the approval of Colombo Stock Exchange on 17 October 2022, the Company has made a Right Issue of 23,636,363 ordinary shares at a price of Rs. 85 per share to the holders of the issued ordinary shares of the Company in the proportion of one new ordinary share for every existing issued ordinary share held in the capital of the Company.

The total number of shares subscribed on the right issue was 25,525,204/- and the total consideration received was Rs. 2,169,642,340/-. Upon completing the required formalities, the Company has issued 23,636,363 ordinary shares on 10 January 2023 and refunded the additional consideration of Rs. 160,551,485/- received on the over subscribed shares.

Notes to the Financial Statements (Continued)

As at 31 December

28. REVALUATION RESERVE	2024 Rs.	2023 Rs.
Balance as at 1 January	760,007,706	741,688,714
Surplus on Revaluation	-	26,169,988
Deferred Tax on Revaluation	-	(7,850,996)
Balance as at 31 December	760,007,706	760,007,706

The revaluation reserve comprise of gain arisen from the revaluation of Buildings. This reserve is realized upon the derecognition of the revalued Buildings.

29. TIMBER RESERVES

This represents the unrealized gains arising from the fair valuation of consumable biological assets (Timber plantations) until the assets are derecognized or impaired.

30. FVOCI RESERVE

This represents the cumulative net change in fair value of financial assets measured at FVOCI until the investments are derecognized or impaired.

31. INTEREST BEARING LOANS AND BORROWINGS	2024 Rs.	2023 Rs.
Balance as at 1 January	990,034,241	3,328,826,245
Interest Charge for the Year	69,943,237	216,351,482
	1,059,977,478	3,545,177,727
Repayments during the year	(927,368,421)	(2,555,143,486)
Balance as at 31 December	132,609,057	990,034,241
Maturity Analysis		
Payable within One Year	132,609,057	575,000,000
Payable after One Year and Less than Five Years	-	395,025,822
Amount Payable More than Five Years	-	20,008,419
	132,609,057	990,034,241
Lender-wise Summary		
Melstacorp PLC	132,609,057	990,034,241
	132,609,057	990,034,241

31.1 Interest Bearing Loans and Borrowings - Detailed Breakup

Name of the Lender and Rate of Interest	Nature of the Facility	Amount Outstanding as at 31 December 2024 Rs.	Amount Outstanding as at 31 December 2023 Rs.	Terms of Payment	Securities Pledged
Melstacorp PLC (AWPLR +0.5%)	Working Capital Loan Series	132,609,057	990,034,241	Capital to be repaid after a moratorium of 3 years. Interest payable monthly	N/A
		132,609,057	990,034,241		

There were no instances on non compliance with loan repayment obligation during the year.

Notes to the Financial Statements (Continued)

As at 31 December

32. RETIREMENT BENEFIT OBLIGATIONS	2024	2023
	Rs.	Rs.
Balance at 1 January	903,264,034	903,016,632
Included in Profit or Loss		
Interest Cost During the Year	112,908,004	167,058,077
Current Service Cost	60,680,177	46,279,022
Included in OCI		
Actuarial Loss/ (Gain) for the Year	232,126,889	(35,884,259)
Gratuity Payable During the Year	(44,767,458)	-
Gratuity Payments During the year	(187,308,996)	(177,205,438)
Balance at 31 December	1,076,902,650	903,264,034

An actuarial valuation for defined benefit obligation was carried out as at 31 December 2024 by Messrs. Actuarial and Management Consultants (Private) Limited, a firm of professional actuaries. The valuation method used by the actuaries to value the obligation is the “Projected Unit Credit Method”, a method recommended by the Sri Lanka Accounting Standard LKAS – 19 “Employee Benefits”.

The key assumptions used by Messrs. Actuarial & Management Consultants (Private) Limited include the following.

	2024	2023
(I) Rate of Interest (per Annum)	12.0%	12.5%
(ii) Retirement Age		
- Workers	60 years	60 years
- Staff	60 years	60 years
(iii) Turnover Rate	2% - 7%	2% - 7%

A long term Treasury Bond rate of 12% p.a (2023-12.5%) has been used to discount future liabilities taking into consideration remaining life of eligible employees.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability and retirement age were considered for the actuarial valuation. The “1949/52 Mortality Table” issued by the Institute of Actuaries, London and “A1967/70 Mortality Table” issued by the Institute of Actuaries was used to estimate the gratuity liability of the Company.

As at 31 December 2024, the weighted-average duration of the defined benefit obligation was 9.6 years (2023: 8.7 years).

Notes to the Financial Statements (Continued)

As at 31 December

32. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity of Assumptions Used

Sensitivity analysis for significant assumptions as at 31 December 2024 is shown below.

Discount Rate Sensitivity Level	2024		2023	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Impact on Defined Benefit Obligation (Rs.)	(80,349,282)	91,631,767	(66,197,445)	75,520,685

Future Salary Increment Rate Sensitivity Level	2024		2023	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Impact on Defined Benefit Obligation (Rs.)	94,394,348	(84,024,255)	77,704,845	(69,121,015)

Maturity Profile of the Defined Benefit Obligation as at 31 December 2024

	2024 Rs.	2023 Rs.
Within the next 12 months	110,216,901	92,307,917
Between 1-5years	315,384,829	281,386,236
Beyond 5 years	651,300,920	529,569,881
Total	1,076,902,650	903,264,034

33. DEFERRED TAX LIABILITY

	2024 Rs.	2023 Rs.
Balance at 1 January	1,444,784,023	1,140,386,051
Recognised in Profit or Loss		
Deferred Tax Charged During the Year	215,984,888	285,781,698
Recognised in Other Comprehensive Income		
Deferred Tax Charged During the Year	(69,638,067)	18,616,274
Balance at 31 December	1,591,130,844	1,444,784,023

Notes to the Financial Statements (Continued)

As at 31 December

33. DEFERRED TAX LIABILITY (CONTINUED)	2024		2023	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Liabilities				
Property, Plant and Equipment	147,575,970	44,272,791	189,628,979	56,888,694
Revaluation Reserve on Buildings	1,085,725,294	325,717,588	1,085,725,294	325,717,588
Investment Properties	423,837,328	127,151,198	367,829,287	110,348,786
Bearer Biological Assets	1,596,473,598	478,942,079	1,740,190,231	522,057,069
Consumable Biological Assets	3,366,849,374	1,010,054,812	2,995,452,585	898,635,776
Right of Use Assets	455,941,502	136,782,451	398,965,728	119,689,718
	7,076,403,066	2,122,920,919	6,777,792,104	2,033,337,631
Deferred Tax Assets				
Retirement Benefit Obligations	(1,076,902,650)	(323,070,795)	(903,264,034)	(270,979,210)
Accumulated Tax Losses	(173,058,544)	(51,917,563)	(609,620,080)	(182,886,024)
Lease Liabilities	(522,672,390)	(156,801,717)	(448,961,246)	(134,688,374)
	(1,772,633,584)	(531,790,075)	(1,961,845,360)	(588,553,608)
As at 31 December	5,303,769,483	1,591,130,844	4,815,946,740	1,444,784,023

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31 December, 2024 is 30%. (2023 - 30%).

	2024	2023
	Rs.	Rs.
33.1 Amount charged to profit or loss		
Due to changes in temporary differences	215,984,888	285,781,698
	215,984,888	285,781,698
Amount charged to Other Comprehensive Income		
Due to changes in temporary differences	(69,638,067)	18,616,274
	(69,638,067)	18,616,274
Total Impact to Financials	146,346,821	304,397,972

The deferred tax asset has been recognised in the Financial Statements to the extent of forecasted profit. Therefore, the tax asset arising from accumulated tax losses carried forward was limited only to the extent of existing temporary differences as at 31 December 2023. The unutilized tax losses considered for the deferred tax is based on the probable future taxable profits available against which the Company can utilize therefrom. Hence a deferred tax asset of Rs.81,524,680/- has not been recognised in respect of unutilized tax losses of Rs. 271,748,933/- as at 31 December 2023. Further, no unrecognised differed tax assets exist in relation to the accumulated tax losses as at 31 December 2024.

Notes to the Financial Statements (Continued)

As at 31 December

33. DEFERRED TAX LIABILITY (CONTINUED)	2024		2023	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
On Accumulated Tax Losses	-	-	271,748,933	81,524,680
	-	-	271,748,933	81,524,680

34. DEFERRED INCOME	2024 Rs.	2023 Rs.
Cost		
Balance at 1 January	305,710,203	305,710,203
Balance at 31 December	305,710,203	305,710,203
Accumulated Amortisation		
Balance at 1 January	193,845,812	184,632,131
Amortisation During the Year	8,773,407	9,213,681
Balance at 31 December	202,619,219	193,845,812
Carrying Amount at 31 December	103,090,984	111,864,391

The Company has received funding from the Plantation Housing and Social Welfare Trust, and Plantation Development Project (PDP) for the development of workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Income. Grants are amortised over the life of the assets for which they are being deployed.

35. LEASE LIABILITIES	2024 Rs.	2023 Rs.
Lease Liability to SLSPC and JEDB (Note 35.1)	522,672,390	448,961,246
	522,672,390	448,961,246

	2024			2023		
	Current Liability	Non-Current Liability	Total	Current Liability	Non-Current Liability	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Gross Liability	71,910,560	1,402,255,920	1,474,166,480	61,200,476	1,254,609,758	1,315,810,234
Less: Interest in suspense	(66,190,010)	(885,304,080)	(951,494,090)	(57,066,792)	(809,782,196)	(866,848,988)
	5,720,550	516,951,840	522,672,390	4,133,684	444,827,562	448,961,246

Notes to the Financial Statements (Continued)

As at 31 December

35. LEASE LIABILITIES (CONTINUED)	2024	2023
	Rs.	Rs.
35.1 Lease Liability to SLSPC and JEDB		
Balance at 1 January	448,961,246	304,273,560
Remeasurement of Right-of-Use Asset as at 1 April	78,381,833	148,126,984
	527,343,079	452,400,544
Interest Charges for the Year	64,562,350	52,747,397
Less: Lease Payments Made During the Year	(69,233,039)	(56,186,695)
Lease Liability to SLSPC and JEDB	522,672,390	448,961,246

The lease of the estates have been amended, with effect from 11 June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The first rental payable under the revised basis is Rs.5.7 million from 11 June 1997. This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator, and was in the form of Contingent rental.

	2024	2023
	Rs.	Rs.
35.2 Maturity Analysis of Contractual Undiscounted Cash Flows		
Within One Year	143,821,120	61,200,476
1-2 Years	143,821,120	61,200,476
2-5 Years	215,731,680	244,801,904
More than 5 Years	1,042,703,120	948,607,378
Total Undiscounted Lease Liabilities	1,546,077,040	1,315,810,234
35.3 Amounts Recognised in Profit or Loss		
Interest on Lease Liabilities	64,562,350	52,747,397
Depreciation Charged for Right of Use Asset	21,406,059	16,958,003
	85,968,409	69,705,400
35.4 Amounts Recognised in Statement of Cash Flows		
Total Cash Outflow for Leases	69,233,039	56,186,695

Notes to the Financial Statements (Continued)

As at 31 December

36. TRADE AND OTHER PAYABLES	2024	2023
	Rs.	Rs.
Trade Creditors	23,915,267	17,762,084
Employee Related Creditors	230,455,087	170,319,690
Accrued Expenses	26,357,366	39,093,109
Dividends Payable	8,783,191	8,787,540
Sundry Creditors	213,249,490	70,152,507
Prepayments Received	27,725,717	23,889,280
VAT Payable	31,677,544	29,440,134
Other Payables	47,993,381	2,033,148
	610,157,043	361,477,492

37. AMOUNTS DUE TO RELATED COMPANIES	2024	2023
	Rs.	Rs.
Stassen Exports (Private) Limited	283,500	121,500
Melsta Logistics (Private) Limited	467,552	467,552
Melsta Technologies (Private) Limited	971,863	359,952
Mudulsima Plantations PLC	254,729	-
Formula World (Private) Limited	1,507,833	-
	3,485,477	949,004

38. RELATED PARTY DISCLOSURES

38.1 Substantial Shareholding and Ultimate Parent Company

The Company's immediate parent Company is Melstacorp PLC which owns 74.61% of Balangoda Plantations PLC and the ultimate parent Company is Milford Exports (Ceylon) (Private) Limited which are incorporated in Sri Lanka.

38.2 Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard 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 has been classified as Key Management Personnel of the Company.

38.3 Compensations to KMPs

	2024	2023
	Rs.	Rs.
Short-term Employee Benefits - Directors' remunerations	1,171,875	-
	1,171,875	-

Notes to the Financial Statements (Continued)

As at 31 December

38. RELATED PARTY DISCLOSURES (CONTINUED)

38.4 Transactions with Related Companies

Name of the Company	Nature of Relationship	Names of the Common Directors	Nature of the Transactions	Transaction Amount			Balance as at 31 December	
				2024 Rs.	2023 Rs.		2024 Rs.	2023 Rs.
Stassen Exports (Private) Limited	Common Directors	Mr. D. Hasitha S. Jayawardena Mr. C.R. Jansz	Reimbursement of Expenses	(162,000)	40,500		(283,500)	(121,500)
Melsta Logistics (Private) Limited	Subsidiary of Parent Company	Mr. M.A.N.S. Perera	Vehicle Repair Charges incurred	-	-		(467,552)	(467,552)
Melsta Technologies (Private) Limited	Subsidiary of Parent Company	-	Salaries Incurred Reimbursement of Expenses	(3,049,712) 2,437,801	(179,976) -		(971,863)	(359,952)
Madulsima Plantations PLC	Subsidiary of Parent Company	Mr. D. Hasitha S. Jayawardena Mr. C.R. Jansz Mr. M.A.N.S. Perera Mr. R. Mihular Mr. K. Dayaparan Mr. P.A. Jayatunga	Supply of goods and services Reimbursement of Expenses Settlements Received	17,306,408 (7,372,656) (34,207,672)	7,145,583 (5,235,608) -		(254,729)	24,019,191
Millford Export Ceylon (Private) Limited	Ultimate Parent Company	Mr. D. Hasitha S. Jayawardena Mr. C.R. Jansz	Rent Received Sale of Green Leaf Reimbursement of Expenses Settlements Received	6,108,509 79,248,083 60,451 (83,677,262)	69,261,640 (69,063,735) - -		5,323,594	3,583,813
Melstacorp PLC	Intermediate Parent Company	Mr. D. Hasitha S. Jayawardena Mr. C. R. Jansz Mr. M.A.N.S. Perera Mr. R. Mihular Mr. R.A. Fernando	Loans Obtained Interest Charge Repayments During the Year	- (69,943,237) 927,368,421	- (216,351,182) 2,555,143,486		(132,609,057)	(990,034,241)
Formula World (Private) Limited	Subsidiary of Parent Company	Mr. M.A.N.S. Perera	Vehicle Repair Charges Cash Settlement	(13,861,516) 9,853,683	1,295,800 -		(1,507,833)	2,500,000

Notes to the Financial Statements (Continued)

As at 31 December

39. CAPITAL COMMITMENTS

There are no material capital commitments as at the date of the Statement of Financial Position.

40. CONTINGENT LIABILITIES

There are no contingent liabilities as at the date of the Statement of Financial Position.

41. EVENTS OCCURRING AFTER THE REPORTING DATE

The Board of Directors has proposed a final dividend of Rs.1/- per share amounting to Rs.47,272,727/- for the year ended 31 December 2024 which is subject to approval of shareholders at the Annual General Meeting.

No other circumstances have arisen since the reporting date which would require adjustments to or disclosure in the Financial Statements.

42. GOING CONCERN

The following factors have been considered by the Board of Directors in preparing and presenting these financial statements on going concern basis.

The Company has reported an accumulated losses of Rs. 2,542,327,092 (2023: Rs. 2,750,711,895). Further, its current liabilities exceeded its current assets by Rs. 289,457,096. These events and conditions raise significant doubt whether the Company will be able to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Notwithstanding this, the financial statements have been prepared on a going concern basis as at 31 December 2024 based on a comprehensive review of the Company's affairs including, but not limited to:

- The cash flow forecast of the Company for the period up to next 12 months.
- The Company's ability of settling the statutory payables and other liabilities when they fall due and payable.
- Revenue and profitability forecasts for the Company for not only the next financial year, but beyond 31 December 2024.
- Subsequent settlements in full of inter-company loans and borrowings

Further, based on the Company's assessment of the sources of funding available to the Company and strategies to improve performance and the financial position management believe it will be able to generate profits in future. Rigorous strategies aimed at increasing in capacity and quality intend to decrease the losses and therefore the accumulated losses. Moreover, the Board of Directors have no plans to liquidate the Company or cease operations in the near future. Further, to improve the financial position of the Company the Management have taken several steps.

As such, in view of the above, the Management continue to have a reasonable expectation that the Company has adequate resources to continue in operations for at least the next 12 months that the going concern basis of accounting remains appropriate. firmly believe that the Company will be able to continue as a going concern into the foreseeable future and, accordingly, the Financial Statements of the Company have been prepared on a going concern.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT

43.1 Risk Management Framework

The Company's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programs and adherence to the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Accordingly, the company's activities exposed to variety of financial risks:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

43.1.1 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

a) Credit Risk Management

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, trade and other receivables, the Company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risk and the Company takes all reasonable steps to ensure the counterparties fulfil their obligations.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

Credit Risk Exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts. Following figures shows the maximum risk positions.

At 31 December	2024 Rs.	2023 Rs.
Trade and Other Receivables	132,010,595	120,486,100
Amounts due from Related Companies	5,323,594	30,103,004
Cash at Bank	40,431,161	20,955,142
Total Credit Risk Exposure	177,765,350	171,544,246

Impairment Losses

The aging of Trade receivables as at the reporting date was;

As at 31 December	2024		2023	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not Past Due	28,927,599	-	17,210,832	-
	28,927,599	-	17,210,832	-

43.1.1.1 Amounts Due From Related Parties

The Company's amounts due from related parties mainly consist of balances due from companies under common control and from affiliate companies.

43.1.1.2 Cash and Cash Equivalents and Short Term Investments

In order to mitigate the concentration, settlement and operational risks related to cash and cash equivalents, the Company consciously manages the exposure to a single counterparty taking into consideration, where relevant, the rating or financial standing of the counterparty, where the position is reviewed as and when required, the duration of the exposure in managing such exposures and the nature of the transaction and agreement governing the exposure.

The cash and cash equivalents are held at Banks, which are rated "A (lka)" based on fitch rating Sri Lanka.

43.1.2 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 risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.2 Liquidity Risk (Continued)

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 December 2024 based on contractual undiscounted payments.

At 31 December 2024	Carrying Amount Rs.	Contractual Cash flow Rs.	06 Months or less Rs.	06 - 12 Months Rs.	01 - 02 Years Rs.	02 - 05 Years Rs.	More than 5 Years Rs.
Non-Derivative Financial Liabilities							
Interest Bearing Loans and Borrowings	132,609,057	132,609,058	132,609,058	-	-	-	-
Lease Liability	522,672,390	1,474,166,480	35,955,280	35,955,280	143,821,120	215,731,680	1,042,703,120
Trade and Other Payables	582,431,324	582,431,324	582,431,324	-	-	-	-
Amounts due to Related Companies	3,485,477	3,485,477	3,485,477	-	-	-	-
Bank Overdraft	302,057,761	302,057,761	302,057,761	-	-	-	-
	1,543,256,009	2,494,750,100	1,056,538,890	35,955,280	143,821,120	215,731,680	1,042,703,120
At 31 December 2023	Carrying Amount Rs.	Contractual Cash flow Rs.	06 Months or less Rs.	06 - 12 Months Rs.	01 - 02 Years Rs.	02 - 05 Years Rs.	More than 5 Years Rs.
Non-Derivative Financial Liabilities							
Interest Bearing Loans and Borrowings	990,034,241	1,460,389,791	287,500,000	287,500,000	581,256,114	304,133,677	-
Lease Liability	448,961,246	1,315,810,234	30,600,238	30,600,238	61,200,476	244,801,904	948,607,378
Trade and Other Payables	337,588,212	337,588,212	337,588,212	-	-	-	-
Amounts due to Related Companies	949,004	949,004	949,004	-	-	-	-
Bank Overdraft	352,537,455	352,537,455	352,537,455	-	-	-	-
	2,130,070,158	3,467,274,696	1,009,174,909	318,100,238	642,456,590	548,935,581	948,607,378

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprise of the following types of risk:

- (a) Interest rate risk
- (b) Currency risk
- (c) Commodity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the deposits and borrowings.

The interest rates have increased significantly after the reporting date and this may lead to substantial negative impact on the future profits of the Company.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were,

	2024 Rs.	2023 Rs.
Fixed Rate Instruments		
Financial Liabilities	(824,730,151)	(801,498,701)
	(824,730,151)	(801,498,701)
Variable Rate Instruments		
Financial Liabilities	(132,609,057)	(990,034,241)
	(132,609,057)	(990,034,241)

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.1 Risk Management Framework (Continued)

43.1.3 Market Risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on floating rate borrowings)

	2024		2023	
	Increase 8%	Decrease 8%	Increase 8%	Decrease 8%
Effect on Profit before Tax	(10,608,725)	10,608,725	(79,202,739)	79,202,739
Effect on Equity	(7,426,107)	7,426,107	(55,441,917)	55,441,917

b) Currency Risk

The Company has no any currency risk, since there are no any foreign currency instruments as at the reporting date.

43.1.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial actions
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance when this is effective

Compliance with Company standards is supported by a programme of periodic reviews undertaken by Internal Audit and also finance team. The results of Internal Audit reviews are discussed with the Management, summaries submitted to the senior Management of the Company.

Notes to the Financial Statements (Continued)

As at 31 December

43. FINANCIAL RISK MANAGEMENT (CONTINUED)

43.2 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximize shareholder value.

The company manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings by total equity. Total borrowings including non-current and current borrowings as shown in the statements of financial position.

The Company's Debt to Equity ratio at the end of the reporting periods is as follows:

At 31 December	2024 Rs.	2023 Rs.
Total Liabilities	4,342,106,206	4,613,871,886
Less: Cash at Bank and Cash in Hand	(43,273,484)	(23,864,993)
Net debts	4,298,832,722	4,590,006,893
Total Equity	3,717,021,070	3,137,960,948
Debt to Equity ratio (Gearing Ratio)	116%	146%

44. FAIR VALUE MEASUREMENT

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level I: Quoted market price (unadjusted) in an active market for an identical instrument.

Level II: Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

44.1 Fair Value versus the Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

Notes to the Financial Statements (Continued)

As at 31 December

44. FAIR VALUE MEASUREMENT (CONTINUED)

44.1 Fair Value versus the Carrying Amounts (Continued)

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.	Rs.	Rs.	Rs.
Assets Carried at Amortised Cost				
Trade and Other Receivables	132,010,595	132,010,595	120,486,100	120,486,100
Amounts due from Related Companies	5,323,594	5,323,594	30,103,004	30,103,004
Cash and Cash Equivalents	43,273,484	43,273,484	23,864,993	23,864,993
Financial Assets Measured at FVOCI				
Quoted Equity Investments in Ordinary Shares	742,241	742,241	408,935	408,935
	181,349,914	181,349,914	174,863,032	174,863,032
Liabilities Carried at Amortised Cost				
Interest Bearing Loans and Borrowings	132,609,057	132,609,057	990,034,241	990,034,241
Lease Liabilities	522,672,390	522,672,390	448,961,246	448,961,246
Trade and Other Payables	582,431,324	582,431,324	337,588,212	337,588,212
Amounts due to Related Companies	3,485,477	3,485,477	949,004	949,004
Bank Overdraft	302,057,761	302,057,761	352,537,455	352,537,455
	1,543,256,009	1,543,256,009	2,130,070,158	2,130,070,158

44.2 Financial Assets and Liabilities by Categories

(a) Financial Assets	2024			2023		
	Amortised Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortised Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and Other Receivables	132,010,595	-	-	120,486,100	-	-
Amounts due from Related Companies	5,323,594	-	-	30,103,004	-	-
Cash and Cash Equivalents	43,273,484	-	-	23,864,993	-	-
Financial Assets Measured at FVOCI	-	-	742,241	-	-	408,935
	180,607,673	-	742,241	174,454,097	-	408,935

Notes to the Financial Statements (Continued)

As at 31 December

44. FAIR VALUE MEASUREMENT (CONTINUED)

44.2 Financial Assets and Liabilities by Categories (Continued)

(b) Financial Liabilities	2024		2023	
	Other Financial Liabilities	Fair Value Through Profit or Loss	Other Financial Liabilities	Fair Value Through Profit or Loss
	Rs.	Rs.	Rs.	Rs.
Interest Bearing Loans and Borrowings	132,609,057	-	990,034,241	-
Lease Liabilities	522,672,390	-	448,961,246	-
Trade and Other Payables	582,431,324	-	337,588,212	-
Amounts due to Related Companies	3,485,477	-	949,004	-
Bank Overdraft	302,057,761	-	352,537,455	-
	1,543,256,009	-	2,130,070,158	-

44.3 Financial Assets and Liabilities by Fair Value Hierarchy

As at 31 December 2024	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Assets Carried at Amortised Cost			
Trade and Other Receivables	-	-	132,010,595
Amounts due from Related Companies	-	-	5,323,594
Other Financial Assets Measured at Amortised Cost	-	-	-
Cash and Cash Equivalents	-	43,273,484	-
Financial Assets Measured at FVOCI			
Quoted Equity Investments in Ordinary Shares	742,241	-	-
	742,241	43,273,484	137,334,189
Liabilities Carried at Amortised Cost			
Interest Bearing Loans and Borrowings	-	-	132,609,057
Lease Liabilities	-	-	522,672,390
Trade and Other Payables	-	-	582,431,324
Amounts due to Related Companies	-	-	3,485,477
Bank Overdraft	-	302,057,761	-
	-	302,057,761	1,241,198,548
As at 31 December 2023			
Assets Carried at Amortised Cost			
Trade and Other Receivables	-	-	120,486,100
Amounts due from Related Companies	-	-	30,103,004
Other Financial Assets Measured at Amortised Cost	-	-	-
Cash and Cash Equivalents	-	23,864,993	-
Financial Assets Measured at FVOCI			
Quoted Equity Investments in Ordinary Shares	408,935	-	-
	408,935	23,864,993	150,589,104
Liabilities Carried at Amortised Cost			
Interest Bearing Loans and Borrowings	-	-	990,034,241
Lease Liabilities	-	-	448,961,246
Trade and Other Payables	-	-	337,588,212
Amounts due to Related Companies	-	-	949,004
Bank Overdraft	-	352,537,455	-
	-	352,537,455	1,777,532,703

Notes to the Financial Statements (Continued)

As at 31 December

45. OPERATING SEGMENTS

	Tea		Rubber		Others		Total	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Segmental Results								
Revenue								
Revenue Expenditure	4,390,210,907	3,783,092,903	451,643,520	346,768,987	-	-	4,841,854,427	4,129,861,890
	(3,484,018,173)	(3,211,129,121)	(489,882,935)	(541,489,725)	-	-	(3,973,901,108)	(3,752,618,846)
Gross Profit/ (Loss)	906,192,734	571,963,782	(38,239,415)	(194,720,738)	-	-	867,953,319	377,243,044
Gain on Changes in Fair Value of Biological Assets	-	-	-	-	-	-	373,211,318	401,037,660
Other Income	-	-	-	-	-	-	172,340,516	157,077,414
Unallocated Expenses	-	-	-	-	-	-	(300,191,793)	(257,466,285)
Net Finance Cost	-	-	-	-	-	-	(156,112,834)	(323,040,903)
Profit Before Taxation	-	-	-	-	-	-	957,200,526	354,850,930
Less : Taxation	-	-	-	-	-	-	(215,984,888)	(285,781,698)
Profit for the Year	-	-	-	-	-	-	741,215,638	69,069,232
Other Comprehensive Income(Net of tax)	-	-	-	-	-	-	(162,155,516)	43,655,036
Total Comprehensive Income	-	-	-	-	-	-	579,060,122	112,724,268
Segmental Assets								
Non Current Assets	2,232,251,383	2,177,375,566	1,613,879,138	1,761,280,027	3,448,423,963	3,075,826,789	7,294,554,484	7,014,482,382
Current Assets	631,898,375	628,096,950	86,350,447	63,796,769	46,323,970	45,456,733	764,572,792	737,350,452
Total Assets	2,864,149,758	2,805,472,516	1,700,229,585	1,825,076,796	3,494,747,933	3,121,283,522	8,059,127,276	7,751,832,834
Segmental Liabilities								
Non Current Liabilities	875,520,237	1,230,546,943	201,382,414	227,023,842	2,211,173,667	1,862,203,466	3,288,076,318	3,319,774,251
Current Liabilities	432,543,997	405,666,169	93,564,830	74,124,321	527,921,061	814,307,145	1,054,029,888	1,294,097,635
Total Liabilities	1,308,064,234	1,636,213,112	294,947,244	301,148,163	2,739,094,728	2,676,510,611	4,342,106,206	4,613,871,886
Expenditure								
Field Development	17,086,499	29,240,310	28,091,224	53,950,100	9,526,418	14,170,129	54,704,141	97,360,539
Property, Plant & Equipment	43,495,196	45,355,479	280,980	6,255,313	14,166,108	5,173,126	57,942,284	56,783,918
Total Capital Expenditure	60,581,695	74,595,789	28,372,204	60,205,413	23,692,526	19,343,255	112,646,425	154,144,457
Depreciation								
Mature Depreciation	16,191,396	16,183,553	74,513,618	75,724,063	2,969,415	3,006,150	93,674,429	94,913,766
Property, Plant & Equipment	73,357,820	72,372,566	24,111,270	23,787,436	12,028,413	11,035,090	109,497,504	107,195,092
	89,549,216	88,556,119	98,624,888	99,511,499	14,997,828	14,041,240	203,171,932	202,108,858

Shareholder and Investor Information

The issued Ordinary shares of Balangoda Plantations PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Financial Statements of the Company for the year ended 31 December 2024 have been submitted to the Colombo Stock Exchange.

Distribution of Shareholdings as at 31 December 2024				
No. of Shares held	No. of Shareholders	No. of Shareholders %	Total Holdings	Total Holding %
1-1,000	17,956	96.91	2,306,546	4.88
1,001-10,000	398	2.15	1,418,224	3.00
1,001-100,000	158	0.85	5,042,854	10.67
100,001-1,000,000	16	0.09	3,236,802	6.85
OVER 1,000,001	1	0.01	35,268,300	74.61
Grand Total	18,529	100	47,272,726	100

Analysis of Shareholders				
No. of Shares held	No. of Shareholders	No. of Shareholders %	Total Holdings	Total Holding %
Individual	18,324	98.89	7,406,731	15.67
Institutions	187	1.01	39,750,261	84.09
Foreign Individuals	16	0.09	38,843	0.08
Foreign Institution	2	0.01	76,891	0.16
Grand Total	18,529	100	47,272,726	100

Market Statistics		
As at 31 December	2024	2023
Number of shares	47,272,726	47,272,726
Earnings per Share Rs	15.68	1.48
Net Asset per Share Rs	78.63	66.38
Dividend per Share Rs	-	2.00
Highest Share Price Rs	76.00	88.00
Lowest Share Price Rs	43.00	48.00
Last traded Price Rs	72.00	50.80

Shareholder and Investor Information (Continued)

No	Name of the Shareholder	No. of Shares	%
1	MELSTACORP PLC	35,268,300	74.61
2	SEYLAN BANK PLC/R.A.RISHARD	420,000	0.89
3	HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	335,981	0.71
4	DR. M.A.A. MOHAMED AKRAM	294,655	0.62
5	SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	256,938	0.54
6	ACCESS ENGINEERING PLC	251,219	0.53
7	SEYLAN BANK PLC/MOHAMED SUBAIR FOUZAL HAQQUE	250,000	0.53
8	MR. M.H.M. FAWSAN	200,000	0.42
9	HATTON NATIONAL BANK PLC/MUSHTAQ MOHAMED FUAD	184,000	0.39
10	POLGAHAWELA SANASA SOCIETIES UNION LTD	172,524	0.36
11	SEYLAN BANK PLC/ HILINE TOWERS (PVT) LTD.	144,361	0.31
12	AMANA BANK PLC/HI-LINE TOWERS PVT LIMITED	135,536	0.29
13	MACKSONS HOLDINGS (PVT) LTD	130,369	0.28
14	COCOSHELL ACTIVATED CARBON COMPANY (PRIVATE) LIMITED	120,400	0.25
15	MRS. F.F. HANIFFA	120,000	0.25
16	MR. G. ANURAGAVAN	112,819	0.24
17	MR. A.K. PALLIYA GURUGE DON (DECEASED)	108,000	0.23
18	MR. R.S. NANAYAKKARA	100,000	0.21
19	MR. L.D.S. CHANDRASIRI	100,000	0.21
20	SENKADAGALA FINANCE PLC/M.S.F.HAQQUE	95,000	0.20

- 1) Public Holding Percentage as at 31st December 2024 – 25.39% (2023 : 25.39%)
- 2) Number of shareholders representing the above percentage – 18,528 (2023 : 18,652)
- 3) The adjusted market capitalization as at 31st December 2024 – Rs. 864,318,672 (2023: Rs. 609,824,840)
- 4) The float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said opposition.

Financial Information

	2024 000	2023 000	2022 000	2021 000	2020 000	2019 000
Turnover	4,841,854	4,129,862	6,070,594	4,002,689	3,573,075	2,606,317
Profit(Loss)before Taxation	957,201	354,851	996,622	(58,781)	143,597	(902,576)
Taxation	(215,985)	(285,782)	(439,695)	57,061	(27,198)	(128,474)
Profit(Loss) after Taxation	741,216	69,069	556,927	(1,720)	116,399	(1,031,050)
Other Comprehensive Income	(162,156)	43,655	(155,750)	(92,140)	927,900	(22,361)
Profit (Loss) brought forward	(2,750,712)	(2,344,666)	(2,739,820)	(2,386,946)	(2,376,156)	(1,146,871)
Dividend		(94,546)				
Transfer to Revaluation Reserves	-		206,613	(39,284)	(909,017)	
Transfer to Timber Reserve	(370,342)	(405,689)	(212,831)	(219,776)	(146,139)	(102,197)
Available for Sales Reserve	(333)	(217)	196	46	67	5
Adjustment Due to Initial Application of SLFRS 16				-	-	(73,682)
Retained Profit (Loss)	(2,542,327)	(2,750,712)	(2,344,666)	(2,739,820)	(2,386,946)	(2,376,156)
Non Current Assets	7,294,554	7,014,482	6,560,402	6,402,324	6,284,118	4,948,043
Current Assets	764,573	737,350	3,005,831	577,101	561,072	476,444
Current Liabilities	1,054,030	1,294,098	1,065,871	1,155,334	2,686,744	1,173,371
Non Current Liabilities	3,288,076	3,319,774	5,220,028	5,114,576	3,355,071	4,492,040
Net Assets	3,717,021	3,137,961	3,280,334	709,515	803,375	(240,924)
Share Capital	2,359,091	2,359,091	350,000	350,000	350,000	350,000
Revaluation Reserves	760,008	760,008	741,689	948,302	909,017	-
Timber Reserves	3,139,656	2,769,314	2,363,625	2,150,793	1,931,017	1,784,878
Available for Sales Reserve	594	260	43	240	285	353
Profit & Loss Account	(2,542,327)	(2,750,712)	(2,344,665)	(2,739,820)	(2,386,946)	(2,376,155)
Share Application Pending Allotment	-		2,169,642			
Capital Employed	3,717,021	3,137,961	3,280,333	709,515	803,373	(240,924)
Number of Shares ('000)	47,272	47,272	23,636	23,636	23,636	23,636
Earning per Share (Rs.)	15.68	1.48	23.56	(0.07)	4.92	(43.62)
Dividend per Share (Rs.)		2.00	-	-	-	-
Net Asset per Share (Rs.)	78.63	67.30	46.99	30.02	33.99	(10.19)
Dividend Payout Ratio (%)	-	1.35		-	-	-

Statement of Value Addition

	Year ended	31.12.2024	Year ended	31.12.2023
		Rs.'000		Rs.'000
	%		%	
Revenue		4,841,854		4,129,862
Other Income		545,552		584,285
Total Revenue		5,387,406		4,714,147
Cost of Materials & Services bought		1,912,634		1,976,856
VALUE ADDED	100.00	3,474,773	100.00	2,737,291
	%	Share	%	Share
DISTRIBUTION OF VALUE ADDED				
A To Employees as Remuneration	67.64	2,350,331	73.77	2,019,354
B To Government as taxes				
B 1 To Government as Lease Intrest	1.86	64,562	1.93	52,747
C To Lenders of Capital as Interest	2.69	93,496	10.06	275,488
D To Shareholders as Dividends			3.45	94,545
E Retained in Business				
E1 Provision of Depreciation	6.48	225,168	8.26	226,088
E2 Profit Retained	21.33	741,216	2.52	69,069
	100.00	3,474,773	100.00	2,737,291

Performance of Estates - Tea - 2024 & 2023

Tea Estates	Elevation Category	Year	Tea	Combined	Yield Kg/ha	C.O.P Rs/kg	N.S.A Rs/kg
			Extent (Ha.)	Crop (Kg)			
Balangoda	Uva Medium	2024	419	658,118	1,340	794	1,094
		2023	419	558,920	1,146	854	1,041
Cecilton	Uva Medium	2024	169	261,724	1,027	980	1,054
		2023	171	215,036	877	1,039	981
Meddakande	Uva Medium	2024	144	161,400	794	1,129	1,057
		2023	144	141,297	785	1,149	1,010
Non Pareil	Uva High	2024	226	83,363	369	1,446	1,063
		2023	226	93,443	413	1,277	866
Pettiagalla	Uva Medium	2024	174	189,933	910	951	1,035
		2023	174	159,019	797	1,015	966
Rasagalla	Low	2024	235	291,284	761	1,095	1,205
		2023	235	247,519	866	1,017	984
Rye/Wikiliya	Low	2024	130	53,001	408	1,276	1,052
		2023	130	40,057	309	1,618	974
Walaboda	Uva Medium	2024	103	84,001	820	906	1,063
		2023	103	78,015	761	979	1,025
Mahawale	Low	2024	2	511	319	836	838
		2023	2	668	418	646	864
Palmgarden	Low	2024	3	2,016	668	723	861
		2023	3	6,943	588	1,773	1,164
Cullen	Uva Medium	2024	142	78,150	548	1,012	1,123
		2023	142	68,860	483	1,202	1,043
Glen Alpin	Uva Medium	2024	299	316,309	801	1,004	1,081
		2023	300	286,261	831	995	989
Gowerakelle	Uva Medium	2024	194	98,693	508	916	989
		2023	190	113,292	584	794	907
Spring Valley	Uva High	2024	453	408,959	780	943	1,076
		2023	453	394,421	785	919	968
Telbedde	Uva Medium	2024	512	591,242	1,079	873	1,098
		2023	512	573,466	1,041	877	993
Ury	Uva Medium	2024	300	299,022	713	940	1,125
		2023	305	300,211	768	882	1,032
Wewesse	Uva Medium	2024	233	303,990	764	957	1,140
		2023	235	285,964	719	1,046	1,045

Performance of Estates - Rubber - 2024 & 2023

Rubber Estates	Elevation Category	Year	Rubber Extent (Ha.)	Combined Crop (Kg)	Yield Kg/ha	C.O.P Rs/kg	N.S.A Rs/kg
Galatura	Ratnapura	2024	170	65,640	340	1,114	810
		2023	163	66,936	401	1,059	586
Mahawale	Ratnapura	2024	186	54,410	286	1,163	824
		2023	177	57,451	324	1,130	605
Millawitiya	Ratnapura	2024	90	57,012	615	856	806
		2023	92	66,535	713	735	586
Mutwagalla	Ratnapura	2024	195	77,496	367	1,064	741
		2023	207	83,177	402	983	546
Palmgarden	Ratnapura	2024	257	126,814	460	956	813
		2023	238	117,272	487	969	573
Rambukkande	Ratnapura	2024	208	140,075	653	702	834
		2023	208	136,929	656	735	616
Rye/Wikiliya	Balangoda	2024	48	19,480	405	734	617
		2023	48	23,846	496	502	479
Glen Alpin	Badulla	2024	7	7,003	1,005	429	595
		2023	7	6,549	940	375	489
Ury	Badulla	2024	40	20,848	520	538	607
		2023	40	21,112	526	510	458
Wewesse	Badulla	2024	28	23,193	842	561	605
		2023	28	20,613	749	487	495

Notes

Notice Of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Second (32nd) Annual General Meeting of **BALANGODA PLANTATIONS PLC** will be held as a virtual meeting via an online meeting platform conducted from the “Mini Auditorium” Melstacorp PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka on Tuesday, 24th June 2025 at 10.00 a.m. to consider and if thought fit to pass the following resolutions

- 1) To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31st December 2024 together with the Auditors’ Report thereon.
- 2) To approve a final dividend of Rs.1 per share, as recommended by the Board of Directors.
- 3) To appoint Mr C R Jansz who is above the age of 70 years as a Director by passing the following resolution.

“That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr C R Jansz who has reached the age of 72 years at the Annual General Meeting and that he shall accordingly be re-appointed”.
- 4) To re-elect Mr M A N S Perera who retire by rotation at the Annual General Meeting in terms of Article 92 of the Articles of Association as a Director of the Company.
- 5) To re-elect Mr M R Mihular at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.
- 6) To re-elect Dr R A Fernando at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.
- 7) To re-elect Mr P A Jayatunga at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.
- 8) To re-appoint M/s KPMG, Chartered Accountants as the auditors of the Company in terms of Section 158 of the companies Act No. 07 of 2007 and authorize the Board of Directors to determine the remuneration to audit the Financial Statements of the Company for the year ending 31st December 2025.

By order of the Board

sgd
Pradeep A Jayatunga
Company Secretary
22nd May 2025
Colombo

Notes

- 1) The thirty second (32nd) Annual General Meeting of Balangoda Plantations PLC will be a virtual meeting held by participants joining in person or proxy and through audio or audio-visual means in the manner specified below:

i) Attendance of the Chairman and the Board of Directors

The Chairman, the Board of Directors, certain Key Management Personnel, the Company Secretary, and the External Auditors will be available on the Virtual Platform on Tuesday, 24th June 2025 at 10.00 a.m.

ii) Shareholder Participation

- a. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
- b. The Shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio-visual means only.
- c. The shareholders who wish to participate in the meeting will be able to join the meeting through audio or audio-visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to Company Secretary via bplmplcompanysecretary@gmail.com or by facsimile on +94 11 254033, to reach the Secretary **not less than two (02) days before the date of the meeting** so that the meeting login information could be forwarded to the email address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.
- d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to the Company Secretary via e-mail bplmplcompanysecretary@gmail.com or facsimile at +94 11 254033 or by post to the Registered Office of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka, **not less than forty – eight (48) hours before the time fixed for the meeting.**

iii) Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to the Company Secretary, via e-mail to bplmplcompanysecretary@gmail.com or facsimile at + 94 11 254033 or by post to the Registered Office of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka **not less than Two (02) days before the date of the meeting.** This is to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that the same could be addressed at the meeting.

- 2) The Annual Report of the Company for the year 2024 will be available for perusal on the Company website <https://bgdpl.lk/> and the Colombo Stock Exchange website on www.cse.lk

If you wish to receive a printed copy of the Annual Report for the year ended 2024, please complete and forward us the Form of Request (Annexure 1) by post to the registered address of the Company, Balangoda Plantations PLC, # 110, Norris Canal Road, Colombo 10, Sri Lanka or email bplmplcompanysecretary@gmail.com or facsimile + 94 11 2540333.

Form of Proxy

I/We.....of.....

being a shareholder / shareholders of Balangoda Plantations PLC hereby appoint

Don Hasitha Stassen Jayawardena*	of failing him
Cedric Royle Jansz*	or failing him
Mellawatantrige Anton Nirosan Sampath Perera*	or failing him
Kumarasamy Dayaparan*	or failing him
Mohamed Reyaz Mihular*	or failing him
Ravindra Ajith Fernando*	or failing him
Pradeep Arjuna Jayatunga*	or failing him

..... of.....

..... As my/our* proxy to represent me/us* and to vote on my/our behalf at the Thirty Second (32nd) Annual General Meeting of the Company to be held as a "Virtual Meeting" via an online platform on Tuesday, 24th June 2025 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I /We* the undersigned hereby authorize my/our* Proxy to vote on my/our* behalf following the preference indicated below :

	For	Against
1) To receive and consider the Annual Report of the Directors and the Financial Statements of the Company for the year ended 31st December 2024 together with the Auditors' Report thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To approve a final dividend of Rs.1 per share, as recommended by the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
3) To appoint Mr C R Jansz who is above the age of 70 years as a Director by passing the following resolution. "That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall apply to Mr C R Jansz who has reached the age of 72 years at the Annual General Meeting and that he shall accordingly be re-appointed".	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect Mr M A N S Perera who retire by rotation at the Annual General Meeting in terms of Article 92 of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5) To re-elect Mr M R Mihular at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6) To re-elect Dr R A Fernando at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7) To re-elect Mr P Jayatunga at the Annual General Meeting in terms of Article 98 of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
8) To authorize the Directors to determine the remuneration of the Auditors Messrs KPMG who are deemed to have been reappointed as Auditors in terms of Section 158 of the companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>

* Please strike the inappropriate words.

Signed on thisday ofTwo Thousand and Twenty Five.

.....
Signature/s

Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointor.
4. Duly filled Form of Proxy should be sent to reach the Company Secretary via-e.mail to bplmplcompanysecretary@gmail.com, or facsimile on + 94 11 2540333 or by post to the registered address of the Company, Balangoda Plantations PLC # 110, Noris Canal Road, Colombo 10, Sri Lanka not less than Two (02) working days before the date of the meeting.

Please provide the following details (mandatory):

NIC/PP/Company Registration No. of the Shareholder/s	:.....
Folio No	:.....
Email address of the Shareholder/(s) or proxy holder	
(other than a Director appointed as proxy)	:.....
Mobile No	:.....
Fixed Line	:.....

