ANNUAL REPORT 2023

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வரை. சிலாபம் பெருந்தோட்ட நிறுவனம்

CHILAW PLANTATIONS LTD

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அரச பெருந்தோட்ட தொழில்முயற்சிகள் மறுசீரமைப்பு அமைச்சரவை அந்தஸ்து அல்லாத அமைச்சு
NON CABINET MINISTRY OF STATE PLANTATION ENTERPRISE REFORMS

CONTENTS

Vision

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

Mission

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

Values

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

Financial Highlights

	2023	2022	Variance%
Coconut Production Nuts '000	11,729	15,172	(22.69)
Summary Results	**Rs'000**	**Rs'000**	**%**
Revenue	899,694	975,106	(8)
Gross Profit	227,783	454,166	(50)
Profit Before Interest and Tax	126,873	421,700	(70)
Profit Before Tax	302,606	513,881	(41)
Profit for the Year (after tax)	231,738	493,470	(53)
Total Comprehensice income	209,549	513,971	(59)
Total Reserves	2,179,602	2,155,053	1
Financial Position			
Non Current Asset	1,590,941	1,476,523	8
Mature / Immature Plantations	1,100,977	1,039,764	6
Current Assets	1,456,651	1,413,509	3
Inventories	148,934	195,288	(24)
Short Term Investment (Fixed Deposits)	1,090,243	985,661	11
Total Assets	3,047,593	2,890,032	5
Current Liabilities	408,540	362,575	13
Non current Liabilities	259,450	172,404	50
Stated Capital	200,000	200,000	-
Shareholders' Funds	2,379,602	2,355,053	1
Key Indicators	**Times/ %/Rs.**	**Times/ %/Rs.**	**Variance %**
Current Ratio (Times)	3.57	3.90	(9)
Quick Ratio (Times)	3.20	3.36	(5)
Gross Profit Ratio %	25.32	46.58	(46)
Earning Per Share Rs.	11.59	24.67	(53)
Return on Average Equity (ROE) %	9.79	23.08	(58)
Return on Capital Employed (ROCE) %	4.81	16.68	(71)
Debt Ratio	0.22	0.19	18
Shareholders Fund Ratio %	78.08	81.49	(4)
Interest Cover - Times	2.06	9.65	(79)

Chairman's Review

Year 2023 has been another challenging year for Chilaw Plantations ltd as the company managed to record ever highest profits in the previous three years consecutively. In this backdrop, I wish to outline the progress of the organization in the financial year of 2023 in brief.

It was a challenge to navigate the organization amidst the economical and social challenges to make a successful year surpassing the continues growth recorded in past three years. Though the country was recovering from economic crisis, the restrictions on imports, market instability were prevailed due to frequent fluctuations of economic environment of the country. Apart from all these threats, making the year 2023 a favorable one to Chilaw Plantations Limited was commendable.

Agriculture Practice
Coconut Cultivation

The Company earned a revenue of Rs. 756.6 Million from coconut in spite of the reduced application of fertilizer in previous years due to shortages of fertilizer in the country and changes experienced in weather. As a result of the good agriculture practices and strategic management methods adopted, the company managed to earn an optimum income from coconut during the year. Profit earned from coconut was Rs. 212.2 Million which amounted to 93% of the total gross profit. This was 3rd highest profit earned by the history of CPL

The whitefly attack which spreaded throughout the island was carefully and timely controlled by the spontaneous action and training sessions organized by the management. The Company did not experience any economical damage to the main crop due to whitefly infestation.

The under plantations were established and managed having given top priority and 9,700 seedlings were planted during the year. Newly established New/under planting extent was 158 acres. In the season. The Company spent Rs.55.3Million for maintaining and establishing 928 acres of new and existing immature plantations under capital expenditure to uplift the Coconut Industry.

CPL became the only RPC present in northern province after acquiring 269 Ha of land on 30 years lease period from JEDB. These lands are located in killinochchi and with this acquisition the total land extent of CPL increased from 5723 Ha to 5992 Ha

Special Projects

As a result of CPL's efforts in achieving the highest productivity from all its potentials, it was able to select a private sector investor for the establishment of two 10 MW Solar Power projects in which will continue as a joint venture.

Further, Arrangements have been made to submit a Cabinet Paper to establish a value added coconut based integrated processing factory focusing the International market as a joint venture with a private sector investor.

Drip Irrigation

The scarcity of water has been identified as the main limiting factor of the Company's cultivation. Especially, being a Company which has majority of the estate in Puttalam district in dry zone to overcome this situation, we initiated establishing of drip irrigation systems in every estates in a block of 25 acres of coconut land. The drip irrigation projects of Mangalaeliya and Thambapanni Area Estates were completed in the year 2022 and projects of Palugaswewa Area Estate and Madampe Area Estate were completed in the year 2023. There were numerous challenges faced in executing this and with the idea of having proper irrigation systems we intend to continue the same in the coming years too.

Inter Cropping

The company has recorded Rs 17 Mn profit from cashew cultivation during the year 2023 compared to previous year profit of Rs 10 Mn.

Additionally, CPL has established dragon fruit cultivation, cinnamon, rambutan, pepper and mango cultivation as main intercrop. The company has generated considerable income from these projects

Other Projects

A Buffaloe projects has been established in Palugaswewa area estate to produce curd, yoghurt, ghee and other value-added dairy products. Cashew processing center and Coconut oil mill have been established at Palugaswewa area estate and these processing centers were operated successfully and quality products were provided to the customers. Further, our products were distributed among the general public through the Sales Agents and our own sales outlet.

Employee Welfare and Corporate Social Responsibilities

The Company continued to undertake the welfare activities initiated during the previous years and specific attention was given to uplift the educational level of the children of the employees and assistance were given to identified children who had special needs to continue in education.

The following welfare activities were carried out as in the past with the aim of the social development initiatives from CPL

- Selling of CPL products to the community at a concessionary rate.
- Sub leasing of land for cultivation.
- Distribution of coconut seedlings to all the religious places were undertaken for the benefit of the community.
- Distribution of coconut seedlings to the community to increase the coconut palm population of the country.

The Company made it again continuous profit during the year when majority of the government organizations are finding of difficult to perform well. This was achieved by giving priority to the aspects such as the betterment of the people, coconut industry and the community of the area.

We were able to obtained a clean (un qualified) audit opinion for the annual accounts of year 2023 from the auditor general for the first time after commencement of the audit from auditor generals department of Srilanka

I earnestly thank to the Non Cabinet Ministry of State Plantation Enterprise Reforms, Hon. Ranjith Siyambalapitiya, and the Board of Directors for the untiring support and guidance given for our success.

Further, I sincerely thank Dr. M.M.S.S.B. Yalegama the Secretary to the Ministry and the staff for the special support extended in decision making process.

The support received from the Board of Directors were immense which made my task easy to achieve the organizations goals and I wish to thank to the Board of Directors for their contribution.

Further, the support of the Senior Management of the Company, Estate Superintendents and all the employees of the Organization, suppliers, buyers and whoever supported our journey is hereby thanked with gratitude.

Chairman/CEO
Chilaw Plantations Limited

Board of Directors

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

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

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

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

Under his leadership a rapid progress can be observed in the company in which the CPL has recorded its ever highest profit in the history by the end of December 2022. At the same time Mr. Jude has implemented new projects for the upcoming year with the intention of expanding value added diversified products in to the international market.

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

Mr. P H Ananda S Wijayarathne
Director

Mr. P H Ananda S Wijayarathne was appointed to the Board of Chilaw Plantations Ltd on 28th of December 2023 and he assumed duties as Director General, Ministry of Finance, Economic Stabilization and National Policies on 01st November 2021 is a Special Grade officer in the Sri Lanka Planning Service and has been in the public service for almost 30 years in various positions out of which 25 years' service in the General Treasury. Mr. Ananda Wijayarathne joined the public service as an Assistant Director in 1994.

Mr. Ananda Wijayarathne holds an Honors Bachelor's Degree specializing in Business Administration from the University of Ruhuna. He has obtained a Postgraduate Diploma in National Development Planning from the University of Colombo, and a Master's in International Economic Development from the University of Khung Hee, in South Korea. He also has completed Professional Part 1 of the Institute of Chartered Accountants of Sri Lanka in 1996.

He joined the Sri Lanka Planning Service in 1994 and was assigned to Divisional Secretarial, Rideemaliyadda in Badulla District. He joined the External Resources Department in 1999 and was assigned as a Director in the National Budget Department in 2011. He was appointed as Additional Director General to the Department of Public Enterprises in the Ministry of Finance in 2013 was promoted to the Director General of the State Ministry of Money and Capital Market and Enterprise Reforms in 2020, and currently performing in the same capacity in the Ministry of Finance, Economic Stabilization and National Policies.

Mr. Ananda Wijayarathne has also served as a Board Director in many state-owned enterprises.

Mr. W.A.L. Wickrama Arachchi
Director

Mr. Leelanath Wickrama Arachchi was appointed to the Board of Chilaw Plantations Ltd on 09th of April 2024 and he is a member of Sri Lanka Administrative Service, holder of Bachelor of Arts (Archaeology) (Hon.) from the University of Sri Jayewardenepura, MPA in Public Administration from the Australian National University, Australia, is the Director to the Plantation Management Monitoring Division, Ministry of Plantation Industries. He also serves on the Board of Directors of New Villages Development Authority for Plantation Region (NEVIDA).

Mr.H.W.W. Rathnapala
Director

Mr. H.W.W. Rathnapala joined as the member of Board of Directors of Chilaw Plantations Limited on 1st of March 2024. He is a partner of Ranweli Engineers, an C4 CIDA graded company. He holds a Diploma of Technology in Textile in Open University of Sri Lanka. He has been completed the training on Asset Management and Customer Relation Activities conducted by National Institute of Business Management (NIBM) and a Human Resource Management Course conducted by Centre for Environmental studies of the University of Peradeniya to make his career success.

Mr. K.L.Wijesiri
Director

Mr. K.L.Wijesiri was appointed as a Member of the Board of Chilaw Plantations Limited on 01st of March 2024. He possesses a diverse range of skills and owns Panaroma Investment & Services Company (Pvt) limited, Selee Choco Products, and Senura Enterprises as well. Mr. K.L Wijesiri has successfully completed the Motor Vehicle Technology Course at Ceylon German Technical Training Institute in Moratuwa and the Marine Engineering Course at Colombo Drydocks Limited.

Mr. Sanjeewa Abeykoon
Director

Mr Sanjeewa Abeykoon was appointed as a Member of the Board of Directors of Chilaw Plantations Limited on 01st of March 2024. He is a dedicated politician with over 30 years of experience in the United National Party (UNP). He currently serves as the UNP's Organizer for the district of Yatiyanthota. As a seasoned political leader, his focus has been on vital areas such as healthcare, education and infrastructure where he has successfully initiated and overseen impactful projects.

He was elected as Opposition leader in Local Government Elections (2011-2016) and achieved the highest percentage of votes in the United National Party during the Parliamentary Election (2021). Mr. Sanjewa eager to leverage his extensive political experience to drive positive transformations for the betterment of society.

Mr. K G S Wijesiri Bandara
Director

Mr. K G S Wijesiri Bandara joined as the member of Board of Directors of Chilaw Plantations Limited on 1st of March 2024. He is a versatile businessman with over 20 years of experiences.

Mr. W R P S Jayarathna
Director

Mr. W R P S Jayarathna was appointed to the Board of Chilaw Plantations Limited on 01st of March 2024 and functions as the Board Director. He is a Businessman and former Member of Sabaragamuwa Provincial and Local Authority of Warakapola Pradeshiya Sabha.

Senior Management Team

Head office

01.	Mr. R.W.M.J.S.R. Perera	-	Chairman/CEO
02.	Mr. A.G.R.M.M. Ranaweera	-	General Manager (Resigned 31st Oct 2023)
03.	Mr. B. Hettiarachchi	-	DGM – Plantations (Actg.)
04.	Mr. R.M.R.B. Rathnayake	-	AGM – Finance
05.	Mr. H.P.M.W. Hemachandra	-	Chief Internal Auditor
06.	Mr. A.M.T.H.B. Athapattu	-	AGM – HR/Admin (Actg.)
07.	Mr. A.A. Asoka Ananda	-	AGM – Plantations & Projects
08.	Mr. W.K. Pradeep	-	Senior Manager - Tec. & Development
09.	Mr. A.N.A.S. Karunathunga	-	Manager Marketing

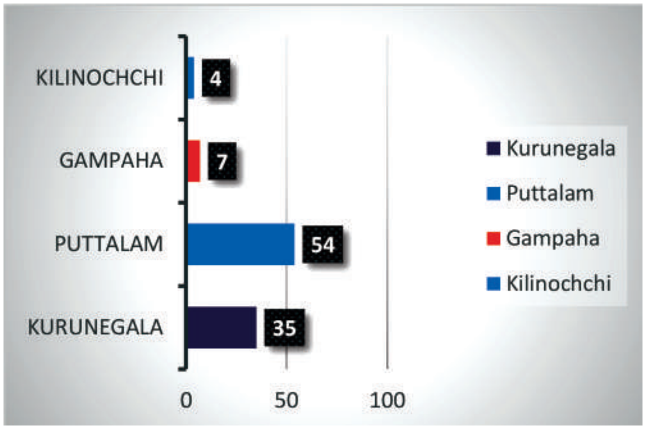
Estate Superintendents

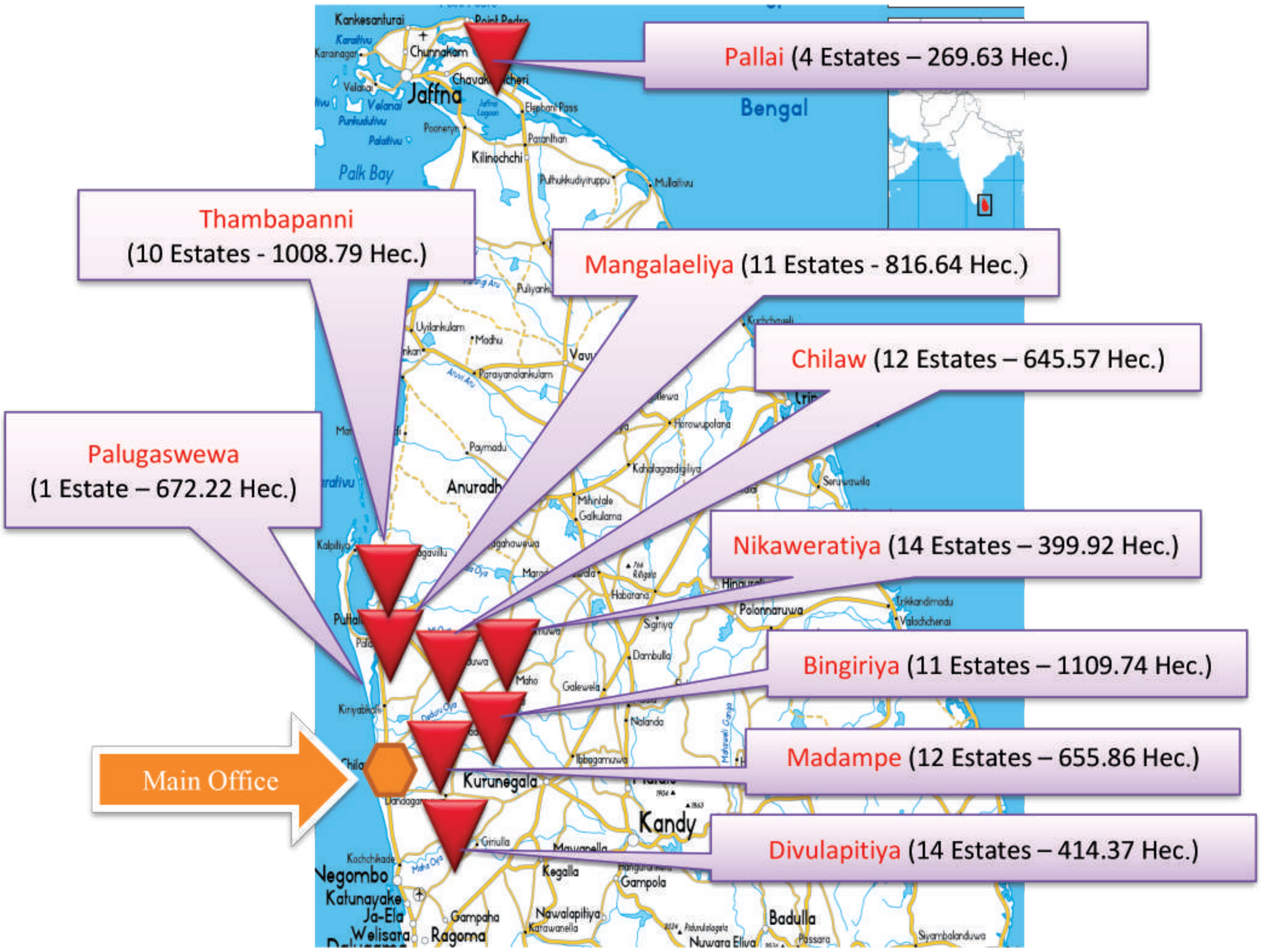
10.	Mr. M.G.C. Dias	-	AGM – Estates/ Plantations, Diulapitiya Area Estates
11.	Mr. J. H. Fernando	-	Snr. Superintendent, Palugaswewa Estate
12.	Mr. D.M.G.A. Dissanayake	-	Superintendent, Madampe Area Estate
13.	Mr. B.M.U.B. Basnayake	-	Superintendent, Chilaw Area Estate
14.	Mr. A.M.D. Gunathilake	-	Superintendent,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

Management Review

Estates Locations

Chilaw Plantations Limited is the pioneer in coconut production among the plantation companies. The lands belonging to the company are mainly spread in the three districts of Puttalam, Kurunegala and Gampaha. During the base year, 04 units of Pallai Estates belonging to Kilinochchi district, which were managed by the Janatha Estates Development Board (JEDB), were acquired on a 30-year lease basis and the Pallai Estates Zone was established and the lands managed by Chilaw Plantations Limited expanded to the Northern Province. Accordingly, the total amount of land owned by the company is 5,992.74, with the majority of the land, 54%, located in the Puttalam District. Kurunegala, Gampaha and Kilinochchi districts account for 35%, 7% and 4% of the total land area respectively. The lands are located as 89 estate units under 9 main estate zones.



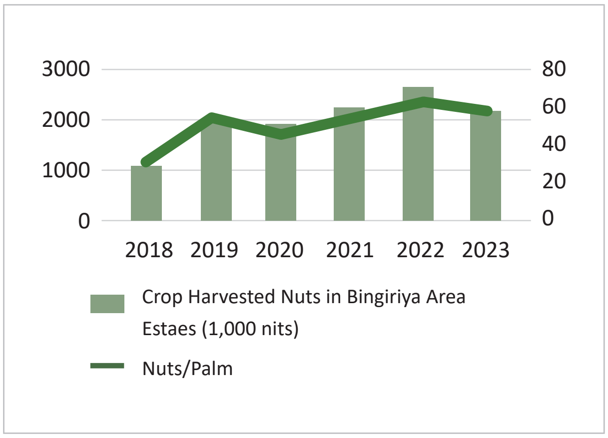


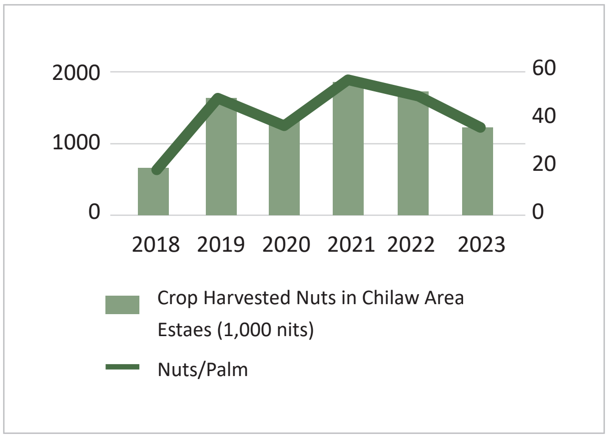
Our Estates

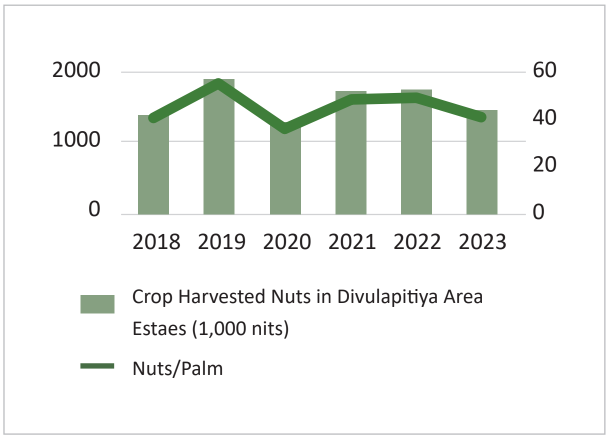
Area Estate	No. of Estates	Total Extent (Ha)	Main Crops (Ha) Coconut	Cashew	Other Crops	DS Division	Town
Bingiriya	11	1,109.74	706.95	20.00	0.81	Bingiriya, Kobeigane	Weerapokuna
Chilaw	12	645.57	485.36	49.96	9.26	Pallama, Arachchikattuwa, Rasnayakapura	Pallama
Divulapitiya	14	414.37	403.74	-	46.47	Divulapitiya, Katana, Dankotuwa	Badalgama
Madampe	12	655.86	603.65	6.07	5.24	Nattandiya, Chilaw, Bingiriya, Udubaddawa, Madampe	Udubaddawa
Mangalaeliya	11	816.64	299.79	315.64	-	Puttalam,Mundel, M ahakubukkadawala	Mundel
Nikaweratiya	14	399.92	332.87	18.20	-	Kobeigane, Paduwasnuwara	Kobeigane
Palugaswewa	1	672.22	619.16	-	0.5	Arachchikattuwa	Arachchikattuwa
Thambapanni	10	1,008.79	393.34	405.25	-	Puttalam, Wanathawilluwa, Kalpitiya	Puttalam
Pallai	4	269.63	37.25	-	-	Kilinochchiya	Kilinochchiya
Total	**89**	**5,992.74**	**3,882.11**	**815.12**	**62.28**		

Crops have been diversified in order to increase the land unit productivity and effectiveness of company's lands by developing the land use plan according to the characteristics of the agro-climatic zones. Fruit crops such as Cashew, TJC mango, rambutan, dragon fruit and spices such as cinnamon and pepper are intercropped in long run. In addition to crop cultivation, most of the estates are also engage in animal husbandry.

Coconut Production Data



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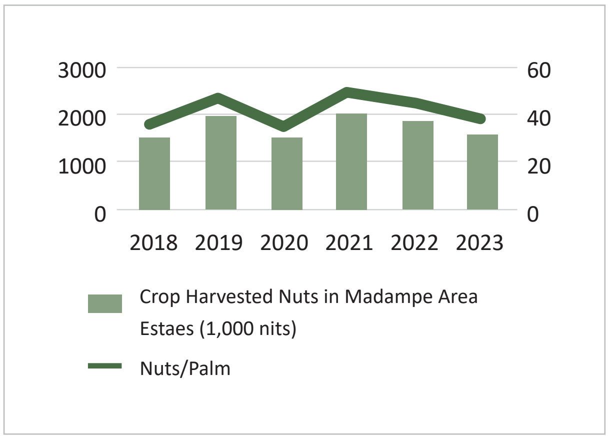
Crop Harvested Nuts in Divulapitiya Area Estaes (1,000 nits)
Nuts/Palm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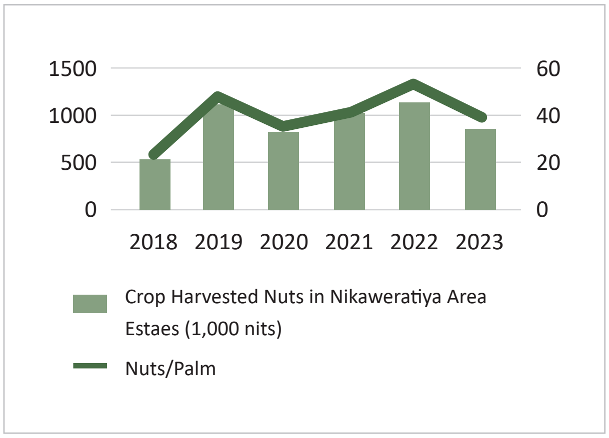
Crop Harvested Nuts in Madampe Area Estaes (1,000 nits)
Nuts/Palm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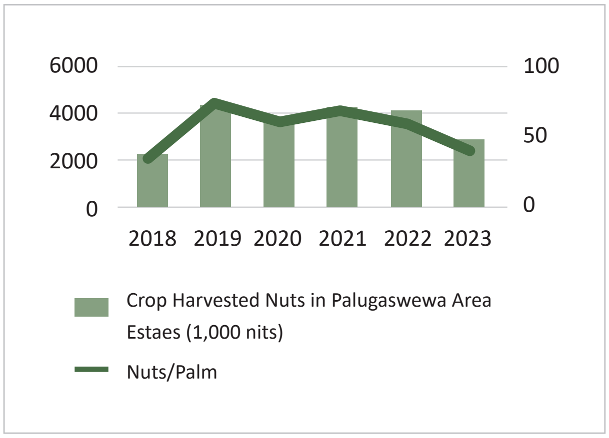
Crop Harvested Nuts in Nikaweratiya Area Estaes (1,000 nits)
Nuts/Palm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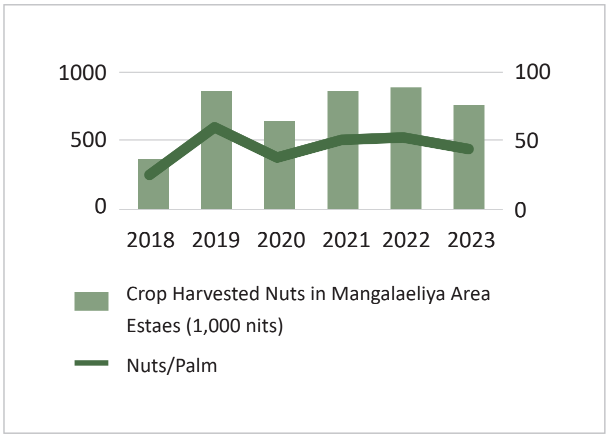
Crop Harvested Nuts in Palugaswewa Area Estaes (1,000 nits)
Nuts/Palm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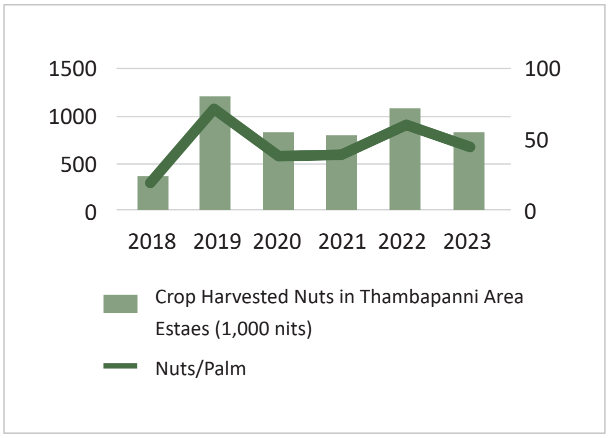
Crop Harvested Nuts in Mangalaeliya Area Estaes (1,000 nits)
Nuts/Palm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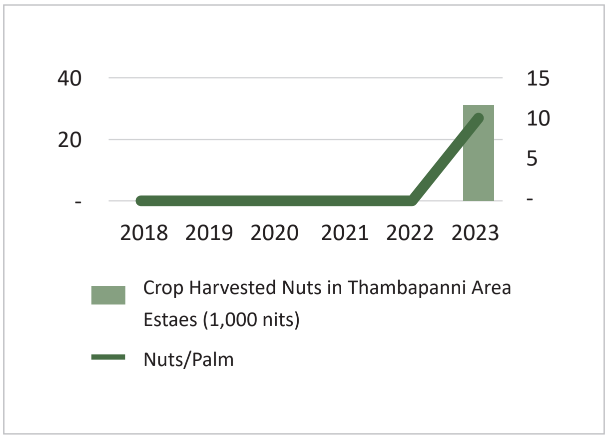
Crop Harvested Nuts in Thambapanni Area Estaes (1,000 nits)
Nuts/Palm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2018 2019 2020 2021 2022 2023
Crop Harvested Nuts in Thambapanni Area Estaes (1,000 nits)
Nuts/Palm

5 Years Crop Production

Year	Crop (Nuts)	Veriance	Bearing Palms	Nuts/Palm	Coconut Production in Sri Lnka (Mn)	Veriance (%)
2018	8,132,121	-30%	262,517	31	2,737	+10%
2019	14,993,952	84%	259,808	58	3,106	+13%
2020	11,943,494	-20%	273,429	44	2,818	-9%
2021	14,715,763	23%	275,267	53	3,383	-17%
2022	15,172,334	03%	277,190	55	3,351	-1%
2023	11,697,511	-23%	271,411	43	2,944	-12%

Sustainable Agriculture Plan

The agricultural activities of Chilaw Plantations Limited are conducted according to a sustainable plan. According to that plan, the infrastructure of the estates as well as agricultural development activities was also carried out. New technical strategies were identified and implemented to increase the annual yield of coconut cultivation as well as other crops.

Sustainable Agricultural Development Strategies

1. Undertaking coconut under-planting and new plantings,
2. Cultivation of inter-crops,
3. Implementing irrigation projects for coconut cultivation
4. Adding value to products,
5. May introduce new products.

1. Initiating New Coconut Under-Planting

By identifying the most suitable places to start coconut seedlings as an under cultivation in the estates, coconut saplings were planted in those places, and new coconut plantations were started in the base year by identifying areas suitable for coconut cultivation where there were no plantations.

Estate Area	Number of Coconut Seedlings Planted in the Base Year	The Amount of Coconut Plantations at the end of the Year (hectares)	Number of Coconut Plants at the end of the Year	Plantation as a Percentage (%) of Total Cultivation
Bingiriya	200	94.00	12,834	13 %
Chilaw	-	17.68	2,614	4%
Divulapitiya	640	21.50	3,741	5 %
Madampe	4550	60.00	9,162	10 %
Mangalaeliya	410	43.50	3,706	17 %
Nikaweratiya	-	27.02	2,918	8 %
Palugaswewa	1,500	55.00	6,767	9 %
Thambapanni	2,400	20.50	7,718	12 %
Total	**9,700**	**375.70**	**49,640**	**10%**

2. Carrying Out Long Term and Short-Term Cropping

By identifying the suitability of the soil, under-utilized land was used for crop cultivation and inter-crops were cultivated in addition to the main crop, coconut, in the land where crops could be further diversified. There, short-term crop cultivation was done through the redevelopment of suitable lands identified to increase unit productivity.

In addition to the inter-crop cultivation projects initiated by the company, private entrepreneurs have also annually collaborated to carry out inter-crop cultivation on the company's under-utilized lands.

Due to the lack of human resources at the field level in the plantation sector and the existing difficulties in managing physical resources, the process of providing facilities for short-term inter-cropping to external entrepreneurs to give revival to the under-utilized lands owned by the Chilaw Plantations Limited and to the lands where inter-cropping can be carried out is still ongoing. Accordingly, for the year 2023, in addition to the acreage of 1005 that had been given before, an acreage of 917 was given to private entrepreneurs on an annual lease basis for inter-cropping.

By giving the opportunity to private entrepreneurs to cultivate inter-crops in coconut lands and inland/un-utilized lands, planting and caring for the coconut plantations has been given to that party to remedy the labor shortage that is growing against us.

Long Term Inter Crop Details

Estate	Cashew (Ha)	Papper (Ha)	Rambutan (Ha)	Dragon Fruit (Ha)	Cinnamon (Ha)	Mango (Ha)
Thambapanni	405.25	-	-	-	-	-
Mangalaeliya	316.04	-	-	-	-	-
Bingiriya	20.00	-	-	-	0.81	-
Nikaweratiya	18.20	-	-	-	-	-
Chilaw	49.96	-	-	-	1.60	6.87
Madampe	6.07	-	-	3.64	-	1.6
Divulapitiya	-	16.06	20.00	-	9.61	-
Palugaswewa	-	-	-	0.5	-	-
Total	**815.52**	**16.06**	**20.00**	**4.14**	**12.02**	**8.47**

3. Irrigation Projects for Coconut Cultivation

Most of the estate divisions located in Puttalam and Kurunegala districts receive less than 1750 mm of annual rainfall, and in some years the estates that receive less than 1000 mm of annual rainfall are also located in Puttalam district. Since water acts as a limiting factor for continuous growth and fruit production, Chilaw Plantations Limited started water supply strategies for coconut cultivation according to the new technology to maintain the coconut production in the plantations uniformly and gradually increase the production capacity.

In the year 2022, 03 drip irrigation systems were installed in field No. 4, in Palugaswewa Estate, Regina, and Jasintha Mangalaeliya Estate and Thambapanni Estate respectively, covering 25 acres each. In the base year, a 25-acre drip irrigation project utilizing solar power was initiated in the Galwagara Estates section of Madampe Estates region, expanding it further.



4. Adding Value to Products

With the goal of delivering quality products to consumers, Chilaw Plantations Limited engages in processes to add value and enhance the worth of its products,

- Production of coconut oil,
- Coconut honey production,
- Curd production,
- Production of buffalo milk yogurt,
- Production of cow's milk yogurt,
- Production of processed organic cashews,
- Seed coconut production

Major value-added products are produced by Palugaswewa Estate. Coconut oil, cashew processing, buffalo milk and yoghurt production are carried out at Palugaswewa Estate. Only the highest quality white copra is used in the production of coconut oil. The buffalo milk and yoghurt are produced using milk sourced from the buffalo project at Palugaswewa Estate, while fresh milk is obtained from cows managed by local farmers and estate workers. These products are manufactured in a more health-safe way without using artificial sweeteners.

In the production of coconut treacle, without the use of water or sugar, the products are made using only the sweet nectar. Quality coconut treacle is produced in Bingiriya, Madampe and Chilaw Estates.

We Have Won Organic Certification for Cashews

CERTIFICATE

Requirements for Sri Lanka Organic Agriculture Production and Processing

Chilaw Plantations Limited

SLS 1324:2018

Valid until 29th March 2024

CERTIFICATE

Chilaw Plantations Ltd

SRI LANKA

predetermined minimum price. Suitable buyers in this leasing process were selected through a publication of newspaper advertisement. It worked as a very successful method.

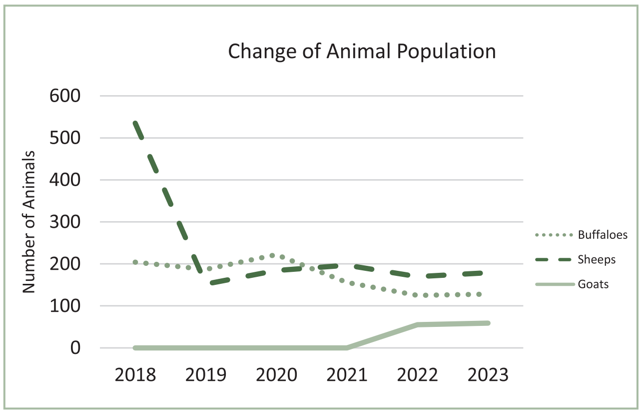
The 800-hectare cashew plantation cultivated by Chilaw Plantations Limited for a long time is maintained as an organic cultivation in 30 plantation units. Out of which, in the year 2021, the largest plantation units of 06 cashew plantations acquired the 'Organic' brand. Later, by controlling the quality of those plantations annually, they managed to get the 'organic' certificate every year

Cashew cultivation as a project started in the year 2002, and the company currently has a cashew plantation of about 800 hectares. Chilaw Plantations Limited was also the leader in cashew production in Sri Lanka by achieving a record harvest in 2020 through that cultivation.

Later, due to annual decline in cashew production and cashew income, Chilaw Plantations Limited changed the method used to harvest cashews, since the work of taking care of cashew fruit to harvesting cashews, a process of leasing cashew trees for the cashew season was implemented in the base year. There, cashew trees were leased by the company at a

Livestock

- Buffalo Farming,
- Sheep Management,
- Goat Husbandry,



Chilaw Plantations Limited had been involved in animal husbandry since its inception to maximum use of the land within the coconut plantations while ensuring that cultivation is not harmed. Accordingly, annual additional income will be received through the above animal husbandry projects, as well as a contribution is made to weed control and meet the requirement of a certain number of organic fertilizers. Moreover, it helps to maintain the C:N ratio of the soil at an optimum level.

Product Marketing

As a plantation company focused on coconut cultivation, Chilaw Plantations Limited presents a range of products to the market, including those related to coconut cultivation, through diversification of both crops and production.

- **Products Related to Coconut Cultivation**

  Coconut, copra, coconut treacle, coconut oil, coconut seedlings and other coconut related products

- **Products Related to Cashew Cultivation**

  Processed cashews, shelled cashews, other by-products related to cashew products

- **Dairy Products**

  Skimmed milk, yoghurt, ghee and other products

- **Other Crop Related Products**

  Other inter-crops include valuable timber, cinnamon, pepper, rambutan, dragon fruit

- **Other Products and Services**



As the company's main crop, coconut and copra produced in relation to it are offered for sale throughout the year, and it is mainly sold through the “Pol Pola” tender procedure. Accordingly, from Monday to Thursday of the week, coconuts are sold in 02 estate zones per day, and on Fridays, it has been done by the main office “Pol Pola” tender procedure, through which there is a sales mechanism to provide enough suitable coconuts to the buyers according to any requirement.

Shelled cashews, valuable wood, coconut shells and other products are mainly sold following the tender procedure and the tender procedure is determined according to the value of the products sold.

Chilaw plantation company mainly sells our value-added products to the consumers through selected sales agents covering many parts of the island and through our company's outlets located in Chilaw, Rajakadaluwa and Colombo. Through these sales channels, our products are popularized and promoted in many parts of the island.

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

Chilaw Plantations Limited participates in trade exhibitions, conferences, and various events organized across the country by both public and private institutions. The sales department represents the company by presenting prominent trade booths to promote and market Chilaw Plantation's products. Additionally, they provide information about the products and production processes to potential customers and the general public, particularly for children.

Through these marketing activities, Chilaw Plantations Limited aims to achieve a high market value for all its products, while striving to maintain our position in a competitive marketplace.

Effects of Environmental Factors

Annual Rainfall Pattern

Chilaw Plantations Limited owns a significant amount of land within a dry climatic zone. The rainfall received from the southwest monsoon in the dry zone is insufficient to sustain consistent crop growth, while the northeast monsoon provides some useful rainfall during the wet season. Rainfall from inter-monsoon periods is variable. At times, when a dry climatic condition persists throughout the year, the subsequent monsoon rains may be intense and above average. However, due to the continuous growth pattern of the coconut tree throughout the year, the variability in rainfall over short periods is less critical than maintaining a consistent level of soil moisture. Specifically, in the Puttalam District and surrounding plantations, the limited spread of annual rainfall results in extended periods of water deficit for the crops. Consequently, this also restricts the production of the trees.

High-Yielding Seed Coconut Production

High-yielding seed coconut production began in 2012 at Palugaswewa Estate with the technical support of the Coconut Research Institute (CRI), focusing on the development of the CRISL 98 improved coconut variety through hand pollination. This seed coconut production continued during the base year.

In 2013, a memorandum of understanding with the Coconut Research Institute led to the establishment of a seed coconut nursery of 58 hectares at Kiniyama Estate within the Bingiriya Area Estate, aimed at developing the 'Kapruwana' coconut variety. The 'Kapruwana' variety was developed by crossing the 'Kola Kundira' and 'Senraman' varieties. During the base year, the production of 'Kapruwana' seed coconuts commenced with the selection of approximately 300 'Kola Kundira' trees for hand pollination activities. The seed coconut harvesting process began in the latter part of the base year. It is anticipated that the release of coconut seedlings will start in early 2024.

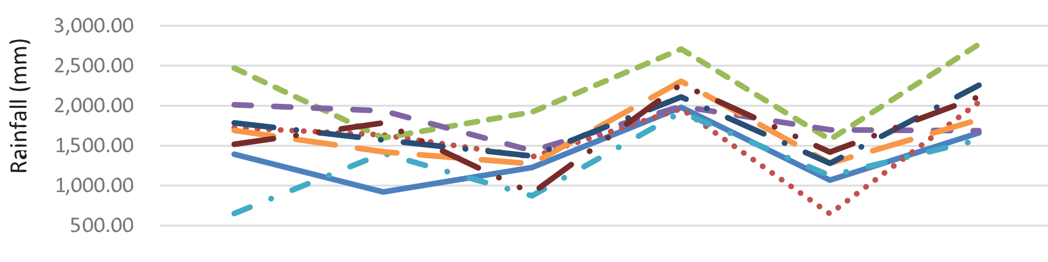
Environmental Temperature

Environmental temperature is a crucial factor in maintaining the viability of pollen produced in coconut flowers. The optimal temperature for coconut plant activity is around 29°C. As environmental temperatures increase, the viability of pollen decreases. This reduction in viable or partially active pollen negatively impacts the pollination process and, consequently, the yield.

During severe dry climatic conditions, water loss through transpiration can lead to a decline in the health of coconut trees. In the Puttalam District and nearby plantations, such extreme dry conditions can cause significant issues, including the shedding of coconuts and the breaking of coconut bunches, adversely affecting crop yield.

Annual Rainfall Intensity in Plantation Zones

Annual Rainfall from 2018 to 2023



	2018	2019	2020	2021	2022	2023
Bingiriya	1,393.34	920.00	1,226.74	1,980.12	1,068.42	1,661.86
Chilaw	1,724.50	1,633.93	1,357.39	1,963.45	646.59	2,044.68
Divulapitiya	2,470.67	1,597.50	1,921.33	2,708.33	1,576.33	2,769.67
Madampe	2,011.67	1,934.67	1,436.33	1,991.33	1,697.00	1,685.00
Mangalaeliya	650.20	1,404.83	872.60	1,918.40	1,125.60	1,573.33
Nikaweratiya	1,690.00	1,423.00	1,273.00	2,306.00	1,278.00	1,825.00
Palugaswewa	1,786.50	1,569.20	1,371.00	2,108.10	1,278.92	2,256.60
Thambapanni	1,517.79	1,785.14	903.82	2,268.56	1,420.56	2,111.40

Soil

Many lands within the Puttalam and Kilinochchi Districts are located near the coastal boundary. As a result, the soil in these areas contains a higher percentage of sand compared to other districts. This sandy soil dries out quickly. However, this type of sandy soil is highly suitable for coconut cultivation.

In contrast, the soils in the Kurunegala and Gampaha Districts range from sandy loam to red-yellow podzolic soil types.














Our Social Responsibilities

Successfully utilizing state resources for economic advancement is a significant achievement of Chilaw Plantations Limited. Despite various economic challenges in the country, Chilaw plantations Limited's effective use and management of its resources have been key factors in its progress. It is also noteworthy that the economic benefits obtained by the company are generously distributed among all employees, which is a remarkable accomplishment.

Chilaw Plantations Limited takes pride in the benefits derived from its annual physical and financial growth, which are passed on to consumers in the country. Through our quality products, we provide some relief to their cost of living, which is a fortunate outcome for us.

Sustainable Agriculture

Chilaw Plantations Limited has provided opportunities for plantation workers and external farmers to engage in livestock management activities without harming the plantation. Although the company has not received direct financial benefits from these activities, the incidental effects, such as the natural trampling of the land of cattle and the accumulation of manure and urine, have contributed to improved soil nutrient and organic levels. This can be considered a beneficial, albeit indirect, outcome.

Additionally, the adoption of organic fertilizers for coconut cultivation, minimal use of chemical herbicides, maintenance of nitrogen-fixing cover crops, utilization of coconut fronds as mulch, and the growth of cover crops like Piyureiya have all contributed to the enhancement of soil quality and fertility.

Bio System Conservation and 'Afforestation' Management

Chilaw Plantations Limited maintains two naturally occurring sites as conservation areas that are not used for cultivation. These areas also support high biodiversity.

According to the five-year 'Forest Management' plan approved by the Department of Forest Conservation, selected plantation sections undergo annual removal of timber trees. While the approved girth size for timber removal is 90 cm, in practice, timber trees with a girth exceeding 120 cm are selectively removed. The approved 'Forest Management' plan from late 2019 was implemented starting in 2020. During this period, the removal of timber and protected trees has been carried out as planned, and replanting of five times number of timber trees has been maintained in the fields.

Employee Benefits

Effective management of human, physical, and biological resources has significantly contributed to the company's development. Employee commitment and professional growth have been highly beneficial. The company consistently provides performance-based bonuses, additional allowances during coconut harvesting, and a monthly incentive of 2% for plantation officers and workers based on coconut sales. Additionally, profit sharing is given to all permanent employees at the end of the year.

Annually, the company releases coconuts at a subsidized price, provides insurance for all employees, including plantation workers, covers insurance claims, and offers disaster loans at low interest rates. Support for annual recreational trips for plantation workers is also provided, along with other welfare activities. These initiatives are key factors in enhancing employee motivation and significantly contribute to the company's productivity and employee loyalty.

Improving the Quality of Life in the Community

Chilaw Plantations Limited continuously builds harmonious relationships with the surrounding community while conducting its business operations. Annually, we provide numerous facilities requested by local temples and religious sites. We also support the less fortunate and vulnerable families by providing coconut trees for their homes and offering copra for religious processions and festivals, thereby actively contributing to community welfare.

As a plantation company, our unified goal is to achieve sustainable development through environmental, social, and economic balance. We aim to be a significant contributor to the country’s development by excelling in economically viable agricultural practices and fulfilling the aspirations of our employees. Our commitment is to advance as a leading agricultural enterprise, continuing to support and enhance the communities we serve.

Financial Statement

The Financial Statement of the Company, which form a part of this Annual Report, set out the financial performance and the financial position of the Company. The Financial review discusses an overview of the Company's financial performance.

The reporting financial year for Chilaw Plantations Limited has been another challenging year due to many adverse influences from the external environment. High cost of production reported in financial year and unfavorable condition influenced the agricultural operations of the Company. Despite such adverse impacts the Company was able to achieve a sound financial standing in the financial year 2023

COMPANY FINANCIAL PERFORMANCE AT A GLANCE **Rs.Mn**

		2023	2022	Variance Rs Mn	%	Key Factor
Coconut Nuts Mn		11.7	15.1	(3.4)	(23%)	Prevailed dry and unusual weather conditions during the previous year
NSA (Net Sale Average) Rs.		64.20	57.61	6.59	11%	
COP (Per Nut)	Rs.	45.67	29.22	16.45	56%	Due to decrease in coconut production and increase in cost of production
Revenue	Rs. Mn	900	975	(75)	(8%)	Mainly Due to decrease in coconut production
Cost of Sales	Rs. Mn	672	521	151	29%	Increase in cost of production and adjustment of high opening stock and low closing stock to cost of production
Other Income	Rs.Mn	94	181	(87)	(48%)	Decrease of other income Ref. note no.21
Administrative and General Expenses	Rs.Mn	205	229	(24)	(10%)	Decrease in provision made for payment of performance incentive.
Finance Income	Rs.Mn	237	136	101	74%	Due to increase of FD balance and interest rate
Finance Expenses	Rs.Mn	62	44	18	41%	Government lease rental has increased based on 48 % annual GDP deflator.

Revenue

The company recorded a Revenue of Rs. 899.6 million during the year under review compared to Rs. 975.1 Million in previous year which reflects a decrease of Rs. 75.5 Million in comparison. This decrease was mainly due to the decreased revenue from the coconut due to the drop in crops.

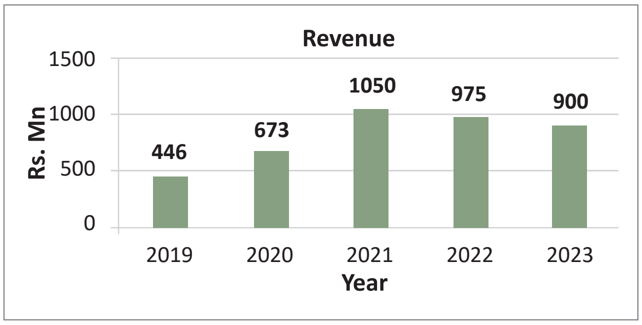
Total crop harvested in 2023 was 11,728,576 Nuts compared to 15,172,334 nuts recorded in year 2022, which reflects a 23% drop. Prevailed dry and unusual weather conditions during the past period were the main reasons for this drop.

As per report published by CRI, National level coconut crop decrease in 2023 was 12%. Most CPL coconut plantations are located within Dry agro climatic zone.

One of the major and unforeseen risk is that the plantations industry is being affected by the drought, and in order to mitigate the effects by drought conditions, measures have been taken to collect and store as much as possible rain water in our lands, which would be used as a resource to preserve the soil moisture contents, whilst the water also could be used to irrigate the young seedlings in the UPs and NPs and the mature palms where necessary. In addition to that measures have been made to establish drip irrigation systems in our coconut lands.

Coconut income was the main component of the revenue which represented 84.1% of the total revenue, amounting to Rs 756.6 Mn compared to Rs 882.2 Mn in the previous year. Revenue from Cashew was the second highest revenue source in 2023 which represented for 7.1% of the total revenue amounting to Rs 64Mn.

Contribution from other sources such as Nursery, Livestock, other perennial crop and project were Rs 79 Mn which represented 8.8% from revenue.



Cost of Sales

The cost of sales for the year under review was Rs. 671.9 Mn compared to Rs 520.9 Mn in previous year, which is an increase of Rs 151 Mn when compared to the previous financial year.

The composition of cost of sale is as given below.

Composition of Cost of Sales

	2023 Rs.Mn	2022 Rs Mn	Increase/ (Decrease) Rs.Mn
Coconut and copra	544.4	462.2	82.2
Cashew	47.2	5.9	41.3
Livestock	14.9	11.8	3.1
Nursery	26.3	10.0	16.3
Oil Mill	17.0	13.6	3.4
Cashew processing	13.3	9.8	3.5
Other	8.8	7.6	1.3
Total	**671.9**	**520.9**	**151**

The main reasons for increase in cost of sales can be outlined as follows

- **Reasons for Increase in cost of sale of coconut**

The total cost of production of coconut for the year 2023 was Rs 536 Mn compared to Rs. 443 Mn in 2022, reflecting an increase of Rs 93 Mn. However, after adjustment of opening and closing stock to cost of production, the cost of sale for the year 2023 was Rs. 544Mn. It is as given below.

	2023	Rs.Mn 2022
Cost Of Production	536	443
Opening Stock Adjustment	51	70
Closing Stock Adjustment	(43)	(51)
Cost of Sales	544	462

The main reasons for the increased in cost of production of coconut can be outlined as follows.

- Increase in General charges from Rs 285.9Mn in 2022 to Rs 321.5Mn by 35.6 in 2023. The main factors that contributed to this increase in General charges are as follows.

- Estate Staff salary has increased by Rs. 3.2 Mn. This increase was mainly due to an increase in estate non-executive staff salary as per CPL/CESU new collective agreement and granting annual salary increment to executive staff of estate as per Management Service circulars.

- Cost on supervisory vehicles of the estate has increased from Rs 19.1 Mn in 2022 to Rs 22.7Mn in 2023 mainly due to increase in fuel prices and spare parts etc.

- Cost on electricity has increased by Rs 5.8 Mn during the year under review due to increase in electricity charges.

- Expenses on staff welfare, water supply , postage & stationary, insurance, security, Medical etc. have increased by Rs.7.9 Mn

- Provision made for depreciation has increased by Rs 6.1 Mn mainly due to provision made on newly acquired property plant and equipment.

- The cost on Fertilizer application to mature plantation has increased from Rs.6.1 Mn in 2022 to Rs.57 Mn in 2023, since the fertilizer application was carried out only in a limited area in 2022 due to the prevailed fertilizer deficit in the country.

- Cost on harvesting has increased from Rs 82.9Mn in 2022 to Rs. 87.8Mn in 2023 due to increase in picking rates and transport etc.

- **Cost of Sale of Cashew**

  Cost of sale of cashew has increased by Rs 41.3 Mn due to adjustment of high opening stock and low closing stock to cost of production in corresponding year, as described below.

	2023	Rs.Mn 2022
Cost Of Production	18.6	26.3
Opening Stock Adjustment	29	8.6
Closing Stock Adjustment	(.4)	(29)
Cost of Sales	47.2	5.9

- As a result of making a provision on overgrown and unsuitable coconut plants of coconut nursery during the corresponding year, the cost of sale of coconut nursery has increased by Rs 16.3 Mn.

Gross Profit

Gross profit for the year under review was Rs. 227.8 Mn compared to Rs 454.1 Mn recorded in 2022. This decrease was mainly due to a decrease in gross profit generated from coconut segment due to crop drop and decrease in gross profit generated from seedling nurseries due to write off the book balance of overgrown coconut plants.

Other Operating Income

Compared to the previous year, other operating income has decreased from Rs 181.5Mn in 2022 to Rs 94 Mn in 2023, reflecting 48% decrease against the previous year. Decrease in sale of husk and shells by Rs.1.2Mn, decrease of income on sale of coconut palm by Rs. 10.2Mn, decrease of income on sale of timber trees by Rs. 13 Mn and decrease of income on land leased for cultivation by Rs 4.8Mn and decrease of income on desalting tank/ land rehabilitation by Rs 64.2Mn were the main reasons for this unfavorable variance of other income compared to previous year. Details of other income sources are shown in note no 21 to the financial statement.

Administrative and General Expenses

Administration expenses for the year 2023 is Rs 205 Mn, which was Rs. 229 Mn in the year 2022, reflecting a decrease of Rs. 24 Mn. This decrease was mainly due to a decrease in provision made for employee incentive payment in the financial year 2023 on prevailed profit level.

Finance Income

Finance income, mainly represents the interest income from Short - term deposits at banks and interest income on staff loans.

When compared to the year 2022, finance income has increased from Rs 135.8 Mn to Rs. 237.3Mn. This is an increase of 75% in comparison. These increases were mainly due to the increase in Short term investment during the year and increase in interest rate of fixed deposits.

Finance Cost

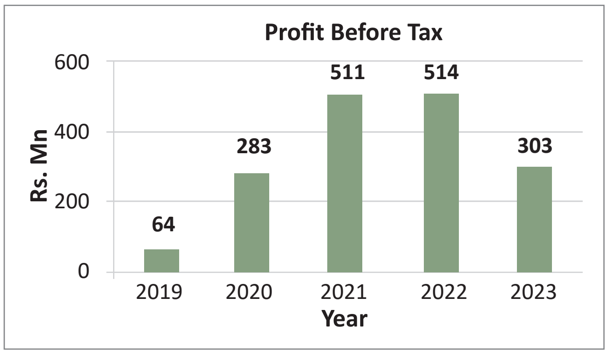
Finance cost mainly reflects the interest and contingent lease rental on JEDB Leasehold Assets. For the year 2023 it is Rs.55.7 Mn, recording a 33% increase compared to Rs 41.8 Mn in previous year, which increase annually based on the GDP deflator.

(GDP Deflator for the year 2023 was 48% when compared to 7.9 % recorded in year 2022)

In addition to that, a finance cost of Rs 3 Mn has been incurred in finance cost on new lease hold assets in JEDB Pallai Estates (Pallai estate, Muhamalai Ayanankal estate, Visuwalingam estate and Kasipallaikani estate) during the corresponding year.

Profit Before Tax

During the year under review, the Company has recorded a Profit Before Tax/ (PBT) of Rs 302.6 Mn. This is as against the previous year's profit of Rs. 513.8 Mn. The decrease in crop harvested by 23%, decrease in profit generated from nurseries and decrease of sundry income during the year were the main reasons for this decrease.



Taxation

During the year under review the Company has made a tax provision of Rs 70.8 Mn compared to Rs 20.4 Mn recorded in previous financial year. (Refer note No 24 for Income tax computation)

Dividend

Chilaw Plantations Limited has distributed a total dividend of Rs. 630Mn to the Treasury/Golden share holder, after the taking over the management back to the Government in May 2008. In comparison to the profit earned by the company from year 2008 to 2023 this is a significantly high amount. Thus the total dividends distributes to the treasury by Chilaw Plantations from 1992 amounts to Rs 792Mn at the end of year 2023.

Service Recognition of Human Resource,

Being strongly aware that human resources are the most important asset in an organization, the company paid Rs 29.5Mn in the year 2023 as performance incentive to employees. This would un doubtfully encourage the employees to perform better.

In addition to that, a sum of Rs 12.9Mn had been paid in the year 2023 as a bonus to the all employees of CPL as per PED Circular no 04/2023 compared to Rs 14.6 Mn paid in previous year.

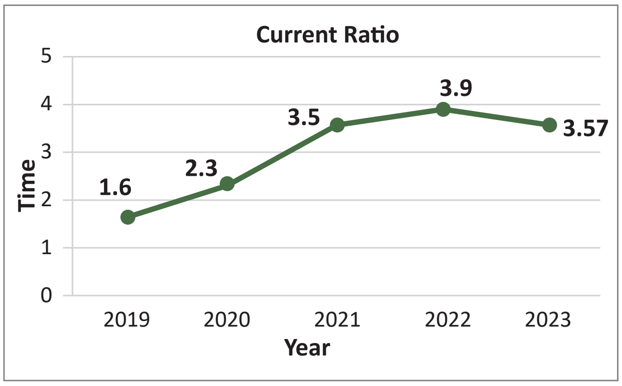
Earnings Per Share

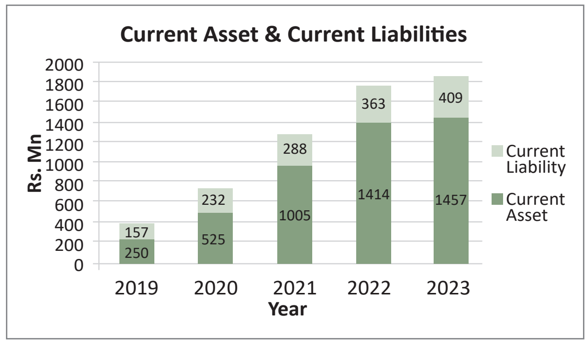
During the financial year, the company has generated Rs 11.59 profit for each unit of share (EPS), compared to Rs 24.67 recorded in previous year.

Current Ratio

Current ratio for the year 2023 was 3.57 times compared to 3.9 times in the previous year.

The current ratio of 3.57 for the year is a meaningful level that enables the company to adequately meet the short term liquidity requirements.





Investment on non -current Assets

During the year 2023 the Company has invested Rs. 59.3Mn (2022: Rs. 54.5Mn) on New/Under Plantations, management of Immature Plantations and Rs.45.5Mn Invested on Property Plant and Equipment (2022: Rs. 70.8Mn).

Net Book value of non-current assets (Property Plant & Equipment, Leasehold Right, Biological Asset, Improvement to leasehold property etc.) as at the Balance Sheet date in year 2023 is Rs. 1,590.9 Mn (2022 : Rs.1,476.5Mn).

Equity

Equity Comprise of stated capital of Rs. 200 Mn and reserves of Rs. 2,179.6 Mn. The composition of the reserves is stated bellow.

	2023	Rs Mn 2022
Retained Earnings	1,844.7	1833.5
Timber Reserves & Vehicle revaluation reserves	334.9	321.5
Total Reserves	**2,179.6**	**2,155.0**

Liquidity Position

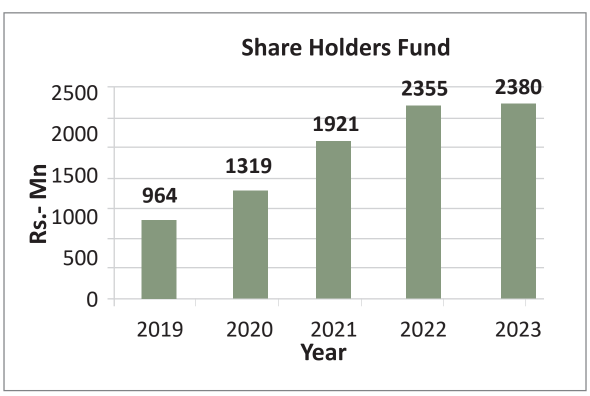
	2023	Rs Mn 2022
Total Current assets	1,457	1,414
Total Current Liability	409	363
Net Working Capital	1,048	1,051
Current Ratio	3.57	3.9

The net working capital position of the company for the year ended 31st December 2023 was Rs 1,048 Mn when compared to Rs 1,051 recorded in previous financial year.

Shareholders Fund Ratio

The shareholders fund in the Capital Structure increased by 1% from Rs. 2,355 Mn in 2022 to Rs. 2,380Mn in 2023. Shareholders' fund is equivalent to 78% of total assets in the year under review.

Share holders fund last 5 years



Cash flow

Net operating cash flows

The company reported a Net cash inflow of Rs. 311.8 Mn from its operating activities during the year 2023 against net cash inflow of Rs. 431.6 Mn in the previous financial year. Better performance during the year of the company has led to record positive net operating cash flow during the corresponding year.

Cash used for investing activities

Cash flow from investing activities reported a net cash outflow of Rs.107.7Mn in the current year compared to a net cash outflow of Rs. 201.7Mn in the previous year.

During the year under review, the company has invested Rs .69.3 Mn on field development and Rs. 45.5 Mn invested in Property Plant and Equipment, which ultimately resulted in creating a net cash outflow from investing activities.

Finance activities

Cash flows from financing activities depict a net cash out flow of Rs. 138.2 Mn during the year under review. Dividend paid to treasury which amounted to Rs. 130 Mn, settlement of lease rental arrears Rs. 9 Mn to Treasury were the main reasons for net cash out flow of finance activities.

Short term deposit and bank balance

Cash and cash equivalent and short term deposits in Banks at the end of the year under review had been Rs. 1,134 Mn, whereas in 2022 it was Rs. 1,053Mn , reflecting a increase of 8% compared to the previous year.

Corporate Governance

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

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

Board of Directors

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

Responsibility

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

Composition

In 2023 the Board of Directors comprised Seven Directors including the Chairman.

Board Meetings

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

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

The board met 11 times during the year 2023.

Audit Committee

The Audit Committee is comprised of Three non excecutive Directors.

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

The Chairman, GM, AGM Plantations and Senior Accountant attended Audit Committee Meetings on invitation. Chief Internal Auditer act as the convenior of the Audit Commitee meetings.

Compliance with Legal Requirment

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

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

Risk Management

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

Risk mitigation strategies:

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

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

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

Audit Committee Meeting- 2023

The Audit committee of Chilaw Plantations Limited plays an important role, facilitating oversight functions of its Board of Directors. Audit Committee consist at least three Non – Executive Board Members including a Treasury representative one of whom should preferably possess Financial Management skills.

The committee should meet on a regular basis at least once in three months with the Chief Internal Auditor as convener and should submit its observations to the Board of Directors with recommendations for necessary actions.

During the year 2023 the Audit Committee of Chilaw Plantations Limited also consisted three Non - Executive Board Members and the Chairman of the committee was Treasury Representative. The rest of Committee Members was Senior Additional Secretary of the Ministry of Plantation and Senior Staff Officer of Sri Lanka Port Authority. Audit committee invited at its discretion to Chairman / CEO, General Manager and some of the Head of Departments of the Company to attend the meeting. Under guidelines on Corporate Governance for state owned enterprises; a representative of National Audit Office also attended for Audit Committee Meeting. Minutes of meeting maintained by the Board Secretary of Chilaw Plantations Limited.

Audit Committee provides assistance to the Board of Directors to fulfill following responsibilities.

Purpose

- Preparation, presentation and adequate disclose of financial statement as per Sri Lankan Accounting Standers.

- Compliance the financial reports according to company & establishments acts, other regulation and requirements.

- Process the adequate internal controls, risk management procedure as per Sri Lanka Audit Standers.

Meetings

During the year 2023, the committee met three times with representative of National Audit Office and discussed Internal Audit Reports and Auditor General's Reports. The meeting was held on following days with the Audit Committee Members as follows.

Name of the Audit Committee Member	Date of Meetings & Participations		
	13.06.202	15.11.2023	18.12.2023
Mr. H.G Sumanasinghe	√	√	√
Mrs. Aruni S. Ranasinghe	√	√	√
Mr. N. Rajasinghe	√	√	√

Composition

Audit Committee meetings held during year 2023 consisted three Non – Executive Board Members, Committee invited at its discretion to Chairman / CEO, General Manager and some of Head of Departments of Chilaw Plantations Limited.

Scope of Audit Committee

Members paid special attention for the area of Financial Reporting, Internal Audit, Risk Management, Relation with External Auditors, Compliance, Reporting Responsibilities, Related Party Transactions etc.

H.G. Sumanasinghe
Chairman
Audit & Management Committee
Chilaw Plantation Limited

Annual Report of Bord of Directors

The Board of Directors are pleased to present the Annual Report pertaining to the Chilaw Plantations Ltd, together with the Audited Financial Statement of the company for the year ended 31st December 2023 and the Auditor General's Report thereon.

Legal status

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

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

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

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

In addition to the above, pallai, Muhamalai Ayanankai, Visuwalingam, and Kasipallaikani estates have been received to CPL on lease for 30 years during the year under review.

Principal Activities

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

Financial Statements

Financial statements of the Company for the year ended 31st December 2023 have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) and are set out on pages 37 to 73 of the Annual Report.

Auditor's Report

The Auditor General's Report on the Financial Statements of the Company is given on pages 33 to 36

Accounting Policies

All significant accounting policies adopted in the preparation of the financial statements are given on pages 41 to 50 and there were no changes in the Accounting Policies adopted compared to the previous years.

Going Concern

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

Directors

Directors of the Board, who served the Company during the year 2023, are given below:

Previous Board of Directors

Mr. R.W.M.J.S.R. Perera (From - 31.12.2019)	Chairman/CEO
Mr. H.G. Sumanasinghe (From 26.07.2022 To 28.12.2023)	Director/Treasury Representative
Mrs. Aruni Shanika Ranasinghe (From 26.10.2022 To 09.04.2024)	Director
Mr. N.K.K. Rajasinghe (From 05.02.2020 To 01.03.2024)	Director
Mr. Ajanta Moonemalle (From 05.02.2020 To 01.03.2024)	Director
Mr. I.S.J.P. Gunawardhana (From 05.02.2020 To 01.03.2024)	Director
Mr. W.W.A.N.T.A. Fernando (From 05.02.2020 To 01.03.2024)	Director
Mr. K.P.G. Sisira Kumararathne (From 16.11.2022 To 01.03.2024)	Director

Present Board of Directors

Mr. R.W.M.J.S.R. Perera (from - 31.12.2019)	Chairman/CEO
Mr. P.H.A.S. Wijayarathne (From – 28.12.2023)	Director/Treasury Representative
Mr. L. Wickrama Arachchi (From – 09.04.2024)	Director

Mr. K.L. Wijesiri
(From - 01.03.2024) Director

Mr. H.V.W. Rathnapala
(From – 01.03.2024) Director

Mr. W.R.P. Jayarathne
(From – 01.03.2024) Director

Mr. K.G.S.W Bandara
(From – 01.03.2024) Director

Mr. S. Abeykoon
(From – 01.03.2024) Director

Audit Committee

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

Audit Committee – 2023

Mr. H.G. Sumanasinghe	Chairman (AMC)
Mrs. Aruni Shanika Ranasinghe	Member (AMC)
Mr. N.K.K. Rajasinghe	Member (AMC)
Mrs. Susila Wijerathna	Observer (National Audit office)

Review of Performance

The review of the Company performance during the year and the important management and development programs are given under the Chairman's Review on pages 4 to 5 and the, Management Review and Financial review on the pages 10 to 19

Revenue

The Revenue of the Company for the year 2023 is Rs.899.7 Mn (2022 - Rs. 975.1 Mn) which is 7% decrease over last year. This decrease was mainly due to the decrease in revenue from the coconut as a result of crop decrease in the corresponding year.

Crop harvested to end December 2023 was 11,728,576 Nuts compared to 15,172,334 nuts recorded in the year 2022, indicating a 23% crop decrease. As per report published by CRI, National crop reduction in 2023 was 12%. Prevailing dry and unusual weather conditions during the past period were the main reasons for this crop decrease. Most CPL coconut plantations are located within Dry agro climatic zone.

According the data available decline in coconut yields are reported in every 5 years and In the year 2023 also we experienced this trend and the yield fluctuation was experienced .

(Generally, when the coconut yield decreases, the selling price of a coconut tend to increase, Nevertheless, this phenomenon was not observed in this year due the prevailed economic conditions of the country)

Composition of the Revenue is given in note no 19 to the financial statements.

Other operating Income

The other operating income for the year was Rs. 94.0Mn (2022- Rs 181.5Mn). Decrease of income on desilting tanks / land rehabilitation by Rs.64.2 Mn, decrease of income on sale of coconut palm by Rs. 10.2Mn and decrease of income on sale of timber trees by Rs.13Mn were the main reasons for this unfavorable variance of other income. The adverse economic conditions prevailed in the country were the main factors contributed to this decrease.

Details of other income are provided in note no 21 to the financial statements.

The interest income earned during the year 2023 is Rs.237.4 Mn compared to Rs 135.9 Mn in the previous year. This increase was mainly due to the increase in short term investments on remarkable financial performance and increase in interest rate of fixed deposits.

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

Financial Results

During the year under review, the Company has recorded a Profit Before tax (PBT) of Rs 302.6 Mn and Profit After Tax (PAT) of Rs 231.8 Mn. This is as against the previous year PBT of 513.9 Mn and PAT of Rs 493.5 Mn. Decrease in profit generated from coconut, increase in cost of production of coconut and decrease in the sundry income were ultimately resulted to decrease in PBT of the corresponding year.

Decrease in profit after tax was mainly due to the increase in tax provision during the corresponding year.

The Company's total comprehensive income, net of tax for the financial year 2023 was Rs. 209.5Mn (2022 - Rs. 514Mn).

In addition to that, Due to factors beyond our control we were unable to start the integrated Coconut Processing factory as expected and could not achieve the anticipated profits.

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

Fixed Assets

During the year 2023 the Company has invested Rs. 69.3Mn (2022: Rs. 54.5Mn) on New/Under Plantations, management of Immature Plantations and Rs.45.5Mn Invested on Property Plant and Equipment (2022: Rs. 70.8 Mn).

Net Book value of non-current assets (Property Plant & Equipment, Leasehold Right, Biological Asset, Improvement to leasehold property etc.) as at the Balance Sheet date in the year 2023 is Rs. 1,591 Mn (2022 : Rs.1,476.5Mn). Details of non-current assets are given in notes 04 - 08 and 11.1 of the Audited Financial Statements.

Short-term Investments

The Short-term Investments of the company as at 31st December 2023 is Rs.1,090.2 Mn, compared to Rs.985.7Mn in year 2022. Details are given in notes no 12 of the financial statement.

Reserves

The Reserves of the company at the end of year 2023 are represented by Retained Profit of Rs. 1,844.7 Mn, Timber Reserves of Rs 237.8Mn and revaluation reserves of motor vehicle of Rs 97.0 Mn. The movement and composition of the Reserves are disclosed under the statement of changes in equity of the Audited Financial Statements.

Taxation

A detailed statement of the income tax, rates applicable to the Company and a reconciliation of the accounting profits with the taxable profits are given in note no 24 to the financial statements on page no 66 to 67

Stated Capital

The total Stated Capital of the Company as at 31st December 2023 is Rs.200,000,010 comprising 20,000,001 Ordinary shares, inclusive of one Golden Share. No Share allotments were made during the year.

Capital Commitments & Contingent Liability

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

Events After The Balance Sheet Date

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

Directors' Interest in Contracts

The Directors have no direct or indirect interest in contracts with the company other than those declared in Note 26 to the Accounts.

Directors' Share Holdings

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

Employment

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

Statutory Payments

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

Auditors

The Accounts for the year 2023 have been audited by the Auditor General. Audit opinion on the financial statement is given in the page no 33 to 36

We were able to obtained a clean (un qualified) audit opinion for the annual accounts of year 2023 from the auditor general for the first time after commencement of the audit from Auditor Generals Department of Sri Lanka

Annual General Meeting

The Annual General Meeting is scheduled to be held at the JEDB Building, No. 55/75, Vauxhal Street, Colombo. on 23rd August at 11.00 am

The notice of the Annual General Meeting and Form of Proxy are appearing on pages 75 to 76

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

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

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

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

Statement of Directors' Responsibilities

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

The Financial Statements of the Company for the year ended 31st December 2023 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting standards and they provide the information as required by the Companies Act No. 7 of 2007 and Sri Lanka Accounting Standards.

The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the Financial Statements. All material deviations from these standards if any, have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that Company maintains accounting records, which are sufficient to prepare Financial Statements to disclose with reasonable accuracy, the financial position of the Company. They also confirm their responsibility towards ensuring that the Financial Statements presented in the Annual Report give a true and fair view of the state of affairs of the Company as at 31st December 2023.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognizing the fact that system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by management comprised internal checks, internal audit, financial and other controls so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors are of the view that the Company has adequate resources to continue its operations in the foreseeable future and have continued to use the going-concern basis in the preparation of these Financial Statements.

The Directors have provided the Auditors General, with every opportunity to carry out review and tests that they consider appropriate and necessary for the performance of their responsibilities.

The Auditors, have examined the Financial Statements together with all financial records and related data and expressed as Independent Auditors Opinion, which is included in this Annual Report with relevant financial details.

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

CORPORATE ADVISORY SERVICES (PRIVATE) LIMITED
PV 3793
SEC/1017/93

By Order of the Board,
Secretaries
CORPORATE ADVISORY SERVICES (PVT) LTD

Secretaries - Chilaw Plantations Limited.

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. } PAL/C/CPL/01/2023/02

ඔබේ අංකය / உமது இல. / Your No.

දිනය / திகதி / Date } 24 July 2024

The Chairman
Chilaw Plantations Limited.

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Chilaw Plantations Limited for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Chilaw Plantations Limited ("Company") for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and In the Companies Act No. 07 of 2007. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards

1.2 Basis for Opinion

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

1.3 Other information included in the Company's 2023 Annual Report.

The other information comprises the information included in the Company's 2023 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report .Management is responsible for the other information.

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

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

When I read the Company's 2023 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on Other Legal and Regulatory Requirements

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

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

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

W.P.C. Wickramaratne
Auditor General

CHILAW PLANTATIONS LTD

Statement of Comprehensive Income

For the Year ended 31st December,	Notes	2023 Rs.	2022 Rs.
Revenue	**19**	899,693,759	975,106,419
Cost of Sales	**20**	(671,910,856)	(520,940,365)
Gross Profit		**227,782,903**	**454,166,053**
Gain/(loss) on fair value of Biological Assets	**7.3**	10,145,544	15,025,382
Other Operating Income and Gains	**21**	94,014,156	181,535,982
Administration and General expenses	**22**	(205,069,246)	(229,027,818)
Profit from Operations		126,873,356	421,699,599
Finance Income	**23**	237,386,004	135,874,424
Finance Expenses	**23.1**	(61,652,953)	(43,693,022)
Profit Before Tax		**302,606,407**	**513,881,001**
Tax Expense (Provisions) Reversal		(70,868,847)	(20,411,125)
Profit for the Year	**24**	**231,737,560**	**493,469,876**
Other comprehensive Income			
Defined benefit plan actuarial gains/(losses)		(21,265,292)	21,063,086
	16		
Deferred tax adjustment on asset revaluation		(923,148)	(562,333)
Total Comprehensive Income for the year, Net of Tax		**209,549,120**	**513,970,629**
Basic Earning Per Share	**25.1.2**	**11.59**	**24.67**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 41 to 73 form an integral part of these Financial Statements.

Chilaw
March 21, 2024

CHILAW PLANTATIONS LTD

Statement of Financial Position

As at 31st December,	Notes	2023 Rs.	2022 Rs.
ASSETS			
Non Current Assets			
Leasehold Right to Bare Land of JEDB Estates	04	105,374,496	60,356,373
Leasehold Property Plant & Equipment of JEDB Estates			
(Other than Right-to-Use-Land and Leased bearer biological assets)	05	769,468	769,468
Leased Bearer Biological Assets of JEDB Estates	05.1	27,162,119	10,939,028
Improvements to Leasehold property	6	1,073,815,205	1,028,825,198
Biological Assets -Livestock	7.1	25,544,815	25,779,100
Consumable Biological Assets	7.2	139,297,920	138,313,825
Freehold Property Plant & Equipment	08	201,427,046	193,729,753
Other finance assets	11.1	17,550,384	17,810,643
Deferred Tax Assets / (Liabilities)	14		
		1,590,941,452	1,476,523,388
Current Assets			
Produce on bearer biological assets	9.1	25,993,440	30,194,568
Inventories	9.2	148,934,886	195,288,282
Assets Held for Sale	9.3	16,004	4
Trade and Other Receivables	10	139,052,094	127,630,321
Financial facility to State Enterprises	11		
Other finance assets	11.1	7,300,268	6,159,131
Other Current Assets		1,316,343	1,226,458
Short Term Investment	12	1,090,243,489	985,660,947
Cash in Hand and at Bank		43,794,899	67,349,035
		1,456,651,425	1,413,508,745
Total Assets		**3,047,592,877**	**2,890,032,133**
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	13	200,000,010	200,000,010
Retained Earnings		1,844,717,949	1,833,592,353
Revaluation Reserves (Timber revaluation & Vehicle revaluation)		334,884,314	321,460,790
Total Equity		**2,379,602,273**	**2,355,053,153**
Non Current Liabilities & Deferred Income			
Deferred Tax Liability	14	93,175	314,474
Deferred Grants and Subsidies	15	10,088,526	9,775,811
Retirement Benefit Obligations	16	92,025,543	69,807,963
Liability to Make Lease Payment for the JEDB Estates	17	157,243,235	92,505,957
		259,450,479	172,404,205
Current Liabilities			
Trade and Other Payables	18	360,835,121	344,602,287
Income tax Payable		44,768,673	15,272,989
Interest-bearing Loans & Borrowings	18.1	-	-
Liability to Make Lease Payment for the JEDB Estates	17	2,936,331	2,699,498
		408,540,125	362,574,774
Total Equity and Liabilities		**3,047,592,877**	**2,890,032,133**

Figures in brackets indicate deductions.
The Accounting Policies and Notes on pages 41 to 73 form an integral part of these Financial Statements.

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

....
Mr. R.M.R.B. Ratnayake
AGM Accountant

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

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

....
Mrs. Aruni S. Ranasingha
(Director)

Chilaw
March 21, 2024

CHILAW PLANTATIONS LTD

Statement of Changes in Equity

For the Year ended 31st December, 2023

Description	Stated Capital Rs.	Timber Reserve Rs.	Revaluation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 1 January 2022	**200,000,010**	204,901,015	98,523,971	1,417,657,528	1,921,082,524
Dividend for year 2021				(80,000,000)	(80,000,000)
Profit for the Year				493,469,876	493,469,876
Other Comprehensive Income				20,500,753	20,500,753
Transferred to Timber Reserve (7.2)		18,598,138		(18,598,138)	
Deferred tax adjustment transfer to Motor vehicle Revaluation reserve					
			(562,333)	562,333	
Balance as at 31st December 2022	**200,000,010**	**223,499,152**	**97,961,638**	**1,833,592,353**	**2,355,053,153**
Dividend for year 2022				(125,000,000)	(125,000,000)
Interim Dividend for year 2023				(60,000,000)	(60,000,000)
Profit for the Year				231,737,560	231,737,560
Other Comprehensive Income		14,346,672		(22,188,440)	(22,188,440)
Transferred to Timber Reserve				(14,346,672)	
Deferred tax adjustment transfer to Vehicle Revaluation reserve			(923,148)	923,148	
Total Comprehensive Income	200,000,010	**237,845,824**	**97,038,490**	**1,844,717,949**	**2,379,602,273**
Balance as at 31st December 2023					
	200,000,010	**237,845,824**	**97,038,490**	**1,844,717,949**	**2,379,602,273**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 41 to 73 form an integral part of these Financial Statements.

Chilaw
March 21, 2024

CHILAW PLANTATIONS LTD

Statement of Cash Flow

For the Year ended 31st December,	2023 Rs.	2022 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	302,606,407	513,881,001
Adjustments for;		
- Depreciation/Amortization	64,398,037	55,403,094
- Amortization of Grants	(554,766)	(260,774)
- Finance Expenses	61,652,953	43,693,022
- Finance Income	(237,386,004)	(135,874,424)
- Provision For Defined Benefit Plan Costs	17,718,645	16,194,064
- Profit on Disposal of Property, Plant and Equipment	(18,280)	
- Gain/(loss) on fair value of Biological Assets	(10,145,544)	(15,025,382)
- Profit on disposal of Timber Trees	(13,120,109)	(26,136,409)
- Profit on disposal of Coconut Trees	(23,143,644)	(33,353,764)
- Provision For Incentive / Bonus to the Staff and Workers	42,495,327	93,000,000
- De-recognition / Impairment allowance for capital assets	3,657,715	-
- WIP Transfer out & Other Adjustment	298,023	1,092,564
	208,458,759	512,612,991
Changes in:		
- Inventories	46,353,395	(36,112,540)
- Dairy Livestock	234,285	(10,877,300)
- Trade and other Receivables	(1,711,944)	(114,360)
- Other Current Assets	(89,885)	(444,690)
- Trade and other Payables	7,751,553	(12,212,675)
Cash generated from operating activities	260,996,163	452,851,425
- Interest paid on government lease	(48,773,567)	(41,830,254)
- Defined Benefit Plan Costs paid	(16,766,357)	(6,551,448)
- Finance costs Paid	(50,728)	(106,118)
- Finance Income Received	216,189,231	96,309,432
- Income Tax Paid	(34,602,322)	(5,123,325)
- Incentive Payment to the Staff and Workers	(93,000,000)	(92,985,110)
- Cash received from sales of valuable trees	27,837,885	29,086,906
Net Cash from Operating Activities	311,830,306	431,651,508
CASH FLOWS FROM INVESTING ACTIVITIES		
- Additions of Property, Plant & Equipment	(45,509,472)	(70,827,576)
- Field Development Expenditure	(69,376,432)	(54,549,180)
- Cash received from sales of coconut trees	23,143,644	33,353,764
- Staff loan Granted	(9,381,800)	(14,619,000)
- Staff loan recovered	8,500,922	6,139,543
- Short Term Investment	(15,144,708)	(101,245,101)
- Cash received from Disposal of Property, Plant and Equipment	53,291	
Net Cash used in Investing Activities	(107,714,556)	(201,747,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Dividends Paid	(130,000,000)	
- Arrears/prepayment Installment and capital settlement of Finance Lease	(9,099,533)	(13,874,818)
- Grant received for capital expenditure	867,481	2,807,530
- Loan repaid during the year	-	(5,794,000)
Net Cash Flows used in Financing Activities	(138,232,052)	(16,861,288)
Net Increase / (Decrease) in Cash & Cash Equivalents	65,883,699	213,042,671
A. Cash & Cash Equivalents at the Beginning of the Year	536,595,722	323,553,051
B. Cash & Cash Equivalents at the End of the Year	**602,479,421**	**536,595,722**
NOTE A		
Cash & Cash Equivalents at the beginning of the Year		
Short term Investments	469,246,687	306,310,537
Cash in Hand and at Bank	67,349,035	17,242,514
	536,595,722	**323,553,051**
NOTE B		
Cash & Cash Equivalents at the end of the Year		
Short term Investments	558,684,521	469,246,687
Cash in Hand and at Bank	43,794,899	67,349,035
	602,479,421	**536,595,722**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 41 to 73 form an integral part of these Financial Statements.

Chilaw - March 21, 2024

1 CORPRORATE INFORMATION

1.1 Reporting Entity

1.1.1 Domicile and Legal Form

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

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

1.1.2 Principal Activities and Nature of Operations

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

1.1.3 Parent enterprise and Ultimate parent Enterprise

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

1.2 Date of Authorization for Issue

The Financial Statements of Chilaw Plantations Ltd. for the year ended December 31, 2023 was authorized for issue in accordance with a resolution of the Board of Directors on 21st March 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLFRS/LKAS requires Management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

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

2.5 Going Concern

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

2.6 Comparative Information

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

2.7 Events occurring after the Reporting date

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Assets and Bases of their Valuation

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

3.1.1 Property, Plant & Equipment

3.1.1.1 Recognition and Measurement

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

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

(a) Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as apart of that equipment.

When significant parts of Property, Plant & Equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of comprehensive income as incurred.

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

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

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

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

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

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

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

Net book value of the above revalued assets as at 31st December 2023 are shown under the note no. 8 to the financial statements.

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

Details of motor vehicles measured at cost less accumulated depreciation.

Vehicle No	Category	Cost Rs.	Accumulated Depreciation	Net book value As at 31/12/2020
Sri 6018	Hand Tractor	41,500.00	41,499.00	1/=
NW SC 1607	Hand Tractor	104,000.00	103,999.00	1/=
36 Sri 5418	Tractor	1,661,995.70	1,304,777.00	357,218.70
36 Sri 3033	Tractor	467,739.46	467,737.46	2/=
NWRV 0245	Tractor Trailer	152,375.00	152,374.00	1/=
NW UZ 3922	Motor Cycle	148,925.00	148,924.00	1/=
NW UZ 3655	Motor Cycle	148,925.00	148,924.00	1/=

(b) Leased Assets

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

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

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

3.1.1.2 Subsequent Cost

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

3.1.1.3 De-recognition

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

3.1.1.4 Depreciation and Amortization

(a) Depreciation

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

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

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is de-recognized. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate.

(b) Amortization

Assets held under finance leases are amortized over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in the year 2045.

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

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

3.1.2 Biological Asset

3.1.2.1 Immature and Mature Plantations

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

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

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

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

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

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

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

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

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

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

C) Consumable Biological Assets

Consumable timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period are immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

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

The main variables in DCF model concerns.

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

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

- Age to harvest 5 or below years 16%
  Age to harvest 6 -15 years 17%
  Age to harvest 15 years or above 18%

3.1.2.2 Dairy Live Stock

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

3.1.3 Non-Current Assets Held for Sale

Non- current assets, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets are classified as held for sale only when the sale is highly probable and the asset is available for immediate sale in its present condition.

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

3.1.4 Inventories

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

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

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

3.1.4.1 Harvestable Agricultural Produce Growing on Bearer Biological Assets

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

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

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

3.1.5 Financial Instruments

3.1.5.1 Recognition and initial measurement

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

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

3.1.5.2 Classification and subsequent measurement

3.1.5.2.1 Financial assets

i) Policy applicable from 1st January 2018

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

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

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

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

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

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

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

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

a) Business model assessment:

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

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

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

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

b) Subsequent measurement and gains and losses:

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

3.1.5.2.2 Financial liabilities

i) **Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost of FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any

interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de recognition is also recognised in profit or loss.

3.1.5.3 De recognition

3.1.5.3.1 Financial assets

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

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

3.1.5.3.2 Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

3.1.5.4 Offsetting

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

3.1.5.5 Impairment - Financial Assets

Non-derivative financial assets

3.1.5.5.1 Financial instruments and contract assets

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

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

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

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

3.1.5.5.2 Measurement of ECLs

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

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

3.1.5.5.3 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired.

A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

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

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

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

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

3.1.5.5.5 Write-off

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

3.2.1.Financial Risk Management Objectives and Policies

The Company principal financial liabilities comprise trade and other payables, and income tax payables. The main purpose of these financial liabilities is to finance the Company operations. The Company has loans provided to state enterprises and Trade and other receivables and cash and short-term deposits that arrive directly from its operations.

Accordingly the Company has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments.

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

3.2.1.1. Credit Risk

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

3.2.1.2. Liquidity Risk

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

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

3.2.2. Employees' Benefits

(a) Defined Contribution Plans - Provident Fund and Trust Fund

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

The Company contributes 12% on consolidated salary of such employees to Employees' Provident Fund (EPF) and 3% on the consolidated salary of such employees to the Employees' Trust Fund.

(b) Defined Benefit Plan

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

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

3.3. Deferred Income

Grants and Subsidies

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

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

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

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

3.4. Income and Expenses

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

3.4.1.Revenue Recognition

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

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

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

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

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

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

b) Other Incomes are recognized on accrual basis.

3.4.2. Expenses

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

3.5. Income Tax

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

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.
The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act and amendments thereto.

(b) Deferred Tax

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

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

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

3.6 Changes in Accounting Policies and Disclosures

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

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

3.7 Segment Reporting

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

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

04. LEASEHOLD RIGHT TO BARE LAND OF JEDB ESTATES

		2023 Rs.	2022 Rs.
Leasehold Right to bare land of JEDB Estate	04.1	57,540,567	60,356,373
Leasehold Right to bare land of JEDB Pallai Estates	04.2	47,833,929	
		105,374,496	**60,356,373**

04. 1 Leasehold Right to Bare Land of JEDB Estates

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

These assets are taken into the Balance Sheet as at 11th June 1992 and amortized by equal amounts over a 53 year period and the unexpired period of the lease as at the Reporting date is 21.5 years.

	Gross Carrying Value		
	as at 31.12.2023 Rs.	Addition/ (Disposal) Rs.	as at 31.12.2022 Rs.
Leasehold Right to Bare land	**142,188,257**	**(314,030.00)**	**142,502,287**

	Amortization			
	as at 31.12.2022 Rs.	Disposal for the year Rs.	For the Year Rs.	as at 01.01.2023 Rs.
Leasehold Right to Bare land	**84,647,690**	**(182,904)**	**2,684,680**	**82,145,914**

	Carrying Value	
	as at 31.12.2023 Rs.	as at 31.12.2022 Rs.
Leasehold Right to Bare land	**57,540,567**	**60,356,373**

04.2 Leasehold Right to Bare Land of Jedb Pallai Estates

a) Lease have been executed for Pallai Estate for a period of 30 years. The leasehold right to the land on Pallai Estate has been taken in to the books of the Company on 9th February 2023. These assets are taken into the Balance Sheet as at 9th February 2023 and amortized by equal amount over a period of 30 years of lease period.

(b) Lease have been executed for Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate for a period of 30 years. The leasehold right to the land on all these estates have been taken in to the books of the Company on 26th April 2023, subsequent to the signing of the indenture of lease agreements.

These assets are taken in to the Balance Sheet as at 26th April 2023 and amortized by equal amounts over a 30 year lease period and the remaining period of the lease as at the reporting date is 29 years and 4 month.

However, when transferring the said assets, book value of the same were not available to be taken in to the accounts . Therefore value of these bare land of pallai estates, Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate have been assessed based on total lease rental and estimated Future discount rate of 12.5%.

	Gross Carrying Value	
	2023 Rs.	2022 Rs.
At the beginning of the year	-	-
Addition	49,101,423	-
At the end of the year	49,101,423	-

	Amortization		
	as at 31.12.2023 Rs.	For the Year Rs.	as at 01.01.2022 Rs.
Leasehold Right to Bare land	**1,267,494**	**1,267,494**	**-**

	Carrying Value	
	as at 31.12.2023 Rs.	as at 31.12.2022 Rs.
Leasehold Right to Bare land	**47,833,929**	**-**

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

In terms of the ruling of the UITF of Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, all immovable Assets in the JEDB/SLSPC estates under finance leases have been taken into the books of the Company retroactive with effect from 22nd June 1992. For this purpose the Board decided at its meeting on March 08, 1995 that these assets would be taken at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the 11th June 1992 Balance Sheet and the amortization of immovable estate assets up to 31st December 2023 are as follows.

At Valuation	Improvements to Land Rs.	Other Vested Assets Rs.	Buildings Rs.	Machinery Rs.	Water Supply Rs.	2023 Rs.	2022 Rs.
Capitalized Value	841,193	1,002,944	25,356,498	530	4,026,236	31,227,401	31,227,401
Amortization							
As at 1 January	71,725	1,002,944	25,356,498	530	4,026,236	30,457,933	30,441,110
Amortization for the Year	-	-		-	-	-	16,823
As at 31 December	71,725	1,002,944	25,356,498	530	4,026,236	30,457,933	30,457,933
Carrying Amount	**769,467.50**	**-**	**-**	**-**	**-**	**769,468**	**769,468**

05.1. Leased Bearer Biological Assets of JEDB Estates

		2023 Rs.	2022 Rs.
05.1.1	Leased Bearer Biological Assets of JEDB Estates	9,051,201	10,939,028
05.1.2	Leased Bearer Biological Assets OF JEDB PALLAI Estate	18,110,918	-
		27,162,119	**10,939,028**

05.1.1 Leased Bearer Biological Assets of JEDB Estates

Revaluation	2023 Rs.	2022 Rs.
Mature Plantation	78,277,446	78,790,334
Disposal Adjustment	(429,210.90)	(512,888)
	77,848,235	**78,277,446**
As at 01 January	67,338,419	65,810,019
Amortization for the Year	1,887,827	2,041,287
Disposal Adjustment	(429,211)	(512,888)
As at 31 December	**68,797,035**	**67,338,419**
Carrying Amount	**9,051,201**	**10,939,028**

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

05.1.2. Leased Bearer Biological Assets of JEDB Pallai Estates

The value of leased bearer biological assets (Mature plantations) at Pallai estate have been taken into the books of the Company on 9th February 2023 after signing of the lease agreement by the Company with JEDB and amortized by equal amounts over a 30 year lease period.

However, when transferring the said assets, book value of the same were not available to be taken in to accounts .Therefore value of this Biological asset of pallai estates has been assessed based on total lease rental and estimated Future discount rate of 12.5%.

Pallai coconut land value	2023 Rs.	2022 Rs.
At the beginning of the year	-	-
Addition	18,666,656	
At the end of the year	**18,666,656**	**-**
As at 01 January	-	-
Amortization for the Year	555,738	-
Disposal Adjustment		
As at 31 December	**555,738**	**-**
Carrying Amount	**18,110,918**	**-**

06 IMPROVEMENTS TO LEASEHOLD PROPERTY (BEARER BIOLOGICAL ASSETS)

		Mature Plantation				
Cost	**Immature Plantation Rs.**	**Coconut Rs.**	**Cashew Rs.**	**Other Rs.**	**2023 Rs.**	**2022 Rs.**
At the beginning of the - Year	237,365,906	811,456,212	100,026,612	7,968,053	1,156,816,784	1,102,278,731
Additions	59,035,164		-		59,035,164	54,538,053
Transferred from Immature		55,790,869	-	-	55,790,869	109,982,407
Transferred to Mature	(55,790,869)	-	-	-	(55,790,869)	(109,982,407)
Impairment / Disposal	-	(3,777,233)	-	-	(3,777,233)	-
At the end of the Year	**240,610,201**	**863,469,849**	**100,026,612**	**7,968,053**	**1,212,074,715**	**1,156,816,784**
Depreciation						
At the beginning of the - Year		77,449,327	48,517,474	2,024,784	127,991,586	109,562,644
Charge for the Year		16,177,586	4,001,064	398,403	20,577,053	18,428,942
Impairment / Disposal assets		(250,644)		-	(250,644)	-
At the end of the Year		**93,376,269**	**52,518,538**	**2,423,187**	**148,317,995**	**127,991,586**
Net Value	**240,610,201**	**770,093,579**	**47,508,074**	**5,544,866**	**1,063,756,720**	**1,028,825,198**
Capital Work-in-progress						
As at 1 January					-	-
Additions during the Year					10,058,485	-
Capitalized during the year & Transfer out					-	-
As at 31 December					10,058,485	-
Carrying amount					**1,073,815,205**	**1,028,825,198**

For the Year ended 31st December, 2023

Note :

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

The requirement of recognition of bearer biological assets at its fair value less cost to sell under LKAS 41 was superseded by the ruling issued on 02 March 2012, by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property Plant & Equipment.

Specific borrowings have not been obtained to finance the planting expenditure. Hence, borrowing costs were not capitalized during the year under Immature Plantations (2023 - Nil)

07.1 Biological Assets - Livestock

		2023 Rs.	2022 Rs.
Dairy Livestock	07.1.1	10,221,915	9,507,450
Other Livestock	07.1.2	15,322,900	16,271,650
		25,544,815	**25,779,100**

07.1.1 Dairy Livestock

	Immature Cows (Calves / Heifers) Rs.	Mature Cows (Milking and Dry cows) Rs.	2023 Rs.	2022 Rs.
As at 1st January	231,800	9,275,650	9,507,450	8,144,710
Additions during the Year	166,000		166,000	37,210
Gain/(Loss) on fair value for the Year	912,888	(112,189)	800,699	3,371,630
Value increase/decrease on physical changes	(30,468)	200,779	170,311	149,672
Transfer in/(out) other estates		1,228,865	1,228,865	(2,126,446)
Death/Sales		(1,651,410)	(1,651,410)	(69,326)
As at 31st December	**1,280,220**	**8,941,695**	**10,221,915**	**9,507,450**

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

07.1.2 Other Livestock (Bearer Biological Assets)

	Buffalos Rs.	Cart Bull Rs.	Stud Bulls Rs.	Sheep/Goat Rs.	Neat Cattle Rs.	2023 Rs.	2022 Rs.
As at 1st January	8,100,000	3,172,150	299,700	4,522,000	177,800	16,271,650	6,757,090
Additions during the Year	294,125		-	251,200		545,325	459,660
Value increase/decrease on physical changes	87,042					87,042	
Transfer Out	(1,228,865)			-		(1,228,865)	2,126,446
Death/Sales	(849,992)	(293,850)		(1,024,300)	(13,000)	(2,181,142)	(1,814,938)
Gain/Loss on fair Value for the year	978,140	(181,000)	58,050	908,100	65,600	1,828,890	8,743,392
	7,380,450	**2,697,300**	**357,750**	**4,657,000**	**230,400**	**15,322,900**	**16,271,650**

7.2 Consumable Biological Assets- Timber Plantations

	2023 Rs. Immature	Mature	Total	2022 Rs. Immature	Mature	Total
Balance as at 1st January	761,480	137,552,345	138,313,825	750,354	134,503,285	135,253,639
Increase due to development/ Investment	282,784		282,783.57	11,126		11,126
Trans In/(Out)		-	-		-	-
Changes in fair value less cost to sell		14,346,672	4,346,672		18,598,138	18,598,138
Decrease due to harvest		(13,645,361)	(13,645,361)		(15,549,078)	(15,549,078)
Balance as at 31st December	**1,044,263.91**	**138,253,656**	**139,297,920**	**761,480**	**137,552,345**	**138,313,825**

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

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

Key assumption used in Valuation

1. Based on the price list of the state timber corporation of timber logs
2. The Prices adopted are net of expenditure.
3. Discount rate - Age to harvest 5 or below years 16%
   Age to harvest 6 -15 years 17%
   Age to harvest 15 years or above 18%
4. Time period of maturity estimated at 30 years

The valuations, as presented in the external valuation models based on net present values, take into accounts the long term exploitation of the timber trees. Because of the inherent uncertainly associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realizable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable

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

Regulatory and environmental risks

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

Supply and demand risk

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

Climate and other risks

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

7.3 Change in Fair Value of Biological Assets

	2023 Rs.	2022 Rs.
Changes in fair value of consumable biological assets (Note 7.2)	14,346,672	18,598,138
Changes in fair value of Produce on bearer biological Assets (Note 9.1)	(4,201,128)	(3,572,756)
	10,145,544	**15,025,382**

08. FREEHOLD PROPERTY PLANT & EQUIPMENTS

	Buildings Rs.	Plant & Machinery Rs.	Motor Vehicles Rs.	Equipment Rs.	Furniture & Fittings Rs.	Fencing Rs.	Water Supply Rs.	2023 Rs.	2022 Rs.
Cost/ Valuation									
As at 1 January	54,081,799	8,902,837	121,892,921	72,037,138	14,030,037	36,482,634	44,918,463	352,345,830	285,058,196
Additions	1,063,996	-	3,399,000	5,735,685	705,840	6,446,925	30,508,653	47,860,099	67,287,635
Transfers/Disposal	-	-	-	(71,800)	-	-	(21,800)	(93,600)	-
Transf. to held for sale			(40,000)					(40,000)	-
Transferred due to revaluation			-					-	-
Revaluations			-					-	-
As at 31 December	55,145,795	8,902,837	125,251,921	77,701,023	14,735,877	42,929,559	75,405,316	400,072,329	352,345,830
Depreciation									
As at 1 January	14,876,105	5,088,542	46,222,903	51,432,543	10,101,945	28,598,692	6,529,693	162,850,424	130,623,104
Charge for the Year	1,353,907	560,469	23,928,750	4,466,887	644,447	3,755,633	2,715,152	37,425,245	32,227,320
Transfers/Disposal	-	-	-	(18,509)	-	-	(2,180)	(20,689)	-
Transferred due to revaluation			-					-	-
Transf. to held for sale			(24,000)					(24,000)	-
As at 31 December	16,230,012	5,649,011	70,127,653	55,880,922	10,746,392	32,354,325	9,242,665	200,230,980	162,850,424
Net Value								**199,841,349**	**189,495,407**
Capital Work-in-progress									
As at 1 January								4,234,346	1,786,968
Additions during the Year								1,262,982	4,014,942
Capitalized during the year & Transfer out								3,911,631	1,567,564
As at 31 December								1,585,697	4,234,346
Carrying amount								**201,427,046**	**193,729,753**

Note :

The assets shown above are those movable assets vested in the Company by Gazette notification on the date of formation of the Company (11.06.1992) and all investment in tangible assets by the company since its formation. The assets taken over by way of estate leases are set out in Notes 4 and 5.

Further, the valuation of immovable JEDB / SLSPC estate assets on finance lease (other than leasehold property) and tangible assets other than immature / mature plantations taken over on 11 June 1992 is based on net book values obtained from the State Plantations Corporation and Janatha Estate Development Board as at such date. These values were not made available to us by individual asset.

For the Year ended 31st December, 2023

09. PRODUCE ON BEARER BIOLOGICAL ASSETS AND INVENTORIES

09.1 Produce on Bearer Biological Assets

	2023 Rs.	2022 Rs.
At the beginning of the year/ as previously reported	30,194,568	33,767,324
Change in fair value less cost to sell	(4,201,128)	(3,572,756)
At the end of the year	**25,993,440**	**30,194,568**

09.2 Inventories

	2023 Rs.	2022 Rs.
Input Materials	17,786,147	4,248,975
Growing Crop - Nurseries	59,792,042	85,583,455
Harvested Crop	46,964,375	83,550,121
Consumables and Spares	24,392,322	21,905,731
	148,934,886	195,288,282
	148,934,886	**195,288,282**

9.3 Assets Held for Sale

	2023 Rs.	2022 Rs.
Gross Carrying Value	400,450	400,450
Less; Accumulated Depreciation	400,446	400,446
Carrying Value	16,004	4

9.3.1 Carrying Value of Assets Held for Sale

Description	Vehicle No.	Cost	Depreciation	Carrying Value
Hand Tractor	NW SC 1610	104,000	103,999	1
Hand Tractor and trailer	NW SC 1611	145,500	145,498	2
Motor Cycle	NW GB 7012	150,950	150,949	1
Hand Tractor	NW SC 1609	40,000	24,000	16,000
		440,450	**424,446**	**16,004**

10. TRADE AND OTHER RECEIVABLES

	2023 Rs.	2022 Rs.
Produce Debtors	40,529,623	18,254,360
Staff Debtors	3,179,173	4,690,429
Other Debtors	96,342,840	105,605,404
Wair-Coir Project	13,325,233	13,325,233
	153,376,870	**141,875,427**
Impairment allowances for Wair-Coir Project	(13,325,233)	(13,325,233)
Impairment allowances for Bad Debts	(568,587)	(568,587)
Provision for coconut rejection	(430,956)	(351,286)
	139,052,094	**127,630,321**

11. FINANCIAL FACILITY TO STATE ENTERPRISES

	Amount Granted Rs.	2023 Rs.	2022 Rs.
Loan Receivables			
Elkaduwa Plantations Ltd	20,000,000	23,519,452	23,519,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000	10,000,000	10,000,000
Sri Lanka State Plantations Corporation	20,000,000	23,610,959	23,610,959
Ministry of State Resources & Enterprise Development	15,000,000	15,000,000	15,000,000
Janatha Estate Development Board	40,000,000	47,627,397	47,627,397
	105,000,000	**119,757,808**	**119,757,808**
Less:			
Impairment Loss	(105,000,000)	(119,757,808)	(119,757,808)
	-	-	-

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

Considering the fact that the company was unable to recover the interest income due from above state organizations, from the year 2010 to 2012, the board of directors of chilaw plantations ltd decided not to recognize the unrecoverable interest income to the accounts of chilaw plantation limited from the year 2013. Subsequently the Board of Directors of Chilaw Plantations Limited resolved to make a full provision for impairment of financial assets for the year ended 2014. However, if interest income from 2013 to 2023 is taken in to the accounts, total loan receivable balance would be Rs. 190,157,808 as details given below

Elkaduwa Plantations Ltd	41,119,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000
Sri Lanka State Plantations Corporation	41,210,959
Ministry of state Resources & Enterprise Development	15,000,000
Janatha Estate Development Board	82,827,397
	190,157,808

11.1 Other Financial Assets

	Loan Given to Employees Rs.	Pre-Paid staff Benefit Rs.	Total Rs.
Balance as at 01/01/2022	13,846,090	1,644,227	15,490,317
Loan Granted During the Year 2022	8,774,477	5,844,523	14,619,000
Loan Recovered During the year 2022	(4,324,824)	(1,814,719)	(6,139,543)
Balance as at 31/12/2022	**18,295,743**	**5,674,031**	**23,969,774**
Loan Granted During the year 2023	6,856,281	2,525,519	9,381,800
Loan Recovered During the year 2023	(5,440,388)	(3,060,534)	(8,500,922)
Balance as at 31/12/2023	**19,711,636**	**5,139,016**	**24,850,652**
Non- Current Balance as at 31/12/2022	14,444,542	3,366,101	17,810,643
Current Balance as at 31/12/2022	3,851,201	2,307,930	6,159,131
Balance as at 31/12/2022	**18,295,743**	**5,674,031**	**23,969,774**
Non- Current Balance as at 31/12/2023	14,766,454	2,783,930	17,550,384
Current Balance as at 31/12/2023	4,945,182	2,355,086	7,300,268
Balance as at 31/12/2023	**19,711,636**	**5,139,016**	**24,850,652**

The company provides loans to employees at concessionary rate of 4% per annum. These loans are recognized on fair value at their initial recognition. The fair value of the loans given to employees are determined by discounting expected future cash flows using market rates related to the similar loans. The difference between cost and fair value of loans given to employees is recognized as prepaid staff benefits. The loans given to employees are classified as loans and receivables and subsequently measured at amortized cost. The loans given to employees are secured and interest is charged at the following rates.

For the Year ended 31st December, 2023

	Market rate	Concessionary rate
2016	11.00%	5%
2017	14.00%	5%
2018	13.00%	5%
2019	12.50%	5%
2020	9.25%	5%
2021	10.25%	4% (w.e.f 1/9/2021)
2022	27.25%	4%
2023	18%	4%

12. SHORT TERM INVESTMENTS

	2023 Rs.	2022 Rs.
Fixed Deposit - BOC (Over three months)	456,311,445	454,968,742
Fixed Deposit- Peoples Bank (Over three months)	75,247,523	61,445,518
Total short term investment over Three months	**531,558,968**	**516,414,260**
Fixed Deposit - BOC (Below three months)	361,252,977	117,217,808
Treasury Bills and REPO (Below three months)	197,431,544	352,028,879
Total short term investment Below Three months	**558,684,521**	**469,246,687**
Grand Total	**1,090,243,489**	**985,660,947**

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

The above fixed deposits with Bank of Ceylon represent ,Plan assets in respect of gratuity liability amounting to Rs. 92,025,543/=

13. STATED CAPITAL

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

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

14. DEFERRED TAX LIABILITY / (ASSETS)

	2023 Rs.	2022 Rs.
At the beginning of the Year	314,474	(314,675)
Charged / (reversal) during the year	(1,144,447)	66,816
Deferred Tax adjustment on assets revaluation	923,148	562,333
At the end of the Year	**93,175**	**314,474**

For the Year ended 31st December, 2023

	Temporary Difference Rs.	Tax Effect 2023 Rs.	Tax Effect 2022 Rs.
- Property, Plant and Equipment	(110,542,626)	(2,456,838.93)	(1,077,595)
- Mature and Immature Plantation	-		-
- Consumable Biological Assets	-		-
			-
- Impairment allowances for Bad Debts	14,324,776	318,371.91	129,332
- Retirement Benefit Obligation	92,025,543	2,045,291.89	633,789
- Carried forward Tax Losses		-	-
- Carried forward Tax Credit		-	-
Deferred Tax Assets / (Liability)	**(4,192,307)**	**(93,175)**	**(314,474)**
Applicable Tax Rate for all temporary differences other than agro farming.		30%	30%

Provision has been made for deferred tax on applicable tax rate up to 31st December 2020 under the liability method in respect of temporary difference arising from carrying amounts of assets and liabilities for financial reporting purposes. As per the policy decision taken by the government, Business profit arising from the agro farming is exempt from the income tax w.e.f 1st April 2019 (Refer Note no 24.1). Therefore the company has decided to reverse the brought forwarded deferred tax liability, relating to agro farming business, through the statement of comprehensive income for the year 2021. The effective tax rate used to calculate deferred tax liability for all temporary difference of agro processing as at 31/12/2023 is 30%.

15. DIFERRED GRANTS AND SUBSIDIES

	2023 Rs. Received from PHDT	2023 Rs. Received from CRI	2023 Rs.	2022 Rs.
At the beginning of the Year	5,994,281	3,781,530	9,775,811	7,229,055
Grant Received		867,481	867,481	2,807,530
Less : Amortization for the Year	(286,422)	(184,904)	(471,326)	(260,774)
Transfer out		(83,440)		
At the end of the Year	**5,707,859**	**4,380,667**	**10,088,526**	**9,775,811**

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

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

ii) During the year 2021,2022 and 2023 grant were received from Coconut Research Institute for installation of irrigation system in kiniyama seed garden and other capital work . The amount is spent capitalized under relevant classification of Property, Plant and Equipment. Corresponding grant component is reflected under Deferred Grants and Subsidies and amortized over the useful life span of the asset.

16. RETIREMENT BENEFIT OBLIGATIONS

	2023 Rs.	2022 Rs.
At the beginning of the year	69,807,963	81,228,433
Interest Cost	12,565,433	8,935,129
Current Services Cost	5,153,212	7,258,935
Gratuity Payments for the Year	(16,766,357)	(6,551,448)
Actuarial (Gain) / Loss	21,265,292	(21,063,086)
At the end of the Year	**92,025,543**	**69,807,963**

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

According to the actuarial valuation report issued by the actuarial value as at 31 December 2023 the actuarial present value of promised retirement benefits amounted to Rs.92,025,543. If the company had provided for gratuity on the basis of 14 days wages and half months salary for each completed year of service, the liability would have been Rs. 109,397,399.62. Hence, there is a contingent liability of Rs. 17,371,856.62 which would crystallise only if the company ceases to be a going concern.

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

(i)	Rate of Discount	12.5% p.a.	(ii)	Rate of Salary Increase	
(iii)	Retirement Age			Monthly paid Staff	10% p.a.
	Monthly paid Staff	60 years		Daily Paid Staff	10% p.a.
	Daily Paid Staff	60 years			
(iv)	Daily Wage Rate	Rs. 740/-	(v)	Staff turnover rate	6%

17. LIABILITY TO MAKE LEASE PAYMENT FOR THE JEDB ESTATES

		2023			
		Repayable within 1 Year Rs.	Repayable after 1 Years Rs.	Total Rs.	2022 Rs.
17.1	Liability to Make Lease Payment to the Treasury for the JEDB Estates	2,807,478	89,698,478.97	92,505,957	95,205,455
17.2	Liability to Make Lease Payment for the JEDB PLLAI Estates	128,853	67,544,756	67,673,609	-
		2,936,331	**157,243,235**	**160,179,566**	**95,205,455**

17.1 Liability to Make Lease Payment to the treasury for the JEDB Estates.

	Repayable within 1 Year Rs.	Repayable after one Year			
		Repayable within two to five Years Rs.	Repayable after five Years Rs.	Sub Total Rs.	Total Rs.
Gross Finance Lease Liability	6,508,000	26,032,000	106,998,652	133,030,652	139,538,652
Less : Future Finance Charges	(3,700,522)	(13,633,274)	(29,698,899)	(43,332,173)	(47,032,695)
Net Finance Lease liability-2023	**2,807,478**	**12,398,726**	**77,299,752.97**	**89,698,479**	**92,505,957**
Net Finance Lease liability-2022	**2,699,498**	**11,921,852**	**80,584,104.97**	**92,505,957**	**95,205,455**

The leases of the estates have been amended, with effect from 11th June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The rental payable under the revised basis is Rs. 6.508 million per year. This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator, and is in the form of a contingent rental.

The contingent rental during the current year charged to the Income Statement amounted to Rs. 51,921,889,/- which in based on GDP deflator of 48% (2022 - Rs. 37,917,925/- 7.9%)

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

Gross Liability	2,301,364,894
Finance Charges	(1,406,408,287)
Net Liability	**894,956,607**

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

17.2 Liability To Make Lease Payment For The JEDB Pallai/kilinochchi Estates

	Repayable within 1 Year Rs.	Repayable after one Year			Total
		Repayable within two to five Years Rs.	Repayable after five Years Rs.	Sub Total Rs.	Rs.
Gross Finance Lease Liability	4,008,000	16,032,000	178,167,143	194,199,143	198,207,143
Less : Future Finance Charges	(3,879,147)	(15,334,096)	(111,320,291)	(126,654,387)	(130,533,534)
Net Finance Lease liability-2023	**128,853**	**697,904**	**66,846,852**	**67,544,756**	**67,673,609**
Net Finance Lease liability-2022	-	-	-	-	-

a). `Lease has been executed for Pallai estate for a period of 30 years commencing from 9th February 2023. Lease shall be paid for the coconut cultivated extent which is 92 Acres in extent at the rate of Rs.12,000/= per acre per annum. For the remaining bare land of 208 acres in extent, the annual lease rental is Rs 6,000 per acre .This lease rentals will be increased by 50% from 11th to 15th year and 20% annual rent increment will be applied every 05 years from 16th to 30th year thereafter

b). Lease have been executed for Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate for a period of 30 years commencing from 26th April 2023. Lease shall be paid for the bare land in extent of 276 Acres at the rate of Rs 6,000/= per acre per annum with 50% annual rent increment from 11th to 15th year and 20% annual rent increment every 05 years from 16th to 30th year thereafter as per the indenture of lease.

18. TRADE AND OTHER PAYABLES

	2023 Rs.	2022 Rs.
Trade Creditors	513,849	570,470
Others (Fertilizer, Contractors etc.)	121,104,543	100,395,047
Holiday Pay	3,707,985	4,265,402
Accrued Expenditure	15,118,306	15,457,576
Audit Fee	1,827,584	913,792
Incentive payable to Employee	29,539,000	93,000,000
Dividend /Lease rental Payable to Treasury	189,023,854	130,000,000
	360,835,121	**344,602,287**

For the Year ended 31st December, 2023

		2023 Rs.	2022 Rs.
18.1	**Interest- Bearing Loans & Borrowings**		
	At the beginning of the Year	-	5,794,000
	Obtaining During the year		
	Repayment during the year		5,794,000
	At the end of the year	-	-
	Payable withing one year	-	-
	Payable Two to Five years	-	-
	At the end of the year	-	-

19. REVENUE

	2023 Rs.	2022 Rs.
Coconut (Note 19.1)	756,680,740	882,287,388
Cashew	64,046,312	16,086,501
Livestock project (Note 19.2)	18,723,646	24,444,429
Dragon Fruit	625,290	732,500
Seedlings & Nursery	18,486,585	19,923,682
Pepper	150,000	655,000
Cinnamon	1,607,854	1,462,604
Rambuttan	2,150,000	901,000
Coconut Oil	17,060,679	13,461,137
Cashew processing	14,076,910	10,583,580
Others	6,085,743	4,568,599
	899,693,759	**975,106,419**

19.1 Coconut Income

	2023 Rs.	2022 Rs.
Green Nuts	730,631,572	817,337,885
Copra	26,049,168	64,949,504
	756,680,740	**882,287,388**
Production (Nuts)	11,728,576	15,172,334
Net Sales Average (per 1000 nuts)	64,206	57,613

19.2 Income from livestock

	2023 Rs.	2022 Rs.
Income from Dairy livestock project	14,460,712	7,573,061
Other livestock	1,375,993	4,606,674
Gain/loss on fair value	2,886,942	12,264,694
	18,723,646	**24,444,429**

20 COST OF SALE

	2023 Rs.	2022 Rs.
Coconut and Copra	544,431,835	462,192,731
Cashew	47,215,549	5,901,382
Livestock project	14,885,605	11,816,444
Dragon Fruit	118,384	128,300
Seedlings & Nursery	26,292,957	10,012,809
Pepper	418,530	304,312
Cinnamon	1,590,753	1,028,083
Rambuttan	172,681	220,820
Coconut Oil	17,031,990	13,647,070
Cashew processing	13,278,070	9,821,287
Others	6,474,503	5,867,128
	671,910,856	**520,940,365**

For the Year ended 31st December, 2023

21. OTHER INCOME AND GAINS

	2023 Rs.	2022 Rs.
Amortization of Grant	471,326	260,774
Gain /(Loss) on Timber sale	13,120,109	26,136,409
Coconut Palms	23,143,644	33,353,764
Coconut Husks & Shells	2,635,562	3,814,358
Penalty on delay payment and removal of coconut	2,247,097	2,308,189
Paddy	3,232,860	2,794,063
Fire wood	1,424,985	2,801,060
Desilting Tank/Leveling of land (sale of Mud soil and sand)	23,541,414	87,778,026
Income from Land subleased for cultivation	8,162,203	12,982,992
Income from coconut treacle project	2,103,079	1,741,855
Pallay/Kilinochchi estate other income and gain	711,879	-
Others	13,219,998	7,564,492
	94,014,156	**181,535,982**

22. ADMINISTRATION & GENERAL EXPENSES (Details P 72- P 73)

Personal Direct expenses	50,942,229	53,696,609
Personal Indirect expenses	25,429,135	21,728,462
Office expenses	79,407,285	43,683,299
Other expenses	45,632,882	109,919,449
	3,657,715	
	205,069,246	**229,027,818**

22.1 The order that had been made to vest the said land with the JEDB (Lessor) by the Extraordinary Gazette Notification No. 468/21 of 28-08-1987 as per the section 27 (a) (1) of the Land Reform Act No. 1 of 1972, was made null & void by the Minister of Lands by the Extra Ordinary Gazette Notification No. 2239/38 of 05-08-2021 as per the section 27 (a) (4) of the Land Reforms Act No. 1 of 1972. Therefore, as per a common agreement arrived by the CPL (Lessee), JEDB (Lessor) & LRC the CPL, the Lessee returned the above block of land to the JEDB the Lessor on 26-04-2023. Therefore, the book value of the said assets were de-recognized from the company books.

22.1 Profit Before Tax is Stated After Charging

	2023 Rs.	2022 Rs.
Depreciation		
- Leasehold Right to bare land	3,952,174	2,688,722
- Immovable Leased Assets	-	16,823
- Freehold Property, Plant and Equipments	37,425,245	32,227,320
- Biological Assets	23,020,618	20,470,229
Directors Remuneration	3,883,397	2,912,636
Auditors Remuneration	3,790,241	1,020,597
Defined Benefit Plan Costs	17,718,645	16,194,064
Defined Contributions Plan Costs - EPF & ETF	33,539,065	35,099,618
Salaries & Wages	263,588,007	275,804,048
Employees' Bonus	12,956,327	14,635,757
Employees' Incentive payment	29,539,000	93,000,000
	429,412,719	494,069,814

For the Year ended 31st December, 2023

		2023 Rs.	2022 Rs.
23.	**FINANCE INCOME**		
	Interest on Fixed Deposits	176,182,585	80,441,226
	Interest on Treasury bill/REPO	56,162,323	52,713,353
	Interest income on Savings Account	1,274,315	91,895
	Interest on Loan given to Staff	1,035,413	863,639
	Unwinding of Pre-paid Staff Benefits	2,731,367	1,764,312
		237,386,004	135,874,424
23.1	**Finance Cost**		
	Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	51,921,889	37,917,925
	Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	3,808,502	3,912,329
	Interest Expense and Bank Charges	3,140,467	
	Amortization of Staff Cost	50,728	98,457
		2,731,367	1,764,312
		61,652,953	**43,693,022**
	Net Finance Income/(Expenses)	**175,733,051**	**92,181,402**

24. INCOME TAX EXPENSE

The major components of income tax expenses for the year ended 31 December 2022 are as follows.

	2023 Rs.	2022 Rs.
Current Tax Expenses		
Current Income Tax (Note 24.2)	72,013,294	20,344,309
Deferred taxation Provision /(Reversal) (Note 14)	(1,144,447)	66,816
Income tax expense reported in the Income statement	**70,868,847**	**20,411,125**

24.1 In terms of item 2A (g) of paragraph 4 of the First schedule to the Inland Revenue Act, No. 24 of 2017 (As amended by Act, No. 45 of 2022) with effect from January 01, 2020 but prior to April 1, 2022 and for the first six months of the year of assessment commencing on April 1, 2022, the gains and profits from the agro processing is taxable at the rate of 14%. Further, as per item (u) (i) of the Third schedule to the Inland Revenue Act, No. 24 of 2017, gains and profits from the agro farming is exempt from the income tax commencing from April 1,2019 for the period of five years of assessment.

24.2 Reconciliation Between Tax Expenses and the Product of Accounting Profit

	2023 Rs.	2022 Rs.
Accounting Profit before tax	302,606,407	513,881,001
Income not subject to tax	(250,908,095)	(163,425,274)
	51,698,312	350,455,727
Aggregate disallowable items	154,342,702	116,229,316
Aggregate allowable items	(163,983,136)	(140,360,942)
Adjusted Business profit / (Loss)	42,057,878	326,324,101
Assessable Charge or (Balancing Allowance) on depreciable assets	39,391	
During the Year grant received	867,481	2,807,530
Less- Gain from unprocessed exempt income	(37,575,072)	(286,705,396)
Brought forward Tax loss utilized		(101,187,054)
Other income liable for Taxation	234,654,636	134,110,113
	240,044,314	75,349,294
Statutory Tax rate 24%		9,041,915
Statutory Tax rate 30%	72,013,294	11,302,394
Current Income Tax Expenses	**72,013,294**	**20,344,309**
Tax loss Brought forward		101,187,054
Tax loss utilized/sddition	-	(101,187,054)
Loss claimed against Taxable Income	-	-
	-	-

25.1 Earnings Per Share

25.1.1 The calculation of the basic earnings per share is based on after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.

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

	2023 Rs.	2022 Rs.
Amounts used as the Numerator :		
Net profit applicable to ordinary share holders for basic earnings per share	231,737,560	493,469,876
	231,737,560	493,469,876
Amounts used as the Denominator :	**Number**	**Number**
Weighted average number of ordinary shares in issue	20,000,001	20,000,001
applicable to basis earnings per share	20,000,001	20,000,001
Basic Earning per share	**11.59**	**24.67**

25.2. EVENTS AFTER THE REPORTING PERIOD

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

26. RELATED PARTY DISCLOSURES

Details of significant Related Party Disclosures are as follows.

26.1 Transactions with the key management personnel of the company.

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

	2023 Rs.	2022 Rs.
Salaries and other Employment Benefits	3,883,397	2,912,636

26.2. Related Party Transactions

There are no related party transaction during the year.

27. SEGMENT INFORMATION

	Group 01		Group 02		Unallocated		Total	
Geographical Segment Results	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Revenue	489,055,679	504,189,393	410,638,079	470,917,026	-	-	899,693,759	975,106,419
Revenue Expenditure	(383,520,062)	(267,570,839)	(243,599,900)	(209,054,305)			(627,119,962)	(476,625,144)
Depreciation	(22,749,325)	(24,481,635)	(22,041,569)	(19,833,587)	-	-	(44,790,894)	(44,315,221)
Segment Results	**82,786,292**	**212,136,920**	**144,996,610**	**242,029,134**	-	-	**227,782,903**	**454,166,053**
Gain/(loss) on fair value of Biological Assets							10,145,544	15,025,382
Other Income and Gain							94,014,156	181,535,982
Unallocated Expenses							(205,069,246)	(229,027,818)
Finance Cost							(61,652,953)	(43,693,022)
Finance Income							237,386,004	135,874,424
Profit before Income Tax							302,606,407	513,881,001
Income Tax Expenses							(70,868,847)	(20,411,125)
Net Profit for the Year							231,737,560	493,469,876
As at 31st December								
Segment Assets								
Non Current Assets	782,985,095	682,368,032	764,562,150	741,809,053	43,394,207	52,346,303	1,590,941,452	1,476,523,388
Current Assets	150,781,418	199,606,262	83,651,672	74,413,737	1,222,218,335	1,139,488,746	1,456,651,425	1,413,508,745
Total Assets	**933,766,513**	**881,974,294**	**848,213,822**	**816,222,790**	**1,265,612,542**	**1,191,835,049**	**3,047,592,877**	**2,890,032,133**
Segment Liabilities								
Non Current Liabilities	45,931,226	27,856,035	44,685,933	28,943,959	168,833,320	115,604,211	259,450,479	172,404,205
Current Liabilities	45,540,412	34,948,252	41,420,189	47,567,728	321,579,525	280,058,795	408,540,125	362,574,775
Total Liabilities	**91,471,638**	**62,804,287**	**86,106,122**	**76,511,687**	**490,412,845**	**395,663,006**	**667,990,605**	**534,978,980**

For the Year ended 31st December, 2023

28. COMMITMENTS AND CONTINGENCIES

28.1 Capital Commitments

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

28.2 Contingent Liabilities

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

i) Colombo office of chilaw plantations ltd is located at JEDB premises at Vaxuall street since October 2019 and there is no lease /rent agreement finalized for the said premises. Due to this an exact liability for lease/rent cannot be ascertained. However if an agreement is reached in the future a liability will have to be accounted.

ii) Legal case filed

No.	Case No.	Description	Present Situation
1	DMR/03137/15 District Court - Aluthkade	CPL is Claiming Rs. 2,963,522.15 the cost for Coconuts from Bee Pee & David Pvt. Ltd.	Matter is Pending
2	28/2051/14 - Labour Tribunal - Chilaw HCALT4/23	Mr. W.M.P Weerasekara - a former Asst. Supdt. Claiming re employment File appealed to the High Court	Matter is Pending
3	28/2052/14 - Labour Tribunal - Chilaw HCALT5/23	Mr. B.M.S.S Balasooriya a former Asst. Supdt. Claiming re employment File appealed to the High Court	Matter is Pending
4	A 3536 - Industrial Court - Colombo	S.C George and 8 Others ex - Employees Claiming arrears on Salary Revision	Matter is Pending
5	SC/FR/343/2016 - Supreme Court - Colombo	Mr. Anurudda Dissanayake - Supdt. Claiming Damages on his Interdiction	Matter is Pending
6	SC/FR/364 - Supreme Court - Colombo	Mr. A.A Ananda, G.A Dissanayake, M.G.C Dias, W.K Pradeep Contesting the proceduress adopted in interview for AGM Plantations	Matter is Pending
7	IR/22/17/2013 Labour Department - Narahenpita	Mrs. K.D.N Rajapaksha Claining Payment arrears for Rs. 1,250/-	Matter is Pending
8	IR/Com/04/2023/116	Mr. M.M Merly a Manager Estate Claiming Salary Increment	Matter is Pending
9	28/2334/18/හලා/Labour Tribunal Chilaw	Mr. Peduru Appuhami former Watcher Claiming re employment	Matter is Pending
10	350/RE Marawila	Kahatawilla B - Land Case	Matter is Pending
11	SC/HCCA/LA/462/2019	Division Secretariat, Katana Divisional Secretariat, Demanhandiya	Matter is Pending
12	3746	Imbulgaswadiya Land Matter- Requesting compensation for land acquired by katana divisional secretariat	Matter is Pending
13	3885 - Special	Imbulgaswadiya Land Matter- Requesting compensation for land acquired by katana divisional secretariat	Matter is Pending
14	1224 L	This case filed by an outside party in regard to Nithalawa estate	Matter is Pending
15	5971 / L	Maravila lake II - Vialating the agreement in desilting Ruwaneliya Tank	Matter is Pending
16	1023 / L	Case pertaining to maravila II tank in Ruwaneliya estate	Matter is Pending

Notes to the Financial Statements

For the Year ended 31st December, 2023

	Notes	2023 Rs.	2022 Rs.
REVENUE	(i)	899,693,759	975,106,419
COST OF SALES	(ii)	(671,910,856)	(520,940,365)
GROSS PROFIT		227,782,903	454,166,053
GAIN/(LOSS) ON FAIR VALUE OF BIOLOGICAL ASSETS		10,145,544	15,025,382
OTHER INCOME	(iii)	94,014,156	181,535,982
ADMINISTRATIVE EXPENSES	(iv)	(155,778,650)	(119,108,370)
OTHE EXPENSES	(v)	(49,290,597)	(109,919,449)
FINANCE COST	(vi)	(61,652,953)	(43,693,022)
FINANCE INCOME		237,386,004	135,874,424
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		302,606,407	**513,881,001**

(i) REVENUE

Coconut	756,680,740	882,287,388
Cashew	64,046,312	16,086,501
Livestock project	18,723,646	24,444,429
Dragon Fruit	625,290	732,500
Seedlings & Nursery	18,486,585	19,923,682
Pepper	150,000	655,000
Cinnamon	1,607,854	1,462,604
Rambuttan	2,150,000	901,000
Coconut Oil	17,060,679	13,461,137
Cashew processing	14,076,910	10,583,580
Others	6,085,743	4,568,599
	899,693,759	**975,106,419**

(ii) COST OF SALE

Coconut and Copra		
General Charges	321,538,720	285,909,143
Field Work & Cultivation	112,358,446	55,721,720
Harvesting	87,810,424	82,945,904
Manufacture	7,739,593	11,867,608
Transport	160,610	154,304
Other Expenses	6,062,346	6,795,025
Cost Of Production	**535,670,140**	**443,393,705**
Opening Stock Adjustment	51,425,240	70,224,267
Closing Stock Adjustment	(42,663,545)	(51,425,240)
Cost of Sales Coconut	**544,431,835**	**462,192,731**

For the Year ended 31st December, 2023

		2023 Rs.	2022 Rs.
	Cashew	47,215,549	5,901,382
	Livestock project	14,885,605	11,816,444
	Dragon Fruit	118,384	128,300
	Seedlings & Nursery	26,292,957	10,012,809
	Pepper	418,530	304,312
	Cinnamon	1,590,753	1,028,083
	Rambuttan	172,681	220,820
	Coconut Oil	17,031,990	13,647,070
	Cashew processing	13,278,070	9,821,287
	Others	6,474,503	5,867,128
	Cost of sales	**671,910,856**	**520,940,365**
(iii)	**OTHER INCOME**		
	AAmortization of Grant	471,326	260,774
	Gain /(Loss) on Timber sale	13,120,109	26,136,409
	Coconut Palms	23,143,644	33,353,764
	Coconut Husks & Shells	2,635,562	3,814,358
	Penalty on delay payment and removal of coconut	2,247,097	2,308,189
	Paddy	3,232,860	2,794,063
	Fire wood	1,424,985	2,801,060
	Desailting Tank (sale of Mud soil)	23,541,414	87,778,026
	Income on Land provided for cultivation	8,162,203	12,982,992
	Coconut treacle projec income	2,103,079	1,741,855
	Pallay/Kilinochchi estate other income and gain	711,879	
	Other	13,219,998	7,564,492
		94,014,156	**181,535,982**
(iv)	**ADMINISTRATIVE EXPENSES**		
	PERSONAL DIRECT EXPENDITURE		
	Chairman /CEO and Executive Staff Salaries/Allowances	21,341,708	22,523,849
	Clerical & Other Staff Salaries & Allowances	25,413,999	27,312,419
	Attendance Incentives	50,550	57,700
	Retiring Gratuity	1,392,408	1,462,843
	Over Time	2,182,650	2,019,770
	Travelling & Subsistence	386,720	320,028
	Payment for Unutilized Annual Leave for Retired Officers	174,194	-
		50,942,229	**53,696,609**
	PERSONAL INDIRECT EXPENDITURE		
	Staff Welfare	4,850,606	3,769,479
	Staff Uniform	315,070	335,219
	Sports expenses	161,301	249,610
	Non Executive Medical Scheme	1,756,246	1,870,992
	Chairman/CEO and Executives Staff Bungalow Expenses	16,989,866	14,445,994
	Staff Quarters Maintenance	79,175	71,612
	Canteen Expenses	818,175	647,507
	Employee transport	157,206	141,470
	Transport Allowance for MM category employees	301,491	196,579
		25,429,135	**21,728,462**

	Year Ended 2023 Rs.	Year Ended 2022 Rs.
OFFICE EXPENDITURE		
Electricity	1,320,845	756,738
Postage & Telegram	287,673	243,385
Telephone	1,019,703	630,939
Rates Assessment Tax and water	247,696	197,060
Building Upkeep	684,498	497,320
Equipment Upkeep	593,793	1,163,940
Computers Expenses	275,006	340,593
Furniture & Fitting Upkeep A/C	-	3,000
Conference Expenses	407,907	180,029
Printing & Stationery	2,498,621	2,387,923
Book, Periodicals and News Papers	66,645	44,150
Supervisory Field Vehicles-Fuel Costs	12,623,765	10,078,896
Supervisory Field Vehicles - Other Costs (Repairs & Maintenance)	9,661,847	6,733,720
Legal Expenses (Labour Tribunal, Lands)	3,546,867	1,665,585
Professional & Technical Consultancy Fees	3,300,693	2,249,900
Audit Fees	3,036,049	277,605
Insurance (Field Vehicles, Buildings, Medical)	2,575,531	1,610,698
Official meeting, Progress Reviews, Workshops, Exp	1,180,012	1,043,332
Paper Advertisement (Papers - Procurements, Tenders, Recruitments)	38,009	202,221
Sundry Expenses	115,191	93,520
Junior Executive Development Program (NIPM, Workshops)	1,219,224	1,427,241
Business Promotion & CSR (Estate Temple, Kovil, Church, Schools)	18,691,483	1,888,713
Subscription	11,000	37,333
Bad debt	-	-
	63,402,060	**33,753,841**

(iv) ADMINISTRATIVE EXPENSES

OFFICE EXPENDITURE (Contd...)

Depreciation	12,186,942	11,087,872
Colombo Office Expenses / Building Rent/(Reversal)	-	(3,646,016)
Other Board Meeting Expenses (Fees, Refreshments)	3,818,282	2,487,602
	16,005,225	9,929,459
Total office Expenditure	**79,407,285**	**43,683,299**
Grand Total	**155,778,650**	**119,108,370**

(v) OTHER EXPENSES

Annual Bonus	12,956,327	14,635,757
Previous year and other Adjustments	2,557,055	1,059,692
Staff & Labour Performance Incentives	29,539,000	93,000,000
Estate labour welfare Activities	580,500	1,224,000
	45,632,882	**109,919,449**
Value of Imbulgaswadiya area estate handed over to JEDB (Note 22.1)	**3,657,715**	**-**
	49,290,597	**109,919,449**

(vi) FINANCE COSTS

Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	3,808,502	3,912,329
Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	51,921,889	37,917,925
Lease interest payment on JEDB Pallai/ Kilinochchi Estates	3,140,467	-
Amortization of Staff Cost	2,731,367	1,764,312
Interest Expenses and Bank Charges	50,728	98,457
	61,652,953	**43,693,022**

Ten Year Summary

	2023	2022	2021	2020	2019 Re-Stated	2018	2017	2016	2015 Re-Stated	2014
Coconut Production Nuts '000	11,729	15,172	14,716	11,943	14,994	8,132	11,651	16,522	12,517	12,969
Treding Results	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000	Rs' 000
Revenue	899,694	975,106	1,049,911	672,967	445,502	350,022	516,178	383,090	399,366	374,851
Gross Profit	227,783	454,166	529,114	274,615	89,086	(208)	205,574	148,707	148,748	152,726
Profit Before Interest and Tax	126,873	421,700	525,690	309,120	93,055	(14,529)	141,701	103,411	109,175	(43,271)
Profit Before Tax	302,606	513,881	510,887	283,100	64,010	(35,179)	126,415	84,817	88,293	(61,273)
Profit for the year (after tax)	231,738	493,470	631,979	265,645	50,499	(32,302)	81,446	69,672	78,682	(62,072)
Total Compregensice income	209,549	513,971	652,426	364,691	52,543	(36,642)	82,149	70,764	81,444	(61,680)
Reserves	2,179,602	2,155,053	1,721,083	1,118,657	763,965	708,382	747,876	695,727	654,963	543,862
Dividend Paid	60,000	125,000	80,000	50,000	10,000		10,000	30,000	30,000	
Dividends TOTAL	791,650	731,650	606,650	526,650	476,650	466,650	466,650	456,650	426,650	396,650
Financial Position										
Fixed Assets	1,590,941	1,476,523	1,387,465	1,360,410	1,178,237	1,120,859	1,062,090	978,182	886,295	792,832
Mature / Immature Plantations	1,100,977	1,039,764	1,005,696	969,823	917,169	870,102	802,088	728,533	653,072	581,618
Current Assets	1,456,651	1,413,509	1,005,036	524,867	250,233	184,466	296,326	300,494	256,882	233,545
Total Asset	3,047,593	2,890,032	2,392,501	1,885,277	1,428,470	1,305,325	1,358,416	1,278,676	1,143,177	1,026,377
Inventries	148,934	195,288	159,176	61,248	67,383	56,610	58,754	100,759	47,613	73,432
ShortTerm Investment Funds (FD,TB)	1,090,243	985,661	721,480	380,167	105,000	80,625	190,312	140,868	152,646	113,276
Current Liabilities	408,540	362,575	287,756	232,244	157,011	107,101	123,432	134,591	54,740	57,100
Non Current Liabilities	259,450	172,404	183,663	334,377	307,494	289,841	287,108	248,358	233,474	225,414
Stated Capital	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Shareholders' Funds	2,379,602	2,355,053	1,921,083	1,318,657	963,965	908,382	947,876	895,727	854,963	743,861
Current Ratio (Times)	3.57	3.90	3.49	2.26	1.59	1.72	2.40	2.23	4.69	4.09
Quick Rattio (Times)	3.20	3.36	2.94	2.00	1.16	1.19	1.92	1.48	3.82	2.80
Gross Profit Ratio %	25.32	46.58	50.40	40.81	20.00	(0.06)	39.83	38.82	37.25	40.74
Earning Per Share Rs.	11.59	24.67	31.6	13.28	2.52	(1.62)	4.07	3.48	3.93	(3.10)
Return on Average Equity (ROE) - %	9.79	23.08	39.01	23.28	5.39	(3.48)	8.84	7.96	9.84	(7.91)
Return on Capital Employed (ROCE) - %	4.81	16.68	24.98	18.70	7.32	(1.21)	11.47	9.04	10.03	(4.46)
Interest Cover - (times)	2.06	9.65	13.01	7.87	2.33	(0.41)	4.21	3.17	3.45	(1.48)
Shareholders Fund Ratio	78.08	81.49	80.30	69.95	67.48	69.59	69.78	70.05	74.79	72.47
Debt Ratio	0.22	0.19	0.20	0.30	0.33	0.30	0.30	0.30	0.25	0.28

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chilaw Plantations Limited will be held at JEDB Building, No. 55/75, Vauxhall Street, Colombo 02 on 23rd August 2024 at 11.00 a.m. for the following purposes.

AGENDA

1. To receive and consider the Statement of Accounts for the year ended 31st December 2023 with the Report of the Directors and Auditors thereon.
2. To appoint Auditor General's Department as Auditor of the company for year 2024.
3. To Declare afinal Dividend for the year 2023
4. Any Other Matters:
    - To approve the following resolution.

      The activities of Chilaw Plantations Limited (CPL) are performed based on the Circulars issued by the Department of Public Enterprises (PED) of the General Treasury & other relevant circulars and besides that based on the Articles of Association as per the provisions of the Companies Act.

      The approval is kindly requested to perform the activities of the CPL hereafter based only on the Circulars and the Guidelines on Corporate Governance for State Owned Enterprises issued by the Department of Public Enterprises (PED) of the General Treasury.

BY ORDER OF THE BOARD
CHILAW PLANTATIONS LIMITED

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

Date: …………………………………..

NOTES:

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

FORM OF PROXY

I/We the undersigned ………
of ………
being a member/members of Chilaw Plantations Limited hereby appoint :

1. Mr. R.W.M.J.S.R. Perera or falling him
2. Mr.P .H.A.S. Wijayarathne or falling him
3. Mr. L. Wickrama Arachchi or falling him
4. Mr. K.L. Wijesiri or falling him
5. Mr. H.V.W. Rathnapala or falling him
6. Mr. W.R.P. Jayarathne or falling him
7. Mr. K.G.S.W Bandara or falling him
8. Mr. S. Abeykoon or falling him

……

As my/our proxy to represent me/us and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 23rd August 2024, 11.00 am and at any adjournment thereof, and at every poll which may be taken in consequence there of.

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

		FOR	AGAINST
1.	To receive and consider the Statement of Accounts for the year ended 31st December2023 with the Report of the Directors and Auditors thereon.	☐	☐
2.	To appoint Auditor General's Department as Auditor of the company for year 2024.	☐	☐
3.	To Declare a final Dividend for the year 2023	☐	☐
4.	Any Other Matters:		
	• Approval of the resolution to perform the activities of Chilaw Plantations Limited.	☐	☐

Signature of Shareholder's:………………………………………

Shareholders NIC No:…………………………………………

Signed this ……………… day of ………………..2024

INSTRUCTIONS AS TO COMPLETION

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

CORPORATE INFORMATION

Name of the Company	:	Chilaw Plantations Limited (CPL)
Head Office	:	'Kapruka Sewana', No 165, Puttalam Road, CHILAW. 61000.
Colombo City Office:	:	No 55/75, Vaxuall Lane, Colombo 02.
Date of Incorporation	:	11th June 1992
Company Registration No.	:	PB 703 (under new Company Act 07 of 2007)

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

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

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

Present Board of Directors 2024

Mr. R.W.M.J.S.R. Perera	-	Chairman
Mr. P.H.A.S. Wijayarathne	-	Director (Treasury Representative)
Mr. L. Wickrama Arachchi	-	Director
Mr. K.L. Wijesiri	-	Director
Mr. H.V.W. Rathnapala	-	Director
Mr. W.R.P. Jayarathne	-	Director
Mr. K.G.S.W Bandara	-	Director
Mr. S. Abeykoon	-	Director

Auditors	:	Auditor General's Department No. 306/72, Polduwa Road, Battaramulla.
Bankers	:	Bank of Ceylon
Secretaries	:	Corporate Advisory Services (Pvt) Ltd No. 47, Alexandra Place, Colombo 07.