

CONTENTS

Vision, Mission & Values 154

Company Profile 155-156

Milestones 157

Financial Highlights 158

Operational Highlights 159-161

Chairman's Review 162

Segmental Information 163

Board of Directors 164

Management Team 165

Corporate Governance 166

Statement of Board of Directors' Responsibility 167

Financial Report

Independent Auditor's Report 168-169

Statement of Financial Position 170

Statement of Comprehensive Income 171-172

Statement of Changes in Equity 173

Statement of Cash Flow 174

Accounting Policies 175-199

Notes to the Financial Statement 200-216

Ten Year Summary 217-218

Notice of the Annual General Meeting

Form of Proxy

Corporate Information

VISION

To be the most challenging competitor in the plantation industry, protecting expectation of all stakeholders.

MISSION

Enhance production using resources at optimum level by uplifting the living standards of employees whilst safe guarding the National Interests.

VALUES

Best employer: Empowering honest, qualified and committed staff focusing on Quality Productivity, Entrepreneurship, Value creation, Profitability, Eco-friendliness and Corporate Social Responsibility.

Quality provider: Superior customer satisfaction and continuous improvement in everything we do.

Productivity: Achieving optimum productivity per unit of resource input, highest yield per hectare, optimal land use on a sustainable basis, minimize wastage.

Entrepreneurship: Pro-actively innovating new approaches at all times value creation: Continuously responsive to the changing needs of the business environment

Profitability: Achieving optimal Net Sales Average (NSA) and lowest possible Cost of Production (COP) for primary produce and for value added products

Eco-friendliness: Exploiting resources in harmony with the environment so as to cause minimal or no damage to the environment

Social Responsibility: Caring for people and environment, respecting good governance

COMPANY PROFILE

Elkaduwa Plantations Limited (EPL) is a limited liability Company incorporated on 23rd July 1993 under the Companies Act No. 17 of 1982 as a Fully Government Owned Company and re-registered under the Companies Act No.7 of 2007. The Company had been established by vesting lands managed by the Sri Lanka State Plantations Corporations in terms of the provisions of the Conversion of Corporations and Government Owned Businesses Undertakings into Public Companies Act No. 23 of 1987 under the State Privatization Policy. The Company operates as a single shareholder Company being the Golden Shareholder to the Secretary to the General Treasury of Sri Lanka. The registered office of the Company is located at "Janawathu Piyasa", No. 320, T. B. Jayah Mawatha, Colombo 10.

The notice in respect of formation of EPL was published in the Extra Ordinary Gazette Notification No.776/13 of July 1993 to take over the following 10 Estates and 02 Divisions in Kelebokka State Plantation managed by the SLSPC.

Original allocation of Land on EPL (Extra Ordinary Gazette Notification No. 776/13 – 23rd July 1993) are as follows:-

Estate / Location	District	Crops	Total Area (Ha) Ref Note 01
1. Bandarapola, Alwatte	Matale	Tea	283.00
2. Elkaduwa, Elkaduwa	Matale	Tea and Cloves	447.78
3. Hunugala, Elkaduwa	Matale	Tea and Cloves	264.73
4. Pitakanda, Matale	Matale	Tea	520.60
5. Ratwatte Ukuwela	Matale	Tea and Cloves	570.58
6. Selagama, Yatawatte	Matale	Tea	255.00
7. Hapugaspiya, Metihakke	Matale	Rubber, Cocoa and Pepper	269.33
8. Millawana, Melsiripura	Matale	Coconut, Cocoa, Rubber and Pepper	603.60
9. Nalanda, Madawala Ulpotha	Matale	Rubber, Coconut and Pepper	496.27
10. Nella Olla, Pihimbuwa	Kurunegala Sub District	Rubber, Cashew and Mango.	358.00 (Refer Note 02)
11. Kabaragala/ Poangala Division (Kelebokka State Plantation)	Matale	Timber (Eucalyptus)	217.00 (Refer Note 03)
Total			4285.89

Note 01

The extent of Land leased out to the Company (EPL) is not given in the Extra Ordinary Gazette Notice No. 776/13, hence, details indicated above were extracted from the information available at the "Plantations Reform Unit" operated under the purview of the Ministry of Plantations Industries for the purpose of Company Accounts.

Note 02,

In 2001 an extent of 125 Ha of Nella Olla Estate, consisting of Mango, Cashew and Rubber was sub – leased to Messrs. Agrisquad (Pvt) Ltd., at an annual rental of Rs.372,000/- for a period of 30 years. A considerable extent of land has been encroached (from 1977 to 2011) by unauthorised persons. The rest of the land is in shrubs, jungle and forest reserves, and there are no employees of the Company on this property at present.

Note 03

Kabaragala and Poangala Divisions with an extent of 217 Ha of Kelebokke Estate were divested and vested with the Sri Lanka State Plantations Corporation, in 1995.

Elkaduwa Plantations Limited had been managed by the Metropolitan Plantations (Pvt) Ltd, a Company 100% owned by Metropolitan Agencies (Pvt) Ltd, from July 1993, on a Management Agreement for a period of 05 years. And, with the expiration of this Agreement, the SLSPC took over the Management of the Company on the 19th January 1999.

Government commenced the privatization of the ownership of Regional Plantation Companies (RPCs) since 1994 by selling 51% of the controlling stake. EPL offered on six occasions for sale through the Public Enterprises Reform Commission (PERC), during the period 1994 – 2004. Neither Metropolitan Agencies (Pvt) Ltd, nor any other investor came forward with an investment plan acceptable to PERC which resulted EPL remained as a Treasury owned RPC.

MILESTONES

Incorporation – (23rd July 1993):– Managing Agent - Messrs. Metropolitan Agencies (Pvt) Ltd.

The Operational Office was shifted to Colombo in August 1993. A total of 8 Executives and 30 Staff Members consented to be transferred to Managing Agent's office, in Colombo. Others remained in Matale Office, without duties to perform.

Introducing Group System for Tea Estates – 1994.

Four Estates namely, Bandarapola, Elkaduwa, Hunugala and Pitakanda, were consolidated as Pitakanda Group, and, Ratwatte and Selagama Estates were consolidated as Ratwatte Group.

The SLSPC took over the management as the Managing Agent on 19th January 1999.

Closure of all 03 Tea Factories, in August 2002, due to disconnection of power supply by the Ceylon Electricity Board (CEB) as a result of the non-settlement of bills. This is considered to be the major reason for the present crisis. Consequent to the closure of Tea Factories,

EPL was compelled to sell its Green Leaf to outside Tea Factories.

In 2004, the Management of EPL was taken over by the Plantation Management Monitoring Division (PMMD) of the Ministry of Plantation Industries, with the appointment of a Chief Executive Officer.

From January 2006, the Company is being managed by the General Treasury with the appointment of a full time Chairman and the Board of Directors. In 2006, EPL Leased out Bandarapola Tea Factory to a private Investor, namely Messrs. Pride Tea Company (Pvt) Ltd, for a period of 30 years. Accordingly, a major portion of the Green Leaf from EPL Estates is being supplied to this Tea Factory. Two other Tea Factories of EPL which were functioning up to August 2002, were closed down due to disconnection of power supply remain silent to date.

In 2008, EPL leased out the Ratwatte Estate Tea Factory to a private investor namely, Messrs. APN Plantations limited, initially for a period of 10 years. The above private investor though having attended to the repairs and refurbishment of the factory is yet to commence the operations.

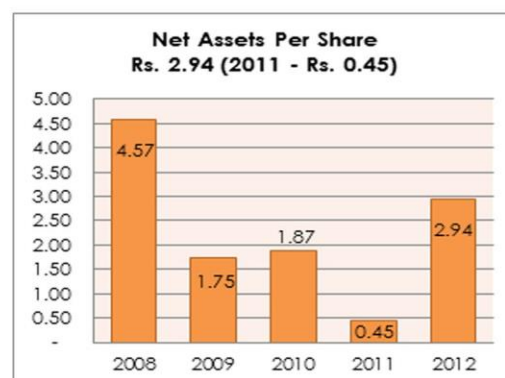
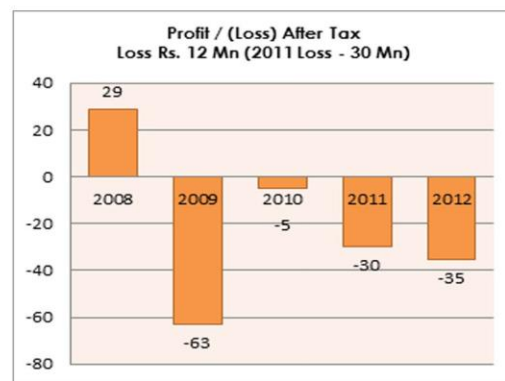
FINANCIAL HIGHLIGHTS

	2012	2011	Change %
Total Revenue (Rs.)	238,951,815	263,443,423	(9.29)%
Gross Profit / (Loss) (Rs.)	(25,750,406)	(34,677,120)	(25.74)%
Other Operating Income (Rs.)	18,778,229	42,091,565	(55.39)%
Profit from Operating Activities (Rs.)	(26,415,446)	(18,525,853)	(42.58)%
Profit Before Tax (Rs.)	(34,609,636)	(29,733,796)	(16.40)%
Profit for the year (Rs.)	(35,168,337)	(29,733,796)	(18.27)%
Gross Profit Margin (%)	(10.77)%	(3.16)%	(240.82)%
Net Profit Margin (%)	(14.72)%	(11.29)%	(30.38)%
Earnings Per Share (EPS) (Rs.)	(1.95)	(1.65)	(18.18)%
Total Assets (Rs.)	686,931,367	560,397,125	22.58%
Total Equity (Rs.)	52,991,507	24,599,270	115.42%
Number of Shares in Issue	Nil	Nil	Nil
Net Assets Per Share	2.94	1.36	116.17%
Current Ratio (No. of times)	1:09	1:09	-

Above figures were extracted from the Audited Financial Statements for the year ended 31st December 2011 and 31st December 2012, thus it should be read in conjunction with the related notes to the said Financial Statements.

OPERATING HIGHLIGHTS

	2012	2011	Change %
Tea (Green Leaf) Production (kg)	2,527,183	3,203,887	(21.12)%
NSA (Rs.)	53.22	48.37	10.03%
COP (Rs.)	80.33	73.22	9.71%
Yield (Hec)	576	739	(22.05)%
Revenue Extent – Ha.	917.78	886.88	3.48%
Rubber (Latex) Production (kg)	115,845	128,039	(9.52)%
NSA (Rs.)	407.53	497.67	(18.11)%
COP (Rs.)	338.72	293.77	15.30%
Yield (Hec.)	403	416	(3.13)%
Revenue Extent – Ha.	287.47	308.05	(6.68)%
Coconut Production (Nut)	1,219,915	1,405,748	(13.22)%
NSA (Rs.)	21.50	25.12	(14.41)%
COP (Rs.)	16.68	15.97	2.83%
Yield (Hec)	4,609	5,341	(13.71)%
Revenue Extent – Ha.	264.66	263.21	0.55%



PROFIT / (LOSS) POSITION 1993 – 2012 (RS)

Year	Profit/(Loss) Rs.	Treasury Grants	Total Profit/(Loss) Rs.
1993	(16,158,428)	-	(16,158,428)
1994	(44,076,870)	-	(44,076,870)
1995	(32,348,831)	-	(32,348,831)
1996	(43,109,305)	-	(43,109,305)
1997	(43,387,199)	-	(43,387,199)
1998	(41,795,687)	-	(41,795,687)
1999(*)	(5,305,734)	-	(5,305,734)
2000	(16,884,862)	-	(16,884,862)
2001	(32,661,127)	-	(32,661,127)
2002	(72,197,231)	168,072,927	95,875,696
2003	(83,139,468)	105,859,000	22,719,532
2004	(78,472,241)	76,100,000	(2,372,241)
2005	(35,075,378)	70,000,000	34,924,622
2006	(49,489,141)	55,000,000	5,510,859
2007	(39,536,041)	13,000,000	(26,536,041)
2008	29,490,317	-	29,490,317
2009	(62,688,625)	-	(62,688,625)
2010 (**)	(4,965,702)	-	(4,965,702)
2011	(29,733,796)	-	(29,733,796)
2012	(35,168,337)	-	(35,168,337)

- > Total value of Treasury Grants charged to Accounts Rs. 488,031,927/-
- > (*) The Loss was reduced in the year 1999 due to the waiving off Rs.25.9 Mn accumulated interest charges by the former Bankers, Seylan Bank Ltd.
- > (**) The todote Loss was reduced as at end December 2010 due to the waiving off the accumulated loss Rs.35.06 Mn. being Default Charges on Accrued Debenture Interest by the Employee's Trust Fund (ETF) Board.

Year	Description	Amount (Rs.)
1993 - 2002	Accumulated Balance	168,072,927
2003	Funds received - recurrent	105,859,000
2004	Funds received - recurrent	76,100,000
2005	Funds received - recurrent	70,000,000
2006	Funds received - recurrent	55,000,000
2007	Funds received - recurrent	13,000,000
2008	-	-
2009	-	-
2010	-	-
2011	-	-
2012	-	-
Total		488,031,927

CHAIRMAN'S REVIEW



The Annual Report for the year ended 31st December 2012 of Elkaduwa Plantations Limited (EPL) is being submitted by me to the Stakeholders as the Chairman of the Company, having assumed duties in August 2018.

Under the previous managements of EPL, there had been undue delays in the conducting of the Annual General Meetings (AGMs) and in the submission of the Annual Report to the Parliament of Sri Lanka.

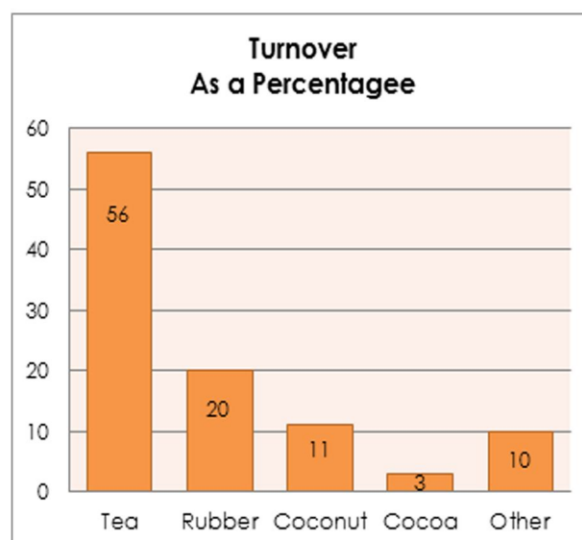
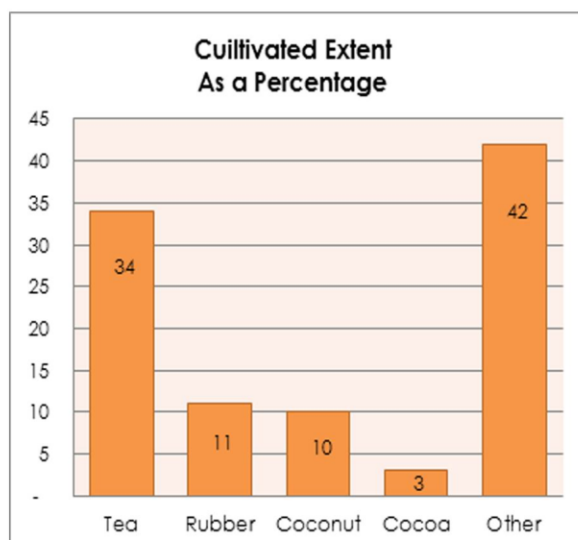
However, on my assuming duties as the Chairman of this Company, I have taken the initiatives for the completion and timely submission of the Annual Report to the Parliament of Sri Lanka, based on the provisions in Articles of Association of Elkaduwa Plantations Limited (PB5) as well as the Company's Act No.07 of 2007.

Acknowledgement

As Chairman of the Company and on behalf of the Board of Directors of EPL., I wish to acknowledge the dedicated contribution of the Executives in Head Office and Plantations, Staff and Workers of the Company towards the fulfilment of their responsibilities despite the hardships they had to face during the period under review.

Nalaka Devinda Madawala,
Chairman,
Elkaduwa Plantations Limited.

SEGMENTAL INFORMATION



TEA - GREEN LEAF

	2012	2011	2010	2009	2008
Production - kg'000	2,527	3,204	3,365	3,114	3,888
NSA - Rs./kg	53.27	48.36	50.32	48.22	42.31
COP - Rs./kg	(80.33)	(73.22)	(59.03)	(70.17)	(47.65)
Profit/(Loss) per kg - Rs	(27.06)	(24.86)	(8.72)	(21.95)	(5.34)
Revenue Extent - ha	917.78	886.88	706.75	696.81	695.89

RUBBER - LATEX

Production - kg'000	116	128	123	107	127
NSA - Rs./kg	404.01	497.67	383.15	217.68	257.67
COP - Rs./kg	(335.79)	(293.77)	(240.45)	(273.21)	(217.59)
Profit/(Loss) per kg - Rs	(68.22)	(203.90)	(142.70)	(55.53)	(40.08)
Revenue Extent - ha	287.47	308.05	247.24	276.34	273.90

COCONUT

Production - kg'000	1,220	1,406	1,039	1,492	1,361
NSA - Rs./kg	21.50	25.12	18.76	16.15	19.59
COP - Rs./kg	(16.68)	(15.97)	(17.16)	(12.07)	(11.00)
Profit/(Loss) per kg - Rs	4.82	9.15	1.60	4.08	8.59
Revenue Extent - ha	264.66	263.21	263.21	250.40	250.40

BOARD OF DIRECTORS

Board of Directors of the company for the year 2012

- | | |
|--|-------------------------------------|
| 1. Mr. Yasantha Anuruddha Tikiri Bandara
Wadugodapitiya | - Chairman/Director |
| 2. Ms. Sinhalage Ajitha Batagoda | - Director/Treasury Representative |
| 3. Mr. Thotahewaralage Filix Sunil Fernando | - Director/ Ministry Representative |
| 4. Mr. Rathnasena Ranathunga | - Director |
| 5. Mr. Manannidalage Janaka Sanjay
Fonseka | - Director |
| 6. Dr. Sri Harsha Kumudusiri | - Director |

Members of the Board of Directors who are appointed by the Ministry of Finance on 24th July 2018 are as follows,

- | | |
|--|-------------------------------------|
| 1. Mr. Nalaka Devinda Madawala | - Chairman/Director |
| 2. Mrs. Rmanayakage Malika Jayanthi | - Director/Treasury Representative |
| 3. Mrs. Wickramasingha Mudiyansele
Dhammika Tharangani Wickramasinghe | - Director/ Ministry Representative |
| 4. Mr. Wannakuwatta Waduge Ruchira
Nishantha Fernando | - Director |
| 5. Mr. Sena Gangodathenna | - Director |
| 6. Mrs. Nilusha Manori Tnathrige | - Director |
| 7. Mr. Ranjith Asoka Herath | - Director |

According to the Articles of Association of the Company, the numbers of Board Members are not less than two or nor more than seven. All Members the Board of Directors are appointed by Secretary to the General Treasury of Sri Lanka.

Appointment of Directors

As all Members of the Board of Directors are "Appointed Directors", they are not required to retire at the Annual General Meeting of the Company.

Directors Share Holding

No Members of the Board of Directors of the Company or his spouse holds any shares of the Company.

Directors Interest in Contracts

The Members of the Board of Directors have no direct or indirect in any contracts or proposed contracts entered into by the Company.

MANAGEMENT TEAM

Senior Management

Mr. Yasantha Anuruddha Tikiri Bandara Wadugodapitiya	- Chairman/Director
Mr. S.M.T.De Silva	- General Manager

Middle Management

Mr. R.M.S.Rathnayake	- Manager - HR & Administration
Mr.H.A.B.S.N.Udugama	-Manager Marketing

Estates Management & Others

Bandarapola Estate

Mr. Manil Joseph
Estate Superintendent

Elkaduwa Estate

Mr. R.Dissage
Estate Superintendent

Mr. Agasthi Rajapakshe
Assistant Superintendent

Hunugalla Estate

Mr. K.H.Wickramasinghe
Estate Superintendent

Hapugasipitiya Estate

Mr. R.A.C.P.Kumara
Estate Superintendent
Mr. K.R.S.P.Dharmasena
Assistant Superintendent

Millawana Estate

Mr. E.M.D.Rajasekara
Estate Superintendent
Mr. S.R.Disanayake
Assistant Superintendent

Nalande Estate

Mr. C.B.Nugawela
Estate Superintendent

Mr. S.M.Amarasinghe
Assistant Superintendent

Pitakande Estate

Mr. Manil Joseph
Estate Superintendent (Overlooking)

Mr. K.P.N.P. Karunarathne
Assistant Superintendent

Mr. U.Senevirathne
Assistant Superintendent

Ratwatte Estate

Mr. M.L.K.R. Senarathne
Estate Superintendent

Mr. N.H.A.B.Yapa
Assistant Superintendent

Selagama Estate

Mr.E.M.D.Rajasekara
Estate Superintendent (Overlooking)

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance is meant to be the system of rules, practice and process which a Company is directed and controlled. The Company is primarily guided by the code of the Board of Directors of Elkaduwa Plantations Limited which operates on the principles of integrity, corporate fairness, transparency and accountability, and those governing principles would be the foundation on which it will endeavour to build strong relationship with all stakeholders and nature 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, structures and information which are embodied with policies, procedures and processes 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 are ultimately accountable and responsible for the performance of the Company and is the focal point of the corporate governance process. Best practices on corporate governance was issued by the Institute of Chartered Accountants of Sri Lanka

Composition

The Board of Directors comprises of six Non-Executive Directors including the Chairman.

Responsibility

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

Board Meeting

The 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 and the current and the capital expenditure programs. The Board members are given appropriate documentation in advance of each Meeting. The Board met the 03 time during the year 2012.

Audit and Management Committee

In accordance the Corporate Governance Guidance, the Board of Directors appoints the Audit and Management Committee. The Audit Committee is empowered by the Board of Directors to review the Financial Reporting, Legal and Regulatory compliances, Internal Controls and Risk Management and the Assessment of External Auditors. The Audit Committee is comprised of Three Non-Executive Directors. The Chairman of the Audit Committee is the Board of Director who represents the General Treasury of Sri Lanka. The Audit Committee meetings are scheduled on a quarterly basis. Audit Committee meetings are held regulatory under the Chairmanship of the Board Member representing the General Treasury of Sri Lanka.

The General Manager, Senior Managers and the other Managers participate in these meetings by Invitation. The Chief Internal Auditor coordinates the invitations and the meetings. No Audit and Management Committee met during the year 2012.

Compliance with the Legal Requirement

The Board of Directors makes every endeavour to ensure that the Company complies with the memorandum and articles of association of the Company, and other rules and regulations as applicable to state owned business undertaking of country. Board ensures that the Financial Statements of the Company are prepared in accordance of with the Sri Lanka Accounting standards and comply with the requirements of the Companies Act No. 07 of 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In keeping with the provisions under the Companies Act No.7 of 2007, the Board of Directors of Elkaduwa Plantations Limited, acknowledge their responsibility in relation to financial reporting of the Company. These responsibilities differ from those of its Auditors, Messrs. A.D.N.D. Samarakkody & Co, Chartered Accountants which are set out in their report and appear on page 15-16 of the report.

The Financial Statements of the Company for the year ended 31 December 2012 included in this report have been prepared and presented in accordance with the Sri Lanka Financial Reporting Standards. They provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Board of 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 given on pages from 15 to 63, both inclusive. All material deviations from these standards, if any, have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

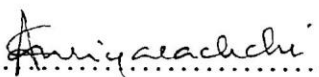
The Board of Directors confirm their responsibility for Company to maintain adequate accounting records, which are sufficient enough to prepare Financial Statements that disclose with reasonable accuracy, the financial position of the Company. They also confirm their responsibility towards ensuring that the Financial Statements presented in the Annual Report give a true and fair view of the state of affairs of the Company as at 31 December 2012 and that of the profit for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Board of Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and frauds, the Board of Directors confirms that the prevalent internal control systems instituted by them which comprise internal checks, internal audit, financial and other controls are 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 Board of Directors is of the view that the Company have adequate resources to continue operations in the foreseeable future, as a going concern. Accordingly, the Board of Directors have continued to use the going-concern basis in the preparation of these Financial Statements.

The Board of Directors have provided the Auditors, The Auditor's General Department, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Company's Auditors, The Messrs A D N D Samarakkody & Co, Chartered Accountants have examined the Financial Statements together with all financial records and related data and express their opinion which appears as reported by them on page15-16 of this report. In arriving at their opinion, they have carried out reviews and sample checks on the system of internal controls.

On behalf of the Board,



Secretaries
Elkaduwa Plantations Limited

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ELKADUWA PLANTATIONS LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statement of Elkaduwa Plantations which comprise the Statement of Financial Position as at 31st December 2012, and the Statement of Comprehensive Income, the Statement of Changing Equity and the cash Flow Statements for the year then ended, and a summary of significant Accounting Policies and other Explanatory notes.

Management's Responsibility for the Financial Statement

Management is responsible for Preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. The responsibility include; designing; implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards, Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of from material misstatements. An audit includes examining on a test basis of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the Accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Managing Partner - A.D.N.D. Samarakkody (FCA), B.Sc. (Bus. Adm)



Opinion

1. The company has incurred current losses over the past several years. So the accumulated loss as at the Statement of Financial Position date amounted to Rs. 127,008,501 in 2012. The Current Liabilities of the company exceed the current assets by Rs. 389,929,970 in 2012. The debenture redeemable on or before 15th June 2000 which amount to Rs 5 Million has not been redeemed as at 31st December 2012. Interest due on the above 5 million Debentures and Interest due on 15 million loan taken from Chilaw plantations for redeemed debentures (ETF) are Rs. 32,707,304 have not been settled up to 31st December 2012. The Company's ability to continue a business as going concern is dependent on the financial assistance from the General Treasury of Sri Lanka.
2. The other significant matters are discussed in the Management Letter.

In our opinion, except for the effect on the financial statements of the matters referred to in the above paragraph 1 & 2 the company maintained proper accounting records for the year ended December 31, 2012 and the financial statements give a true and fair view of the company's state of affairs as at December 31, 2012 and its profit/ loss and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.5 Report on other Legal and Regulatory Requirements

These financial statements also comply with the requirements of section 151(2) of the Companies Act. No: 07 of 2007.



A.D.N.D Samarakkody & Co.
Chartered Accountants

17 June.
~~07th~~ April 2014.
Colombo.

ELKADUWA PLANTATIONS LTD
STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

ASSETS	Notes	2012 Rs.	2011 Rs.
Non Current Assets			
Leasehold property, plant & equipment	6	175,472,335	179,794,396
Freehold property plant equipment	7	56,952,759	61,580,534
Bearer biological assets	8	257,224,075	240,657,303
Consumable Biological Assets	9	115,009,821	-
Long Term Investments (Fixed Deposits)	12	42,722,250	42,722,250
Total Non Current Assets		647,381,241	524,754,483
Current Assets			
Inventories	10	11,640,495	7,815,440
Trade & other receivables	11	27,487,954	27,300,120
Cash & Cash equivalents	12	421,677	527,082
Total Current Assets		39,550,126	35,642,642
TOTAL ASSETS		686,931,367	560,397,125
EQUITY & LIABILITIES			
Equity			
Stated capital	13	180,000,010	180,000,010
Retained earnings		(127,008,503)	(204,599,280)
Shareholder's Fund		52,991,507	(24,599,270)
Non Current Liabilities			
Redeemable Debentures	14	5,000,000	5,000,000
Retirement benefit obligations	15	164,256,062	166,164,218
Differed Income	16	31,846,301	32,763,278
Liability to make lease payment after one year - SLSPC Estates	17	37,425	37,425
Liability to make lease payment after one year	17 a	3,319,974	4,893,717
Total Non Current Liabilities		204,459,762	208,858,638
Current Liabilities			
Loans & Borrowings - Bank Over Drafts	12	45,561,213	51,792,217
Gratuity Payable	15	62,821,695	48,310,535
Liability to make lease payment within one year - SLSPC Estates	17	1,357	1,357
Trade & other payables	18	318,192,786	273,636,329
Amounts due to related companies	19	1,329,302	1,035,152
Liability to make lease payment within one year	17	1,573,743	1,362,167
Total Current Liabilities		429,480,096	376,137,757
TOTAL EQUITY & LIABILITIES		686,931,365	560,397,125

These Financial Statements are in Compliance with the requirements of the Companies Act No.7 of 2007.



 Accountant

The Board of Directors is responsible for the preparation and presentation of these financial statements.
 Signed for and on behalf of the Board of Directors of Elkaduwa Plalnataoons Ltd.



 Managing Director

CHAIRMAN / MANAGING DIRECTOR
 ELKADUWA PLANTATIONS LTD
 "JANAWATHU PIYASA"
 No. 320, T.B. Jayah Mawatha,
 Colombo 19



 Director

The accounting policies and notes on pages 07 through 47 from an integral part of the Financial Statements.



ELKADUWA PLANTATIONS LTD
INCOME STATEMENT

Year ended 31 December 2012

	Notes	2012 Rs.	2011 Rs.
Continuing Operations			
Revenue	22	238,951,814	261,726,624
Cost of Sale		(264,702,221)	(296,403,744)
Gross Profit/ (Loss)		(25,750,406)	(34,677,120)
Gain / (Loss) of fair value of Biological Assets		-	-
Other Income	23	18,778,229	42,091,565
Administrative Expenses	24	(19,443,269)	(25,940,298)
Profit from Operations		(26,415,446)	(18,525,853)
Finance Income	25	1,494,265	2,016,324
Finance Cost	26	(9,688,455)	(13,224,266)
Net finance income		(8,194,190)	(11,207,942)
Profit before taxation		(34,609,636)	(29,733,796)
Tax expenses	27	(558,701)	-
Profit / (Loss) for the year from continuing operations		(35,168,337)	(29,733,796)
Profit / (Loss) for the year		(35,168,337)	(29,733,796)
Basic Earning per share	28	(1.95)	(1.65)
Basic Earning per share from continuing operations		(1.95)	(1.65)

The accounting policies and notes on page 07 through 48 from an integral part of the financial statements.



ELKADUWA PLANTATIONS LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December 2013

	2012 Rs.	2011 Rs.
Profit / (Loss) for the Year	(35,168,337)	(29,733,796)
Other Comprehensive Income		
Fairvalue of Consumable Biological Assets	115,009,821	-
(Valuation based on the price list of State Timber Corporation)		
Other Comprehensive Income for the year, net of tax	115,009,821	-
Total comprehensive Income for the year, net of tax	79,841,484	(29,733,796)



ELKADUWA PLANTATIONS LTD
STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012

	<u>Stated Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at 01 January 2011	180,000,010	(148,597,533)	31,402,477
Prior Year Adjustments	-	(26,267,949)	(26,267,949)
Total Comprehensive Income for the Year	-	(29,733,796)	(29,733,796)
Balance as at 31st December 2011	180,000,010	(204,599,278)	(24,599,268)
Prior Year Adjustments - Actuarial Loss (HO Gratuity 2011)	-	(2,250,705)	(2,250,705)
Total Comprehensive Income for the Year	-	79,841,484	79,841,484
Balance as at 31st December 2012	180,000,010	(127,008,501)	52,991,511



ELKADUWA PLANTATIONS LTD

Year ended 31 December 2012

CASH FLOW STATEMENTS

	Notes	2012 Rs.	2011 Rs.
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Net loss before taxation from continuing operations		(34,609,636)	(29,733,796)
Net loss before taxation from discontinuing operations		-	-
ADJUSTMENTS FOR			
Interest Income		(1,494,265)	-
Depreciation & amortizations		9,630,919	9,095,418
Provisions for defined benefit plan cost		14,920,122	10,161,688
Amortization of grants		(916,977)	(976,076)
Finance cost		9,688,455	13,224,266
Profit on sale of property, plants & equipment		(1,499,558)	-
Gain / (loss) on fairvalue of biological assets		115,009,821	-
Impairment of property plant & equipment		-	-
Prior Year Adjustment		-	(25,267,949)
Operating Profit before working capital change		110,728,881	(24,496,449)
(Increase) / Decreases in trade & other receivables		(187,834)	18,259
(Increase) / Decreases in inventories		(3,825,055)	(2,480,845)
Increase/(Decreases) in trade & other payables		44,470,701	63,217,505
Increase/(Decreases) in amounts due to related companies		294,150	(387,776)
Cash generated from / (used in) operations		151,480,843	35,870,694
Defined benefit plan cost paid		(2,317,119)	(8,233,390)
ESC paid		(558,701)	-
Finance cost paid		(9,688,455)	(6,459,961)
Income tax paid		-	-
Net cash from / (used in) operations		138,916,568	21,177,343
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Fixed Deposits		-	(42,722,250)
Proceeds from sale of property, plant & equipments		1,499,558	-
Purchases of property, plant & equipments		(132,257,677)	(37,250,089)
Net cash from / (used in) Investing Activities		(130,758,119)	(79,972,339)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Payments of finance leases / Loans		(2,032,850)	(5,803,929)
Loan Granted		-	24,021,969
Net cash from / (used in) Financing Activities		(2,032,850)	18,218,040
Net increase/(decrease) in cash & cash equivalents		6,125,599	(40,576,956)
Cash & cash equivalents at the beginning of the year		(51,265,135)	(10,688,179)
Cash & cash equivalents at the end of the year	A	(45,139,536)	(51,265,135)

Note (A)

CASH & CASH EQUIVALANTS

	2012 Rs.	2011 Rs.
Favorable Balances		
Cash at Bank - Head Office	160,513	28,181
Cash at Bank / Cash In Transit - Estate	261,164	497,416
Cash / Stamp In Hand	-	1,485
	421,677	527,082
Bank Overdraft	(45,561,213)	(51,792,217)
For the purpose of cash flow statement	(45,139,536)	(51,265,135)



ELKADUWA PLANTATIONS LTD

Year ended 31st December 2012

Notes to the Financial Statements

1 CORPORATE INFORMATION

1.1 Domicile and Legal Form

Elkaduwa Plantations Limited (EPL) is a limited liability company incorporated and domiciled in Sri Lanka, under the companies Act. No.17 of 1982 in terms of the provisions of the conversion of corporations and government owned business undertaking into public companies Act No. 02 of 1987. The registered office of the company is located No. 320; "Janawathupiyasa", T.B. Jayah Mawatha, Colombo 10, and plantation are situated in the planting regions of Matale and Kurunegala.

1.2 Principal Activities and Nature of Operations

During the year principal activities of the Company were the cultivation, manufacture and sale of Tea, Rubber, Coconuts, Cocoa and other agricultural produce.

1.3 Parent Enterprises

The Company's parent undertaking and controlling party is the Government of Sri Lanka.

2. BASIS OF PREPARATIONS

2.1 Statements of Compliance

The Financial Statements of Elkaduwa Plantations Ltd has been prepared in accordance with Sri Lanka Accounting Standards and Auditing Standards Act. No 15 of 1995, which requires compliance with Sri Lanka Financial reporting Standards (SLFRS/ LKAS) by the institute of chartered accounts of Sri Lanka (ICASL) and also compliance with the requirement of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

These Financial Statements are prepared in accordance with historical cost convention other than land and leased assets of SLSPC that have been devalued as described in notes 9 and 10 to the financial statements. Where appropriate specific policies are explained in the succeeding notes.



No adjustments have been made for inflationary factors affecting in the Financial Statements.

2.3 Functional & Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) has been given to the nearest rupees, unless stated otherwise.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with SLFRS/LKAS requires management to make judgements, estimate & assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income & expenses. Judgements and estimate 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 judgements and estimates.

Estimates and underlying assumptions are reviewed are on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision effect only that period and any future period affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognize in the financial statements is included in the following notes.

3.1 Income Taxes

The company recognize liabilities for anticipated tax based on estimates of taxable income. Where the final tax outcome of these matters is different from the amount that were initially recorded, such different will impact the current and differed income tax assets & liabilities in the period in which such determination is made.

3.2 Retirement Benefit Obligations

The present value of the retirement benefit obligations depends on the number of factors that are determine on actuarial basis using no of assumptions. Key assumptions used in determining the retirement benefit obligations are given in Note 16. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

3.3 Biological Assets

The fair value of managed timber trees depends on a number of factors that are determined on a discounted method using various financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any changes to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the Notes. 9

3.4 Impairment of Goodwill

The Group determines whether good will is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating unit to which the good will is allocated. Estimating a value of those cash generating unit and also to choose a suitable discount rate in order to circulate present value of those cash flows. However, at present company does not have any recorded goodwill balance as at the statement of financial position date.

3.5 Differed tax Assets

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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are consistent with those used in the previous year. Comparative information has ware necessary been reclassified to conform to the current year's presentation. The directors have made as assessment of the company's ability to continue as going concern in the forcible future, and they do not foresee need for liquidation or cessation of trading.

4.1 Assets and Bases of their Valuation

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



4.1.1 Property, Plant & Equipment

a) Recognition & Measurement

Items of Property, Plant & Equipment are measured at cost (or at fair value in the case of land), less accumulated depreciation and accumulated impairment losses, if any.

b) Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the assets. Such cost includes the cost of replacing part of the property, plant & equipment and borrowing cost for long terms construction project if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and directly attributable to bringing the assets to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant & equipment 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 cost are recognize in the financial statement as incurred. The present value of expected cost for the decommissioning of the assets after its use is included in the cost of respective assets if the recognition criteria for a provision are met.

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

c) Lease Assets

Assets obtained under the finance lease, all of the risks and benefits incidental to ownership of the lease assets, are treated as if they have been purchase outright and are capitalized at their cash price. Assets acquired by the way of finance lease are measured at the amount equal to the lower of their fair value and the present value of minimum lease payments at the inception, less accumulated depreciation and accumulated impairment losses.

Assets held under finance lease are amortized over the shorter of the lease period or the useful lives of equivalent-owned assets, unless ownership is not transferred at the



end of the lease period. The principle/capital elements payable to the lessor are shown as liability/ obligation. The lease rentals are treated as consisting of the capital & interest elements. The capital element in the rental that is applied to reduce the outstanding obligation and interest element is charged against profit, in proportion to the reducing capital element outstanding.

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

d) Subsequent Cost

The cost of replacing part of an item of property, plant & equipment is recognize in the carrying amount of the item, if it is probable that the future economic benefit embodies within the part will flow to the company and its cost can be measured reliably. The carrying amount of those part that are replaced in derecognized in accordance with the de-recognition policy given below. The cost of day-to-day servicing of property, plant & equipment are recognizing in profit or loss as incurred.

e) Derecognition

The carrying of an item of property, plant & equipment is derecognized on disposal; or when no future economic benefits are expected from its use or disposal. Gains or losses on recognition are recognized in profit or loss and gains are not classified in revenue.

f) Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful economic lives of each part of an item of property, plant & equipment. Assets held under the finance lease are depreciated over the shorter of the lease term and the useful lives of equivalent own assets unless it is reasonably certain that the group will have ownership by the end of the lease term. Lease period of land acquired from SLSPC/JEDB will be expired in year 2036. The estimated useful lives of current and comprehensive periods are as follows.

<u>Category</u>	<u>No.of years</u>	<u>Rate (%)</u>
Improvements to Land Buildings	40 years	2.5%
Plant & Machinery	13 1/3 years	7.5%
Water Sanitation & Electricity Supply	20 years	5%
Motor Vehicles	05 years	20%
Equipment's	08 years	12.5%
Furniture & Fittings	10 years	10%



Mature Plantations – Replanting & New Planting

<u>Category</u>	<u>No.of years</u>	<u>Rate (%)</u>
Tea	33 1/3 years	3%
Rubber	20 years	5%
Coconut	50 years	2%
Cocoa	50 years	2%

Depreciation of an assets begins when it is available for use and cases at the earlier of the date on which assets is classified as held for sale or is derecognized.

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

No depreciation is provided for immature plantations.

g) Amortizations

The leasehold right to assets taken over from SLSPC/JEDB are amortized in equal amounts over the shorter the remaining lease period and useful lives as follows,

<u>Category</u>	<u>No.of years</u>	<u>Rate (%)</u>
Leasehold property	53 years	1.89%
Land Development cost	30 years	3.33%
Buildings	25 years	4%
Plant & Machinery	05 years	20%
Water Projects & Sanitation	35 years	2.85%
Road Development	30 years	3.33%
Mature Plantations - Tea & Rubber	30 years	3.33%
Mature Plantations – Other	25 years	4%

4.1.2 Land Development Cost

Permanent land development costs are those costs incurred in making infrastructure development and building new access roads on leasehold lands. These costs have been capitalized and amortized over the remaining lease period.

Permanent impairments to land development costs are charge to the income statements in full or reduced to the net carrying amounts to such assets in the year of occurrence after ascertain the loss.



4.4.3 Biological Assets

Immature & Mature Plantations

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

Biological assets are further classified as bearer biological assets and consumables biological assets. Barer biological assets includes rubber and tea plants and coconut plumps, those that are not intendand to be sold or harvested, however used to grow for harvesting agricultural produce from biological assets or sold as biological assets.

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

The barer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16, Property, Plant & Equipment's as per the as per the ruling issued by CASL.

The managed timbers 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 in fair value of younger plants as the impact on biological transformation of such plants to price during this period immaterial. The fair value of timber trees are measured using DFC method taking in to consideration current market prices of timber, applied to expected timber content of tree at the maturity of the independent professional valuer. All other assumptions and sensitivity analysis is given in Note 9.

The Main Variable in DFC Model Concerns

Variable	Comment
Currency valuation	Rs.



	Estimated based on physical verification of girth, high and considering the growth of each spices in different geographical regains.
Timber content	Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the company.
Economic useful lives	Estimated based on the normal life span of each spices by factoring the forestry plan of the company.
Selling Price	Estimated based on the prevailing Sri Lankan market prices. Factor all the conditions to be fulfilled in baring the trees into saleable condition.
Planting Cost	Estimated costs for the future development of immature areas are deducted.
Discount rate	Future cash flows are discounted at 13.0%

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

The gain or loss arisen on initial recognition on biological assets at fair value less cost to sell of biological assets is included in profit or loss for the period in which it arises.

4.4.4 Infilling Cost on Barer Biological Assets

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, only where such increase the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling cost so capitalized are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the expected lease period, whichever is lower.

Infilling cost that are not capitalized have been charged to the Income Statement the year in which they are incurred.

4.4.5 Borrowing Cost

Borrowing cost that are not capitalised are recognized as expenses in period which they are incurred and charge to the income statements.

4.4.6 Intangible Assets

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply of goods or service, for rental or administrative purpose.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably in accordance with LKAS 38 on Intangible Assets.

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

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economics lives and assess for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with indefinite economics lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The amortization period and method of intangible assets with the finite and indefinite useful lives are reviewed annually.

Research and Development cost

Expenditure on research activities, undertaking with the prospect of gaining new specific or technical knowledge and understanding, is recognized in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved product and process. Development expenditure is capitalized only if development cost can be measured reliably, the product and process is

technically and commercially feasible, future economic benefits are probable, and the company intends has sufficient resources to complete development and to use or sell the assets. The expenditure capitalized includes the cost of materials, direct labour and overheads cost that are directly attributable to preparing the assets for its intended use. Other development expenditure is recognized in profit or loss when incurred.

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

4.4.7 Financial Instruments

4.4.7.1 Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held –to- maturity investments, available –for -sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs. The company's financial assets include cash and short-term deposits, short- term investments, trade and other receivables, loans and other receivables.

4.4.7.2 Financial Assets at fair Value through Profit or Loss

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

Financial Assets at fair value through profit and loss are carried in the Statements of Financial Position at fair value with changes in fair value recognized in finance income or finance expense in the income Statement.

The company has not designated any financial assets upon initial recognition at fair value through profit or loss.

4.4.7.3 Loans and Receivables

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



Income Statement. The losses arising from impairment are recognized in the Income Statement in finance costs.

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

4.4.7.4 Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held- to- maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurements, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. The EIR amortization is included in finance income in the Income Statement. The losses arising from impairment are recognized in the Income Statement in finance costs.

The company does not have held-to-maturity investments in year 2012 (2011-Nil).

4.4.7.5 Available-for-Sale Financial Investments

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

Available-for-sale comprise of investment in quoted and unquoted shares.

4.4.7.6 Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flow.



4.4.7.7 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowing, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs.

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

4.4.7.8 Financial Liabilities at Fair Value through Profit or Loss

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

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

4.4.7.9 Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Income Statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

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

4.4.7.10 Financial Guarantee Contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognized less cumulative amortization.

4.4.7.11 Offsetting of Financial Instruments

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

The fair value of the financial instruments is determined in terms of LKAS 39. The Company derecognized a financial liability when its contractual obligations are discharged cancelled or expired.

4.4.7.12 Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, comprise with loan and borrowings and trade and other payables, the main purpose of these financial liabilities is to finance the company's operations and to provide guarantee to support its operations. Further the company has loan and other receivables, trade and other receivables and cash and short term deposits that arrive directly from its operations. Accordingly, the company has exposure to namely Credit risk, liquidity risk, interest 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, and policies for measures for measuring & managing risks.

Credit Risk

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

Trade and other receivables

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

The company reviews external rating and bank reference of the customer when available. Purchase limits are established for each customer, which are reviewed quarterly. In monitoring credit risk, customers are categorized according to their credit characteristic, including whether they are wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of difficulties.



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 the delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it 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 reputations.

Interest Rate Risk

The company exposure to the risk of changes in market interest rates relates primarily to the company long term debt obligations with floating interest rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company has not engaged in any interest rate swap agreements.

4.4.8 Inventories

Finish Goods Manufactured from Agricultural Produce of Biological Assets

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

Input Material, Spares & Consumables

At actual cost on weighted average basis.

Agricultural Produced Harvested from Biological Assets

These are measured at their fair value less cost to sell at the point of harvested. The finished and semi-finished inventories and agricultural produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

4.4.9 Trade and Other Receivable

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad doubtful debtors.



4.4.10 Cash and Cash Equivalents

Cash and Cash equivalents are defined as cash in hand, call deposits and short-term highly liquid investments readily convertible to known amounts of cash and cash subject to insignificant risk of changes in value. For the purpose of Cash Flow Statement Cash and Cash Equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short term maturities i.e. three months or less from the date of acquisitions are also treated as Cash Equivalents.

4.5 Liabilities and Provisions

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

4.5.1 Employees Benefits

a) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a define contribution plan. The liability recognized in the Financial Statements in respect of defined benefit plan is the past event is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by the discounting the estimated future cash flows using the interest rates that are denominated in the in the currency in which the benefit will be paid, and that have terms to maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in statement of recognize income and expenses in the period in which they arise. Past service costs are recognized immediately in the statement of Comprehensive Income.

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



The liability is not externally funded. The key assumption used in determining the retirement benefit obligations include the following.

Key Assumptions

Rate of Discount	10%
------------------	-----

Rate of Salary Increase	
-------------------------	--

Workers	20%
---------	-----

Staff	10%
-------	-----

Retirement age	
----------------	--

Estate Workers	60 years
----------------	----------

Estate Staff	60 years
--------------	----------

Head Office Staff	60 years
-------------------	----------

The company will continue as a going concern

As of the present financial crises, the EPL have not been performed Actuarial valuation practice in 2012.

b) Defined Contribution Plans – Provident Fund & Employee 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 future amounts. Obligation for contributions to provident and trust funds covering all employees are recognized as an expenses in profit and loss in the periods during which services are rendered by employees.

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

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

4.5.2 Deferred Income – Grants & Subsidies

Government grant are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be completed with. When the grant relates to an expense item, it is recognised as income over the period necessary to



match the grant on the systematic basis to the cost that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amount over the expected useful life of the related asset.

Where the group receives non-monitory grants, the assets and the grants are recorder gross of nominal amounts and released to the income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual investments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

4.5.3 Trade and Other Payables

Trade and other payables are stated in their cost.

4.5.4 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Company have been disclosed in the respective Notes to the Financial Statements.

4.5.5 Events Occurring after the Statements of Financial Position Date

All material post events after the Statements of Financial Position date have been considered where appropriate; either adjustments have been made or adequately disclose in the Financial Statements.

4.5.6 Earnings per Share

The company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.5.7 Impairment of Non-Financial Assets

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



of an asset exceeds its recoverable amounts, the asset is considered impaired and is written down to recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the assets. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price or other available fair value indicators.

Impairment losses of intangible operations are recognized in the Statement of Comprehensive Income in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

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

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

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (or group of cash generating units) to which goodwill relates. Where the recoverable amount of the cash generating unit (or group of cash generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. The company performs its annual impairment test of goodwill as at 31st March. However, at present the company does not have any recorded Goodwill as at the year end.



Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually as of 31st December either individually or at the cash generating unit level, as appropriate. However, at present company does not have any recorded intangible assets at the year end.

4.6 Income Statement

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

4.7 Revenue Recognition

Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sale taxes. The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

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

(b) Interest

Interest income recognised as the interest accrues (taking in to account the effective yield on the asset) unless collectability is in doubt.

(c) Dividends

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

(d) Rental income

Rental income is recognised on an accrual basis.



SLFRS. Assets and liabilities that do not qualify for recognition under SLFRS are excluded from the opening SLFRS Statement of financial Position. The company did not recognise or exclude any previously recognised amounts as a result of SLFRS recognition requirements.

SLFRS 1 also requires that the carrying amount of goodwill as per SLAS must be used in opening SLFRS Statement of Financial position (apart from adjustment for goodwill impairment and recognition or de-recognition of intangible assets). In accordance with SLFRS 1, the Company has tested Goodwill for impairment at the date of transition of SLFRS. No goodwill impairment was deemed necessary at 1st January 2011.

Fair Value or Revaluation as Deemed Cost

Freehold property, plant & equipment, were carried in the statements of Financial Position prepared in accordance with the SLAS, using the cost model. The company has not elected to use the fair value as deemed cost.

Cumulative translation Difference

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st January 2011. However, there were no foreign operations of the company.

Employee Benefits

Employee benefit was carried at the Statement of Financial Position prepared in accordance with the SLAS. The company has not elected to use the corridor approach to recognise the employee benefit.

Designation of Previously Recognised Financial Instruments

The Company has designated quoted and unquoted equity instruments held at 1 January 2011 as available for sale investments. The company has not designated any financial assets or liability upon until recognition at fair value through profit and loss. However, there were no financial instruments of the Company at the Statement of Financial Position date.

Estimates

The estimates at 1 January 2011 and 31st December 2011 are consistent with those made for the same dates in accordance with SLAS (after adjustments to reflect any differences in accounting policies) apart from the following items where application of SLAS did not require estimation:



b) Income Tax Expenses

Income tax expenses comprise current tax. Income tax expense is recognised in profit or loss except to the extent that it relates to item recognised directly in equity, when it is recognised in equity.

Income tax

Current tax is 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 year and computed in accordance with the provisions of the Inland Revenue Act.

Deferred Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as deferred expenditure. Such expenditure is written off over the period of which it relates, on a straight line basis.

4.7 Statement of Cash Flow

The Cash Flow Statement has been prepared using the 'in direct method'. Interest paid is classified operating cash flows, interest and dividend received are classified as investing cash flows while dividends paid and Government Grants received are classified as financing cash flows, for the purpose of presenting the Cash Flows Statement.

4.8 Segment Reporting

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

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

The activities of the segments are described on pages 50 and 51 in the notes to the Financial Statements.



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

Assets and liabilities directly attributable to each segment are allocated to respective segments. Assets and liabilities which are not directly attributable to a segment are allocated in reasonable basis wherever possible. Unallocated items comprised mainly interest bearing loans, borrowings and expenses.

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

5 FIRST - TIME ADOPTION OF SLFRS / LKAS

These Financial Statements, for the year ended 31st December 2012, are the first the company has prepared in accordance with SLFRS/ LKAS. For periods up to and including the year ended 31st December 2012, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (SLAS)

Accordingly, the company has prepared Financial Statement which company with SLFRS/LKAS applicable periods ending on or after 31st December 2012, together with the comparative period data as at the end for the year ended 31st December 2011, as described in the accounting policies. In preparing these Financial Statements, the companies opening statement of Financial Position was prepared as at 31st December 2010, the company's date of transition to SLFRS/LKAS. This note explains the principle adjustments made by the company in restating its SLAS's Statements of Financial Position as at 1 January 2011 and its previously published SLAS's Financial Statements as at end for the year ended 31st December 2011.

5.1 Exemptions Applied

SLFRS 1 First-time adoption of Sri Lanka accounting Standards allows first-time adopters certain exemptions from the irrespective application of certain SLFRS.

The company has applied the following exemptions:

Business Combinations

SLFRS 3 Business combinations have not been applied of acquisition of subsidiary, which are considered businesses of SLFRS, or of interest in associates that occurred before 1st January 2011. Use of this exemption means that the carrying amounts of assets and liabilities as per SLAS, which are required to be recognised under SLFRS, is there deemed cost at the date of the acquisition, measurement is in accordance with



SLFRS. Assets and liabilities that do not qualify for recognition under SLFRS are excluded from the opening SLFRS Statement of financial Position. The company did not recognise or exclude any previously recognised amounts as a result of SLFRS recognition requirements.

SLFRS 1 also requires that the carrying amount of goodwill as per SLAS must be used in opening SLFRS Statement of Financial position (apart from adjustment for goodwill impairment and recognition or de-recognition of intangible assets). In accordance with SLFRS 1, the Company has tested Goodwill for impairment at the date of transition of SLFRS. No goodwill impairment was deemed necessary at 1st January 2011.

Fair Value or Revaluation as Deemed Cost

Freehold property, plant & equipment, were carried in the statements of Financial Position prepared in accordance with the SLAS, using the cost model. The company has not elected to use the fair value as deemed cost.

Cumulative translation Difference

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1st January 2011. However, there were no foreign operations of the company.

Employee Benefits

Employee benefit was carried at the Statement of Financial Position prepared in accordance with the SLAS. The company has not elected to use the corridor approach to recognise the employee benefit.

Designation of Previously Recognised Financial Instruments

The Company has designated quoted and unquoted equity instruments held at 1 January 2011 as available for sale investments. The company has not designated any financial assets or liability upon until recognition at fair value through profit and loss. However, there were no financial instruments of the Company at the Statement of Financial Position date.

Estimates

The estimates at 1 January 2011 and 31st December 2011 are consistent with those made for the same dates in accordance with SLAS (after adjustments to reflect any differences in accounting policies) apart from the following items where application of SLAS did not require estimation:



Biological Assets – Managed Timber

The estimates used by the company to present these amounts in accordance with SLFRS reflect conditions at 1 January 2011, the date of transition of SLFRS/LKAS and as of 31st December 2011.

5.2 Withdrawals of UITF Rulings

The Urgent Issues Task Force (UITF) rulings issued prior to 1 January 2012 have been surprised by the Sri Lanka accounting Standard (SLFRS and LKAS) with effect from 1 January 2012. Consequently it is now required to treat transactions in which any of UITF rulings applied, in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) effective from 1 January 2012.

The company has recorded Lease Hold Property (Lease Hold Right to Bare Land) and correspondence liability in terms of UITF ruling issued by The Institute of Chartered Accounts of Sri Lanka prior to 1 January 2012. It has been superseded by the Statement of Recommended Practice (SoRP) for Right-to-Use of Land on Lease which was approved by the council of the Institute of Chartered Accounts of Sri Lanka on 19 December 2012. Accordingly, the Lease hold property to be re-classified as "Right-to-Use of Land". Corresponding net liability to lessor re-classified as "Liability to make lease payment".

5.3 New Standards and Interpretations Not yet Adopted.

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

SLFRS 9 - Financial Instruments: Classification and Measurement

SLFRS 9 as issued reflects the first phase of the ISB's work on the replacement of LKAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in LKAS 39. The standard is effective for annual report beginning on or after 1 January 2015. The adoption of the first phase of SLFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The company will quantify the effect in conjunction with other phases, when issued, to present a comprehensive picture.



SLFRS 10 – Consolidated Financial Statements

SLFRS 10 replace the position of LKAS 27 Consolidated and Separate Financial Statements that addresses the accounting for Consolidated Financial Statements. It's also included the issues raised in Standing Interpretation Committee – SIC -12 Consolidations - Special Purpose Entities.

SLFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by SLFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by parent, compared with the requirements that were in LKAS 27. This standard becomes effective for annual period beginning on or after 1 January 2013.

SLFRS 12 – Disclosure of Interest in Other Entities

SLFRS 12 includes all of the disclosers that were previously in LKAS 27 related to Consolidated Financial Statements, as well as all of the discloser that were previously included in LKAS 31 and LKAS 28. This discloser relates to an entity's interest in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosers are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

SLFRS 13 – Fair Value Measurement

SLFRS – 13 establish a single course of guidance under SLFRS for all fair value measurements. SLFRS 13 does not state when an entity is required to fair value. But rather provides guidance of how to measure fair value under SLFRS when fair value is required to permit. The company is currently assessing the impact that this standard will have on the financial position and financial performance. This standard becomes effective for 1 January 2013.

5.4 Explanation of transition to SLFRS

To comply with the SLFRS 1, the company provides explanations to the transition to SLFRS from SLAS. The explanations include brief descriptions about the background of the change and a qualification of change. This also includes reconciliation of company's financial position as at date of transition 1 January 2011 and end of latest reported period for year ended 31 December 2011. Reconciliation also includes for the total comprehensive income for the financial year 31 December 2011.



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

5.4 Explanation of Transition of SLFRS's (Conted.)

Reconciliation of Total Comprehensive Income for the year ended 31st December 2011

	Notes	SLFRS/LKAS 2011	Remeasurements	SLAS 2011
Continuing Operations				
Revenue	A	261,726,624	(1,716,799)	263,443,423
Cost Of Sales	B	(296,403,744)	1,716,799	(298,120,543)
Gross Profit / (Loss)		(34,677,120)	-	(34,677,120)
Gain / (Loss) on fair value of Biological Assets				-
Other Income		42,091,565	-	42,091,565
Administrative Expenses		(25,940,298)	-	(25,940,298)
Profit from operations		(18,525,853)	-	(18,525,853)
Finance Income		2,016,324		2,016,324
Finance Cost		(13,224,266)	-	(13,224,267)
Net Finance Income		(11,207,942)	-	(11,207,943)
Profit Before taxations		(29,733,796)	-	(29,733,796)
Tax expenses		-	-	-
Profit for the year from continuing operations		(29,733,796)	-	(29,733,796)
Discontinued Operations				
Profit / (loss) from discontinued operations		-	-	-
Profit / (Loss) for the year		(29,733,796)	-	(29,733,796)
Other Comprehensive Income		(29,733,796)	-	(29,733,796)
Comprehensive Income for the year, net of tax		-	-	-
Total Comprehensive income for the year, net of tax		(29,733,796)	-	(29,733,796)



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

5.4 Explanation of Transition of SLFRS's (Conted.)
Reconciliation of Financial Position as at 31st December 2011

ASSETS	SLFRS/LKAS 2011	Company Remeasurements	SLAS 2011
Non Current Assets			
Leasehold property, plant & equipment	179,794,396	-	179,794,396
Freehold property plant equipment	61,580,534	-	61,580,534
Bearer biological assets	240,657,303	-	240,657,303
Long Term Investments	42,722,250	-	42,722,250
Total Non Current Assets	524,754,483	-	524,754,483
Current Assets			
Inventories	7,815,440		7,815,440
Trade & other receivables	27,300,120	-	27,300,120
Cash & Cash equivalents	527,082	-	527,082
Total Current Assets	35,642,642	-	35,642,642
TOTAL ASSETS	560,397,125	-	560,397,125
EQUITY & LIABILITIES			
Equity			
Stated capital	180,000,010	-	180,000,010
Retained earnings	(204,599,280)	-	(204,599,280)
Shareholder's Fund	(24,599,270)	-	(24,599,270)
Non Current Liabilities			
Net liability to lessor - SLSPC	38,782	-	38,782
Retirement benefit obligations	166,164,218	-	166,164,218
Differed Income	32,763,278	-	32,763,278
Liability to make lease payment after one year	4,893,717	-	4,893,717
Total Non Current Liabilities	203,859,995	-	203,859,995
Current Liabilities			
Loans & Borrowings - Bank Overdraft	51,792,217	-	51,792,217
Liability to make lease payment within one year	1,362,167	-	1,362,167
Gratuity Payable	48,310,535	-	48,310,535
Redeemable Debentures	5,000,000	-	5,000,000
Trade & other payables	273,636,329	-	273,636,329
Amounts due to related companies	1,035,152	-	1,035,152
Total Current Liabilities	381,136,400	-	381,136,400
TOTAL EQUITY & LIABILITIES	560,397,125	-	560,397,125



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

5.4 Explanation of Transition of SLFRS's (Conted.)

Reconciliation of Financial Position as at 31st December 2010

ASSETS	SLFRS/LKAS 2010	Company Remeasurements	SLAS 2010
Non Current Assets			
Leasehold property, plant & equipment	184,115,569	-	184,115,569
Freehold property plant equipment	54,841,965	-	54,841,965
Bearer biological assets	212,919,918	-	212,919,918
Long Term Investments	-	-	-
Total Non Current Assets	451,877,452	-	451,877,452
Current Assets			
Inventories	5,334,594	-	5,334,594
Trade & other receivables	27,318,379	-	27,318,379
Cash & Cash equivalents	824,161	-	824,161
Total Current Assets	33,477,134	-	33,477,134
TOTAL ASSETS	485,354,586	-	485,354,586
EQUITY & LIABILITIES			
Equity			
Stated capital	180,000,010	-	180,000,010
Retained earnings	(148,597,533)	-	(148,597,533)
Shareholder's Fund	31,402,477	-	31,402,477
Non Current Liabilities			
Net liability to lessor - SLSPC	44,311	-	44,311
Retirement benefit obligations	148,518,382	-	148,518,382
Differed Income	33,739,355	-	33,739,355
Liability to make lease payment after one year	-	-	-
Total Non Current Liabilities	182,302,048	-	182,302,048
Current Liabilities			
Loans & Borrowings	11,512,340	-	11,512,340
Liability to make lease payment within one year	466,803	-	466,803
Trade & other payables	210,418,824	-	210,418,824
Gratuity Payable	42,829,166	-	42,829,166
Redeemable Debentures	5,000,000	-	5,000,000
Amounts due to related companies	1,422,928	-	1,422,928
Income tax payable	-	-	-
Total Current Liabilities	271,650,061	-	271,650,061
TOTAL EQUITY & LIABILITIES	485,354,586	-	485,354,586



5.4 Explanation of Transition of SLFRS's (Conted.)

Notes to the Reconciliation of Financial Position as at 1 January 2011, 31 December 2011 and Total Comprehensive Income ("CI") for the year ended 31 December 2011

A Revenue

1 Revenue Recognition on Produce Stocks

Profit and loss of the perennial crop has been recognized in the Financial Period of harvesting in terms of SLAS 32. Thus the unsold stocks were treated as a part of revenue. The scope of the revenue recognition was charged to LKAS 18. Accordingly, the revenue is recognized based on the date of auction where the recognition criteria are met and therefore the quantity which is sold at auction is treated as the sales.

The turnover in the Statement of Comprehensive Income for the year ended 31st December 2011 was increased by Rs. 1,716,799

Nature of SLFRS/ LKAS Adjustment	31 st December 2011	CI for the year ended 31 st December 2010
	Rs.	Rs.
Removal of Unsold Stocks which was part of the revenue	1,827,149	110,350
Removal of cost of last year's Stocks	(110,350)	(2,586,570)
Total	1,716,799	(2,476,220)

B Cost of Sales

Matching the Cost of Sales against the Revenue

Recognition of the cost of sale has been changed simultaneous to the changes to the revenue recognition. Thus, cost of sales consists of the directly attributable cost of the goods sold. Cost of opening stocks and the closing stocks were adjusted to the cost of production in arriving this. Further, the measurement of unsold rubber, tea and coconut stocks have been changed

In overall the cost of sales for the year end 31st December 2011 has been increased by Rs. 1.7 Mn.

Nature of SLFRS/ LKAS Adjustment	31 st December 2011	CI for the year ended 31 st December 2010
	Rs.	Rs.
Cost of Unsold Stocks	1,827,149	110,350
Cost of Opening Stocks	(110,350)	(2,586,570)
Total	1,716,799	(2,476,220)

C Biological Assets

1 Fairvalue of Biological Assets

The rubber, tea and other plantations where measured at cost less depreciation, amortization are impairment if any under SLAS.

2 Bearer Biological Assets

The company has elected to measure the barer biological assets i.e rubber, tea and coconut using LKAS 16 - Property, plant & Equipment and continued at the cost model of recording them. This measurement does not effect on the net asset in the Statement of Financial Position as at 1 January 2011, 31 December 2011 and Comprehensive income for year ended 31 December 2011.

3 Consumable Biological Assets

LKAS 41 Applied for consumable biological assets thus the fair value of managed trees was ascertain by the formula issued by the Sri Lanka Timber Corporation. However not valued managed trees before 31st December 2012.

Nature of SLFRS/ LKAS Adjustment	31 st December 2011	CI for the year ended 31 st December 2010
	Rs.	Rs.
Cost of managed timber classified as biological assets	-	-
Gain / (loss) on fair value of managed trees	-	-
Total	-	-



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

6 LEASE HOLD PROPERTY, PLANT & EQUIPMENT

	Notes	2012	As at 31 December 2011	2010
Right-to-use land	6.1	67,133,460	69,108,000	71,082,515
Immovable leased bearer biological assets	6.2	99,515,698	100,617,241	101,718,781
Immovable leased assets (other than right-to-use land and bearer biological as:	6.3	8,823,177	10,069,155	11,314,273
Total		175,472,335	179,794,396	184,115,569

6.1 Right-to-use Land

"Right-to-Use of Land on Lease" as above was previously titled "Lease hold Right to Bearer Land" the changes is in order to comply with Statement of Recommended Practice (SoRP) issued by the Institute of Chartered Accountants of Sri Lanka dated 19 December 2012. Such lease has been executed for all estates for a period of 53 years.

Right-to-use land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non-current assets. The Statements of Recommended Practice (SoRP) for Right-to-use of land does not permit further revaluation of Right-to-use land. The value taken in to the Statement of Financial Position as at 23 July 1993 and amortization of the right to use of land up to 31 December 2102 are as follows.

Right-to-use land	Life of the Asset	As at 23.07.1993 Rs.	As at 31.12.2012 Rs.	Transfer in/ Adjustment Rs.	As at 31.12.2011 Rs.
Cost / Revalued Amount	53 years	<u>113,710,417</u>	<u>104,888,846</u>	-	<u>104,888,846</u>
Less : Disposals & Acquisitions					
Kaboragala Estate	1,996	(6,641,731)			
Nalanda	1,997	(873,854)			
NalandaZone	1,998	(248,064)			
Disposals		(94,239)			
Hapugasptiya	2,002	(852,163)			
Ratwatte	2,008	(111,520)			
		<u>(8,821,571)</u>			
Amortizations					
	As at 01.01.2012 Rs.	Charge for the year Rs.	Balance As at 31.03.2012 Rs.	Carrying Value As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
Balance	35,780,846	1,974,540	37,755,386	67,133,460	69,108,000
	-	<u>1,974,540</u>	<u>37,755,386</u>	<u>67,133,460</u>	<u>69,108,000</u>

6.1.1 Acquisition of Kabaragala and Poengala Division of Kelleboke Estate

Initially Kabaragala and Poengala Divisions of Kellebokke Estate (an extent of 217 Hect.) were assigned to the company but subsequently they were not handed over to the Company.

On 13th November, 1996 Board of Directors decided and removed the value of bare land amounting to Rs. 6,641,731/- from the value of land.

6.1.2 Land Acquired by the Ministry of Plantation Industries

An extent of 39.502 Hect. of Nalanda Estate was handed over on 23rd July, 1997 to the Ministry of Plantations Industries as per the directive issued by the Ministry. The value of this extent amounted to Rs. 873,854/- was reversed in 1997, while the corresponding amortization too was adjusted accordingly.

6.1.3 (a) Release of Land for Public Purposes

An extent of approximately 26 Hect. of Nalanda Estate has been released for village expansion. The valuation of released land has not been carried out by the Company and hence no adjustment has been made in the accounts.

(b) Release of Land for Public Purposes

An extent of approximately 01 Hect. of Bandarapola Estate has been released for Central Provincial Council. The valuation of released land has not been carried out by the Company and hence no adjustment has been made in the accounts.



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

(c) Release of land in Ratwatte Estate

An extent of approximately 17.22 Hect of above estate have been released for the purposes of Town development, Tea planting development and the Dehideniya Government School development, without the approval of the Board of Directors and the Golden Shareholder. The valuation of the released land has not been carried out by the Company and hence no adjustment has been made in the accounts.

Elkaduwa Plantations Limited has not received any Compensation in respect of the above Land relates under 9.4.2 & 9.4.3.

6.1.4 Take over of former SLSPC office premises at Ukuwela by Sri Lanka Army

On 7th June, 1995 Gajaba Regiment of Sri Lanka Army acquired the above premises including 1.8 Hect. of Land and on 25th July, 1996 Board of Directors approved the release of the said premises to the Ministry of Defense.

The Sri Lankan Army had agreed to pay Rs. 11 million as compensation for the book value of land and building as at 23rd July, 1993 amounting to Rs. 1,756,912/-. Which compensation has not yet been received by the company.

No adjustment has been made to the accounts in respect of the above.

6.1.5 Land Acquired for the construction of an Industrial Zone

9.912 Hect. of land of Nalanda estate was acquired for the purpose of construction of an Industrial Zone on 7th October, 1998, and the company has received Rs. 6.75 million as compensation on 26th February, 2001.

6.1.6 Land Acquired by the Land Reform Commission

An extent of 4.26 Hect. of Nalanda estate was handed over on 23rd February, 2000 to the Land Reform Commission by the Gazette notification No. 1120/9 (23.02.2000). The carrying value of this extent amounted to Rs. 81,792/-. No compensation is received in this regard.

Adjustment has not been made in the accounts in respect of the above.

6.1.7 Land Acquired by the Divisional Secretary of Abangaga Korale

3.38 Hect. of land of Hapugaspitiya estate was acquired on 03rd March, 1995, and the company has not received any compensation on that. Adjustment has not been made in the accounts in respect of the above.

6.1.8 Silent factory premises Leased out to Richards Roberts Kandy (Pvt) Ltd.

1.5 Hect. of land of Selagama estate was Leased out in 2001, for BOI approved apparel project. Subsequently in year 2009 this agreement was revoked and new agreement was entered in to with Richards Roberts Kandy a BOI approved Apperal project.

6.1.9 Land leased out to Agrisquad Limited

125.0014 Hect. of land of NellaOlla estate was Leased out in 2001.

Pansalthenna Tea Factory Lease out to "Tea Shakthi" Project at Tea Small Holdings Ltd. In year 1999.

6.1.10 Take over of Nalanda Estate Land by Sri Lanka Army

An extent of 4.2483 Hect. was released from Nalanda Division of Nalanda Estate to the Divisional Secretary, Pallepola on 25th November 2010. This Land is earmarked to be handed over to the Special Task Force of the Sri Lanka Army, Agreed Compensation for this land would be Rs. 4,700,000/-.



6.2 Immovable leased bearer biological assets

As more fully explained in Note 9 although all SLSPC estate leases have not been executed to date in terms of the ruling of the UITF all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 23rd July, 1993. For this purpose, the Board decided at its meeting on 08th March, 1995 that these assets would be taken into the books at their book values as they appear in the books of the SLSPC, as the case may be, on the day immediately preceding the date of formation of the Company. These assets have been taken into the 23rd July, 1993 Balance Sheet and the written down values are as follows;

Immovable Leased bearer biological assets

	2012	2011	As at 31 December 2010
Capitalized Value as at 23 July 2013	33,080,567	33,079,235	33,079,235
Cost as at 1 January	33,080,567	33,080,567	33,080,567
Accumulated Amortization			
As at 1st January	20,203,716	19,102,172	18,000,633
Amortization for the year	1,101,539	1,101,540	1,101,539
As at 31st December	21,305,255	20,203,712	19,102,172
Carrying value as at 31st December	11,775,312	12,876,855	13,978,395
Immature plantations	87,740,386	87,740,386	87,740,386
Total carrying value	99,515,698	100,617,241	101,718,781

Investment in plantation assets which were categorized as immature at the time of handing over to the Company by way of estate leases, are shown under immature plantation (revalued as at 23.07.1993). Further investment in such immature plantations to bring them to bearing are shown under Note 12. When these plantations came in to bearing the additional investments to bring them to such stage was transferred from the category immature plantations under Note 12 and a corresponding transfer from immature plantations to mature plantations was made in the above note.

However, since then all such investments in immature plantations attributable to JEDB/SLSPC period have been transferred to mature plantations. These mature tea and rubber were classified as bearer biological assets in terms of LKAS 41 - Agriculture. The carrying value of the bearer biological assets leased from SLSPC/JEDB is recognized at cost less amortization. Future investments in such plantations to bring them to maturity shown in Note 8.1

Ukuwela office was handed over to the 7th Gajaba Regiment of the Sri Lanka Army (Refer note 6.1.4)

The Company has received a compensation of Rs. 1,887,100/- from Ceylon Electricity Board (CEB) for the removed trees of Nalanda Estate in 1999 for the purpose of installation of transmission lines of CEB. This has been recognized as income in the Income Statement in 1999. The Company has not adjusted for cost of these trees from the mature/immature plantations in the Financial Statements. As the useful life span of the Rubber Trees that were removed has already been expired at the time of telling same.

6.3 Immovable leased assets (other than right-to-use of land and barer biological assets)

				2012	2011	As at 31 December 2010
				Rs.	Rs.	Rs.
	Improvements to Land	Buildings	Plant & Machinery	Total	Total	Total
Capitalized Value as at 23 July 1993	736,725	32,271,545	9,079,004	42,087,274	42,087,274	42,087,274
Cost as at 1st January	736,725	32,271,545	9,079,004	42,087,274	42,087,274	42,087,274
Accumulated Amortization						
As at 1 January	451,814	22,488,170	9,078,995	32,018,979	30,773,001	29,527,883
Amortization for the year	24,533	1,220,585	-	1,245,118	1,245,118	1,245,118
	476,347	23,708,755	9,078,995	33,264,097	32,018,119	30,773,001
Carrying value as at 31 December	260,378	8,562,790	9	8,823,177	10,069,155	11,314,273

Note :

Mature Plantations/improvement to land	30 Years
Buildings	25 Years
Machinery	15 Years



7 FREEHOLD PROPERTY, PLANT & EQUIPMENT	Balance as at 01.01.2011	Balance as at 01.01.2012	Additions for the year	Disposals during the year	Balance as at 31.12.2012
Cost					
Estate Roads	13,708,233	13,704,086	-	-	13,704,086
Improvements to Land & Buildings	29,316,515	29,614,882	-	-	29,614,882
Motor Vehicles	16,099,920	16,099,920	-	500,000	15,599,920
Furniture & Fittings	1,514,484	1,608,914	59,021	-	1,667,935
Equipments	5,762,573	6,489,738	23,850	-	6,513,588
Water Sanitation & Electricity Supply	3,306,350	3,401,371	-	-	3,401,371
Plant & Machinery	4,057,938	4,057,938	-	-	4,057,938
Dairy Farm - Millawana	2,125,614	2,125,614	-	-	2,125,614
	75,891,627	77,102,463	82,871	500,000	76,685,334
Depreciation					
	Balance as at 01.01.2011	Balance as at 01.01.2012	Charged for the year	Disposals during the year	Balance as at 31.12.2012
Estate Roads	525,940	832,293	449,192	-	1,281,485
Improvements to Land & Buildings	2,023,726	2,702,438	713,060	-	3,415,498
Motor Vehicles	13,108,031	14,050,002	856,501	-	14,906,503
Furniture & Fittings	1,122,176	1,254,769	132,593	-	1,387,362
Equipments	3,051,339	3,553,860	215,144	-	3,769,004
Water Sanitation & Electricity Supply	1,311,913	1,477,230	251,224	-	1,728,454
Plant & Machinery	3,628,169	3,885,457	88,984	-	3,974,441
Dairy Farm - Millawana	52,852	105,704	38,792	-	144,496
	24,824,146	27,861,753	2,745,490	-	30,607,243
WRITTEN DOWN VALUE	51,067,481	49,240,710			46,078,091
Asset Acquired on Finance Leases					
Cost					
Vehicles		6,510,000.00	-	-	6,510,000.00
		6,510,000.00			6,510,000.00
Depreciation					
Vehicles			1,302,000.00	-	1,302,000.00
					1,302,000.00
WRITTEN DOWN VALUE		6,510,000			5,208,000.00
Capital Work-in-progress					
	Balance as at 01.01.2011	Balance as at 01.01.2012	Additions for the year	Capitalized during the year	Balance as at 31.12.2012
Capital Work-in-progress	3,774,484	5,829,833	-	163,181	5,666,668
TOTAL WRITTEN DOWN VALUE	54,841,965	61,580,543			56,952,759

The assets shown above are the movable assets vested in the Company by way of Gazette notification on the date of formation of the Company (23.07.1993) and all investments in tangible assets of the Company since its formation. The assets taken over by way of estate leases are set out in Notes 9 and 10 to the accounts.

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 as at 23 July 1993 is based on the net book value as at such date. These value were not available to us by individual asset.

No borrowing costs incurred on term loans to finance the Capital Work-in-Progress.



8 BIOLOGICAL ASSETS

8.1 BEARER BIOLOGICAL ASSETS

	Immature Plantations				Mature Plantations				Total	
	Tea	Rubber	Coconut	Others	Tea	Rubber	Coconut	Others	Rs.	Rs.
Cost										
As at 01.01.2012	65,085,693	34,137,545	53,061,904	47,732,071	14,841,529	10,253,445	14,178,682	14,676,699	253,967,568	
Additions	564,073	5,970,873	7,604,081	3,689,977	-	-	-	-	17,829,005	
Transfers	-	-	-	-	-	-	-	-	-	
As at 31.12.2012	65,649,766	40,108,419	60,665,985	51,422,048	14,841,529	10,253,445	14,178,682	14,676,699	271,796,572	
Depreciations										
As at 01.01.2012	-	-	-	-	2,870,446	3,886,768	4,682,560	1,498,424	12,938,198	
Charged for the year	-	-	-	-	489,770	512,672	283,574	348,283	1,634,299	
As at 31.12.2012	-	-	-	-	3,360,216	4,399,440	4,966,134	1,846,707	14,572,497	
Written Down Value as at 31.12.2012	65,649,766	40,108,419	60,665,985	51,422,048	11,481,313	5,854,005	9,212,548	12,829,992	257,224,076	
Written Down Value as at 31.12.2011	43,263,703	56,946,705	43,590,815	56,215,990	11,024,221	6,485,090	9,724,528	13,406,251	240,657,303	
Written Down Value as at 31.12.2010	36,452,734	34,137,547	43,590,815	56,215,989	11,940,885	6,917,828	9,963,888	13,700,231	212,919,918	

These are investments in plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 9 and 10. Further investment to immature plantation taken over by way of these leases are shown in the above note. When such plantations came in to bearing, the additional investments since taking over to bring them to bearing was transferred from immature to mature plantations under this note. A corresponding transfer was made from immature to mature plantations being the investment undertaken by SLSPC on the particular plantation prior to the formation of the Company under Note 10.

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 2 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.

No borrowing cost capitalised during the year.

9 CONSUMABLE BIOLOGICAL ASSETS

	2012	2011	As at 1 January 2010
As at 1 January	-	N/A	N/A
Increase due to development Gain / (Loss) arising from changes in fair value less cost to sell (Valuation based on the price list of State Timber Corporation) Decreases due to harvest	115,009,821	N/A	N/A
	-	N/A	N/A
As at 31 December	115,009,821	N/A	N/A

Managed trees are recognized in first time of 2012 and it is include commercial timber plantations cultivated in estates. The cost of mature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place the impact of the biological transformation price is not material. When such plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activities in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was done based on the price list of the State Timber Corporation of swan timber logs. In ascertaining the fair value of timber, a physical verification was carried covering all the estates.

10 INVENTORIES

	2012	2011	As at December 2010
Input Materials	2,552,313	1,667,528	2,208,794
Growing Crop - Nurseries	3,725,003	3,005,580	1,478,336
Produce Stocks	3,642,515	1,827,149	110,350
Spares & Consumables	1,720,664	1,315,183	1,537,114
Less: Provision for Slow moving Stocks			
Total	11,640,495	7,815,440	5,334,594

11 TRADE & OTHER RECEIVABLES

	2012	2011	As at December 2010
Other Receivables	26,015,411	27,490,163	28,150,030
Advances & Prepayments	1,329,822	1,329,822	1,361,642
Inter Plantations	-	-	490
Economics Charges	142,721	2,666,750	1,992,832
	27,487,954	31,486,735	31,504,994
Less: Provisions for Doubtful Debtors	-	(4,186,615)	(4,186,615)
Total	27,487,954	27,300,120	27,318,379



12 CASH & CASH EQUIVALANTS

	2012	2011	As at December 2010
Favorable Balances			
Cash at Bank - Head Office	160,513	28,181	187,224
Cash at Bank / Cash In Transit - Estate	261,164	497,416	594,575
Cash / Stamp In Hand	-	1,485	42,362
a Fixed Deposits	42,722,250	42,722,250	-
Un favorable Balances			
Bank Overdraft	(45,561,213)	(51,792,217)	(11,512,340)
For the purpose of cash flow statement	(2,417,286)	(8,542,885)	(10,688,179)

13 STATED CAPITAL

	2012	2011	As at December 2010
Issued and Fully Paid Number of Shares			
Ordinary Shares Including one Golden Shares held by the Treasury which has Special rights	Numbers	18,000,001	18,000,001
Value of Issued and Fully Paid Number of Shares			
Ordinary Shares Including one Golden Shares held by the Treasury which has Special rights	Rs.	180,000,010	180,000,010

The Holder of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitle to one vote per share at meetings of the Company. Special rights of the Golden Shares are given in the Annual Report to the Board of Directors on the Affaires of the Company.

14 REDEIMABLE DEBENTURES

Debenture Holder	Date of Issues	Date of Maturity	2012	2011	As at December 2010
Employees Provident Fund	16-06-1995	15-06-2000	5,000,000	5,000,000	5,000,000
Employees Trust Fund			5,000,000	5,000,000	5,000,000
Payable Within one year			5,000,000	5,000,000	5,000,000

The Interest is payable bi - annually at the rate of 7.24% on the above debentures issued. The General Treasury on behalf of the Company has been redeemed Rs. 10,000,000 debenture issued to EPF with the accrued interest on 27th July 2000.

Debenture Issued to ETF Board valued at Rs. 15,000,000 in year 1994 and matured in 1999 has been settled by the Company on 08.12.2012 on redemption on above capital value the ETF board agreed to discontinue charging interest. No further interest being charged on debenture issued to EPF of Rs. 5,000,000

15 RETIREMENT BENEFIT OBLIGATIONS

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
At the beginning of the year	214,474,754	191,347,546	190,531,555
Add :-			
Provisions made for the year	12,669,417	10,161,688	14,928,368
Under Provision Adjustment - As per the Actuarial Valuation (2011)	2,250,705	21,198,909	(10,978,623)
	229,394,876	222,708,143	194,481,300
Less :-			
Payments made during the year	(2,317,119)	(8,233,390)	(3,133,753)
Balance at the end	227,077,757	214,474,753	191,347,547
Note :-			
Unpaid Gratuity to Retired Employees	62,821,695	48,310,535	42,829,166
Retirement Benefit Obligations	164,256,062	166,164,218	148,518,361
	227,077,757	214,474,753	191,347,527

LKAS 19 requires the use of actuarial techniques to make reliable estimates of the amount of retirement benefit that employee have earned in return for their service in current and prior periods and discount that benefit using the Projected Credit Method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires to entity to determine how much benefit is attributable to the current and prior period and to make estimates about demographic variables and financial variables that will influence the cost of the benefit.

However we have not continue in this year actuarial valuations practice due to the financial reasons. We made gratuity provision in general method and continue the actuarial practice in future



16 DEFERRED INCOME

	2012 Total	2011 Total	2010 Total
	Rs.	Rs.	Rs.
Deferred Grants and Subsidies			
At the beginning of the year	32,763,278	33,739,355	32,524,849
Add : Grant received for the year	-	-	2,190,583
Less: Amortization for the year	(916,977)	(976,077)	(976,077)
Total	31,846,301	32,763,278	33,739,355

The company has received funding from the Plantation Human Development Trust and Asian Development Bank for the Development for the worker facilities such as re-roofing of the line rooms, latrines, water supply and sanitation etc. The amounts spent are included under the relevant classification of property, Plant & Equipment and the grant component is reflected under Differed Grant & Subsidies.

17 LIABILITY TO MAKE LEASE PAYMENT (SLSPC STATES)

	2012 Total	2011 Total	2010 Total
	Rs.	Rs.	Rs.
Repayable after 1 year			
Gross Liability	217,500	217,500	217,500
Less: Finance Charges	(180,075)	(180,075)	(174,546)
Net Liability	37,425	37,425	42,954
Repayable within 1 year			
Gross Liability	5,000	5,000	5,000
Less: Finance Charges	(3,643)	(3,643)	(3,643)
Net Liability	1,357	1,357	1,357
Total	38,782	38,782	44,311

The contingent rental during the current year charged to the Income Statements amounted Rs. 3,643 (2011 - Rs. 3,643)

17 (a)

LIABILITY TO MAKE LEASE PAYMENT (ASSETS ACQUIRED UNDER THE FINANCE LEASE - FACILITY PROVIDED BY THE BANK OF CEYLON)

	2012 Total	2011 Total	2010 Total
	Rs.	Rs.	Rs.
Repayable after 1 year			
Gross Liability	3,673,574	5,706,424	-
Less: Finance Charges	(353,600)	(812,707)	-
Net Liability	3,319,974	4,893,717	-
Repayable within 1 year			
Gross Liability	2,032,140	2,032,140	708,360
Less: Finance Charges	(458,397)	(669,973)	(241,557)
Net Liability	1,573,743	1,362,167	466,803
Total	4,893,717	6,255,884	466,803

The contingent rental during the current year charged to the Income Statements amounted Rs. 669,973 (2011 - Rs. 151,590) and is based on the GDP deflator of 24% in 2012.

18 TRADE & OTHER PAYABLE

	2012 Total	2011 Total	2010 Total
	Rs.	Rs.	Rs.
Trade & Other Payables	63,849,025	54,595,465	53,293,358
Advances from Brokers / Others	37,833,334	35,000,000	24,556,292
EPF/ETF & Gratuity Surcharge	48,558,901	51,088,551	-
EPF/ETF / ESPS & CPPS	138,678,539	-	-
Less: MC Advance Payment	(3,434,317)	-	-
Interest on Debentures / loan	135,244,222	101,850,494	97,403,551
Total	318,192,786	273,636,329	210,418,824

19 AMOUNT DUE TO RELATED COMPANIES

	2012 Total	2011 Total	2010 Total
	Rs.	Rs.	Rs.
Sri Lanka State Plantation Corporation/JEDB	1,171,124	1,035,152	1,422,928
Inter Estate Accounts	158,178	-	-
Total	1,329,302	1,035,152	1,422,928



20 RELATED PARTIES

20.1 Sri Lanka State Plantation Corporation (SLSPC)

The Company has a opening balance of advances, amounting to Rs. 1,035,152/-, which was increased during the year amounting to Rs. 135,172/-

20.2 Janatha Estate Development Board (JEDB)

The Company has a opening balance amounting to, Rs. 1,185,670/- and fully settled during the year.

There were no material related party transactions other than those disclosed above.

20.3 CAPITAL COMMENTS

There were no material capital commitments as at the balance sheet date.

20.4 CONTINGENT LIABILITIES

1. Commissioner of labour

Several legal cases have been instituted by the Commissioner of labour against the Company to recover Overdue EPF/ETF contributions. Also, legal action has been instituted against the Company for non settlement of Retiring Gratuity dues to employees.

2. Repayment of Debentures Issued in 1994 - Rs 15 Million

The agreement between ETF the Elkaduwa plantation limited in 2010 as per the attached letter dated 23 rd December 2010 EPL should pay the interest arrears of Rs 34,693,484.93 every month Instalment Value of Rs 500,000. This agreement has been violated by the EPL during the year 2012 and not settled the single installment of Rs 500,000. There for this created the additional contingent liability.

There were no material contingent liabilities, outstanding as at the balance sheet dated, other than those disclosed above.

21 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Non payment of EPF,ETF,CPPS,ESPS and Gratuity

21.1

The Company has not paid Employees Provident Fund contributions for estate staff and workers, since January 2003 and for Head Office Executives and Non Executive Staff. The total contribution 88,485,882/- and 2,458,205/- respectively, as at 31st December 2011. Further, the non payment gives rise for a surcharge amounting 30,999,229/- for Estate Staff and workers, and Rs. 909,596/- for the Head Office Executives and non Executive staff.

21.2

The Company has not paid Ceylon Planters Provident Society contributions for Head Office Executives since November 2008. The total contribution 2,972,603/- respectively, as at 31st December 2011. Further, the non payment gives rise for a surcharge amounting 1,227,822/- for Head Office Executive Staff.

21.3

The Company has not paid Estate Staff Provident Society contributions for estate staff and Head Office Staff, since January 2003. The total contribution 4,517,358/- and 794,072/- respectively, as at 31st December 2011. Further, the non payment gives rise for a surcharge amounting 1,841,541/- for Estate Staff and workers, and Rs. 284,569/- for the Head Office-non Executive staff.

21.4

The Company has not paid Employees Trust fund Contributions for all staff and workers since January 2010 amounting to Rs. 4,880,094/- . The non Payments of this gives rise to a surcharge of Rs. 1,332,632/-



ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

22 REVENUE

Revenue Under the Business Segments (Principle Crops)

	Tea (Green Leaf)		Rubber		Coconut		Cocoa		Other Crops		Total	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Revenue	134,509,740	154,962,288	46,802,602	63,721,290	26,233,746	35,318,147	6,994,626	2,870,475	24,411,101	6,571,223	238,951,814	263,443,423
Cost of Sales	(203,022,387)	(234,593,600)	(38,899,976)	(37,613,552)	(20,354,098)	(22,447,307)	(1,862,725)	(958,749)	(563,035)	(2,507,337)	(264,702,221)	(298,120,545)
Segment Results	(68,512,647)	(79,631,312)	7,902,626	26,107,738	5,879,648	12,870,840	5,131,901	1,911,726	23,848,066	4,063,886	(25,750,406)	(34,677,122)
Other Operating Income											18,778,229	42,091,565
Administration and General Expenses											(19,443,269)	(25,940,298)
Profit/(Loss) from Operating Activities											(26,415,446)	(18,525,855)
Financing Cost											(8,194,191)	(13,224,266)
Income Tax Expenses (Reversal of Economics Service Charges)											(558,701)	
Profit (Loss) from Ordinary Activities Before Income Tax Expenses											(35,168,338)	(31,750,121)

ELKADUWA PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

23 OTHER OPERATING INCOME

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
Sales of Assets	1,499,558	-	-
Sale of Trees	6,877,400	33,526,531	10,484,416
Amortization of Capital Grant	916,978	976,076	976,077
Sundry income	5,938,125	3,970,033	1,757,845
Elkaduwa - Lake Income	1,559,101	742,836	-
Nilarama Income	782,927	762,839	679,696
Lime Stone - Nalanda	-	339,910	-
Lease Rent	1,204,140	1,773,340	968,173
Total Other Operating Income	18,778,229	42,091,565	14,866,207

24 ADMINISTRATION EXPENSES

PROFIT BEFORE TAXATION IS STATED AFTER CHARGING FOLLOWINGS

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
Auditors Remuneration	419,861	381,692	460,000
Depreciation/Amortization	9,630,919	9,095,418	9,404,696
Consultants Allowance & Other payments	1,060,000	3,673,450	2,196,770
Defined Benefit Plan Cost	35,151	(742,767)	(1,150,250)
Defined Contribution Plan Cost - Provident Funds & ETF	922,477	707,157	897,048
Others - Staff Cost	9,520,020	10,582,452	9,453,197

25 FINANCE INCOME

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
Interest Income	1,494,265	2,016,324	1,238
Total Finance Income	1,494,265	2,016,324	1,238



26 FINANCE COST

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
O/D Interest	7,957,934	4,506,446	1,346,416
Lease Interest	669,973	151,590	7,619
Other Loan Interest - Chilow Plantations	1,060,548	1,801,925	
Other Loan Interest - State Recourse Management or.	-	6,764,306	5,047,346
Total Finance Cost	9,688,455	13,224,267	6,401,381

27 INCOME TAX EXPENSES

In terms of the Inland Revenue Act No. 10 of 2006, and subsequent amendments thereon, "Specified Profits" from cultivation would be liable for income tax at a concessionary rate of 12%. The Corporate rate of tax applicable to manufacture would be at the rate of 28%.

However, no provision has been made in these Financial Statements for Income Tax in view of accumulated and current year tax losses of the Company. The carried forward Tax Loss of the Company as at 31st December, 2012 amounts to Rs.190,172,067/=

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
Accounting Loss Before Income Tax	(34,609,636)	(29,733,796)	(4,407,001)
Add: Disallowed Items	13,329,866	9,439,032	-
Less : Aggregate Allowed items	-	-	(1,872,989)
Total Statuary Income	(21,279,770)	(20,294,764)	(6,279,990)
Other Source of Income	-	-	35,955,637
Taxable Income	(21,279,770)	(20,294,764)	28,775,647
Tax Loss Broughtforward	(168,892,297)	(148,597,533)	(177,373,180)
Taxable Profit / (Loss)	(211,451,836)	(168,892,297)	(148,597,533)

27 No Provision has been made for Deferred Taxation in the accounts as the tax loss carried forward greater than the timing

27 Write off of over three year Economics Charges

Paid Year	Amount Rs'
2008	558,701



28 EARNING PER SHARE

The basic earning per share has been calculated based on after tax profit for the year divided by the weighted average number of ordinary share outstanding during the period.

The following reflects the income and share data used in the basic earning per share computations.

	2012 Total Rs.	2011 Total Rs.	2010 Total Rs.
Amounts used as the Numerator:			
Net Profit applicable to ordinary Shareholders	(35,168,337)	(29,733,796)	(4,965,702)
Amounts used as the Numerator for:			
Net Earning from Continuing Operations	(35,168,337)	(29,733,796)	(4,965,702)
	Nos	Nos	Nos
Weighted average number of ordinary shares in issues	18,000,001	18,000,001	18,000,001
Basic EPS	(1.95)	(1.65)	(0.28)



Ten Year Summary

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tea (Green Leaf)										
Production (Kg's)	1,538,752	1,700,735	3,275,170	3,321,185	3,197,873	3,881,835	3,177,777	3,363,647	3,203,887	2,527,183
NSA (per 1 Kg)	25.19	33.80	26.52	28.38	41.04	42.38	47.27	50.32	48.37	53.23
COP (per 1 Kg)	71.08	69.73	37.73	43.52	52.07	47.73	68.77	59.03	73.22	80.34

Rubber (Latex)

Production (Kg's)	163,193	135,581	142,641	124,569	138,830	126,597	106,983	122,678	128,039	115,845
NSA (per 1 Kg)	100.47	121.52	133.52	194.34	211.63	257.67	217.68	383.15	497.67	404.01
COP (per 1 Kg)	91.25	130.09	160.74	178.06	184.94	217.59	273.21	240.46	293.77	335.79

Coconut

Production (Nut)	1,005,626	1,464,749	806,174	1,088,790	1,425,820	1,360,845	1,492,051	1,039,314	1,405,748	1,219,915
NSA (per 1 nut)	7.87	10.33	14.66	9.34	15.25	19.59	16.15	18.77	25.12	21.50
COP (per 1 nut)	5.74	6.32	10.35	9.99	9.53	11.00	12.08	17.16	15.97	16.68

EARNING HIGHLIGHTS

Revenue

Tea	38,760,130	57,487,026	86,864,592	94,244,593	131,253,764	163,717,579	150,197,693	169,246,807	154,962,288	134,509,740
Rubber	16,396,181	16,476,348	19,045,308	24,208,254	29,381,025	32,619,883	23,288,262	47,003,772	63,721,290	46,802,602
Coconut	7,917,355	15,127,149	11,821,893	10,172,517	21,739,379	26,664,428	24,101,567	19,505,766	35,318,147	26,233,746
Cocoa	5,169,491	5,028,508	4,568,434	4,405,777	5,480,312	7,132,551	5,098,915	5,766,131	2,870,475	6,994,626
Other	3,565,270	1,234,376	3,939,780	3,704,066	3,889,309	9,438,353	4,079,513	10,555,187	6,571,223	24,411,101
	71,808,427	95,353,407	126,240,007	136,735,207	191,743,789	239,572,794	206,765,950	252,077,663	263,443,423	238,951,815

Cost of Sales

Tea	(109,375,743)	(118,596,615)	(123,557,761)	(144,525,216)	(166,508,921)	(185,299,373)	(218,539,933)	(198,567,516)	(234,593,600)	(203,022,387)
Rubber	(14,891,567)	(17,637,195)	(22,927,412)	(22,180,386)	(25,675,287)	(27,546,274)	(29,229,061)	(29,498,603)	(37,613,552)	(38,899,976)
Coconut	(5,775,546)	(9,252,381)	(8,343,896)	(10,877,017)	(13,588,066)	(14,969,777)	(18,023,908)	(17,834,995)	(22,447,307)	(20,354,098)
Cocoa	(7,034,373)	(6,773,397)	(1,995,126)	(4,487,596)	(5,451,220)	(5,947,885)	(2,902,490)	(2,148,596)	(958,749)	(1,862,725)
Other	(2,730,663)	(5,040,804)	(934,806)	(2,370,670)	(2,490,804)	(626,286)	(1,375,019)	(2,249,620)	(2,507,337)	(563,035)
	(139,807,892)	(157,300,392)	(157,759,001)	(184,440,885)	(213,714,298)	(234,389,595)	(270,070,411)	(250,299,330)	(298,120,545)	(264,702,221)
Gross Profit	(67,999,465)	(61,946,985)	(31,518,994)	(47,705,678)	(21,970,509)	5,183,199	(63,304,461)	1,778,333	(34,677,122)	(25,750,406)
Other Operating Income	2,990,243	4,001,162	16,736,163	18,083,817	14,389,688	55,329,346	33,838,253	24,017,293	44,107,888	18,778,229
Trasuary Grants		129,059,000	122,900,000	55,000,000	13,000,000	-	-	-	-	-
Admin. and General Expenses	(4,842,307)	(5,466,971)	(10,522,355)	(13,904,674)	(25,508,380)	(23,870,907)	(25,289,194)	(23,801,245)	(25,940,298)	(19,443,269)
Profit from Operating Activities	(69,851,529)	65,646,206	97,594,814	11,473,465	(20,089,201)	36,641,638	(54,755,402)	1,994,381	(16,509,532)	(26,415,446)
Other Operating Expenses										
Net Finance Income / (Expenses)	(13,287,939)	(15,059,448)	(9,770,193)	(5,962,606)	(6,242,071)	(6,380,935)	(7,269,049)	(6,401,381)	(13,224,266)	(8,194,191)

Profit Before Taxation	(83,139,468)	50,586,758	87,824,621	5,510,859	(26,331,272)	30,260,703	(62,024,451)	(4,407,000)	(29,733,798)	(34,609,637)
-------------------------------	---------------------	-------------------	-------------------	------------------	---------------------	-------------------	---------------------	--------------------	---------------------	---------------------

Income Tax	-	-	-	-	-	(770,385)	(664,174)	(558,701)	-	(558,701)
------------	---	---	---	---	---	-----------	-----------	-----------	---	-----------

Profit for the year	(83,139,468)	50,586,758	87,824,621	5,510,859	(26,331,272)	29,490,318	(62,688,625)	(4,965,701)	(29,733,798)	(35,168,338)
----------------------------	---------------------	-------------------	-------------------	------------------	---------------------	-------------------	---------------------	--------------------	---------------------	---------------------

Other Comprihensive Income	-	-	-	-	-	-	-	-	-	-
----------------------------	---	---	---	---	---	---	---	---	---	---

Total Comprihensive Income for the Year	(83,139,468)	50,586,758	87,824,621	5,510,859	(26,331,272)	29,490,318	(62,688,625)	(4,965,701)	(29,733,798)	(35,168,338)
--	---------------------	-------------------	-------------------	------------------	---------------------	-------------------	---------------------	--------------------	---------------------	---------------------

Ten Year Summary

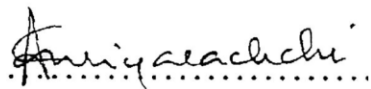
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BALANCE SHEET DETAILS										
Assets										
Non Current Assets	275,650,753	273,816,643	279,427,496	297,712,951	323,222,224	368,984,758	427,398,109	451,877,451	482,032,236	647,381,241
Current Assets	23,921,643	38,544,124	44,766,062	40,818,714	42,236,297	43,328,024	33,666,472	33,477,134	78,364,891	39,550,126
Total Assets	299,572,396	312,360,767	324,193,558	338,531,665	365,458,521	412,312,782	461,064,581	485,354,585	560,397,127	686,931,367
Equity & Liabilities										
Capital & Reserves										
Stated Capital	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010	180,000,010
Retained Earnings	(262,991,815)	(212,405,055)	(124,580,434)	(119,087,479)	(145,466,198)	(116,180,651)	(179,869,276)	(148,597,533)	(204,599,279)	(127,008,503)
Share holders Fund	(82,991,805)	(32,405,045)	55,419,576	60,912,531	34,533,812	63,819,359	130,734	31,402,477	(24,599,269)	52,991,507
Liability										
Non Current Liability	216,446,013	172,771,413	116,956,083	136,343,822	157,702,645	167,812,427	223,800,099	225,596,659	253,531,341	204,459,762
Current Liability	166,118,228	171,994,399	151,817,899	141,275,312	173,222,064	180,680,997	237,133,748	228,355,448	331,465,055	429,480,096
Total Equity & Liabilities	299,572,436	312,360,767	324,193,558	338,531,665	365,458,521	412,312,783	461,064,581	485,354,584	560,397,127	686,931,365
CASH FLOWS DETAILS										
Cash & Cash Equivalants at the beginning of the year	(275,514)	872,440	5,071,670	11,744,744	2,208,902	3,690,235	(1,452,558)	(5,695,546)	(10,688,092)	(51,265,048)
Net Cash Flows / (Used) from Operating Activities	6,448,969	9,103,338	18,594,853	16,552,611	38,824,757	38,398,595	50,084,315	24,979,109	21,177,343	138,916,481
Net Cash Flows / (Used) from Investing Activities	(4,603,312)	(4,500,348)	(10,732,413)	(25,694,022)	(36,924,673)	(43,099,213)	(60,130,828)	(33,884,008)	(79,972,339)	(130,758,119)
Net Cash Flows / (Used) from Financing Activities	(697,703)	(403,760)	(1,189,366)	(394,431)	(418,751)	(442,175)	5,803,525	3,912,353	18,218,040	(2,032,850)
Cash & Cash Equivalants at the end of the year	872,440	5,071,670	11,744,744	2,208,902	3,690,235	(1,452,558)	(5,695,546)	(10,688,092)	(51,265,048)	(45,139,536)
RETIO ANALYSIS										
Gross Profit Margin	-95%	-65%	-25%	-35%	-11%	2%	-31%	1%	-13%	-11%
Net Profit Margine	-116%	53%	70%	4%	-14%	12%	-30%	-2%	-11%	-15%
Current Assets Retio	0.14	0.22	0.29	0.29	0.24	0.24	0.14	0.15	0.24	0.09
Earnings Per Share	(4.62)	2.81	4.88	0.31	(1.46)	1.64	(3.48)	(0.28)	(1.65)	(1.95)
Net Assets Per Share	(4.61)	(1.80)	3.08	3.38	1.92	3.55	0.01	1.74	(1.37)	2.94

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Elkaduwa Plantations Limited - 2019 will be held at Elkaduwa Plantations Limited, Colombo Office, No. 320, T B Jayah Mawatha, Colombo -10 on at 4.00 p.m. for the following purposes.

1. To receive and consider the Financial Statements for the year ended 31st December 2012 with the Report of the Board of Directors and Auditors thereon.
2. To appoint Messrs. P. E. Mathew & Co, Chartered Accountants as Auditors of the Company for the year 2013.
3. Any other business.

BY ORDER OF THE BOARD OF
ELKADUWA PLANTATIONS LTD


.....

SECRETARIES OF ELKADUWA PLANTATIONS LTD

Date:

A Shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on his/her behalf.

A Proxy need not be a member of the Company. A Form of Proxy is enclosed for this purpose.

FORM OF PROXY

I/We.....
the.....undersigned
..... of
..... being a
member/ members of Elkaduwa Plantations Limited hereby appoint.

Mr. Nalaka Devinda Madawala or failing him,
Mrs. Rmanayakage Malika Jayanthi or failing her,
Mrs. Wickramasingha Mudiyansele Dhammika Tharangani Wickramasinghe or
failing her,
Mr. Wannakuwatta Waduge Ruchira Nishantha Fernando or failing him,
Mr. Sena Gangodathenna or failing him,
Mrs. Nilusha Manori Tnathrige or failing her,
Mr. Ranjith Asoka Herath or failing him,

Or,

.....
as my/our proxy to represent me/us and to vote for me/us and on my /our behalf at
the Annual General Meeting - 2019 of the Company to be held at Elkaduwa Planta-
tions Limited, Colombo Office, No. 320, T B Jayah Mawatha, Colombo 10 on
..... at 4.00 p.m. and at any adjournment thereof, and at every poll
which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' against the Resolution Number

	For	Against
To receive and consider the Financial Statements for the year ended 31st December 2012 with the Report of the Board of Directors and Auditors thereon.	☐	☐
To appoint Messrs. P. E. Mathew & Co, Chartered Accountants as Auditors of the Company for the year 2013.	☐	☐

Signed this day of 2019

.....
Signature
Shareholders NIC/ PP/ Co. Reg.No.

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

1. Kindly perfect the form of Proxy by signing in the space provided and please fill the date of signature.
2. If the Proxy is signed by an Attorney-at-Law, 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
.....
..... not less than 48 hours
before the time appointed for the holding of the meeting.

CORPORATE INFORMATION

Name of the Company	: ELKADUWA PLANTATIONS LIMITED
Legal Form	: Fully Government Owned Public Company with Limited Liability Elkaduwa Plantations Limited is a Limited Liability Company incorporated under the Companies Act No. 17 of provisions of the Conversion of Corporations and Government Owned Business Undertaking into Public Companies Act No. 23 of 1987 and re-registered under the Companies Act No. 07 of 2007
Date of Incorporation	: 23rd July 1993
Company registration No	: PB 5
Registered Office	: No. 320, "Janawathu Piyasa", T B Jayah Mawatha, Colombo - 10
Principle Business Activities	: The principle activity of the Company is cultivation and marketing of Tea, Rubber, Coconut and Other Minor Crops

Board of Director For the year 2012

Mr. Yasantha Anuruddha Tikiri Bandara Wadugodapitiya	- Chairman/Managing Director
Ms. Sinhalage Ajitha Batagoda	- Director/Treasury Representative
Mr. Thotahewaralage Filix Sunil Fernando	- Director
Mr. Rathnasena Ranathunga	- Director
Mr. Manannidalage Janaka Sanjay Fonseka	- Director
Dr. Sri Harsha Kumudusiri	- Director

Share Capital	: There has been no change in authorised and issued Share Capital through the period	
Authorized Share Capital	50,000,000 Shares @ Rs. 10/-	Rs. 500,000,000/-
Issued Share Capital	18,000,000/- Shares @ Rs. 10/-	Rs. 180,000,000/-
01 Golden Share	@ Rs. 10/-	Rs. 10/-

Secretary:

Ms. Hemindra Darshani Dissanayake
Attorney at Law - Notary Public & Company Secretary

The Company Secretary appointed by the Company on 03rd January 2019

Mrs. Chandrani Suriyarachchi
Attorney at Law – Notary Public & Company Secretary

Auditors:

The Messrs A D N D Samarakkody & Co, Chartered Accountant

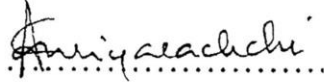
Bankers:

Bank of Ceylon – Corporate Branch

Contact Details:

Tele. 011 – 2698058/59
Fax. 011 – 2698057
E Mail. elkaduwacmbepi@sltnet.lk

By Order of the Board,



Mrs. Chandrani Suriyarachchi
Attorney at Law - Notary Public & Company Secretary
Elkaduwa Plantations Limited
"Janawathu Piyasa"
No. 320, T.B. Jayah Mawatha
Colombo – 10

