



Annual Report 2022



Sri Lanka State Plantations Corporation

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Auditors
Auditor General
306/72, Polduwa Road,
Battaramulla

Vision

Become the most powerful government-owned plantation company

Mission

Providing the maximum contribution to the local production of the country and to the well-being of the families of the plantation workers and the neighboring villages, by proper management of the assets owned by the Sri Lanka State Plantation Corporation with the participation of employees.

Board of Directors 2022

Attorney-at- Law- Mr Srimal Wijesekara
Chairman
Date of Appointment 2020 .23.01

Mrs R.A.R.S. Mayadunna
Board Member/ Ministerial Observer
Date of Appointment 28.01.2020.

Mr. J. L. A. Sampath Nalinda
Board Member
Date of Appointment
28.01.2020

Mrs. D.A. Manorathna
Board Member
Date of Appointment 28.01.2020 to
20.03.2022

Mr. Kushan Wegodapola
Board Member
Date of Appointment 28.01.2020

Mr R.M.S.P.S Bandara
Board Member
Date of Appointment 21.03.2022

S. M. C. S. Siriwardhana
Board Member
Date of Appointment 28.01.2020

Mr. A.M. Sumedha Renuka Bandara
Board Member
Date of Appointment 28.01.2020

Mr. W. W. M. B. P. Kamburadeniya
Board Member
Date of Appointment 02.11.2020

Mr. D. R. Susantha Senarathna
Board Member
Date of Appointment 28.01.2020

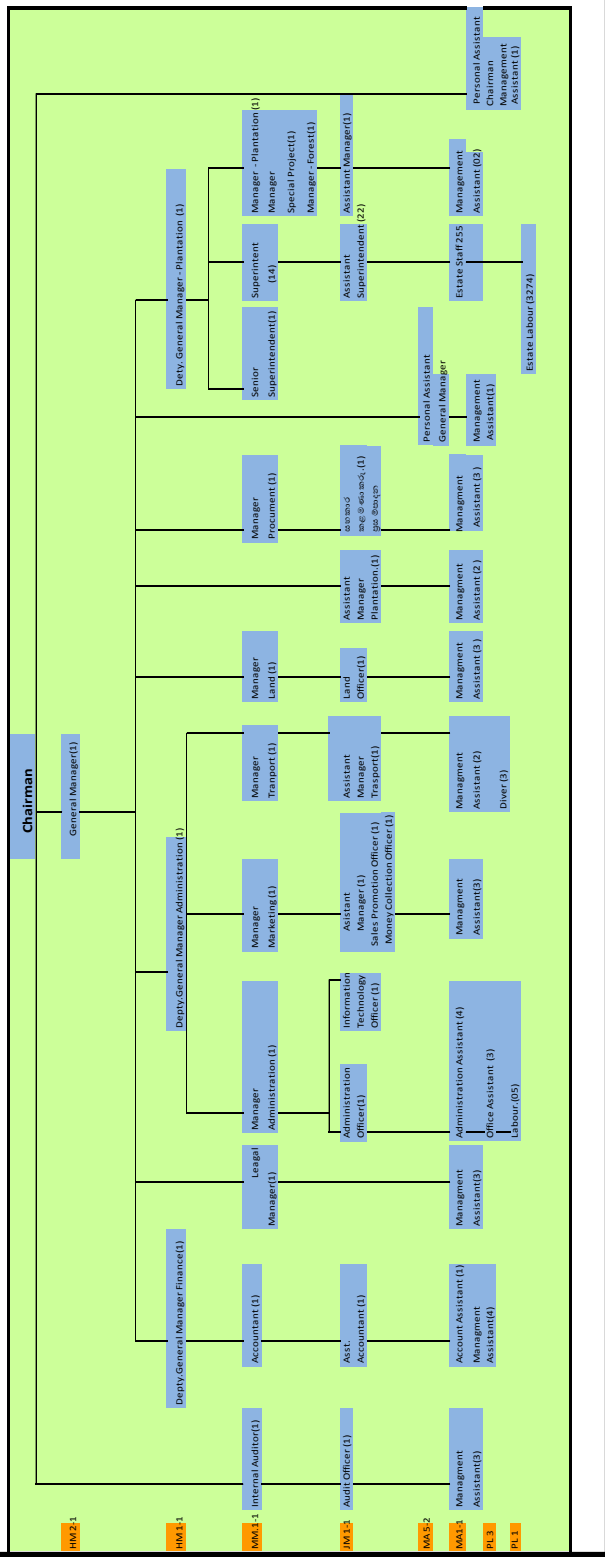
Management- Head Office 2022

Name	Post
Attorney-at- Law Mr Srimal Wijwsekara	Chairman
Mr H.N.P Jinasena	General Manager
Mr J.H.I Jayasundara	Acting Deputy General Manager Administration
Mr S.I.M Hasan	Deputy General Manager Finance
Mrs K.A.H.D Perera	Manageress - Procurement
Mrs H.S, Ileperuma	Legal Officer) Date of appointment to May 2022)
Mrs N. V.A.P Withanage	Manageress – Legal (Since May 2022)
Mrs B.V.L.C Beneragama	Manageress - Land
Mr W.D.W Kerthi	Manager Marketing
Mr R.A Amal Sanjaya	Internal Auditor
Mr R.G.S.H Gunathilaka	Accountant
Mr P.C.J Panagoda	Assistant Accountant
Mr G.B.C Fonseka	Administration Officer
Mr R.Y.G.S Yapa	Assistant Manager- Procurement
Mr P.V Pradeep	Assistant Manager – Land
Mrs R D.S.L.K Ranwala	Assistant Manageress- Plantation
Mrs H.M.S.N Herath	Assistant Manageress Transport
Mrs P.T.D Gunawardana	Assistant Manageress - Land
Mrs M.T.T Morahala	Assistant Accountant) Regional Office(

Management – Plantation 2022

Name	Post
Mr T.M.P.I.K Tennakoon	Deputy General Manager - Plantation
Mr M.M.C.B Ehelamalpe	Manager (Plantation)
Mr P.I.L Perera	Estate Superintend – Walahanduwa State Plantation
Mr R.A.R.M Ranawaka	Estate Superintend – Kellebokka State Plantation
My Y.A.T.B Wadugodapitiya	Estate Superintend – Hagala State Plantation
Mr I.W.R Jayawardana	Estate Superintend – Allakolla State Plantation
Mr T.R.H Hewage	Estate Superintend – Goomera State Plantation
Mr R.A.M Dayarathna	Estate Superintend – Galphelle State Plantation
Mr S.Y Liyanage	Estate Superintend – Opalgala State Plantation
Mr W T K Samaratunga	Estate Superintend – Rangala State Plantation
Mr G.W.G Wijerathna	Estate Superintend – Hunnasingiriya State Plantation
Mr D.W.T.C Danthasingha	Estate Superintend – Waithalawa State Plantation
Mr R C Kahavita	Estate Superintend – Cotaganga State Plantation
Mr K.D.M.P weerasinghe	Estate Superintend – Midland State Plantation
Mr C.H.H.K.G Lakruchira	Acting Superintendent – Herepark State Plantation
Mr S.W.M.C.S Aladeniya	Acting Superintendent – Viharagala State Plantation
Mr W.A.D.P Wijesinghe	Acting Superintendent – Woodside State Plantation
Mr A.D.K.A.P Senarath	Senior Assistant Superintendent – Nicholoya State Plantation

Sri Lanka State Plantations Corporation



Review of the Chairman 2022




First and foremost, it is a great pleasure to announce that we have achieved another historic milestone in the history of the Sri Lanka State Plantations Corporation in 2022, within three years of assuming the current management. We are proud to have led the Sri Lanka State Plantations Corporation, which was facing significant losses after 2009, to achieve a Net Operating Profit of 19 Million Rupees in the year 2022. Likewise, the Auditor General's Annual Reports issued after 2015 had previously expressed adverse opinions regarding the management and accounting of the institution. However, we have managed to direct the institution to obtain a qualified opinion for the year 2022.

From the year 2020, a significant achievement was made in eliminating the long-standing distrust among employees and the general populace of Sri Lanka towards the management of the Sri Lanka State Plantations Corporation. This was achieved through effective leadership and guidance provided by the Honorable (Dr.) Ramesh Pathirana, Minister of Plantation Industries

When conducting the administrative and management affairs of the institution, decisions have been made with careful consideration of the prevailing rules, regulations, and circulars regarding every activity, and necessary measures have been taken to safeguard the state property deviating the doubtful contexts that previously existed over illegal acts such as plundering public property by taking every possible measure to eradicate corruption and wastage which has led to creating complete trust between employees and laborers during this period and this resulted in the majority of officers and employees were motivated to work with dedication for the development and future sustainability of the organization. That commitment has also been one of the key factors contributing to the achievements mentioned above.

Starting in 2020, a methodology was implemented and maintained to subject each division, including the Chairman's Division, to independent internal audits, and all measures were taken to ensure discipline and law enforcement throughout the entire institution. Efforts were taken to strengthen the internal Audit Division and necessary steps were taken to prevent the establishment of the Annual Reports of the Auditor General as adverse opinion due to previous audits queries raised by the Auditor General, that had gone unaddressed for a significant period. Maximum efforts were made to rectify the deficiencies



Consequently, by the end of 2022, directives were put in place to ensure the institution received a qualified opinion instead of the previous adverse opinion by providing accurate responses to past internal audit queries, and in that regard, targets were assigned to the financial, procurement, and administration divisions, as well as the Internal Audit Division. Efforts were made to fill vacancies in the Finance and Internal Audit Divisions with officers possessing appropriate educational qualifications as per the approved methodology. These measures marked a significant milestone for the institution, as it successfully removed the adverse opinion that had persisted in the Auditor General's report for many years as of 2022.


An important point to note is that during the management period from 2020 to 2022, no allegations related to violations of corporate rules or procurement procedures were disclosed in the reports of the Auditor General. Thus, it is confirmed that the administrative procedures upheld by the organization during this period are proper and correct.

As soon as any officer or employee or laborer was reported to have engaged in undisciplined and misconduct actions, proper investigations were conducted and disciplinary actions were taken against the accused under accepted industrial and institutional procedures. It was possible to strengthen the internal administration of the organization by strongly focusing on making recruitments properly and unabashedly based on qualifications and providing increments by appraising performance.

It was observed that the administrative and management decisions made previously were also acted as contributing factors to the losses incurred by the Sri Lanka State Plantations Corporation. Accordingly, Kuda Oya Estate, which was being maintained as a small administrative estate unit without any basis, was combined back to Opalgala Estate. This adjustment resulted in an annual saving of approximately 3 Million Rupees in administrative costs.

The main target in the year 2022 was to cultivate 180 hectares of new tea. To achieve this, the decision taken by the Honorable Minister and the Ministry of Plantations to allocate 200 Million Rupees from the money reserved for direct tea cultivation in the 2021 budget to the Sri Lanka State Plantations Corporation was crucial for the future sustainability of the Sri Lanka State Plantations Corporation.

Accordingly, measures were implemented to replant 160 hectares of tea this year. This capital investment is expected to enhance the Sri Lanka State Plantations Corporation's income through the new tea leaf harvest in the next 2 years



It was an immense challenge to newly plant a target of 180 hectares of tea by deploying the existing staff focusing on 15 estates within a year. The uncertainties and economic downturn in the country after March 2022 significantly impacted this new tea cultivation initiative. It was challenging to act on the prepared estimates especially due to procurement activities and the increase in oil prices and market prices of goods and services. Despite these conditions, it was possible to replant tea in the estates by taking the necessary steps to replant 160 hectares of tea across the estates.


Accordingly, I would like to mention the main action taken within this period for the development of the State Plantations Corporation is that the institution was able to newly plant 170.75 hectares of plantations and added such to the income-generating work of the State Plantations Corporation of Sri Lanka by the end of the year 2022, during the three-year management period.

Upon delving into the history of Sri Lanka State Plantations Corporation, it can be revealed that after 1999 cultivation of tea was not done properly. The main reasons for the current loss of the Sri Lanka State Plantations Corporation can be attributed to the decades-long neglect of establishing new tea plantations and replanting tea, as well as the lack of focus on the proper production of finished tea.

This new tea cultivation project has been prepared and implemented followed by a specific system and a responsible system has been developed and established which devolves the responsibility of turning each tea plant into a tea tree that sprouts from the ground from the General Manager of the institution to the Field Officer. Accordingly, it is the responsibility of the officers to take further actions.

Delays in procurement procedures due to the uncertain situation in the country, and delays in the purchase of the necessary machinery due to excessive increases in the price of the rupee against the dollar, the modernization of the Goomara Tea factory could not be completed. However, by the end of the year, it was possible to complete the procurement work and enter into the necessary agreements for the purchase of the Color Separator required to commence the Goomara factory.

In 2022, the high prices of chemical fertilizers disrupted the application of fertilizers for tea cultivation, which had been carried out according to proper agricultural methods in the previous two years. This resulted in a decline in productivity in the tea growing areas due to a decline in leaf harvest and made tea production. It is anticipated that this situation will significantly impact the harvest of raw tea leave harvest in the upcoming year.



Due to the above reason, in 2022, the harvest of raw tea leaves decreased to 1,725,277 kg and the made tea production also decreased to 371,027 kg. This represents a decrease of 25.9% and 21.68% respectively compared to 2021.

Because the old tea drier at the Rangala tea factory has reached a hazardous condition and is at risk of fire, special reports have been obtained and, consequently, production activities had to be temporarily halted starting from November 2022. In response to advice from the Tea Research Institute, a committee was appointed to renovate the Rangala Tea Factory, and technical evaluation work has commenced.


The machinery of the Kellebokka tea factory was repaired, and tea production resumed as usual.

Accordingly, In 2022, the total expenditure incurred for replantation, establishment of new tea factories, and repairs amounted to 253.43 Million Rupees. Of this amount, 74.79 Million Rupees could be allocated for capital expenditure from the earnings of the Sri Lanka State Plantations Corporation during this year.

The main challenge during this year was the payment of bank interest for the money obtained for the cases filed in courts regarding the defaulted statutory allowances and for the loans and overdrafts previously taken. Accordingly, 53.52 Million Rupees were paid to the courts in the year 2022 for the outstanding unpaid statutory allowances and 197 pending cases were closed. Additionally, Rs. 40.04 million had to be paid as interest for the bank loans and overdrafts. Consequently, the current employees' statutory allowances could not be adequately disbursed this year. Further, 230 new cases were filed against Sri Lanka State Plantations Corporation for non-payment of statutory allowances during this year.

Due to the uncertain economic situation in the country, the sale of commercial timber was completely disrupted in the year 2022. Therefore, the expected revenue from timber sales was not realized.

Nevertheless, the decline in the value of the Rupee, stemming from a slowdown in tea production of the country, along with an increase in the Average NSA due to rising prices of raw tea leaves and made tea under other world conditions, resulted in increased earnings for the year. However, due to the decrease in tea production, production costs increased.



Accordingly, compared to 2021, raw tea leaf production decreased by %26.5, made tea production decreased by %21.68, production turnover increased by %2.52 and the net sales average value (NSA) increased by .%37.94

The Gazette through which the Walahanduwa Estate, previously held by the Sri Lanka State Plantations Corporation, was divested back to the Land Reform Commission in 2017, was rescinded and undisturbed entitlement to the same was alienated to the Sri Lanka State Plantations Corporation by the Gazette Extra Ordinary No.25/2271 dated 15.03.2022.

Furthermore, among the estates owned by the Sri Lanka State Plantations Corporation, the estates namely: Harepark, Waithalawa, Woodside, Wiharagala, Walahandwa and Hunnasgiriya were taken to be surveyed by the Sri Lanka Survey Department within this year on the orders given by the Ministry.

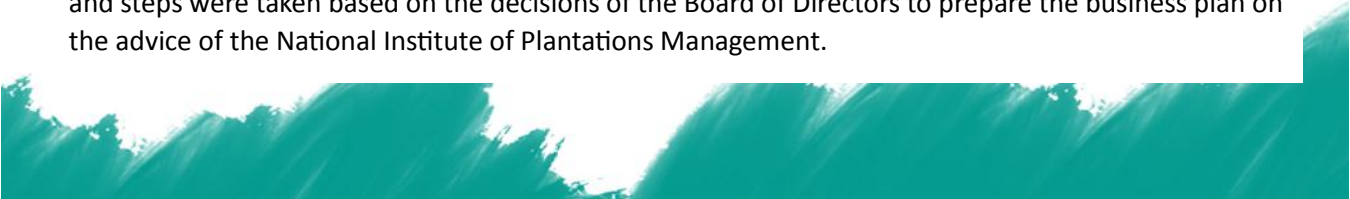
The reports mention that following the establishment of the State Plantations Corporation of Sri Lanka by Act No. 4 of 1958, by the year 1975, 30 estates were purchased by investing money of the State Plantation Corporation of Sri Lanka and in addition, the institution has also owned other estates assigned to it by the government.


Following the establishment of the Land Reform Commission, approximately 250 estates acquired by the government were transferred to the Sri Lanka State Plantations Corporation. Out of these estates, apart from the 16 estates currently managed by the Sri Lanka State Plantations Corporation, other estates were leased to regional plantation companies established after 1992. Due to the unavailability of proper deeds and related documents for the assets owned by the Sri Lanka State Plantations Corporation at the head office, the land division has prepared an Asset Register. This register has been included as an attachment to this annual report. These assets are currently undergoing further verification and disclosures are being made accordingly.

The project proposal aimed at developing the Walahanduwa State Plantation as a model estate was presented and initiated under the direct guidance of the Ministry of Plantations with the participation and consultation of all institutions under the Ministry of Plantations.

The goal of this project is to transform the loss-making Walahanduwa State Plantation into a profitable unit and to develop it into a model estate where growers of small export crops such as tea, coconut, and rubber can gain valuable knowledge and insights.

The preparation of a business plan required for the future as a public enterprise was carried out by coordinating the Estate Superintendents and executive officers of each department of the head office and steps were taken based on the decisions of the Board of Directors to prepare the business plan on the advice of the National Institute of Plantations Management.






To enhance the administrative processes of the institution, vacancies in executive grade such as legal positions, Accountant, and Internal Auditor, and vacant Management Assistant positions were filled strictly based on qualifications through the prescribed interview process. As a result, a number of qualified officers were successfully deployed to fulfill duties at the main office.

Having identified the re-cultivable and under-utilized lands under the future development plan, actions have been measured to provide land allotments to the third parties on the tax base subject to Section 06 of the Sri Lanka State Plantations Corporation Act and in line with the recommendations of a proper evaluation committee following the circulars and guidelines issued by the Line Ministry and with the approval of the Board of Directors. This initiative has enabled the corporation to generate additional income.

The Head Office of Sri Lanka State Plantations Corporation has been located in rented buildings since 1994. A large amount of rent was paid annually for that. All necessary measures were taken to establish the Head Office in the Dematagoda premises belonging to the corporation and it is planned to establish the head office there at the beginning of the year 2023. It will be possible to end the annual rent expense.

Overall, in 2022, according to the annual final accounts, the Sri Lanka State Plantations Corporation managed to achieve an Operating Profit of 19 Million Rupee. It is special that such an Operating Profit has been reported after the year 2009. However, it's important to note that the corporation still carries a substantial amount of liabilities, including unpaid statutory allowances dating back to the year 2000. Therefore, a considerable sum has to be paid monthly in connection with the cases filed in courts related to the arrears of statutory allowances.

Since the amount to be paid is not shown as an expense in the annual estimates, it is very difficult to maintain the company's cash flow in a positive value. Further, in order to record a profit in the tea leaf harvest and in the made tea production, the raw tea leaf harvest has to be increased by the institution. Similarly, the income from the sale of raw tea leaves and made tea should be converted into an income that exceeds the total expenditure. For this purpose, it is an essential factor to be released from the existing responsibilities and to get more productivity from the estates and factories, provide the fertilizers that are required at the right time, and maintain the working capital so that the factories can be added with modern technology with proper maintenance.



The Board of Directors has identified the disposal of an unused property belonging to the institution under the provisions of the Plantation Corporation Act as an essential matter and has started proceedings with the agreement of the Ministry. I mention that it will be possible to take necessary measures to ensure the sustainability of this institution.

Despite the Auditor General of the Government consistently presenting adverse opinions on the operation and financial affairs of the corporation in audit reports over an extended period, management took steps to rectify these issues in 2022. Specifically for the year 2022, measures were implemented to submit monthly account reports and progress reports to the Board of Directors.

Necessary measures were taken to conduct several training workshops to develop the office system and financial administration knowledge of the officials.

Despite the economic challenges in the country, the sales amount of " SANSTHA TEA " produced by the Corporation increased by 1.48% in 2022 compared to the previous year.

I would like to highlight that the prudent decisions made by the Board of Directors this year significantly contributed to the financial and operational achievements of the Sri Lanka State Plantations Corporation in 2022. Similarly, I express my appreciation for the dedication exhibited by all staff led by the General Manager of the Corporation.

Accordingly, I am pleased to present the Annual Report of the Sri Lanka State Plantations Corporation for the year 2022 on behalf of the Board of Directors.

Mr. Simal Wijesekera (Attorney-at-Law)
Chairman
Sri Lanka State Plantations Corporation

Corporate Background

Legal establishment

Sri Lanka State Plantations Corporation (SLSPC) was established in 1958 under the Ceylon State Plantations Corporation Act No. 4 and it was amended by subsequent Acts No. 12 of 1962 and 49 of 1979.

Historical Background of Sri Lanka State Plantations Corporation

The Sri Lanka State Plantation Corporation was established under the Sri Lanka State Plantation Corporation Act No. 4 of 1958, and the main purpose of establishing the Sri Lanka State Plantations Corporation was to develop and establish the estates and cultivated lands owned by the government with the approval of the Honorable Minister. Furthermore, another objective of establishing the Sri Lanka State Plantation Corporation was to manage and maintenance of the estates taken over by the Commissioner of Lands and Commissioner General of Inland Revenue. Since the Sri Lanka State Plantation Corporation was functioning from the beginning with a few plantations vested in the government, the purpose of setting up the corporation was properly served. Therefore, it was possible to purchase about 15,000 hectares of plantations in a short period. The establishment of a strong Act and proper management led to this prompt development.

Nearly 250 estates from the estates nationalized under the Land Reforms Act 1972 and the amended Act 1975 and 250 estates from the estates acquired due to the cancellation of the existing trusts, were given to the State Plantations Corporation of Sri Lanka, which had previously owned about 25 estates, for the purpose of development and up liftmen. Similarly, other estates acquired have been handed over to the Janata Estate Development Board after its establishment.

There was a dire need to change the management structure in order to improve the greatly expanded Sri Lanka State Plantation Corporation. Therefore, the government that came to power in 1977 established regional offices to manage the estates more efficiently and effectively. In accordance, the administration of estates was decentralized

The Sri Lanka State Plantation Corporation Act was amended by Act No. 4 of 1979. According to Section 2 of the aforesaid Act, the name Ceylon State Plantation Corporation was amended to Sri Lanka State Plantation Corporation.

Further, as per Section 6 of Act No. 49 (Amendment) of 1979, the objectives of Sri Lanka State Plantation Company have been expanded as follows.

- a) Promotion of plantation lands to achieve maximum productivity with proper agricultural management.
- b) Diversification of agricultural crops with proper management and coordination by rehabilitating existing crops on land.
- c) Processing and sale of agricultural products.
- d) Development of animal husbandry in plantations

- e) Installation and better maintenance of machinery and equipment necessary for agricultural work in estates.
- f) To carry out all procedures and activities necessary for the effective functioning and management of the Plantation Corporation.

Many actions were taken during the year 1980 to strengthen the plantation management and decentralized organizational structure of the State Plantations Corporation of Sri Lanka. Accordingly, the Sri Lanka State Plantation Corporation, which was under the Ministry of Plantation Industries, has come under the direct supervision of His Excellency the President. In February 1980, four Regional Boards were formed with more powers to increase the performance of the Regional Offices namely: SLSPC I, II, III and IV. Further expanding this process in 1984, two more boards named SLSPC V and VI were established to ensure proper management of the estates around Balangoda and Matale. Although plantation management was decentralized in this way, policy making, marketing, storing, and finance were carried out by the Central Board of Sri Lanka State Plantations Statutory Corporation in Colombo

After realizing the ineffectiveness and low productivity of these reforms, the government established 22 plantation companies in 1992 under the State Corporations and Properties Private Companies Act. The 402 plantations owned by Sri Lanka State Plantation Corporation and Janatha Estates Development Board have been handed over under long term lease basis, to those 22 local plantation companies. The Sri Lanka State Plantation Corporation and the Janatha Vatu Development Board were left only with 55 estates producing midland tea with low selling prices due to the lack of characteristic qualities of long-term loss-making upland and lowland teas. Out of these 55 estates, 32 estates belonged to the State Plantation Corporation of Sri Lanka. Out of these 32 estates, 11 estates were handed over to Elkaduwa Plantation Company Limited in 1993. Accordingly, the remaining 11 estates have been consolidated to form 16 estates and have been vested to the State Plantation Corporation of Sri Lanka. A large area of these estates consists of old seed tea, and the lands around the Knuckles range in Kandy and Matale districts consist of a poor soil layer. Therefore, the yield of green colour leaves is naturally very low, in these plantations. These plantations are considered as long-term loss-making plantations due to low market prices and low yields.

Similarly, in the year 1992, all the activities of Sri Lanka State Plantation Corporation were stopped due to the retirement of all the staff. Operations were re-started in 1994 with the recruitment of a new staff. The State Plantation Corporation of Sri Lanka, which operated under the Ministry of Plantation Industries from then until 2006, was also brought under the purview of the State Enterprise Reform Commission. From 2001 to 2004, the corporation was making losses and was considered a burden to the government. Therefore, some estates and assets have been given on a long term lease basis with a view to reducing the burden on the government.

Estates such as Waitalawa, Woodside, Harepark, Kotaganga Factory, which were leased to the private sector for certain, projects under the recommendation of the Board of Investment, have been abandoned by the leasing parties due to the failure of those projects. Later the State Plantations Corporation of Sri Lanka had to take over the Harepark estate and the Kotaganga factory with a large number of liabilities. The abandoned Harepark Estate illustrated how the

estate was increasingly losing ground due to mismanagement, unauthorized acquisitions and lack of maintenance. Later, Waitalawa and Woodside estates were alienated to another private

company and due to the lack of proper management, that company abandoned Woodside estate too, and kept only Waitalawa estate under its control.

In 2006, government policies were changed and a new policy has been introduced to manage the Sri Lanka State Plantations Corporation as a strategic organization of the government by removing it from the purview of the Public Enterprises Reform Commission and placing it under the purview of the Institute of Strategic Entrepreneurs. Under the intervention of the Management Strategic Enterprise Management Institute, just as the tea plantations changed, the method of administering these plantations also changed. Accordingly, a new concept of estate asset management has been introduced.

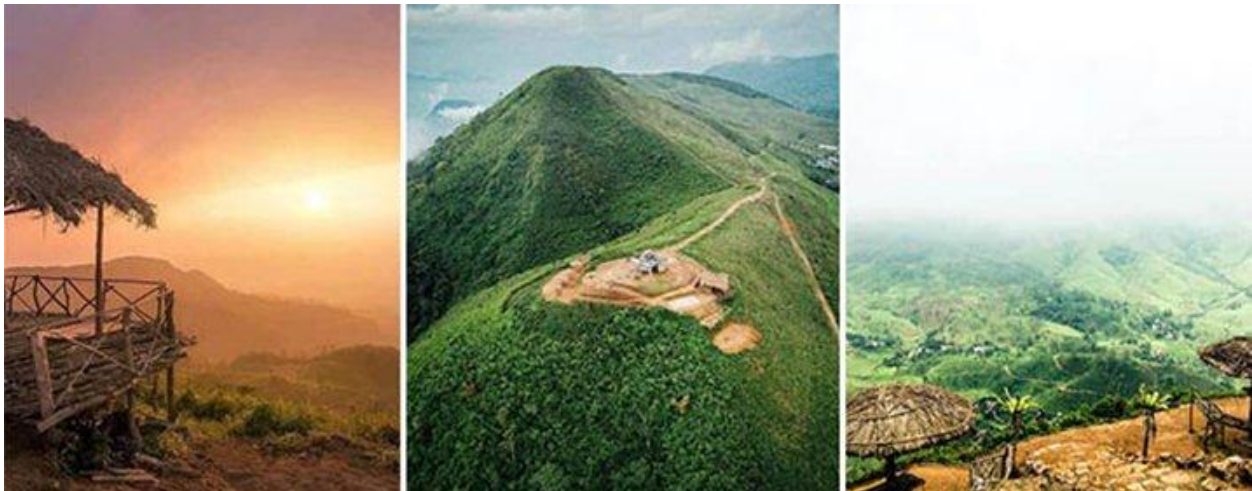
The various assets of the corporation namely, timber resources amounting to Rs. 3000 million, and under this new concept, potential locations for construction of small-scale hydropower plants, sale of carbon sequestration calculations and crop diversification of loss-making plantations have been identified.

With the Knuckles World Heritage Gazette in 2007, a significant amount of land belonging to the State Plantations Corporation of Sri Lanka was included in this world heritage. Accordingly, commercial forestry lands with cardamom cultivation as well as lands with tea cultivation have come under the Knuckles Reserve. However, the management of the estates as well as the reserve was problematic because the amount of land was covered by the reserve and the boundaries were uncertain.



The most attractive places belonging to Sri Lanka State Plantation Corporation

Kelebokka 3600 view point



Kellebokka 3600 View Point (Elevation: 1,175 m) has become a trending destination. The peak is located on the border of Matale and Kandy districts and it shares the same peak forming the Hatle small World's End and Hunnasgiriya mountains. The mountain range extends to the north and connects with the western massif of Knuckles. On a clear day, visitors can observe the Central Hills, Kandy City, Sembuwatta Lake and Knuckles Hill.

There is a camping ground and 02 estate bungalows to accommodate guests. In the middle of the flat area of the hill, there is a completed Hindu shrine and a cottage made of sticks to enjoy the viewpoint. A morning visit is preferable to enjoy the undisturbed view, due to the fog that covers the area during the afternoon

BURNSIDE



Located in Kandy, Burnside Bungalow is an attractive location, 13 miles from the Seaplane Airport on the Rangala Polgolla Reservoir. It has 03 large bedrooms with bathrooms and can accommodate 18 people.

Dankanda Lake- Midlands



The beautiful Dankanda Lake is a reservoir in the Central Province and its height is 957 meters. The Dankanda Lake is close to Kirimatiaranda and Dankanda Estate and not far from the Midlands Estate owned by the State Plantation Corporation of Sri Lanka. Local and foreign tourists are given the opportunity to experience a camping ground at Dankanda Lake, in Riverston area of Matale.

Hunnasgiriya



Located 22 km away from Kandy city and close to Elkaduwa village in Matale district, Knuckles mountain range and Hunnasfalls waterfall are attractive places for both local and foreign tourists. The Hunnasgiriya State Estate belongs to the State Plantations Corporation of Sri Lanka and has provided facilities for tourists visiting this waterfall.

Wewathanne - Woodside



Wewathenna campsite is located in the Woodside State Estate located in the Medamahanuwara area of the Kandy district of the Central Province and is 37.9 km far from Kandy city. Although the road to this beautiful campsite is quite difficult, it would become a very beautiful experience. On the way from Kandy to Wewathanna, the amazing and world-famous Victoria Dam is another attraction.

Contact Information

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Status of plantations managed by State Plantation Corporation in the year 2022

At the beginning of 2022, there were 17 plantations under the management of Sri Lanka State Plantation Corporation, of which 16 plantations are located in Kandy and Matale districts, while Walahandoova plantation is located in Galle district.

Table 01- Details of Estates

No.	Name of the Estate	District	Divisional Secretariat Division	Total Extent (Hectares))
1	Alakola	Kandy	Panvila	819.86
2	Kotaganga	Kandy	Medadumbara	1,059.81
3	Galpihilla	Kandy	Panvila/Kundasale	761.24
4	Goomara	Kandy	Panvila	731.13
5	Hagala	Kandy	Panvila	449.49
6	Harepark	Kandy	Udukumbura	976.75
7	Hunnasgiriya	Matale	Ukuwela	739.72
8	Kelebokka	Kandy	Panvila	1,370.36
9	Kudaoya	Matale	Raththota	176.00
10	Midlands	Matale	Raththota	1,221.31
11	Nikoloya	Matale	Raththota	332.41
12	Opalgala	Matale	Medadumbara	723.10
13	Rangala	Kandy	Medadumbara	630.60
14	Waithalawa	Kandy	Medadumbara	551.05
15	Wiharagala	Badulla	Haldummulla	41.90
16	Woodside	Kandy	Medadumbara	472.75
17	Walahandoova	Galle	Akmeemana	95.22
	Total			11,152.70

Current Administrative Status of Plantations Owned by Sri Lanka State Plantations Corporation

Table 02 - Current administrative status of plantations (Kandy District)

No	District	Name of the Estate	Present management Company
1	Nuwaraeliya	Wedamulla	Agalawatta Plantation
2	Nuwaraeliya	Nayabedda	Agarapathana Plantation
3	Nuwaraeliya	Pettresow	Bogawanthalawa Plantation
4	Nuwaraeliya	Poistone	Bogawanthalawa Plantation
5	Nuwaraeliya	Bogawana	Bogawanthalawa Plantation
6	Nuwaraeliya	Chapelon	Bogawanthalawa Plantation
7	Nuwaraeliya	Castlereagh	Bogawanthalawa Plantation
8	Nuwaraeliya	Elofits	Bogawanthalawa Plantation
9	Nuwaraeliya	Bogawanthalawa	Bogawanthalawa Plantation
10	Nuwaraeliya	Norwood	Bogawanthalawa Plantation
11	Nuwaraeliya	Kotiyagala	Bogawanthalawa Plantation
12	Nuwaraeliya	Loynore	Bogawanthalawa Plantation
13	Nuwaraeliya	Midford	Bogawanthalawa Plantation
14	Nuwaraeliya	Osborne/Calverton	Bogawanthalawa Plantation
15	Nuwaraeliya	Tienstin	Bogawanthalawa Plantation
16	Nuwaraeliya	Campion	Bogawanthalawa Plantation
17	Nuwaraeliya	Lethenty	Bogawanthalawa Plantation
18	Nuwaraeliya	Alton	Horana Plantation
19	Nuwaraeliya	Farelone	Horana Plantation
20	Nuwaraeliya	Gawarawila	Horana Plantation
21	Nuwaraeliya	Mahanillu	Horana Plantation
22	Nuwaraeliya	Stockhome	Horana Plantation
23	Nuwaraeliya	Mountjin	JEDB
24	Nuwaraeliya	Blikbonney	Kellani-Valley Plantation
25	Nuwaraeliya	Edinburgh	Kellani-Valley Plantation
26	Nuwaraeliya	Glassgow	Kellani-Valley Plantation
27	Nuwaraeliya	Mahagasthota	Kellani-Valley Plantation
28	Nuwaraeliya	Pedro	Kellani-Valley Plantation
29	Nuwaraeliya	Udaradella	Kellani-Valley Plantation
30	Nuwaraeliya	Moray	Madulsima Palntation
31	Nuwaraeliya	Kew	Madulsima Plantation
32	Nuwaraeliya	Venture	Madulsima Plantation
33	Nuwaraeliya	St.John Delery	Madulsima Plantation
34	Nuwaraeliya	Theressia	Madulsima Plantation
35	Nuwaraeliya	Chelsia	Malwatta valley Plantation

36	Nuwaraeliya	Maskeliya	Maskeliya Plantation
37	Nuwaraeliya	Adamspeak	Maskeliya Plantation
38	Nuwaraeliya	Brownswick	Maskeliya Plantation
39	Nuwaraeliya	Brownlow	Maskeliya Plantation
40	Nuwaraeliya	Deanside	Maskeliya Plantation
41	Nuwaraeliya	Glenugie	Maskeliya Plantation
42	Nuwaraeliya	Laxapana	Maskeliya Plantation
43	Nuwaraeliya	Mocha	Maskeliya Plantation
44	Nuwaraeliya	Morarr	Maskeliya Plantation
45	Nuwaraeliya	Queensland	Maskeliya Plantation
46	Nuwaraeliya	Strathspey	Maskeliya Plantation
47	Nuwaraeliya	Craigh	Maskeliya Plantation
48	Nuwaraeliya	Ferham	Maskeliya Plantation
49	Nuwaraeliya	St.Clair	Maskeliya Plantation
50	Nuwaraeliya	Thalawakelle	Maskeliya Plantation
51	Nuwaraeliya	Mathurata	Mathurata Plantation
52	Nuwaraeliya	Sogama	Pussallawa Plantation
53	Nuwaraeliya	Ramboda	Pussallawa Plantation
54	Nuwaraeliya	Bearvel	Thalawakelle Plantation
55	Nuwaraeliya	Calsey	Thalawakelle Plantation
56	Nuwaraeliya	Clarendon	Thalawakelle Plantation
57	Nuwaraeliya	Desford	Thalawakelle Plantation
58	Nuwaraeliya	Great-Western	Thalawakelle Plantation
59	Nuwaraeliya	Holyroode	Thalawakelle Plantation
60	Nuwaraeliya	Loggiee	Thalawakelle Plantation
61	Nuwaraeliya	Mattakelle	Thalawakelle Plantation
62	Nuwaraeliya	Palmstone	Thalawakelle Plantation
63	Nuwaraeliya	Radella	Thalawakelle Plantation
64	Nuwaraeliya	Summerset	Thalawakelle Plantation
65	Nuwaraeliya	Carolina	Watawala Plantation
66	Nuwaraeliya	St.helies	Watawala Plantation
67	Nuwaraeliya	Hauteville	Watawala Plantation
68	Nuwaraeliya	Binoya	Watawala Plantation
69	Nuwaraeliya	Shanon	Watawala Plantation
70	Nuwaraeliya	Uwakelle	Watawala Plantation
71	Nuwaraeliya	Thangakelle	Watawala Plantation

Table 03 - Current administrative status of plantations (Kalutara District)

No	District	Name of the Estate	Present management Company
1	Kaluthara	Part of Clyde Division	Agalawatta Plantation
2	Kaluthara	Ambathenna	Agalawatta Plantation
3	Kaluthara	Clyeid	Agalawatta Plantation
4	Kaluthara	Kiriwanaketiya	Agalawatta Plantation
5	Kaluthara	Mohomadi	Agalawatta Plantation
6	Kaluthara	Pimbura	Agalawatta Plantation
7	Kaluthara	Lagose	Balangoda Plantation
8	Kaluthara	Dumbara	Horana plantation
9	Kaluthara	Frosester	Horana plantation
10	Kaluthara	Halwathura	Horana plantation
11	Kaluthara	Hillstrem	Horana plantation
12	Kaluthara	Kobowella	Horana plantation
13	Kaluthara	Millakanda	Horana plantation
14	Kaluthara	Mirishena	Horana plantation
15	Kaluthara	Nuchatele	Horana plantation
16	Kaluthara	Payagala	Kotagala Plantation
17	Kaluthara	Arupolakanda	Kotagala Plantation
18	Kaluthara	Delkeith	Kotagala Plantation
19	Kaluthara	Aduragala	Kotagala Plantation
20	Kaluthara	Geekiyanakanda	Kotagala Plantation
21	Kaluthara	Hegalla	Kotagala Plantation
22	Kaluthara	Hadigalla	Kotagala Plantation
23	Kaluthara	Millewa	Kotagala Plantation
24	Kaluthara	Padukka	Kotagala Plantation
25	Kaluthara	Perth	Kotagala Plantation
26	Kaluthara	Raigama	Kotagala Plantation
27	Kaluthara	Sorana	Kotagala Plantation
28	Kaluthara	Usakvelly	Kotagala Plantation
29	Kaluthara	Vogan	Kotagala Plantation
30	Kaluthara	Delkith	Kotagala Plantation
31	Kaluthara	Eladuwa	Namunukula Plantation
32	Kaluthara	Miriswatte	Namunukula Plantation
33	Kaluthara	Pallegoda	Namunukula Plantation
34	Kaluthara	Sirikandura	Namunukula Plantation

Table 04 - Current administrative status of plantations (Ratnapura District)

No	District	Name of the Estate	Present management Company
1	Rathnapura	Delgoda	Agalawatta Plantation
2	Rathnapura	Doloswela	Agalawatta Plantation
3	Rathnapura	Kiribathgala	Agalawatta Plantation
4	Rathnapura	Niriella /Niriwatta	Agalawatta Plantation
5	Rathnapura	Noragala	Agalawatta Plantation
6	Rathnapura	Pinkanda	Agalawatta Plantation
7	Rathnapura	Wattapotha	Agalawatta Plantation
8	Rathnapura	Galebodda	Agarapathna Plantation
9	Rathnapura	Part of Farmgarden	Balangoda Plantation
10	Rathnapura	Balangoda	Balangoda Plantation
11	Rathnapura	Walaboda	Balangoda Plantation
12	Rathnapura	Mahawela	Balangoda Plantation
13	Rathnapura	Rye	Balangoda Plantation
14	Rathnapura	Egasland	Balangoda Plantation
15	Rathnapura	Cicilton	Balangoda Plantation
16	Rathnapura	Galathura	Balangoda Plantation
17	Rathnapura	Millawitiya	Balangoda Plantation
18	Rathnapura	Mathuwagala	Balangoda Plantation
19	Rathnapura	Palmgarden	Balangoda Plantation
20	Rathnapura	Pethiyagala	Balangoda Plantation
21	Rathnapura	Rambukkanda	Balangoda Plantation
22	Rathnapura	Wawila	Balangoda Plantation
23	Rathnapura	Wikiliya	Balangoda Plantation
24	Rathnapura	Rassagala	Balangoda Plantation
25	Rathnapura	Maddakanda	Balangoda Plantation
26	Rathnapura	Sapumalkanda	Balangoda Plantation
27	Rathnapura	Non-periel	Balangoda Plantation
28	Rathnapura	Campian	Bogawanthalawa Plantation
29	Rathnapura	Madampe/Dipdeen	Hapugasthenna Plantation
30	Rathnapura	Aigburth	Hapugasthenna Plantation
31	Rathnapura	Alerton	Hapugasthenna Plantation
32	Rathnapura	Depedeen	Hapugasthenna Plantation
33	Rathnapura	Herheriegh	Hapugasthenna Plantation
34	Rathnapura	Lollupitiya	Hapugasthenna Plantation
35	Rathnapura	Springwood	Hapugasthenna Plantation
36	Rathnapura	Hapugasthenna	Hapugasthenna Plantation
37	Rathnapura	Alupola	Hapugasthenna Plantation
38	Rathnapura	Galaboda	Hapugasthenna Plantation

39	Rathnapura	Pelmadulla	Kahawatta Plantation
40	Rathnapura	Poranuwa	Kahawatta Plantation
41	Rathnapura	Ekarella	Kahawatta Plantation
42	Rathnapura	Endane	Kahawatta Plantation
43	Rathnapura	Houpe	Kahawatta Plantation
44	Rathnapura	Hunuwella	Kahawatta Plantation
45	Rathnapura	Yatadola	Kahawatta Plantation
46	Rathnapura	Opatha	Kahawatta Plantation
47	Rathnapura	Rilhena	Kahawatta Plantation
48	Rathnapura	Wellandura	Kahawatta Plantation
49	Rathnapura	Heyies	Maskeliya Plantation
50	Rathnapura	Lankaberiya	Mathurata Plantation
51	Rathnapura	Panilkanda	Mathurata Plantation
52	Rathnapura	Eheliyagoda	Pussallawa Plantation
53	Rathnapura	Ehaliyagoda	Pussellawa Plantation
54	Rathnapura	Durampitiya	Pussellawa Plantation
55	Rathnapura	Keeragala	Pussellawa Plantation
56	Rathnapura	Pussella	Pussellawa Plantation
57	Rathnapura	Sunderland	Pussellawa Plantation
58	Rathnapura	Maussa	Udappussellawa Plantation

Table 05 - Current administrative status of plantations (Galle District)

No	District	Name of the Estate	Present management Company
1	Galle	Lelwala	Elpitiya Plantation
2	Galle	Gulugahakanda	Elpitiya Plantation
3	Galle	Divithura	Elpitiya Plantation
4	Galle	Ketandola	Elpitiya Plantation
5	Galle	Nagoda Group	Elpitiya Plantation
6	Galle	Rathnawala & Nagoda	Elpitiya Plantation
7	Galle	Elpitiya	Elpitiya Plantation
8	Galle	Benthota	Elpitiya Plantation
9	Galle	Ihalkanda	Elpitiya Plantation
10	Galle	Mapalagama	Elpitiya Plantation
11	Galle	Elpitiya	Elpitiya Plantation
12	Galle	Nakiyadeniya O.F	Hapugasthenna Plantation
13	Galle	Baddegama	Namunukula Plantation
14	Galle	Walpita	Namunukula Plantation

15	Galle	Pillagodawalli	Namunukula Plantation
16	Galle	Andunkelle	Namunukula Plantation
17	Galle	Monrowia	Namunukula Plantation
18	Galle	Agrock	Namunukula Plantation
19	Galle	Wewegodawatta	Namunukula Plantation
20	Galle	Polgahawilla	Namunukula Plantation
21	Galle	Moragala	Thalawakelle Plantation
22	Galle	Pitiyagoda	Thalawakelle Plantation
23	Galle	Walahanduwa	Thalawakelle Plantation
24	Galle	Wattegoda	Thalawakelle Plantation
25	Galle	Thalangaha	Watawala Plantation
26	Galle	Upper Homadola	Watawala Plantation
27	Galle	Nakiyadeniya	Watawala Plantation
28	Galle	Homadola	Watawala Plantation
29	Galle	Nakiyadeniya R.E	Watawala Plantation
30	Galle	Stocksaland	Watawala Plantation

Table 06 - Current administrative status of plantations (Matara District)

No	District	Name of the Estate	Present managed Institute
1	Mathara	Thal gaswela	Elpitiya Plantation
2	Mathara	Gallinda	Elpitiya Plantation
3	Mathara	Anilkanda	Mathurata plantation
4	Mathara	Wilpita	Mathurata Plantation
5	Mathara	Beyerly	Mathurata Plantation
6	Mathara	Andapana	Mathurata plantation
7	Mathara	Diddenipotha	Mathurata Plantation
8	Mathara	Enasalwatte Group	Mthurata Plantation
9	Mathara	Thennahena	Namunukula Plantation
10	Mathara	Ellakanda	Namunukula Plantation
11	Mathara	Hulanduwa	Namunukula Plantation
12	Mathara	Akurassa	Namunukula Plantation
13	Mathara	Halalla	Namunukula Plantation
14	Mathara	Belment	Namunukula Plantation
15	Mathara	South Charly mount	Namunukula Plantation
16	Mathara	Deniyaya	Thalawakelle Plantation
17	Mathara	Handferd	Thalawakelle Plantation
18	Mathara	Kiriwanganga	Thalawakelle Plantation
19	Mathara	Indola	Thalawakelle Plantation
20	Mathara	Kobomalla	Thalawakelle Plantation

Table 07 - Current administrative status of plantations (Badulla District)

No	District	Name of the Estate	Present management Company
1	Badulla	Wiharagala	SLSPC
2	Badulla	Kahagalla	Agarapathana Plantation
3	Badulla	Nahawila	Hapugasthenna Plantation
4	Badulla	Newbirgh	Hapugasthenna Plantation
5	Badulla	Dambathenna	Agarapathana Plantation
6	Badulla	Glenore	Agarapathana Plantation
7	Badulla	Gonamotuwa	Agarapathana Plantation
8	Badulla	Haputhale	Agarapathana Plantation
9	Badulla	Pitarathmale	Agarapathana Plantation
10	Badulla	Udaweriya	Agarapathana Plantation
11	Badulla	Court lodge	Agarapathana Plantation
12	Badulla	Roehampton	Agarapathana Plantation
13	Badulla	South Meddakumbura	Balangoda Plantation
14	Badulla	Icelab	Malwatta Valley Plantation
15	Badulla	Ampitikanda	Maskeliya Plantation
16	Badulla	Koslada	Maskeliya Plantation
17	Badulla	Liyanagahawella	Maskeliya Plantation
18	Badulla	Mahakanda	Maskeliya Plantation
19	Badulla	Poonagalla	Maskeliya Plantation
20	Badulla	Hindagala	Namunukula Plantation
21	Badulla	Kinellen	Namunukula Plantation
22	Badulla	Pingarawa	Namunukula Plantation
23	Badulla	Park	Udapussellawa Plantation
24	Badulla	Gawarakelle	Watawala Plantation

Table 08 - Current administrative status of plantations (Kandy District)

No	District	Name of the Estate	Present management Company
1	Kandy	Maussakanda	Elkaduwa Plantation
2	Kandy	Great-Valley	JEDB
3	Kandy	Galaha	JEDB
4	Kandy	Uduwela	JEDB
5	Kandy	Allakolla	Sri Lanka State Plantation Corporation
6	Kandy	Hagalla	Sri Lanka State Plantation Corporation
7	Kandy	Watakelle	Sri Lanka State Plantation Corporation
8	Kandy	Rangala Group	Sri Lanka State Plantation Corporation
9	Kandy	Kellebokka	Sri Lanka State Plantation Corporation
10	Kandy	Kanda ketiya	Sri Lanka State Plantation Corporation
11	Kandy	Ferndale	Sri Lanka State Plantation Corporation
12	Kandy	Cottaganga	Sri Lanka State Plantation Corporation
13	Kandy	Dehigolla/Enasalwatta/Loolva	Sri Lanka State Plantation Corporation
14	Kandy	Delpathanaoya	Sri Lanka State Plantation Corporation
15	Kandy	Goomera	Sri Lanka State Plantation Corporation
16	Kandy	Kobonilla	Sri Lanka State Plantation Corporation
17	Kandy	Garandiella	Sri Lanka State Plantation Corporation
18	Kandy	Waithalawa Group	Sri Lanka State Plantation Corporation
19	Kandy	Anguruwella	Sri Lanka State Plantation Corporation
20	Kandy	Gallekelle Group	Sri Lanka State Plantation Corporation
21	Kandy	Hathale	Sri Lanka State Plantation Corporation
22	Kandy	Hunnasgiriya	Sri Lanka State Plantation Corporation
23	Kandy	Traferdhill	Sri Lanka State Plantation Corporation
24	Kandy	Burnside	Sri Lanka State Plantation Corporation
25	Kandy	Knuckles	Sri Lanka State Plantation Corporation
26	Kandy	Thunisgala	Sri Lanka State Plantation Corporation
27	Kandy	Raxawa	Sri Lanka State Plantation Corporation
28	Kandy	Galphella	Sri Lanka State Plantation Corporation
29	Kandy	Harepark	Sri Lanka State Plantation Corporation
30	Kandy	Wataketiya	Sri Lanka State Plantation Corporation
31	Kandy	Greenwood/Dickoya	Sri Lanka State Plantation Corporation
32	Kandy	Woodside	Sri Lanka State Plantation Corporation
33	Kandy	Duckwari Group	Udapussellawa Plantation
34	Kandy	Madulkelle	Udapussellawa Plantation

Table 09 - Current administrative status of plantations (Matale District)

No	District	Name of the Estate	Present management Company
3	Mathale	Pansalthenna	Elkaduwa Plantation
4	Mathale	Elkaduwa Group	Elkaduwa Plantation
5	Mathale	Hunugala	Elkaduwa Plantation
6	Mathale	Pitakanda	Elkaduwa Plantation
7	Mathale	Rathwatte	Elkaduwa Plantation
12	Mathale	Hapugahalanda	Elkaduwa Plantation
1	Mathale	Salagama	Elkaduwa Plantation
2	Mathale	Nalanda	Elkaduwa Plantation
3	Mathale	Hathamunagala	Elkaduwa Plantation
4	Mathale	Millawana	Elkaduwa Plantation
5	Mathale	Bandarapola	Elkaduwa Plantation
6	Mathale	Kandenuwara	Elkaduwa Plantation
7	Mathale	Ukuwela	Elkaduwa Plantation
8	Mathale	Owela	Elkaduwa Plantation
9	Mathale	Hapugaspiya	Elkaduwa Plantation
10	Mathale	Gammaduwa	Leased Out to Gammaduwa Plantation
11	Mathale	Midland	Sri Lanka State Planation Corporation
12	Mathale	Nicholoya	Sri Lanka State Planation Corporation
13	Mathale	Bambaragalla	Sri Lanka State Planation Corporation
14	Mathale	Midcar	Sri Lanka State Planation Corporation
15	Mathale	Nagalla	Sri Lanka State Planation Corporation
16	Mathale	Mathale west	Sri Lanka State Planation Corporation
17	Mathale	Lebanon Group	Sri Lanka State Planation Corporation
18	Mathale	Opalgala	Sri Lanka State Planation Corporation
19	Mathale	Dankanda	Sri Lanka State Planation Corporation
20	Mathale	Kataranthena	Sri Lanka State Planation Corporation
21	Mathale	Indola	Thalawakalle Plantation
22	Mathale	Mahaousa	Udupussellawa Plantation

Details of the Estates Purchased by the Sri Lanka State Plantations Corporation

Table 10 - Details of the Estates Purchased by the Sri Lanka State Plantations Corporation

No.	Name of the Estate	District	Purchased Date	current Management	Land Extent (Hectares)
1	Wedamulla	Nuwara Eiya	1973.09.01	Agalawatta Plantations PLC	484.62
2	Rohampton	Badulla	1974 .0315	Agarapatana Plantations PLC	100.61
3	Galebodda	Ratnapura	1974.07.01	Agarapatana Plantations PLC	752.63
4	Elpitiya	Galle	1975.06 01	Elpitiya Plantations PLC	785.02
5	Halgolla **	Kegalle	1974.10.23	Kegalle Plantations PLC	16006 .88
6	Delkin	Kalutara	1975.05.19	Kotagala Plantations PLC	1223.38
7	Galaha *	Kandy	1975.07.01	JEDB	694.33
8	Mount Jean *	Nuwara Eiya	1975 .07.01	JEDB	456.52
9	Great valley *	Kandy	1974.01.01	JEDB	320.24
10	Uduwela *	Kandy	1973.05 .31	JEDB	659 .51
11	Ramboda **	Nuwara Eiya	1973.09.01	Pussellawa Plantations PLC	765.18
12	Sogama **	Nuwara Eiya	1971.12.30	Pussellawa Plantations PLC	476.11
13	Eheliyagoda	Ratnapura	1975 .08.01	Pussellawa Plantations PLC	410.93
14	Mathurata **	Nuwara Eiya	1975.05.15	Balangoda Plantations PLC	278.54
15	Medakumbura South **	Badulla	1974.02.01	Balangoda Plantations PLC	505.26
16	Sapumalkanda	Ratnapura	1975.08.01	Balangoda Plantations PLC	646.96
17	Non Pareil	Ratnapura	1975.0519	Balangoda Plantations PLC	203.64
18	Wikiliya	Ratnapura	1974.10.23	Balangoda Plantations PLC	805.67
19	Rassagala	Ratnapura	1974.10.23	Balangoda Plantations PLC	776.49
20	Meddakanda	Ratnapura	1974.10.23	Balangoda Plantations PLC	676.11
21	Campiyan	Ratnapura	1975 0 .01	Bogawantalawa Plantations PLC	848.99
22	Lethent	Nuwara Eiya	1974.07.01	Bogawantalawa Plantations PLC	203.24
23	Icelab	Badulla	1973.11.26	Malwatte Valley Plantations PLC	382.59
24	Thispane	Kandy	1972.01.01	has been given for Mahaweli project	384.62
25	Diyadawa	Matara	1980	Morawakkorale Cooporative Society	13.2258
26	Hotwill	Nuwara Eiya	1975.07.01	Wtawala Plantations PLC	412.15
27	St.hayleys	Nuwara Eiya	1974.07.01	Wtawala Plantations PLC	172.87
29	Hapugasthenne	Ratnapura	1971 .12.30	Hapugasthenne Plantations PLC	1709 .31
30	Alupola	Ratnapura	1972 .12.30	Hapugasthenne Plantations PLC	1228 .74
31	Galaboda	Ratnapura	1973 .12.30	Hapugasthenne Plantations PLC	376.92
32	Carolin	Nuwara Eiya	1974 .07.01	Hapugasthenne Plantations PLC	1063.56

*They are being managed by JEDB

** JEDB has leased such to Regional Plantation Companies

Replanting tea project started in 2022 on underutilized land owned by Sri Lanka State Plantation Corporation



Figure 03 - Tea replanting project initiated on underutilized land

Summary of the Hectare Statement 2022

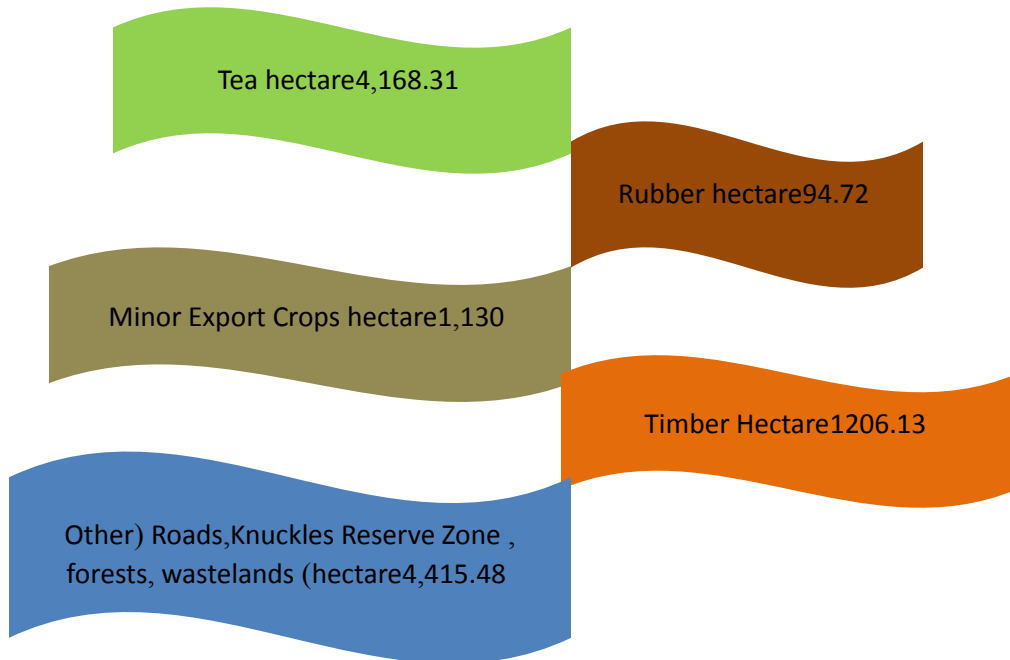
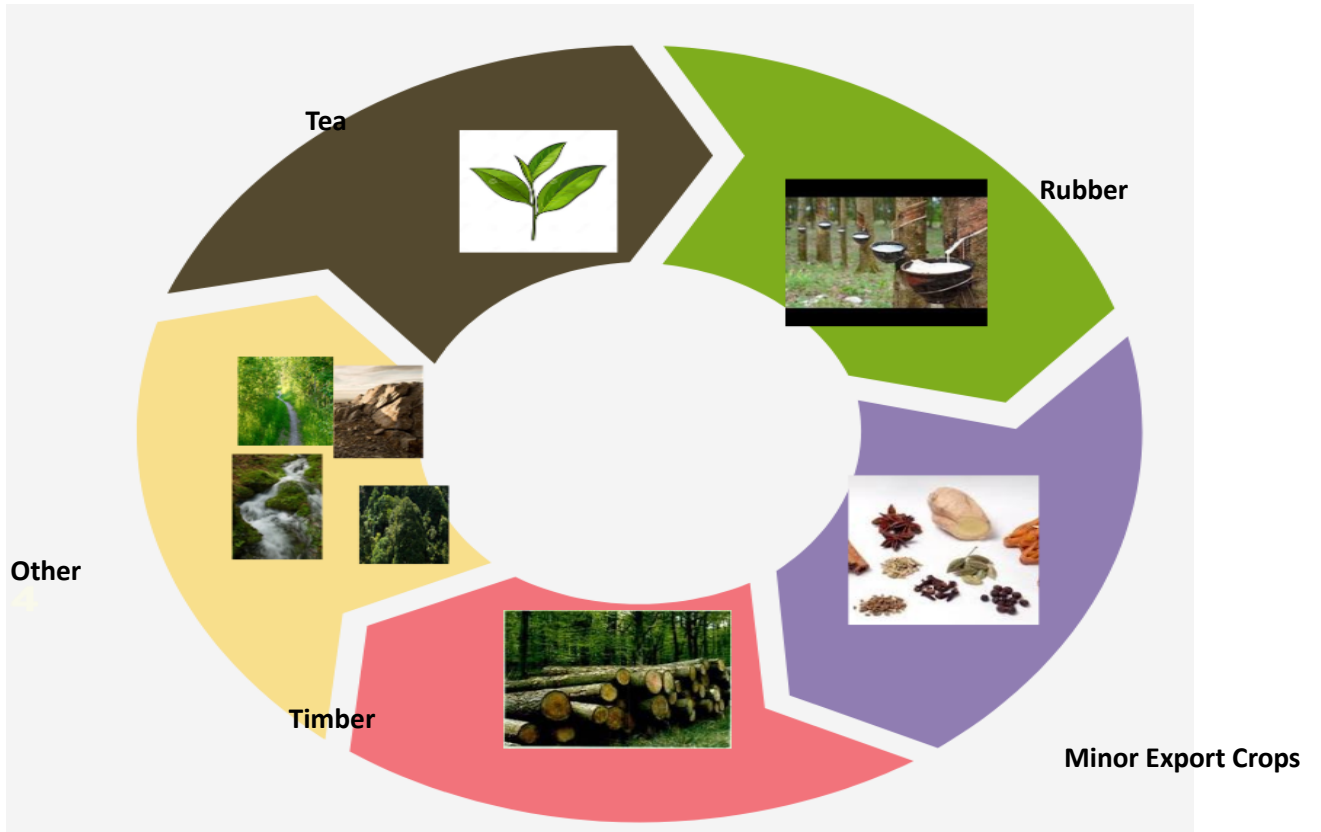


Figure 04 - Summary of the Hectare Statement 2022

The Hectare Statement
Sri Lanka State Plantations Corporation -2022
Table 11 - Hectare Statement

Estate	Tea grown extent of land (Hectare)					Rubber (Hectare)		Minor Export Crops (Hectare)	Timber Plantation (Hectare)	Other (Hectare)	Total Extent of Land (Hectare)
	Tea with income		The land extent provided for plucking tea buds on contract	Tea beds	Replantation	Previous Rubber Plantation	Rubber Replantation		Fuel Wood		
	Seedlings	VP Tea						Seedlings			
Alakola	155.75	114.95	124.50	1.00	13.00	-	-	68.60	76.38	265.68	819.86
Kotaganga	264.46	34.42	141.31	0.40	3.00	-	-	60.69	24.14	531.39	1,059.81
Galpihilla	33.13	165.01	3.24	2.21	7.04	-	-	15.85	70.21	464.55	761.24
Goomara	96.85	116.73	136.61	-	9.00	-	-	74.80	53.30	243.84	731.13
Hagala	77.78	101.80	84.66	0.42	7.00	-	-	1.00	89.62	87.21	449.49
Harepark	164.50	-	183.50	-	-	-	-	60.00	-	568.75	976.75
Hunnasgiriya	153.14	37.78	34.21	0.60	2.00	-	-	74.77	7.00	430.22	739.72
Kelebokka	113.22	288.74	272.73	1.21	5.00	-	-	211.98	350.46	127.02	1,370.36
Midlands	104.42	117.41	57.17	1.34	10	-	-	271.79	219.84	439.34	1,221.31
Nikoloya	-	47.14	2.43	-	-	-	-	58.89	18.00	205.95	332.41
Opalgala	72.10	48.9	13	1.8	0	53	-	170.5	68	331.8	759.10
Rangala	124.10	85.44	112.70	2.00	5.00	-	-	11.50	152.52	137.34	630.60
Waithalawa	34.00	39.20	74.69	0.33	-	-	-	-	45.89	357.94	552.05
Walahandoova	1.50	-	-	2.00	4.00	41.72	-	6.00	-	41.00	96.22
Wiharagala	0.81	41.09	-	-	-	-	-	-	-	-	41.90
Woodside	-	-	195.31	0.20	19.33	-	-	43.69	30.77	183.45	472.75
Total	1,395.76	1,238.61	1,436.06	13.51	84.37	94.72	-	1,130.06	1,206.13	4,415.48	11,014.70

Green Leaf Crop Harvest 2013-2022

Table 12 – Green Leaf Harvest

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Alakola	880,458	769,499	787,217	705,364	759,745	734,923	617,413	755,844	812,281	680,267
Kotaganga	258,308	194,663	216,383	170,940	205,002	293,452	253,262	303,817	298,549	211,277
Galpihilla	880,379	665,646	690,856	675,717	775,779	790,235	681,020	833,568	897,867	641,974
Goomara	574,639	486,583	547,711	667,328	764,337	743,270	706,865	849,230	920,770	735,007
Hagala	774,142	682,702	682,097	429,360	482,980	547,672	412,474	578,153	586,514	450,306
Harepark	463,485	375,497	298,837	229,330	252,911	298,088	252,867	362,826	349,541	254,513
Hunnasgiriya	520,190	431,449	578,320	515,374	528,226	496,959	487,032	544,822	556,800	442,136
Kelebokka	1,762,933	1,331,815	1,608,769	1,373,408	1,382,689	1,468,809	1,435,669	1,780,625	1,911,748	1,572,439
Kudaoya	-	-	-	-	-	-	2,581	18,791	20,558	
Midlands	730,241	395,511	586,442	438,614	503,015	586,207	494,211	520,382	518,951	424,062
Nikoloya****		458	1,122	1,550	2,979	159,993	138,379	191,445	187,163	145,973
Opalgala	430,719	297,287	301,755	247,751	305,494	354,023	263,246	399,514	347,170	312,415
Rangala	658,274	521,922	678,266	604,332	492,346	606,262	579,595	662,545	641,661	528,504
Waithalawa***						228,362	157,356	211,812	249,160	202,098
Wiharagala	-	-	-	-	-	-	9,267	20,116	25,471	19,432
Woodside**						22,153	44,463	68,485	60,799	39,320
Total	7,933,768	6,153,032	6,977,775	6,059,068	6,455,503	7,330,409	6,535,701	8,101,974	8,385,002	6,659,725
Estate	*Rubber (Latex)-Kg									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Walahandoova	44,861	40,140	36,809	37,522	42,470	33,395	28,122	29,660	19,063	15,166
****	Nikoloya Estate has been combined to Midlands from 2010-2013									
***	Waithalawa Estate has been managed by Maruti Corporation from 2008-2017									
**	Woodside Estate has been vested to external before 2018									
*	DRC value of Rubber has been transformed to Kg (Dry Rubber Content)									

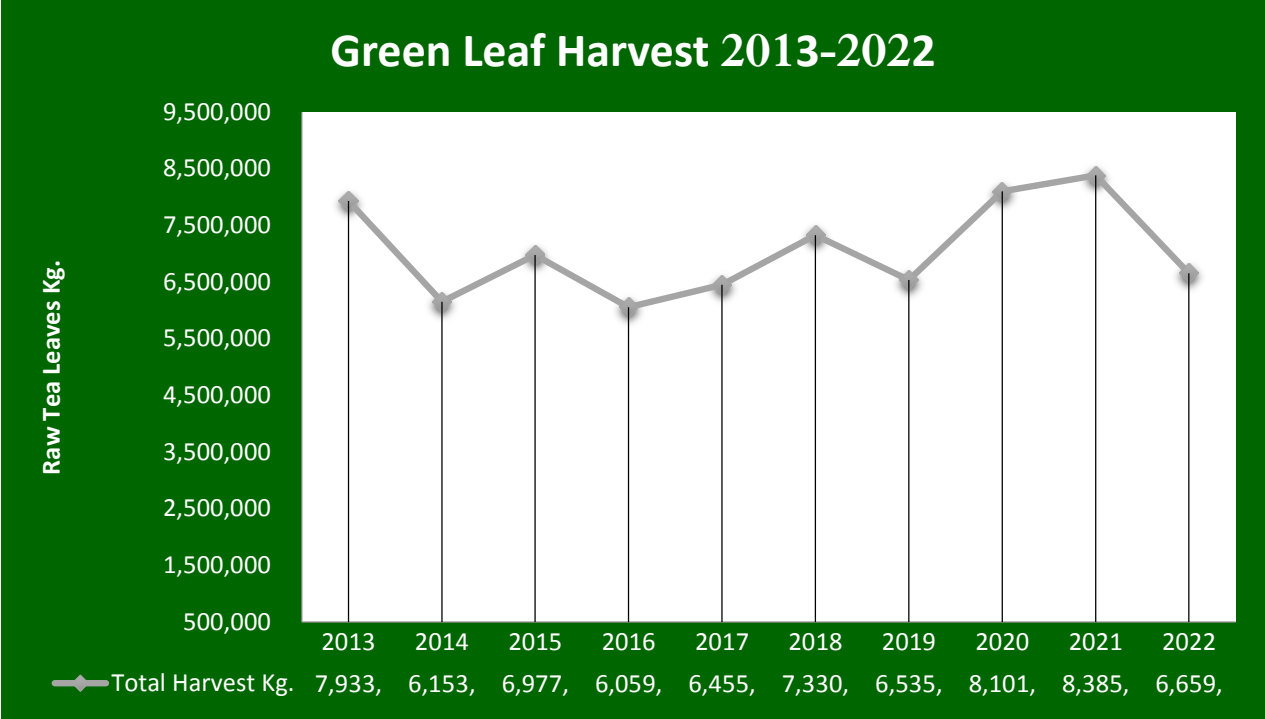


Figure 05 – Green Leaf Harvest

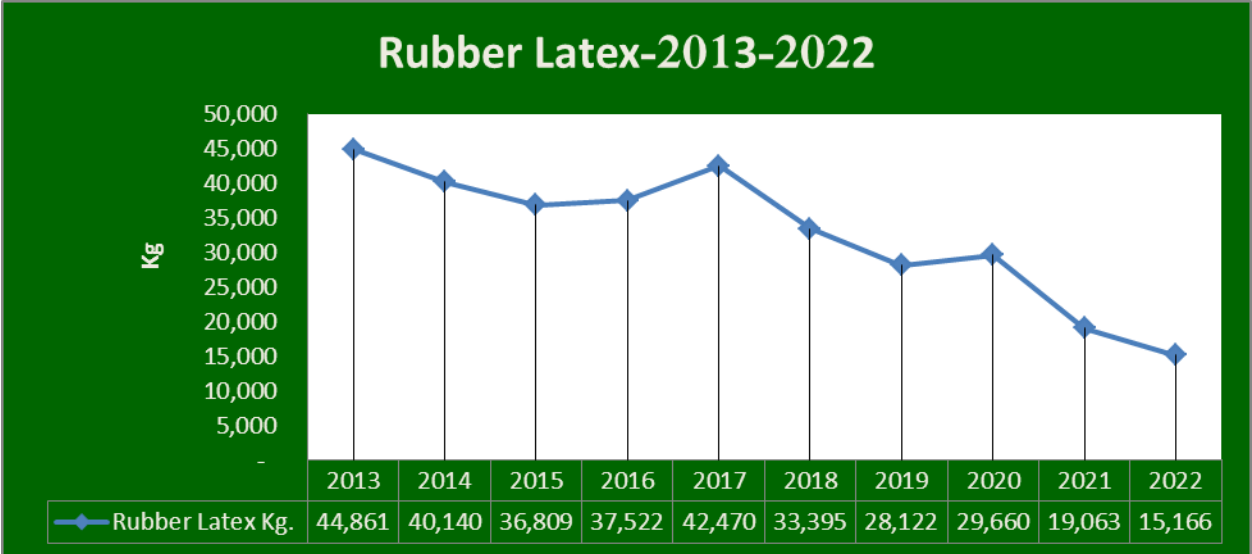


Figure - 06 Rubber Harvest)Latex(

Yield per Hectare of Raw Tea Leaves and Amount of Rubber (Latex 2012-2022)

Table 13 – Raw Tea Leave Amount – Kg per Hectare

Estates	Geen Leaf Per Hectare (2012-2022)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Alakola	2,856	2,660	2,321	2,293	2,121	2,479	2,367	2,032	2,513	2,692	2,282
Kotaganga	1,316	1,400	1,060	860	819	935	930	809	1,028	922	751
Galpihilla	4,009	3,819	2,926	2,981	2,916	3,656	3,901	3,362	4,183	5,257	3,765
Goomara	3,474	3,363	3,121	3,363	3,084	3,451	3,139	3,027	3,677	4,359	3,700
Hagala	3,595	3,223	2,772	2,716	2,447	2,781	2,883	2,241	3,141	3,170	2,590
Harepark	1,274	1,633	1,274	995	674	795	1,260	1,102	1,491	1,506	1,273
Hunnasgiriya	3,321	2,828	2,181	2,744	2,749	2,823	2,599	2,548	2,844	2,900	2,302
Kelebokka	3,479	3,079	2,353	2,828	2,888	2,777	2,651	2,553	3,617	3,986	3,480
Kudaoya	-	-	-	-	-	-	-	70	488	571	
Midlands	2,498	2,460	2,084	2,167	1,995	2,293	2,585	2,204	2,334	2,321	2,321
Nikoloya	-		1,772	1,702	2,544	2,884	3,218	2,860	3,715	3,901	3,053
Opalgala	3,619	3,972	2,944	2,814	2,309	2,940	4,013	2,999	4,317	4,021	2,546
Rangala	3,772	3,256	2,553	3,247	2,916	2,316	2,581	2,660	2,723	2,869	2,372
Waithalawa	-	-	-	-	-	-	2,688	2,093	2,894	3,132	2,443
Wiharagala	-	-	-	-	-	-	-	223	480	608	464
Average	3,042	2,828	2,298	2,433	2,386	2,474	2,537	2,282	2,768	2,949	2,486
Estate	Rubber (Latex) - Kg per Hectare										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Walahandoova	603	690	618	566	577	649	510	430	474	457	363

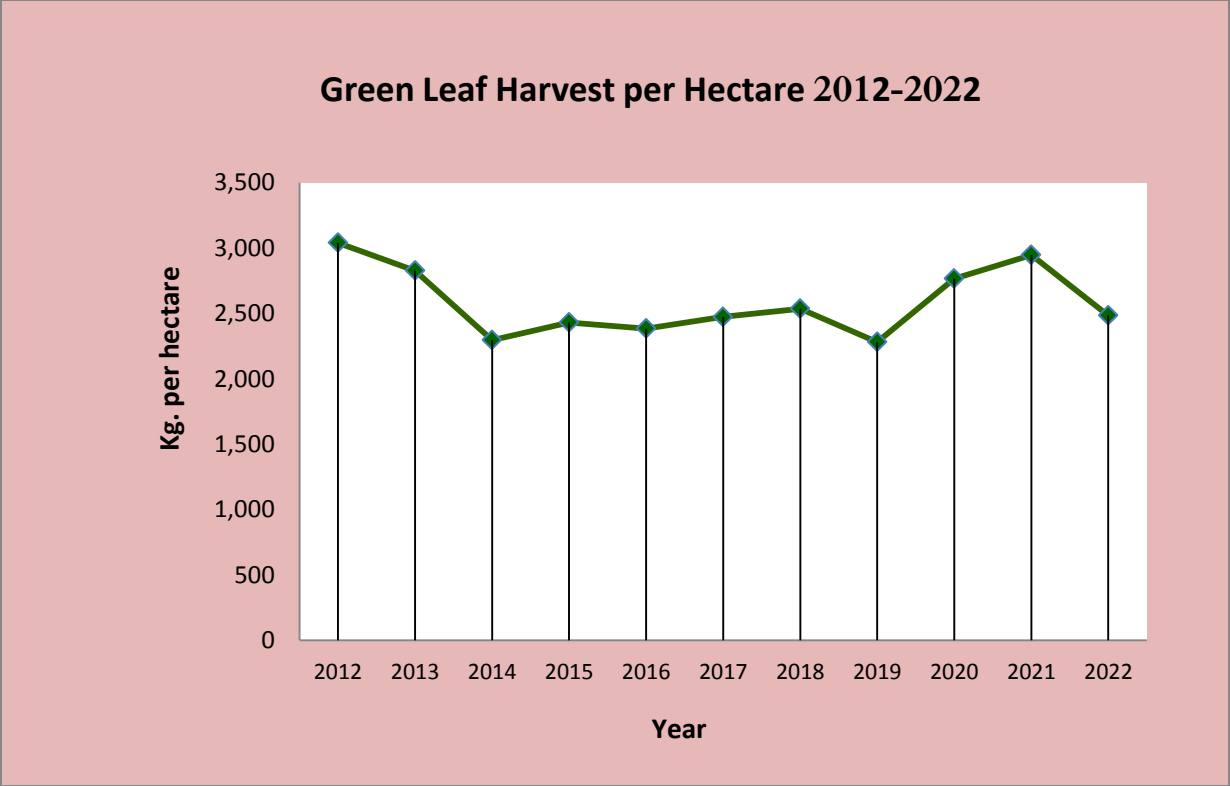


Figure 07 – Green Leaf Harvest per Hectare

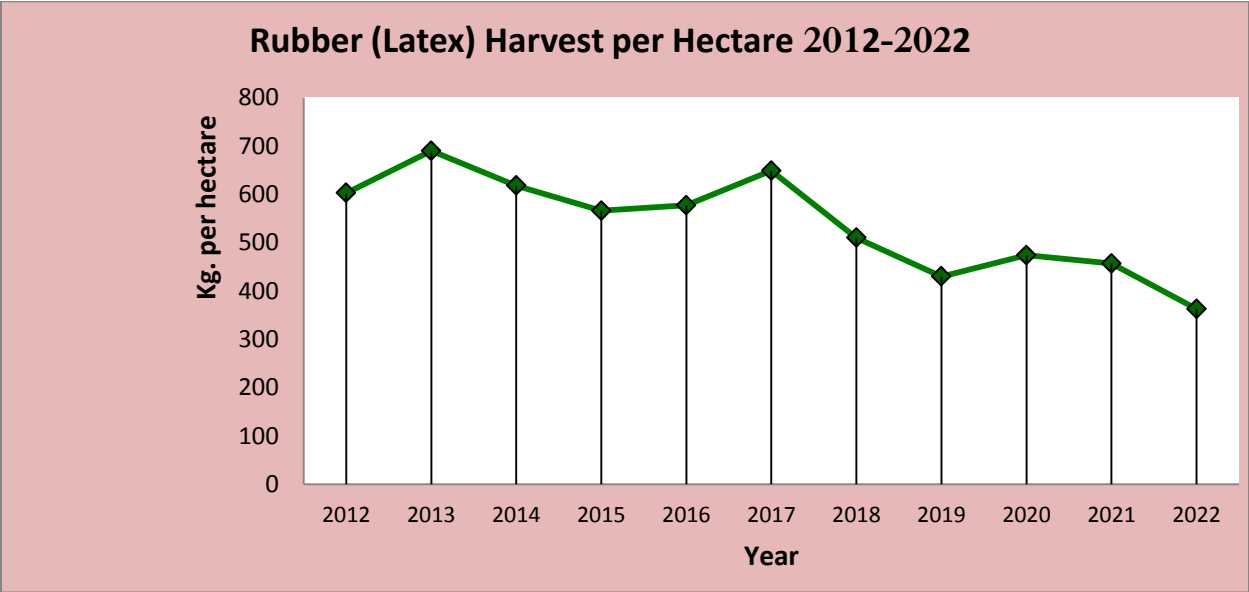


Figure 08 - Rubber (Latex) Harvest per Hectare

Annual Rainfall

Table 14 - Annual Rainfall 2022

Estate	Rainfall (mm.)
Alakola	1963
Kotaganga	2533
Galpihilla	2314
Goomara	2765
Hagala	2853
Harepark	3826
Hunnasgiriya	1543
Kelebokka	3659
Kudaoya	-
Midlands	2876
Nikoloya	3231
Opalgala	1806
Rangala	5089
Waithalawa	2396

According to the aforesaid data, the west midland region received a good rainfall throughout the year 2022.

Fertilizer usage of the previous 03 years.

Table - 15 Comparative cost of production per kg of Green Leaf of the corporation during the last 03 years

Year	Fertilizer Applied(Metric Ton)	Cost for Fertilizer (රු.)	Herbicides Applied (Litres/Kg.)	Cost for Herbicides(Rs.)
2020	350	8,548,750	5156 Litres	22,740,604
2021	552	15,924,100	3844 Litres	10,222,571
			692 Kg.	2,698,800
2022	65.5	24,715,000	16 Litres	55,100
			1400 Kg.	11,780,000

- On several occasions during the year under review, due to the increase in the price of chemical fertilizers, the quantity of fertilizers used resulted in higher costs

In the year 2022, the selling price of one kilogram of raw tea leaves produced by the Sri Lanka State Plantation Corporation was 144.61 Rupees, while the selling price of one kilogram of raw tea leaves in the West Midland was 179.96 Rupees. Accordingly, the sales rate of Sri Lanka State Plantations Corporation in the year 2022 has been maintained at a lower value of 35.35 rupees than the sales rate of the Western Medium.

The production cost of one kilo of raw leaves of the corporation in the last 03 years

Table 16 – The comparative production cost of one kilo of raw leaves of the corporation in the last 03 years

Year	Production Cost of Raw Tea Leaves per Kg (Rs)					
	Leave Plucking	Field work	Fertilizer	Herbicides	General Expenses	Total
2020	45.47	15.44	2.18	9.96	39.18	112.23
2021	47.94	12.61	5.02	6.00	32.78	104.35
2022	55.57	16.72	1.87	10.87	48.57	133.60

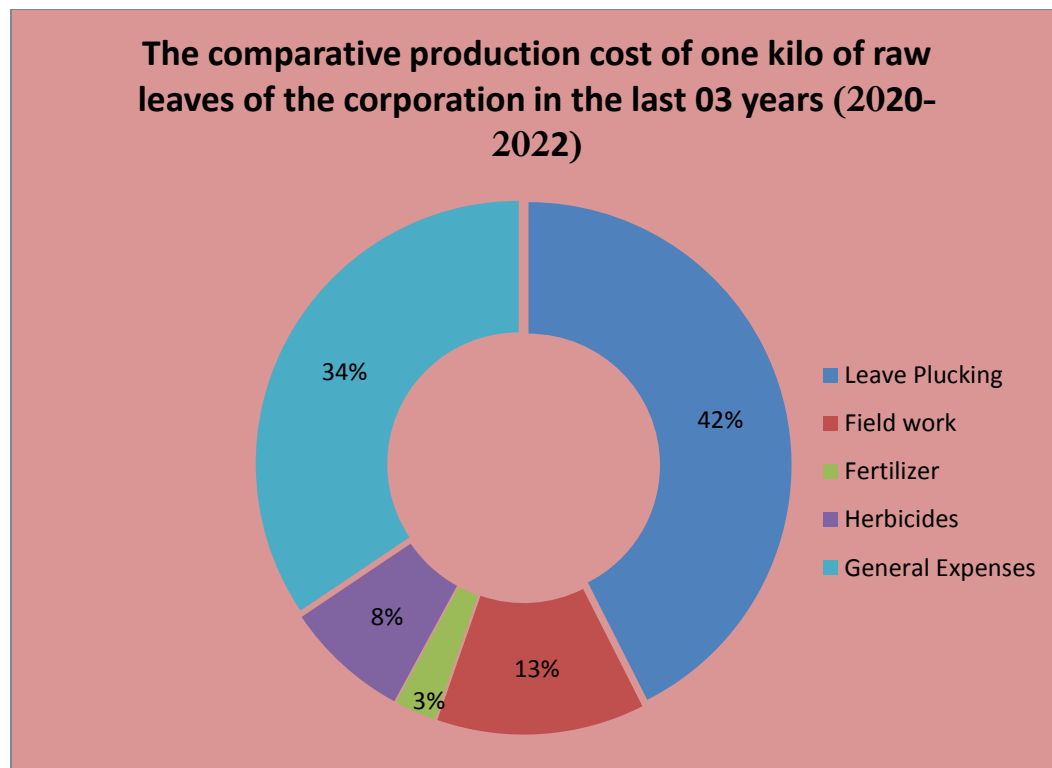


Figure 09 – The comparative production cost of one kilo of raw leaves of the corporation in the last 03 years

Accordingly, the cost of fertilizer is very less than the total production cost of one kilogram of raw leaves. Fertilizer costs have been controlled without managing raw leaf picking and overhead costs, which have been taken up a large share of production costs, resulted in a lower expectation of yields. The failure of the governing authority and management to understand this situation has been one of the reasons for the long-term loss of the Sri Lanka State Plantations Corporation.

Tea Production

The State Plantation Corporation of Sri Lanka currently has ten (10) tea factories out of which only three CTC tea factories are in working condition. The three tea factories at Kalabokka, Midlands and Rangala produce tea from raw leaves supplied by a number of our estates. The table below shows the production of tea made by those factories

Table 17- A comparative review over the Raw Tea Production, Made Tea Production, and Production Cost and net Sale Average of Factories - 2021-2022

Factory	Raw Tea Leaves (Kg)		Made Tea (Kg)		Produced Made tea as a Percentage		Average of net Sale	
	2021	2022	2021	2022	2021	2022	2021	2022
Kelebokka	1,765,256	1,572,439	405,796	338,159	22.99	21.51	723.99	652.12
Midlands	514,909	422,289	112,300	93,120	21.81	22.05	666.40	687.17
Rangala	604,650	528,504	146,498	115,654	24.23	21.88	635.23	692.54
Total	2,884,815	2,523,232	664,594	546,933				



Figure 10 – Made Tea Production

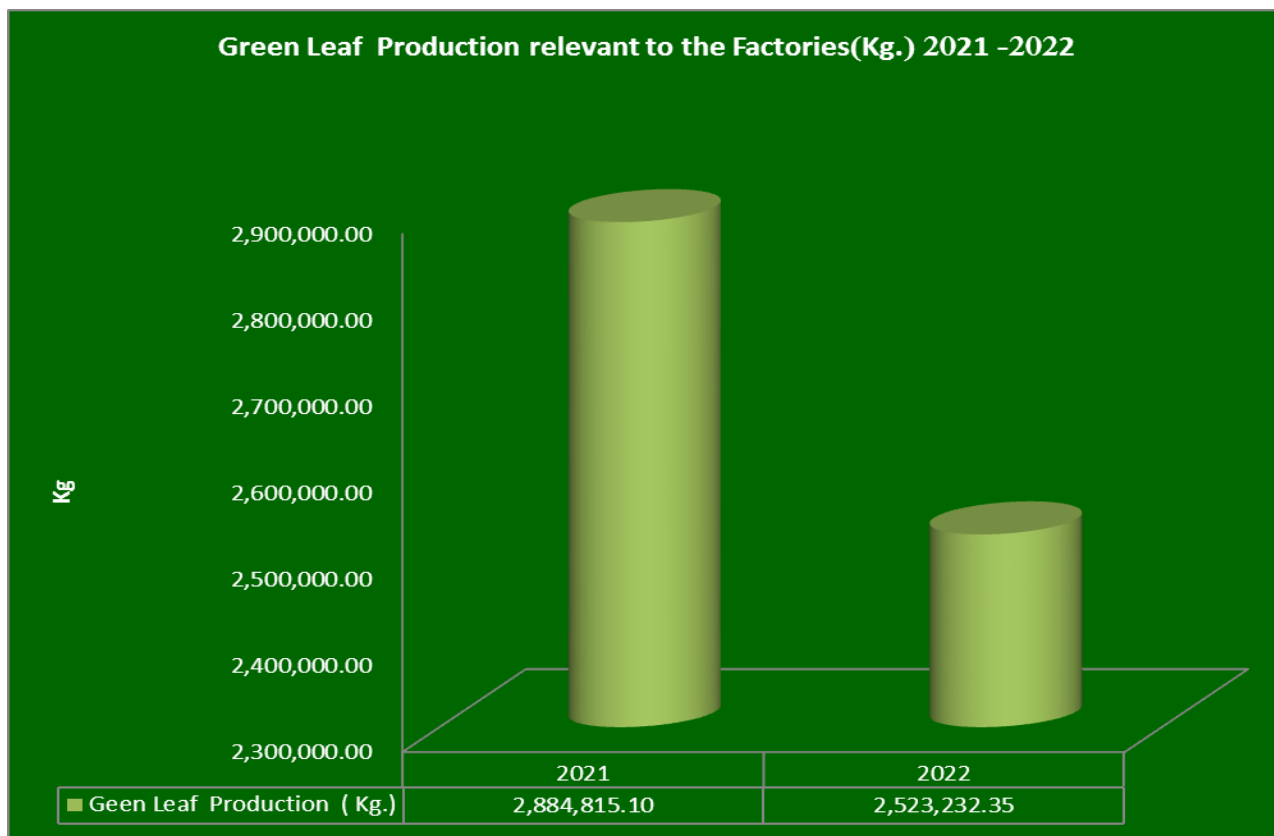


Figure 11 – Raw Tea Lea Production relevant to the Factories

Table18- Details over the factories

Factory	District	Type of Tea Produced	Brewing Volume (Kg)	Present Condition
Kotaganga	Kandy	Orthodox	1290	Inactive
Goomara	Kandy	Orthodox	8000 (Total Volume)	Inactive
Hagala	Kandy	Orthodox	1419	Inactive
Hunnasgiriya	Matale	CTC	1720	Inactive
Kelebokka	Kandy	CTC	12000(Total Volume)	Active
Midlands	Matale	CTC	1400	Active
Dankanda	Matale	Orthodox	860	Inactive
Nikoloya	Matale	Orthodox	645	Inactive
Rangala	Kandy	CTC	1500	Active

The Sri Lanka State Plantation Corporation is facing a severe financial crisis due to the low yield from our plantations and the high cost of production due to the old machinery in the factories.

To overcome this situation, steps were taken to replant 160 hectares of tea this year. Through that capital investment, the income of the Sri Lanka State Plantation Corporation will be increased by the new leaf harvest after the next 2 years.

Midlands Tea Factory is the only CTC tea factory located in the Matale District. Kelebokka and Rangala tea factories are located in the Kandy District.

Midlands Tea Factory



Kelebokka Tea Factory



Rangala Tea Factory



Goomara Tea factory scheduled to be modernized



Sanastha Tea



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SANSTHA TEA

The production of "Sanstha Tea" was started in November 2016 in order to provide relief to the temporary financial crisis caused by the fluctuations in the price of Sanstha tea in the tea auction by providing Sanstha tea to the local market

Table 19- Monthly Sale of Sanstha Tea – Comparatively in the Years of: 2020, 2021 and 2022

Month	Sold Tea (Kg)		
	2020	2021	2022
January	2,788	5,234	4,249
February	2,675	3,695	3,891
March	3,275	6,103	6,753
April	3,709	2,619	4,297
May	2,878	7,592	1,857
June	2,921	4,420	4,506
July	5,587	5,436	2,791
August	4,472	3,988	3,189
September	2,617	5,242	2,486
October	4,859	5,227	4,755
November	3,846	4,089	2,749
December	5,750	6,685	5,532
Total	45,375	60,330	47,054

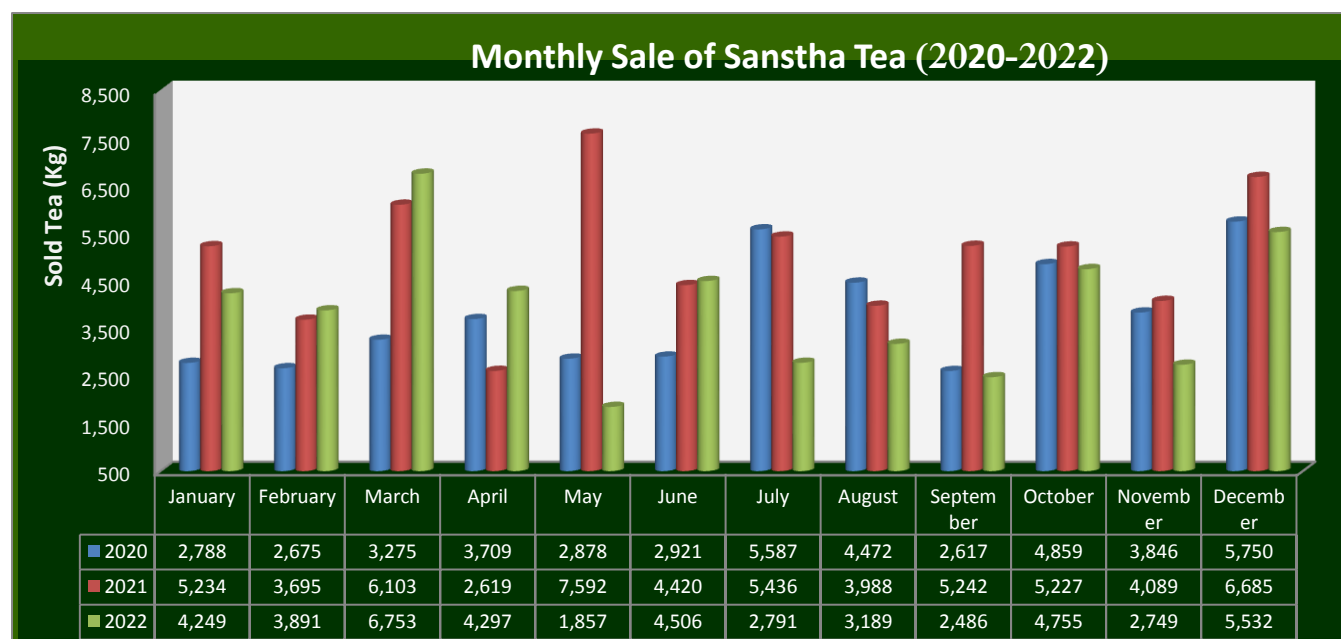


Figure 12 – Sanstha Tea Sale - Quantitative Comparison (2020-2022)

Income of Sanstha Tea Sale (2020-2022)

Table 20 - Income of Sanstha Tea Sale (2020-2022)

Month	Sanstha Tea Sale Income (Rs)		
	2020	2021	2022
January	1,543,704	3,869,097	3,253,889
February	1,975,437	2,712,282	3,206,595
March	1,352,505	4,403,836	5,272,726
April	1,492,498	1,937,444	3,520,163
May	2,158,450	5,383,608	1,586,140
June	2,249,149	3,144,305	3,455,808
July	4,081,756	3,928,085	2,296,128
August	3,294,264	2,916,045	2,570,631
September	2,008,403	3,819,845	2,638,365
October	3,561,445	3,795,002	6,193,980
November	2,833,044	3,212,859	3,531,687
December	4,267,934	5,097,536	7,360,445
Total	30,818,588	44,219,944	44,886,555

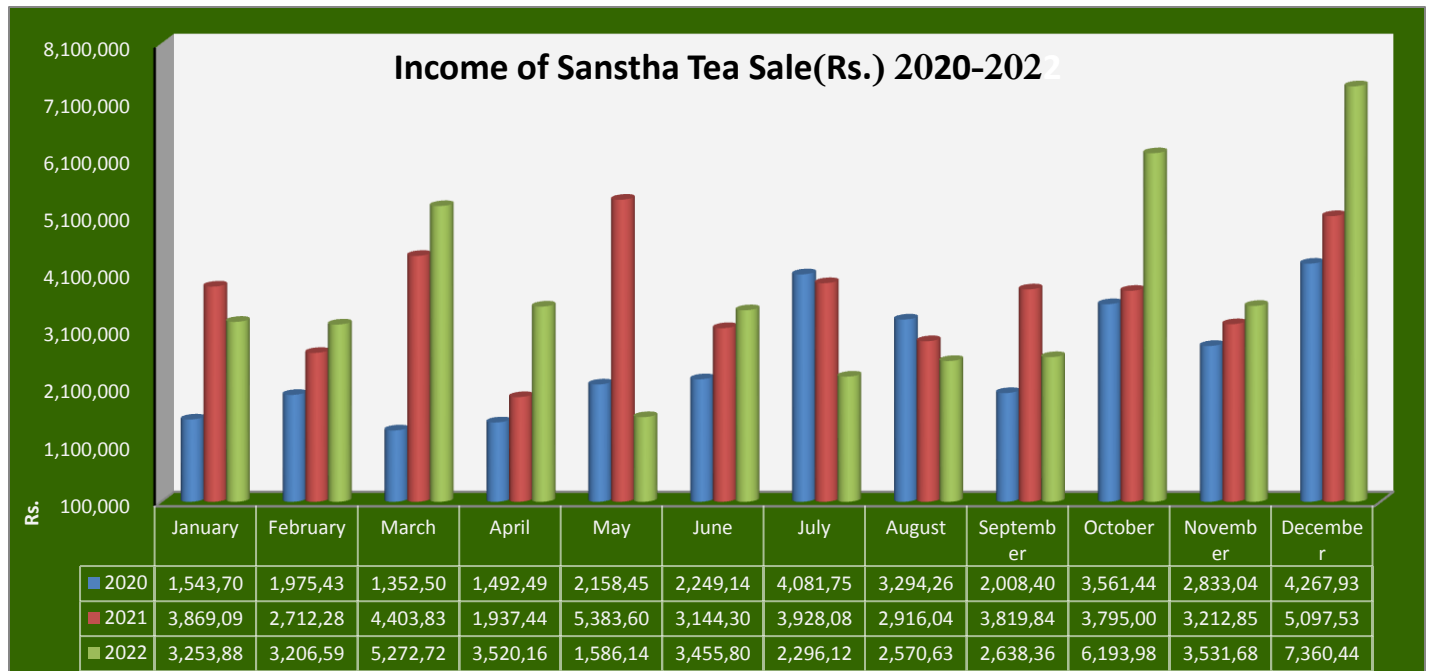


Figure 13 – Monthly Income of Sanstha Tea Sale (2020-2022)

Rubber Production

Sri Lanka State Plantations Corporation has only one rubber plantation. It is located in Walahanduwa area of Galle district. The total latex production for three years is shown in the table below

Table 21- Total Rubber production for three years

Year	Latex (Kg)	Total Cost (Kg)	Profit / (Loss) (Rs.)	Net Sale value (Rs.)	Production Cost Per Kg. (Rs.)	Profit/(Loss) per Kg. (Rs.)
2022	15,166	12,777,203.34	(4,510,520.06)	545.08	842.49	(297.41)
2021	19,063	13,117,780.90	(5,286,725.15)	410.80	688.13	(277.33)
2020	29,660	13,494,113.60	(5,151,942.00)	281.26	454.96	(173.70)

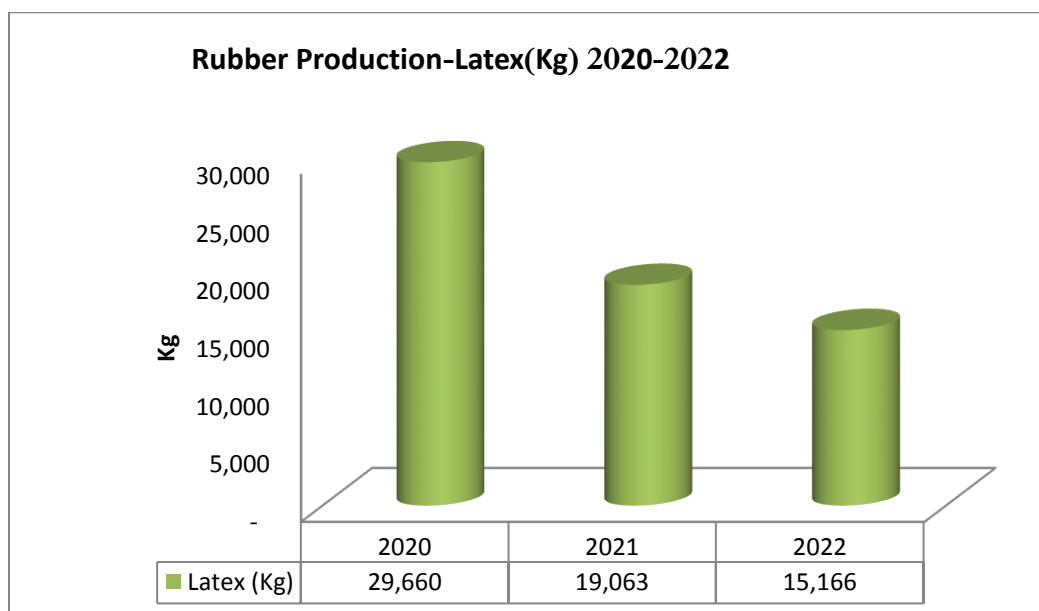


Figure 14 - Rubber Production (2020-2022)

Treasury Provisions

Unlike last year, for this year, no financial allocations have been made by the Treasury to manage salaries and day-to-day expenses..

Table 22 Summary of Treasury Grants to Sri Lanka State Plantations Corporation

Item	2019	2020	2021	2022
Operation Costs (Labour Wages & Staff Salary)	222	-	-	-
Statutory Payments (Employee provident Fund /Employee Trust Funds /Gratuity)	-	-	-	-
Development Affairs of the Sri Lanka State Plantations Corporation (replantation of tea in underutilized lands)	-	-	14.00	178.64
Total Income (Rs.Million)	222	-	14.00	178.64

The financial Status of the corporation according to the annual estimation for the year 2022 and the statement of accounts for the year 2022 is represented as follows

Table23 – Comparative Financial Performance for the years of 2022 -2021

Description	2022 Estimate	Annual Accounts - 2022	performance %	2021 Estimate	Annual Accounts - 2021	Performance %
Made Tea-Production Cost (C.O.P.)	540.51	642.69	18.90	432.60	562.56	30.04
Net Sale Average (N.S.A.) Rs./Kg	451.33	741.64	64.32	445.04	464.45	4.36
Rubber - Production Cost (C.O.P.) Rs./Kg	355.51	958.03	169.48	239.50	688.13	187.32
- Net Sale Average (N.S.A.)	440.00	559.99	27.27	300.00	410.80	36.93
Estimated Production - Made Tea (Kg)	2,303,748	1,432,199	(37.83)	2,250,940	1,803,223	(19.89)
Estimated Production - Rubber (Kg)	35,000	15,166	(56.67)	43,500	19,063	(56.18)
Income - Rs.						
Made Tea and Raw Tea Leaves	1,039,753,783	1,062,170,754	102.16	1,001,747,364	837,510,629	83.60
Rubber(Latex)	15,400,000	8,492,760	55.15	13,050,000	7,831,089	60.01
Total Income	1,055,153,783	1,070,663,514	101.47	1,014,797,364	845,341,718	83.30
Subtracted: Production Cost - Rs.						
Made Tea & Raw Tea Leaves	1,245,187,558	920,456,572	73.92	973,747,394	1,014,421,407	104.18
Rubber	12,442,718	14,529,483	116.77	10,418,299	13,117,781	125.91
Total Production Cost - Rs.	1,257,630,276	934,986,055	74.35	984,165,693	1,027,539,188	104.41
Gross Profit/(Loss) - Estate - Rs.	(202,476,493)	135,677,459	(67.01)	30,631,671	(182,197,470)	(594.80)
Added: Other Income - Rs.						
Other Income - Estate	639,124,814	135,306,929	21.17	558,984,506	159,982,251	28.62
Other Income - Head Office	92,261,600	24,647,066	26.71	90,415,963	36,595,417	40.47
Other Total Income - Estates & Head Office	731,386,414	159,953,995	21.87	649,400,469	196,577,668	30.27
Total Income - Rs.	528,909,921	295,631,454	55.89	680,032,140	14,380,198	2.11
Subtracted: Costs - Rs.						
Administrative expenses - Estates	101,390,813	95,337,572	94.03	91,764,130	94,248,387	102.71
-Head Office	58,722,326	83,774,137	142.66	47,685,023	58,132,610	121.91
Personnel Cost - Head Office	67,141,244	45,758,326	68.15	57,230,921	52,489,375	91.72
Financial Cost - Estates	8,808,560	6,366,715	72.28	8,113,140	6,458,818	79.61
-Head Office	39,800,000	44,722,944	112.37	29,743,333	34,248,604	115.15
Total Cost - Rs.	275,862,943	275,959,694	100.04	234,536,547	245,577,794	104.71
Profit/(Loss) - Estates & Head Office - Rs.	253,046,978	19,671,760	7.77	445,495,593	(231,197,596)	(51.90)

HUMAN RESOURCE MANAGEMENT



Human Resources of Sri Lanka State Plantation Corporation

The following table shows the management, supervisory and production staff of Sri Lanka State Plantation Corporation in the year 2022

Table 24 – Human Resources of Sri Lanka State Plantation Corporation

Estate	No.of Superintendents	No.of Assistant Superintendents	Staff		Labourers		Total
			Permanent	Contract	Permanent	Casual	
Alakola	1	2	13	-	277	-	293
Kotaganga	1	1	13	-	197	-	212
Galpihilla	1	2	19	-	191	8	221
Goomara	1	2	17	2	246	4	272
Hagala	1	1	11	.	206	-	219
Harepark	1	1	11	1	143	2	159
Hunnasgiriya	1	2	16	-	211	5	235
Kelebokka	1	4	34	2	731	53	825
Midlands	1	2	24	1	296	13	337
Nikoloya	1	-	6	-	70	-	77
Opalgala	1	2	10	1	81	-	95
Rangala	1	1	22	1	195	55	275
Walahandoova	1	-	3	1	35	17	57
Waithalawa	1	-	3	-	66	42	112
Woodside	1	-	2	1	30	-	34
Head Office & Regional Offices	-	-	58	2	3	-	63
Total	15	20	262	12	2978	199	3486

By the end of 2022, the number of head office and regional office staff was 63, and the same figure has been recorded as 63 in 2021. In the year 2022, 45.8 Million Rupees have been spent for the payment of salaries for these staff and in the year 2021, 43.4 Million Rupees have been spent for the same. Compared to 2021, the staff salaries have increased by Rs. 2.4 million i.e. 5.5% in 2022. By the end of 2021, the number of office staff and field staff, including Estate Superintendents and Assistant Superintendents, was 297 and in 2022, it has recorded a higher figure of 299. In the year 2021, 121.32 Million Rupees have been spent to pay the salaries of these staff and in the year 2022, Rs. 125.47 Million Rupees have been spent.

Board of Directors and Audit Committee Meetings

A number of 12 board meetings and 03 audit committee meetings have been held during the year under review..

Table 25 – Board of Directors and Audit Committee Meetings

No.	Name of the Meeting	Date of the Meeting	No.of the Meeting
1	Board Meetings	2022.01.31	23
		2022.02.25	24
		2022.03.29	25
		2022.04.29	26
		2022.05.27	27
		2022.06.28	28
		2022.07.29	29
		2022.08.26	30
		2022.09.29	31
		2022.10.27	32
		2022.11.29	33
		2022.12.27	34
2	Audit Committee Meetings	2022.04.05	1
		2022.09.22	2
		2022.12.14	3

The Auditor General of the Government has given a favorable opinion to the financial statement of Sri Lanka State Plantation Corporation 2022. For a long time, negative comments have been received regarding the financial statements of Sri Lanka State Plantations Corporation, and it has been possible to correct them.



Financial Reports -2022

Sri Lanka State Plantations Corporation

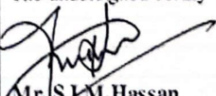
STATEMENT OF FINANCIAL POSITION

In LKR.

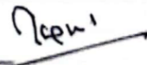
As at 31st December	Note	Page No.	2022	2021
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	8	13	1,194,116,372	957,032,724
Biological Assets - Consumable	9	15	3,360,565,296	3,356,355,765
Investment Property	10	16	1,611,520,641	1,611,520,641
Fixed Deposits			9,785,400	9,425,987
Deferred Assets	26	21	394,857	438,730
Total Non-current Assets			6,176,382,566	5,934,773,847
Current Assets				
Inventories	11	17	67,399,258	63,861,196
Trade and Other Receivables	12	17	301,442,535	248,384,533
Cash and Cash Equivalents	13	18	109,537,932	41,794,882
Total Current Assets			478,379,725	354,040,611
Total Assets			6,654,762,290	6,288,814,458
EQUITY AND LIABILITIES				
Capital and Reserves				
Contributed Capital	14	18	6,072,492,850	5,893,852,850
Retained Earnings			(2,258,965,172)	(2,127,008,077)
Total equity			3,813,527,678	3,766,844,772
Non-current liabilities				
Employee Benefit Obligations	15	18	643,923,619	610,141,017
Total Non-current liabilities			643,923,619	610,141,017
Current liabilities				
Trade and Other Payables	16	19	1,949,734,849	1,640,065,683
Bank Loan	16.1	19	100,000,000	100,000,000
Bank Overdraft	13	18	147,576,144	171,762,986
Total Current liabilities			2,197,310,994	1,911,828,669
Total liabilities			2,841,234,612	2,521,969,686
Total equity and liabilities			6,654,762,290	6,288,814,458

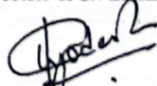
The accounting policies and notes on pages 5 through 21 form an integral part of the financial statements.

The undersigned certify that these financial statements are prepared in accordance with Sri Lanka Accounting Standards.


 Mr. S.I.M. Hassan
 Deputy General Manager - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Sri Lanka State Plantations Corporation by:


 Mr. Srimal Wijesekara
 Chairman/CEO


 Mr. V.K. Wagodapola
 Board Member


 Mr. W.W.M.B.P. Kamburade niya
 Board Member

May 29, 2023 Colombo.

Sri Lanka State Plantations Corporation				
STATEMENT OF INCOME				
In LKR.				
Year ended 31st December	Notes	Page No.	2022	2021
Revenue	17	20	1,070,663,514	845,341,718
Cost of Sales			(934,986,055)	(1,027,539,188)
Gross Profit / (Loss)			135,677,459	(182,197,471)
Other Income	18	20	157,979,459	194,790,022
Administrative Expenses	19	20	(224,870,036)	(204,870,371)
Operating Profit / (Loss)			68,786,883	(192,277,820)
Finance Income	18	20	1,974,535	1,787,646
Finance Expenses	20	20	(51,089,659)	(40,707,422)
Profit/ (Loss) for the Period			19,671,760	(231,197,596)
The accounting policies and notes on pages 5 through 21 form an integral part of the financial statements.				

Sri Lanka State Plantations Corporation

STATEMENT OF CHANGES IN EQUITY

In LKR.

Year ended 31 December 2022

	Capital	Land Contribution	Accumulated Profit/(Loss)	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2021	3,659,250,925	2,220,601,926	(1,725,362,785)	4,154,490,066
Grants Received from Treasury	14,000,000	-	-	14,000,000
Loss for the year	-	-	(231,197,596)	(231,197,596)
Prior year adjustments (Note 25)	-	-	(170,447,696)	(170,447,696)
Balance as at 31 December 2021	3,673,250,925	2,220,601,926	(2,127,008,077)	3,766,844,772
Balance as at 01 January 2022	3,673,250,925	2,220,601,926	(2,127,008,077)	3,766,844,774
Grants Received from Treasury	178,640,000	-	-	178,640,000
Profit for the year	-	-	19,671,760	19,671,760
Prior year adjustments (Note 25)	-	-	(151,628,855)	(151,628,855)
Balance as at 31 December 2022	3,851,890,925	2,220,601,926	(2,258,965,172)	3,813,527,679

The accounting policies and notes on pages 5 through 21 form an integral part of the financial statements.

Sri Lanka State Plantations Corporation			
STATEMENT OF CASH FLOWS			
In LKR.			
Year ended 31st December	Notes	2022	2021
Cash Flows from Operating Activities			
Net Profit /(Loss) Before Taxation		19,671,760	(231,197,596)
Adjustments for :			
Depreciation of Biological Assets	8.1	3,426,102	3,035,076
Depreciation of Assets	8	11,105,732	9,428,089
Amortization of deferred Assets		43,874	39,128
Finance Expenses	20	51,089,659	40,707,422
Finance Income	18	(1,974,535)	(1,787,646)
Gratuity Provision	15	35,498,178	37,508,004
Audit fee Provisions		692,504	547,019
Insurance Provisions		1,035,757	954,089
Government Grants & Subsidy	18	(592,667)	(1,575,000)
Prior year adjustments	25	(151,628,855)	(175,084,833)
Profit before Working Capital Changes		(31,632,493)	(317,426,248)
Changes in Working Capital			
(Increase) / Decrease in Inventories		(3,538,062)	10,734,339
(Increase) / Decrease in Trade and Other Receivables		(53,058,002)	(64,358,989)
Increase / (Decrease) in Current Liabilities		325,198,986	392,131,886
Cash generated from operations		268,602,921	338,507,236
Gratuity Paid		(25,682,747)	(15,461,867)
Finance Cost Paid	20	(42,952,373)	(39,107,422)
Net cash generated from operating Activities		168,335,308	(33,488,302)
Cash flows from investing activities			
Finance Income	18	1,632,892	1,787,646
Government Grants & Subsidy	18	592,667	1,575,000
Treasury Grants Received	14	178,640,000	14,000,000
Additions to Property, Plant and Equipment	8	(252,702,032)	(51,141,051)
Additions to Biological Assets	9	(4,209,531)	(6,132,431)
Investment in FDs		(359,413)	(250,181)
Net cash flow from in Investing Activities		(76,405,417)	(40,161,017)
Net Increase / (Decrease) in Cash and Cash Equivalents		91,929,891	(73,649,318)
Movement in cash and cash equivalents			
At the beginning of the period	13	(129,968,104)	(56,318,786)
Increase/(Decrease) for the year		91,929,891	(73,649,318)
Cash & Cash Equivalents at end of the year	13	(38,038,213)	(129,968,104)
Cash & Cash Equivalents at end of the year (Note 13)			
Cash in hand and at bank			
- Head Office		105,048,534	40,829,610
- Estates		4,489,398	965,273
Bank Overdraft		(147,576,144)	(171,762,986)
		(38,038,213)	(129,968,104)

Sri Lanka State Plantations Corporation

Notes to the Financial Statements Accounting Policies

Year ended 31st December 2022

1. CORPORATE INFORMATION

General

Sri Lanka State Plantations Corporation (Corporation) is a Government Corporation incorporated in 1958 under the Act No. 4 of 1958 and domiciled in Sri Lanka. It is a Government Corporation located at No 257, Siri Dhamma Mawatha, Colombo 10.

The Corporation prepares financial statements for the twelve month's period ended 31st December and these financial statements are authorized/Approved by the board of directors.

Principal Activities

Manufacture and marketing of made tea through tea auction, selling latex and minor or export crops (Cloves, Pepper, Cardamom, Cinnamon etc.) and planting and selling commercial timber of the Corporation.

2. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS as issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements have been prepared on a historical cost basis other than the biological assets which are at fair value.

The financial statements are presented in Sri Lankan Rupees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1.1 Significant Accounting Policies

The following are the significant accounting policies used by the Corporation in preparing these financial statements.

3.1.2 Property Plant and Equipment

Property, Plant and Equipment is stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Corporation derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

3.1.3 Depreciation

Depreciation is provided on the Property, Plant and Equipment acquired and disposed during the year from date of purchase to the date of disposal.

The estimated useful lives and rates of depreciation of Property, Plant and Equipment are as follows.

Item	Useful Life	Rate
Buildings	20 years	5%
Motor Vehicles	4 years	25%
Furniture and Fittings	8 years	12.5%
Office Equipment	8 years	12.5%
Machinery	8 years	12.5%
Computer and Printers	3 years	33.33%

3.1.4 Biological Assets

Biological assets relate to a living animal or a plant. According to LKAS 41, certain common features exist for biological assets, i.e. (a) Capability to change (capability for biological transformation) (b) Management of change (Management facilitates biological transformation by enhancing the conditions necessary for the process to take place. Such management distinguishes agricultural activity from other activities. For example, harvesting from unmanaged sources) and (c) Measurement of change (The change in or brought about by biological transformation or harvest is measured and monitored as a routine management function.)

Biological assets are two types namely, bearer biological assets and consumable biological assets.

3.1.4.1 Bearer Biological Assets

Bearer Biological Assets are the assets other than consumable biological assets and would include the major plantations such as Tea bushes, Rubber Trees and any field crops for the corporation. These would be carried at Cost less any accumulated depreciation and any accumulated impairment losses as per the option given by CA Sri Lanka and shown with Property, Plant and Equipment from the year 2022.

The estimated useful lives of the bearer biological assets are as follows.

Coconut	25 years	Cocoa	20 years
Pepper	15 years	Cinnamon	25 years
Rubber	35 years	Nutmeg	30 years
Cloves	50 years	Ginger	01 year
Coffee	25 years	Tea	100 years
Arecanut	40 years		
Cardamom	20 years		

3.1.4.2 Consumable Biological Assets

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets and comprises of timber. Agricultural produce is valued as fair value less estimated point of sale costs and costs necessary to get them to the market. A gain or loss on valuation is recognised under the Statement of Comprehensive Income.

3.1.4.3 Deferred Assets

Deferred Assets are amortized at 10 % per annum.

3.1.5 Investment property

Investment property includes properties held for capital appreciation and / or to earn rental income. They are initially measured at cost, including related transaction costs and costs incurred subsequently to add to,

replace part of, or service a property. Subsequent measurement is also at cost less accumulated depreciation.

3.1.6 Capital work in progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.1.7 Leases

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases.

When the Corporation is a lessee under finance leases, the leased assets are capitalised and included in 'Property, plant and equipment' and the corresponding liability to the lessor is included in lease creditors. A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognised in 'Net interest income' over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

Operating leases

All other leases are classified as operating leases. When the Corporation is the lessee, leased assets are not recognised on the balance sheet. Rentals payable and receivable under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Administrative expenses' and 'Other operating income', respectively.

3.2.1 Inventories

Inventories are recognized at cost and net realizable value, whichever is lower after making due allowance for obsolete and slow moving items which are valued at 'First in first out' basis.

Measurement of inventories

3.2.2 Cost of Inventories

Raw Materials

Cost of purchases together with any incidental expenses.

Work in progress

Raw material cost and variable manufacturing expenses in full.

Finished Goods

Raw material cost and variable manufacturing expenses in full.

3.2.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank, fixed deposit investments, other short-term highly liquid investments with original maturities of six months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.2.4 Research costs

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

4. LIABILITIES AND PROVISIONS

4.1 Retirement Benefit Obligations

4.1.1 Defined benefit plan – Retirement Gratuity

The Corporation is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983. The liability for gratuity to an employee arises only on completion of five years of continued service with the Corporation. In order to meet this liability, a provision is carried forward in the Balance Sheet. The resulting difference between the brought forward provision at the beginning of a year and the carried forward provision at the end of the year is recognised in the Income Statement.

The liability is not externally funded. The item is grouped under Non-Current Liabilities in the Balance Sheet.

4.1.2 Defined Contribution Plans- Employee Provident Fund & Employee Trust Fund

The Corporation contributes to Employees' Provident Fund and Employees' Trust Fund. These contributions are covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

The Corporation and Employees contribute to provident fund at 12% and 10% respectively on the basic salary.

Employees' Trust Fund

The Corporation contributes 3% on the basic salary to the Employees' Trust Fund.

5. INCOME STATEMENT

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

5.1.1 Revenue Recognition

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

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered or performed.

Other Income

Other income is recognised on an accrual basis. This mainly includes management income, registration fee, tree tender proceeds and lease rent income.

5.1.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.1.3 Financial Expenses

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. The corporation's finance expenses comprise of overdraft interest, commission on cash, loan interest (bank & others) and broker's interest.

6. FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT**6.1 Financial Assets****6.1.1 Initial Recognition and Measurement**

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, and available-for-sale financial assets, as appropriate and determine 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 Corporation's financial Assets include cash and short-term fixed deposits, trade and other receivables and other deposits. The above financial assets are shown under current assets.

6.1.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows.

6.1.2.1 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. The Corporation did not have any financial assets at fair value through profit or loss during the year ended 31 December 2022.

6.1.2.2 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate 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 finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance cost.

6.1.2.3 Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Corporation has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised as finance cost in the income statement in finance cost. The Corporation does not have any held to maturity investments during the year ended 31 December 2022.

6.1.2.4 Available-for-Sale Financial Investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Corporation did not have any available-for-sale financial investments during the year ended 31 December 2022.

6.1.2.5 Derecognition

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

- i). The rights to receive cash flows from the asset have expired.
- ii). The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.
 - (a) The Corporation has transferred substantially all the risks and rewards of the asset, or
 - (b) The Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

6.1.2.6 Impairment of Financial Assets

The Corporation assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

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

6.1.2.7 Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the Corporation first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Corporation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

6.2 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 borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Corporation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Corporation's financial liabilities include trade and other payables and bank overdrafts.

Subsequent measurement

The measurement of financial liabilities is at the amortised cost.

Derecognition

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

7. FIRST- TIME ADOPTION OF SLAS (SLFRS/LKAS)

The financial statements, for the year ended 31 December 2012 are the first the Corporation prepared in accordance with SLAS comprising SLFRS/LKAS effective as of 1st January 2012. For the periods up to and including year ended 31 December 2011, the Corporation prepared its financial statements in accordance with previous Sri Lanka Accounting Standards.

Sri Lanka State Plantations Corporation												
NOTES TO THE FINANCIAL STATEMENTS												
8. PROPERTY, PLANT AND EQUIPMENT												
Head office	Freehold land	Buildings	Equipment, Furnitures & Fixtures	Computer	Motor Vehicles	Machinery	Other Vested Assets	Bearer Biological Assets (Note 8.1)	Total			
Cost or Valuation												
As at 1st January 2022	4,031,845	4,959,427	17,544,268	5,018,552	66,115,401				97,669,492			
Additions	-	-	2,006,602	638,500	-	-	-	-	2,645,102			
Disposals	-	-	-	-	-	-	-	-	-			
Transfer	-	-	-	-	-	-	-	-	-			
As at 31st December 2022	4,031,845	4,959,427	19,550,870	5,657,052	66,115,401				100,314,594			
Accumulated Depreciation												
As at 1st January 2022	-	4,959,384	14,224,357	4,442,735	66,094,153				89,720,630			
Depreciation Charge for the year	-	-	645,004	334,997	-	-	-	-	980,001			
Previous Year Adjustment	-	-	35,650	-	-	-	-	-	35,650			
Disposals	-	-	-	-	-	-	-	-	-			
As at 31st December 2022	-	4,959,384	14,905,011	4,777,732	66,094,153				90,736,280			
Net book value												
As at 31st December 2022	4,031,845	43	4,645,859	879,320	21,247				9,578,314			
Estates												
Cost or Valuation												
As at 1st January 2022	645,345,972	184,104,453	26,200,532	970,022	84,200,574	133,620,338	6,705,259	566,713,647	1,647,860,795			
Additions	-	-	2,622,961	65,000	-	10,658,930	-	236,710,040	250,056,931			
Previous Year Adjustment	-	-	-	-	-	-	-	(123,076)	(123,076)			
Disposals	-	-	-	-	-	-	-	-	-			
As at 31st December 2022	645,345,972	184,104,453	28,823,492	1,035,022	84,200,574	144,279,268	6,705,259	803,300,611	1,897,794,650			
Accumulated Depreciation												
As at 1st January 2022	-	116,681,788	19,349,585	841,253	71,621,053	105,927,611	6,672,972	377,682,673	698,776,934			
Depreciation Charge for the Year	-	4,043,177	766,869	55,217	906,093	4,354,375	-	3,436,102	13,551,833			
Previous Year Adjustment	-	50,895	20,627	-	-	(1,176)	-	857,479	927,825			
Disposals	-	-	-	-	-	-	-	-	-			
As at 31st December 2022	-	120,775,860	20,137,081	896,470	72,527,146	110,280,810	6,672,972	381,966,254	713,256,593			
Net book value												
As at 31st December 2022	645,345,972	63,328,593	8,686,411	138,552	11,673,428	33,998,458	32,287	421,334,356	1,184,538,057			
NET BOOK VALUE HEAD OFFICE AND Estate as at 31st December 2022	649,377,816	63,328,636	13,322,269	1,017,872	11,694,675	33,998,458	32,287	421,334,356	1,194,116,371			

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

8.1 Bearer Biological Assets

Bearer biological assets would be carried at cost less any accumulated depreciation.

Bearer Biological Assets	Tea		Coconut	Pepper	Rubber	Coffee	Other	Total
	Tea Immature & Mature	Immature Plantation						
Cost or valuation								
As at 1st January 2022	506,933,377	26,016,418	3,809,207	3,551,947	15,270,484	1,565,492	9,566,724	566,713,647
Additions	-	227,226,978	61,168	157,674	-	-	9,264,220	236,710,040
Previous year adjustment	(50,000)						(73,076)	(123,076)
Disposals	-	-	-	-	-	-	-	-
As at 31st December 2022	506,883,377	253,243,396	3,870,374	3,709,621	15,270,484	1,565,492	18,757,867	803,300,611
Accumulated Depreciation	Tea		Coconut	Pepper	Rubber	Coffee	Other	Total
	Tea Immature & Mature	Immature Plantation						
As at 1st January 2022	365,645,218	-	2,785,008	2,325,581	4,184,306	1,427,579	1,314,981	377,682,672
Depreciation Charge for the Year	2,427,337		56,444	125,657	405,731	5,528	405,405	3,426,102
Previous Year Adjustment	29,100			76,096	732,771		19,513	857,479
Disposals	-		-	-	-	-	-	-
As at 31st December 2022	368,101,655	-	2,841,452	2,527,333	5,322,808	1,433,107	1,739,899	381,966,254
Net book value								
As at 31st December 2022	138,781,722	253,243,396	1,028,922	1,182,288	9,947,676	132,385	17,017,969	421,334,357
Net book value as at 31st December 2022								421,334,357

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

9 BIOLOGICAL ASSETS - CONSUMABLE

Consumable Biological Assets	As at 31.12.2022 Rs.	As at 31.12.2021 Rs.
Biological Assets	3,356,355,765	3,314,581,133
Additions during the year	4,209,530.89	41,774,632
Total Consumable Biological Assets	3,360,565,296	3,356,355,765

During the year 2022, all possible efforts were taken to value the Consumer Biological Assets and initially the physical verification of these assets were completed. We give below summary details of the harvestable trees available as per the physical verification as at 31st December 2022 and the balance harvestable trees available as per Approved Forestry Management Plan for 2018-2023.

Name of the Plantation	Number of Trees as per Physical Verification	Balance Harvestable Trees as per the Approved Forestry Management Plan	Total number of Harvestable Trees
Allakolla State Plantation	1,726	975	2,701
Cottaganga State Plantation	1,236	1,066	2,302
Galphille State Plantation	6,101	-	6,101
Goomera State Plantation	2,707	1,534	4,241
Hagalla State Plantation	5,667	-	5,667
Hunnasgiriya State Plantation	2,340	-	2,340
Hunnasgiriya State Plantation	3,505	-	3,505
Kallebokka State Plantation	13,428	15,025	28,453
Midlands State Plantation	5,565	1,344	6,909
Nicholoya State Plantation	1,524	-	1,524
Opalgala State Plantation	4,847	5,875	10,722
Rangalla State Plantation	4,359	2,306	6,665
Waithalawa State Plantation	6,157	-	6,157
Wiharagala State Plantation	183	-	183
Woodside State Plantation	7,547	4,485	12,032
Total	66,892	32,610	99,502

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENT PROPERTY

	As at 31.12.2022	As at 31.12.2021
	Rs.	Rs.
Land Contribution from Government	1,600,601,926	1,600,601,926
Land for Capital Appreciation	10,918,715	10,918,715
	1,611,520,641	1,611,520,641

10.1 Lands owned by the Sri Lanka State Plantations Corporation (SLSPC) and Lands handed over to the Regional Plantation Companies (RPCs).

The Land Reform Commission (LRC) and Other Government Institution have vested the ownership of two hundred and seventy four (274) lands to the Sri Lanka State Plantations Corporation by Gazette notifications and out of which two hundred and forty (240) lands have been handed over to twenty (20) Regional Plantation Companies and the details are as follows.

	Gazette No.	Gazette Date	Vested by	Number of Lands vested to SLSPC	Lands handed over to RPCs	Lands with SLSPC
1	150/12	24.07.1981	LRC	38	38	-
2	569/14	02.08.1989	LRC	3	3	-
3	571/14	18.08.1989	LRC	1	1	-
4	157/13	03.04.1975	Other Govt. Ins.	5	5	-
5	181/12	27.02.1982	LRC	80	54	26
6	195/6	31.05.1982	LRC	14	9	5
7	206/15	20.08.1982	LRC	1	-	1
8	230/12	02.02.1983	LRC	1	1	-
9	439/18	06.02.1987	Other Govt. Ins.	1	-	1
10	937/2	19.08.1996	LRC	7	7	-
11	815/10	21.04.1994	LRC	123	122	1
Total Lands				274	240	34

10.2 Other Lands owned by the Sri Lanka State Plantations Corporation and lands handed over to the Regional Plantation Companies.

Thirty (30) Lands have been purchased by the SLSPC and eleven (11) plantations which have been received from the Government Institution without Gazette Notifications. Out of forty one (41) lands forty (40) lands have been handed over to the RPCs and the details are as follows.

	Source of Land Received	Received Year	Number of Lands	Lands handed over to RPCs	Lands with SLSPC	Remarks
1	Commissioner General of Inland Revenue	1960	4	4	-	-
2	Commissioner of Lands	1968	1	-	-	Handed over to Mahaweli Project
3	Janatha Estate Development Board	1977	6	6	-	-
4	Purchased by SLSPC	1972, 1973, 1974, 1975	30	30	-	-
Total Lands			41	40	-	

Accordingly, two hundred and eighty (280) lands have been handed over to twenty (20) RPCs in 1992 on lease basis for fifty three (53) years. The lease period will be ended in 2045.

In terms of the lease agreements, Elkaduwa Plantations Ltd, Udupussellawa Plantations Ltd and Agarapathana Plantations Ltd pay the lease rentals to the SLSPC and the lease rentals from other RPCs are paid to the General Treasury.

As per LKAS 40, an investment property shall be measured initially (at the point of transfer) at its cost and subsequently using either the fair value model or the cost model. At the time of converting to SLFRS the Management was not in a position to get the monetary values as at the date of transfer and instead the values as at handing over the lands to RPCs were considered to be the fair value of the estates. Therefore the land value was extracted proportionately from the balance sheets of RPCs as at 1992. Management is of the view that the cost of such land as of the date that these lands were handed over to the RPCs reflects reasonably the cost of land and such amounts are carried forward in the books.

These Investment properties were not valued this year too, since valuation will require large sum of money and the present cash flow situation of SLSPC does not allow a huge expenditure of this nature at a time where even the large amounts of statutory dues are not being settled to date. Therefore we have written to the line Ministry requesting to assist financially to settle very old statutory dues that are pending against court cases leveled against SLSPC

Sri Lanka State Plantations Corporation			
NOTES TO THE FINANCIAL STATEMENTS			
11	INVENTORIES	As at 31.12.2022	As at 31.12.2021
		Rs.	Rs.
	Finished Products	20,618,706	54,387,833
	Consumable Stock	46,780,552	9,473,362
		67,399,258	63,861,195
	Finished product Inventories are valued at lower of Cost and the Net Realizable Value (NRV).		
12	TRADE AND OTHER RECEIVABLES	As at 31.12.2022	As at 31.12.2021
		Rs.	Rs.
	Trade Debtors - Head office (a)	75,654,661	40,984,831
	Less : Provision for Head office debtors	(19,879,268)	(15,404,568)
	Trade Debtors - All Estates (b)	239,834,659	200,364,838
	Less : Provision for estate debtors	(59,652,474)	(49,128,420)
	Other Receivables - Head office	35,444,728	38,713,853
	Less : Prov. Doubt Debt-Lease land rent	(15,780,848)	-
	Other Receivables - All Estates	45,821,076	32,853,999
	Gratuity Suspense (2012 Bal.)	85,257,147	-
	Less : Provision for Gratuity Suspense	(85,257,147)	-
		301,442,535	248,384,533
a).	Trade Debtors - Head office includes the following	As at 31.12.2022	As at 31.12.2021
	B.C.C. Company	15,404,568	15,404,568
	Less : Specific Impairment of Head office debtors	(15,404,568)	(15,404,568)
	Elkaduwa Plantation	1,916,092	1,916,092
	Woodside Estate	992,125	992,125
	Less : Prov. Doubtful Debtors- Woodside	(992,125)	-
	Dukwarie	2,500,000	2,500,000
	Less : Prov. Doubtful Debtors-Duckwari	(2,500,000)	-
	Trade Debtors	880,434	880,434
	Less : Prov. Doubtful Debt-Trade Debtor	(880,434)	-
	G G. Mahendrarathna	102,140	102,140
	Less : Pro Doubt Deb-GG Mahendrarathna	(102,140)	-
	Accounts Receivables - Green Leaf Buyers	53,791,771	19,122,815
	Sundry and Other Debtors	67,530	66,656
		55,775,393	25,580,263
b).	Trade Debtors - Estates includes the following		
	Sundry Debtors	37,164,388	23,200,768
	Consumer debtors	41,071,407	41,071,407
	Sundry Income Debtors	2,588,530	2,588,530
	J.E.D.B	1,668,269	1,668,269
	Debtors for Produce	726,644	726,644
	Less : Prov. Unidentified Nursery Balances	(10,524,054)	-
	Less : Specific Impairment of estate debtors	(47,537,070)	(47,537,070)
	Less : Provision for Bad Debts	(1,591,349)	(1,591,349)
	Other Debtors - Current account balances	156,615,421	131,109,221
		180,182,185	151,236,419

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

		As at 31.12.2022	As at 31.12.2021
13	CASH AND CASH EQUIVALANTS		
	(a). Favourable Balances :	Rs.	Rs.
	Cash in hand and at bank		
	- Head Office & Regional Office	105,048,534	40,829,610
	- All Plantations	4,489,398	965,273
		109,537,932	41,794,882
	(b). Negative Balances		
	- Peoples Bank Current Accounts	(147,576,144)	(171,762,986)
	Cash & Cash Equivalents at end of the year	(38,038,213)	(129,968,104)

We have obtained a permanent overdraft facility for Rs. 165.48 Million from Peoples Bank and the facility is secured against the Assets below. ** The dematagoda building value is based on the valuation done by the Chartered Valuation Surveyor assigned by the People's Bank on 07th April 2022.

Present structure of Permanent overdraft (POD) Facility

POD secured against	Secured value Rs.	POD Amount Rs.
Peoples Bank Savings acct. No. 046-2005-9-0000933	33,000,000	29,000,000
Fixed Deposit (850680) 046600100005667-5	2,200,000	1,980,000
Fixed Deposit (850607) 046600100005591-6	5,000,000	4,500,000
Building owned by SLSPC at Dematagoda **	590,000,000	130,000,000
Total		165,480,000

At the year end we were able to manage the POD facility below the limit.

		As at 31.12.2022	As at 31.12.2021
14	CONTRIBUTED CAPITAL		
		Rs.	Rs.
	Government Contribution	3,455,902,947	3,277,262,947
	Land Contribution from Government	2,616,589,903	2,616,589,903
		6,072,492,850	5,893,852,850

Total Government contribution consists of cash received from government (Treasury) and the lands transferred/vested to Sri Lanka State Plantations Corporation by the government through gazette notifications. During the year under review Rs. 178.64 Million received from the General Treasury to SLSPC as capital grants towards New planting and Replanting of Tea in 161.5 Hectares in all the plantations managed by SLSPC.

		As at 31.12.2022	As at 31.12.2021
15	EMPLOYEE BENEFIT OBLIGATIONS		
		Rs.	Rs.
	Opening Balance - Estates	585,625,960	448,042,297
	- Head office	24,515,057	21,249,322
	Gratuity Suspense (2012 Bal.)	85,257,147	-
	Under/(Over) provision Adjustment (Estates & H/O)	7,080,643	159,683,488
	Provision for the Year	35,498,178	37,508,004
	Transferred to Gratuity Payable	(94,262,337)	(56,342,094)
	Other Transaction	208,970	-
	Total Employee Benefit Obligations as at 31.12.2022	643,923,619	610,141,017

Sri Lanka State Plantations Corporation			
NOTES TO THE FINANCIAL STATEMENTS			
16	TRADE AND OTHER PAYABLES	As at 31.12.2022	As at 31.12.2021
		Rs.	Rs.
	Head office (a)	348,855,720	346,355,088
	Estates (b)	1,600,879,129	1,291,777,550
	Non Operative Balance	-	1,933,044
		1,949,734,850	1,640,065,683
a).	Trade and other payables for Head office includes the following	As at 31.12.2022	As at 31.12.2021
	Advance - Opalgala (Lease Advance)	-	4,480,000
	Timber Advance	-	786,379
	Poly Chemix	-	715,389
	Perth Estate	6,610,411	6,870,411
	Janatha Estates Development Board (JEDB)	97,709,342	97,709,342
	Advance Received Made Tea Brokers	247,000	17,320,344
	Advance Received - Green Leaf Buyers	369,340	3,893,489
	State Resources Management Corporation	28,709,029	28,709,029
	Fertilizer Corporation	35,931,679	35,931,679
	Chilaw Plantation	39,610,959	38,010,959
	Loan - Lanka Mineral Sands	25,000,000	25,000,000
	Accrued Expenses	19,277,659	12,769,575
	EPF - Payable	20,101,188	16,239,547
	ESPS - Payable	8,965,776	5,687,647
	CPPS - Payable	14,445,397	9,288,594
	E.T.F Payable	175,062	688,434
	Refundable deposits	38,654,512	30,142,548
	Gratuity Payable	1,627,943	-
	Credit On Tree Sales	-	2,801,000
	Interest payable - PB Loan 100M	6,537,285	-
	Other Payables	4,883,139	9,310,724
	Total	348,855,720	346,355,088
b).	Trade and other payables for Estates includes the following	As at 31.12.2022	As at 31.12.2021
	Sundry Creditors	5,952,080	5,365,291
	Holiday Pay Provision	1,500,749	29,306,940
	Holiday Pay	24,014,560	-
	Elkaduwa Plantation	172,137	172,137
	Refundable Tender Deposits	-	6,379,570
	Other Liabilities	57,431,311	53,640,544
	Trade Unions	8,714,745	7,996,009
	Staff and Workers Payables	50,066,403	45,631,961
	Prov. for Audit Fees & Insurance	8,182,158	9,725,898
	E. P. F. Payable	617,378,035	523,734,971
	E.S.P.S Payable	44,089,555	29,345,773
	C.P.P.S. Payable	24,954	24,954
	E.T.F. Payable	45,837,829	33,897,795
	Gratuity Payable	550,685,803	471,018,313
	Accrued Expenses	80,865,163	5,661,419
	Attendance Bonus Provision	1,192,301	1,847,974
	E.P.F Surcharges Payable	77,726,161	48,447,018
	E.T.F Surcharges Payable	6,427,665	3,425,078
	Gratuity Surcharges Payable	20,617,519	16,155,905
	Other Payables	-	-
	Total	1,600,879,129	1,291,777,550
16.1	Bank Loan - (People's Bank)	100,000,000	100,000,000
<p>We have obtained the above loan from Peoples Bank on 09th April 2020 to cover our cash flow deficits during April and May 2020. This loan was guaranteed by the General Treasury with a settlement period of six months with interest. Interest rate agreed was AWPLR+2.5%. However due the tight cash flow situation we were facing during the years 2020 to 2022, we were unable settle this loan and extended the grace period year on year while settling only the interest due. In October 2022, we could not settle this loan and extended the settlement period by another year with a monthly repayment plan to pay this loan in 10 equal installments starting from January 2023. We should pay the total interest due with final Instalment to complete the settlement of this loan.</p>			

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

17	REVENUE	31.12.2022	31.12.2021
		Rs.	Rs.
	Tea	347,708,177	368,159,225
	Green Leaf	710,242,379	463,886,452
	Minor Crops	4,220,199	5,464,951
	Rubber	8,492,760	7,831,089
	Total Revenue	1,070,663,514	845,341,718
	Revenue from Tea Sales Includes Income received from Sale of Made tea at Colombo tea auction, sales income from Sanstha tea and income from Refuse tea sold.		
18	OTHER INCOME	31.12.2022	31.12.2021
		Rs.	Rs.
	Tree Tender	96,106,317	145,337,204
	Lease Rentals	19,382,258	23,536,325
	Management Fee	14,790,199	17,931,688
	Finance Income	1,974,535	1,787,646
	Income from Hunnas Water Falls	180,946	186,344
	Government Grants & Subsidy	592,667	1,575,000
	Mosquito Sticks Sales	-	254,500
	Nursery Plants - Sale Income	788,439	1,192,297
	Ticketing Income	2,475,050	1,754,661
	Other Income - Estates & Head Office	23,141,784	2,604,003
	Guest Bungalow Income	521,800	418,000
	Total Other Income	159,953,995	196,577,668
19	ADMINISTRATION EXPENSES	31.12.2022	31.12.2021
		Rs.	Rs.
	Personnel Cost - (Head office)	45,758,326	43,373,611
	Defined Contributions - EPF, CPPS & ESPS (Head office)	4,785,954	4,947,320
	Defined Contributions - ETF (Head office)	1,155,700	1,234,284
	Depreciation (Head Office)	980,000	962,734
	Gratuity Expense (Head office)	1,408,962	1,309,750
	Other Administration & Sales Expenses - Head Office	75,443,521	68,452,915
	Gratuity Expense (Plantations)	34,089,216	36,198,254
	Other Administration Plantations - Plantations	61,248,356	48,391,503
	Total Administrative Expenses	224,870,036	204,870,371
20	FINANCE EXPENSES	31.12.2022	31.12.2021
		Rs.	Rs.
	Commissions on Cash	6,360,240	6,458,818
	Interest on Tea Brokers' Advances	1,929,105	4,310,113
	Bank Charges	1,127,602	1,241,697
	Bank Overdraft Interest	24,230,270	18,074,260
	Bank Loan Interest - (People's Bank)	15,842,442	9,022,533
	Other Loan Interest - Chilaw Plantation	1,600,000	1,600,000
	Total Finance Expenses	51,089,659	40,707,422
21	INCOME TAX		
	Income tax calculations are not appearing in the annual accounts of SLSPC for the past eighteen years. Due to this reason and with the existence of continuous losses it is presumed that in the future taxable profits may not be available and paying income tax is unlikely by SLSPC. For the past twenty seven years (1995 to 2021) SLSPC has made profits only for four years.		

Sri Lanka State Plantations Corporation

NOTES TO THE FINANCIAL STATEMENTS

22 RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

In the normal course of its operations, the Corporation enters into transactions with related parties. Related parties include the Government of Sri Lanka (State as the ultimate owner of the Corporation), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Corporation with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows:

	2022	2021
	Rs.	Rs.
Outstanding Balances:		
Payable to		
State Resources Management Corporation	28,709,029	28,709,029
Fertilizer Corporation	35,931,679	35,931,679
Chilaw Plantations	39,610,959	38,010,959
Lanka Mineral Sands Limited	25,000,000	25,000,000
Elkaduwa Plantation	172,137	172,137
Janatha Estates Development Board (JEDB)	97,709,342	97,709,342
Perth Estate	6,610,411	6,870,411
	233,743,557	232,403,557
Receivable from		
Elkaduwa Plantation	1,916,092	1,916,092
Janatha Estates Development Board (JEDB)	41,071,407	41,071,407
Janatha Estates Development Board (JEDB)	1,668,269	1,668,269
	44,655,768	44,655,768

23 COMMITMENTS AND CONTINGENCIES

As at the Balance Sheet date, 852 legal cases have been filed against the SLSPC's Management at Panwila, Teldeniya & Matale Magistrate courts for non payment of Statutory Liabilities (EPF, ETF and Gratuity) which are long outstanding. The total 852 cases are pending after full settlement of 197 cases during the year and adding 312 newly filed cases against us. The Corporation has been advised by its lawyers that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any contingent liability has been made in the financial statements.

During the years 2020 to 2022, we continued to pay for the Legal court cases coming up weekly, from the own funds without getting any assistance from the General treasury. For this period we have paid Rs. 230.66 Million as Statutory Contributions (including for court cases against the long outstanding Statutory dues) and mainly due to the increase of Labour wages to Rs. 1000 from March 2021 (an increase of 34.5%) an additional cost of around Rs. 151.93 Million spent in 2022 alone. Mainly due to these two reasons monthly statutory dues were paid for this period other than for four months.

24 EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustments and disclosures have been made in to the financial statements, where necessary.

25 PRIOR YEAR ADJUSTMENTS

Prior year adjustments includes the following transactions relating to the previous financial years and these adjustments were made during this year by the plantations.

Details	2022	2021
	Rs.	Rs.
Gratuity Payable / Provision (Under/Over Provision)	12,036,972	168,951,369
Gratuity Surcharges	12,884,415	651,732
EPF Surcharges	21,415,537	2,426,005
ETF Surcharges	3,472,407	1,089,055
Vegetable & Cardamom Planting expenses 2020	-	1,118,489
Provisions made for Doubtful Debtors - as approved by the board	116,036,749	-
Under/Over stated depreciation Provisions	969,966	-
Adjustments for Unclaimed Creditor's balances	(21,797,337)	-
Other Expenditures/Adjustments	6,610,147	(3,788,954)
Total	151,628,855	170,447,696

26 DEFERRED ASSETS

During the year Deferred Assets were amortized by 10% as per the accounting policy number 3.1.4.3 and debited to the expenditure - Roads under General Charges, in the profit & loss account.

Audit Report



Answers of the Sri Lanka State Plantation Corporation to the Auditor General's Report, as per Section 12 of the National Audit Act No. 19 of 2018, on the Financial Statements and other legal and regulatory requirements of the Sri Lanka State Plantations Corporation for the year ended 31 December 2022.

1.2.1. Non-compliance with Sri Lanka Accounting Standards

(a). It is acknowledged that the values of 151.629 Million Rupees and 170.447 Million Rupees respectively indicated for the adjustments for the rectifications of errors of prior years in the Statement of Changes in Equity for the years 2022 and 2021, should be indicated under the comparative information presented with the year under review. We hope to correct this deficiency in accordance with paragraphs 42 and 43 of Sri Lanka Accounting Standard No. 08 when preparing the financial statements for the year 2023.

(b). As of 31.12.2022, the value of the land at the Head Office in the statement of financial position is indicated as 4.03 Million Rupees. However, in the year 2022, People's Bank has valued the land of the Head Office at 590 Million Rupees. We expect to consult with the National Audit Office on the appropriateness of including this figure in our financial statements and then refer it to the Board of Directors.

Similarly, even though the lands belonging to 15 estates of the corporation have not yet been presented in the financial statements followed by the valuations at a fair value, the valuation process of the said land is already been initiated. The following measures are taken in that regard.

- It was informed to the Government Valuation Department that the estates needed to be valued.
- The Government Valuation Department has informed to make them aware whether we agree to pay the valuation fees since the valuation works are carried out, subject to charging the prescribed fees.
- In response to the said we have requested to make us aware on the basis that they are charging the valuation fees since we need to know the cost of this work by preparing a rough estimate,
- They have informed the basis on which the valuation fees be collected and due to the current financial crisis, the approval of the Board of Directors has been obtained to assess only one estate as a pilot project and the related activities are currently underway.

(c). As mentioned in the Auditor General's report, even though fully depreciated assets were taken for the further use of the Corporation by 31 December 2022, their useful life has not been reviewed annually. However, we expect to present the correct values in the financial statements after the revaluation of the relevant fixed assets when preparing the financial statements for the year ending 31 December 2023

(d). Even though equipment, furniture, and fixtures are shown under one item in the financial statements, the two categories of fixed assets are shown separately in the Fixed Assets Register. In

preparing the financial statements for the year 2023, it is expected to present the two fixed asset categories of equipment and furniture & fixtures separately.

(e). According to Section 57 of Sri Lanka Accounting Standard No. 19, the service benefit obligation of the company should be calculated using the actuarial technique, and the service of an actuary should be obtained. There are several organizations located in Sri Lanka to get this service and it costs a large sum of money to get their service. The Sri Lanka State Plantation Corporation is hoping to take the necessary steps in the future as it has become difficult to allocate the necessary funds due to the financial crisis that the institution is currently facing.

(f). We agree with the facts mentioned in the Auditor General's Report and as the first step in assessing the consumable biological assets, all trees of commercial value in all estates have now been numbered and listed. We have disclosed the total number of trees in the estates of the corporation and the number of trees that can be cut down under Notes to Accounts No. 9 of the Statement of Financial Position as of 31.12.2022. By now, the approval of the Board of Directors has been obtained in this regard and the necessary activities are being carried out.

(g). From the year 2021, tea cultivation has been presented separately as mature and immature in the financial statements. However other biological assets such as coconut, rubber, and pepper have not been able to be presented separately in the financial statements as mature and immature until now. However, among the other crops, most of the crops are more than 04 years old and have already reached the maturity stage. Therefore, in the future, we expect to present the costs related to other newly added crops separately as matured and unmetered in the financial statements.

1.2.2. Accounting Deficiencies

(a). In the financial statements of the year 2022, an amount of 96,106,317 /= Million Rupees received from the sale of trees has been accounted for under other income. However, the following factors led to the cost of these trees not being deducted from the balance of biological assets at the end of the year.

Although the lists of the trees related to all the estates of the corporation have been prepared now, we are in the initial stage of the valuation of the biological assets. Therefore, the cost of the trees cut and removed in relation to the above amount of 96.106 Million Rupees could not be identified at the time of preparing the financial statements for the year 2022. Hence it was not possible to reduce the biological assets from the balance. It is expected that this problem will be solved in the future as it will be possible to identify the cost of the trees to be cut down after valuing these trees.

(b). This issue has emerged due to the inclusion of the amount of Rs. 186,355/=, which represents the interest due for the period from 21.09.2022 to 31.12.2022 for fixed deposit account number 0466001000056675 at the People's Bank, being accounted under the fixed deposit account. However, as the said fixed deposit matured on 19.09.2023, this shortcoming has been corrected now. We hope to reduce such type of accounting deficiencies in the future.

(c). This difference has arisen due to the accounting of fixed deposit interest income of Rs.186,355/= due on 31.12.2022 under the same deposit. However, this shortcoming has been rectified now as this deposit has matured.

(d). An interest income related to the period from 20.09.2020 to 31.12.2022 has been included in the value of Rs.359,413/= depicted as an investment in fixed deposits under cash flows related to investment activities in the cash flow statement of the year under review. Therefore, as indicated in the audit report, the inflow of money from investment activities should be rectified as Rs.239,760/= and necessary measures will be taken to avoid such type of deficiencies in the future.

(e). This change is due to the erroneous Bank Reconciliation Statement forwarded by the Midland State Estate to the Head Office relating to the final accounts of the Midlands estate as at 31.12.2022. Therefore, the correct Bank Reconciliation Statement of Midland State Estate as at 31.12.2022 has been forwarded to the audit for necessary action.

(f). The unsettled balance of Rs.156,615,421 in the current accounts between the Head Office and the Estates at the end of the year in the financial statements relating to the year 2022, shows a combination of the unsettled balances that existed before the year 2021.

Many of the balances related to the years 2021 and 2022 have been settled and it is anticipated to ascertain more about the above said previous balances brought forward from before the year 2021 and rectify them as much as possible in the preparation of the financial statements of the year 2023.

1.2.3. Non-reconciled Control Accounts

(a). As stated in the audit report, there is a difference of 112.526 Million Rupees between the cost of 5 types of property, plant, and equipment in the estates as at 31.12.2022 and the cost of those assets as per the schedule maintained in the Head Office. The reason for this change is the unavailability of an accurate Fixed Asset Register in the Corporation for a long time. The Corporation has now started the initial steps of preparing a complete and accurate Fixed Assets Register.

(b). As per the note below, there is a difference of Rs.115,844 in the net book value of the bearer biological assets as per the financial statements and as per the schedule. The values related to mango and banana cultivations have not been included in the schedule and the relevant value of Rs.94,862.42 will be included in the schedule in the year 2023. There is also a difference of Rs. 20,981/55 regarding the cultivation of tea, pepper, rubber, arecanuts and cinnamon, and the reason for the difference is expected to be rectified followed by an analysis.

	Financial Statements			Schedule			Difference
	Cost	Depreciation	Net Value	Cost	Depreciation	Net Value	
Tea (matured)	506,883,377	368,101,655	138,781,722	506,876,878	368,105,697	138,771,181	10,541
Coffee	1,565,492	1,433,107	132,385	1,565,492	1,433,123	132,369	15
Coconut	3,870,374	2,841,453	1,028,921	3,870,374	2,841,453	1,028,922	-
Pepper	3,709,621	2,527,334	1,182,287	3,709,621	2,522,508	1,187,113	(4,826)
Rubber	15,270,484	5,322,808	9,947,676	15,270,483	5,324,739	9,945,744	1,932
Cloves	6,766,975	276,043	6,490,932	6,766,975	276,039	6,490,937	(5)
Arecanuts	73,135	8,375	64,761	73,135	9,407	63,728	1,033
Cocoa	1,279,365	674,627	604,739	1,279,366	674,628	604,737	2
Cinnamon	8,739,641	678,343	8,061,298	8,739,641	690,631	8,049,009	12,289
Cardamom	1,803,889	93,053	1,710,836	1,803,889	93,054	1,710,835	1
Banana	40,206		40,206			-	40,206
Mangoes	54,656		54,656			-	54,656
Tea-Immatured	253,243,397		253,243,397	253,243,396		253,243,396	1
Nutmeg		9,459	(9,459)	9,157	302	(9,459)	-
Total	803,300,611	381,956,796	421,334,356	803,199,250	381,971,279	421,218,512	115,844

(c). According to the financial statements as at 31.12.2022, the bank balance of the estates is Rs.4,334,685 and according to the accounts of the estates, this balance is Rs. 4,274,957. Even though the draft Auditor General's report shows the relevant value as Rs. 4,237,303, there were bank balances of Rs. 36,482.89 existing in the accounts of several estates, apart from the main bank accounts. This amount has not been included in the value mentioned in the Auditor General's report. The remaining difference is due to the fact that the balance of the bank account belonging to the Goomara estate was mistakenly recorded in the cash-in-hand account in our accounting package (Quick Books Accounting Package), and the balance of the cash-in-hand account was recorded as the balance of the bank account. Further, a change in the opening balances related to several estates in the years 2019 and 2021 has also led to the change mentioned in the audit report.

1.2.4 Receivable and Payable Accounts

(a). The lack of sufficient cash flows to carry out daily operations due to the long-standing financial crisis that our corporation is grappling with was the main reason for obtaining this bank loan of 100 Million Rupees in the year 2020. Similarly, as at 31.12.2022, the value of the bank overdraft was 147.576 Million Rupees. Due to the bad financial condition of the corporation, the above loan amount of 100 Million Rupees could not be paid on time. However, during the year 2022, the corporation has paid 9.31 Million Rupees as bank loan interest. Further, 21 Million Rupees from this loan amount have been paid to the bank. The actions are being measured together with the People's Bank to convert this short-term loan amount and bank overdraft into a long-term loan amount whereas the related loan installments are expected to be paid within 5 years.

(b). Due to the financial crisis that the corporation has been facing for a long time, it has not been possible to repay these loans.

(c). Since the recovery of the following debtor balances from debtors more than 5 years old was in an uncertain situation, in the year 2012 allocations have been made for those balances under doubtful debts.

Debtors of the Production Department Rs.25,876/=

Consumer debtors- (JEDB) Rs.41,071,407/=

Sundry Debtors Rs.2,588,530/=

Receivable from JEDB Rs.1,668,268/=

Debtors for Produce Rs.726,644/=

Necessary activities are currently being carried out regarding the recovery of debtor balances older than two years from the remaining debtors, and it is expected to make allocations under doubtful debts in the preparation of the financial statements of the year 2023 for the balances that have issues regarding recovery.

(d). Due to the financial crisis faced by the corporation for a long time, it has not been possible to make contributions and gratuity payments to the Employee Provident Fund, Employee Trust Fund, Estate Workers' Provident Fund, and Lanka Planters' Provident Fund. Further, due to factors such as the increase in labour wages by 34% in 2021, the decrease in leaf harvest due to the ban on the import of chemical

fertilizers and the inability to supply the necessary fertilizers to our estates, and the decrease in the demand for our commercial timber in the wake of the weakening of the country's economic activities resulted by the covid 19 epidemic, the financial crisis of the corporation has become more acute.

Therefore, as a result of the long-term discussions held with the Line Ministry and the Treasury, the Treasury has agreed to allocate an amount of 21.3 Million Rupees monthly to the relevant parties in connection with the cases related to the above statutory payments from September 2023. The first and second disbursements were made in the months of September and October 2023. Therefore, arrangements will be made to make the aforesaid outstanding statutory payments from the money provided by the Treasury.

1.2.5 Unavailability of evidence for auditing

(a) Out of this 6.705 Million Rupees of other seized assets, the value of 6.672 Million Rupees dates from before the year 1996, and no clear information is available on the said. We are looking forward to finding past information related to that balance in the asset revaluation process to be implemented in the future. The remaining amount of Rs. 32,286/= is a value accumulated in the year 2019. It appears to be a capital expenditure incurred in relation to providing a new water supply to a section of the Wewathenne campsite. That value is expected to be removed from this account and recorded in the relevant account in the year 2023.

(b) There are 30 estates purchased by the corporation and out of such deeds are available with regard to 18 estates. Necessary steps have already been taken to get the deeds for the estates which do not possess them. Further, we have all the gazettes related to the estates given under the Land Reforms Commission Act. Similarly, some estates have been received by us from various government agencies through gazettes and we also have the relevant gazettes. These details can also be submitted to the audit, if required.

We have referred the Board of Survey reports related to other fixed assets to the audit.

(c) We have balance confirmations for the balances of .233.571 Million Rupees included in the trade and other payable balances of the Head Office and such can be submitted for audit. In the preparation of the financial statements for the year 2023, it is hoped to further study and take necessary appropriate actions regarding the balances that have been brought forward for a long time. It is also expected to send balance confirmation letters to debtors and creditors and confirm those balances when preparing the financial statements for year 2023.

(d) It is anticipated to get clarifications from the audit over the trade and other receivables balance of 144.827 Million Rupees mentioned in the Draft Auditor General's Report and provide information to the audit in this regard

2 Report on other legal and regulatory requirements

2.2.2 (a).(b) In this regard, the same answer given for Para 1.2.4 (d) above is relevant.

(c). (1) and (11) Sri Lanka State Plantation Corporation has continuously reported losses in the previous financial years except for the year 2022, so no income tax returns have been submitted for the previous years. In the year 2022, the corporation has recorded a profit of 19.672 Million Rupees. Income tax reports for the year 2022 are currently being prepared with the help of an income tax consultant. Furthermore, we have currently met with the relevant officials of the Inland Revenue Department and sought advice regarding the failure to submit the income tax reports related to the previous years and actions are being taken accordingly.

(d) I. The Officer in Charge of Vehicles shall have the records of the fleet of vehicles in the head office, regional offices, and estates of Sri Lanka State Plantation Corporation.

II. Even though there were some omissions before, now all the drivers are advised to balance their fuel utilization. The relevant running charts can also be submitted to the audit if required.

III Log books are maintained for all vehicles at present, and all notes on vehicle repairing, tire fitting or vehicle maintenance are being entered in the log books. If necessary, the log books can be submitted for audit

(e).The relevant circulars have been studied in order to be aware of the procedure of doing a fuel combustion test. The financial situation of the corporation has also become problematic to bear the high cost of this test. It is hoped to discuss this with the top management of the institution in this regard in the future and to proceed according to the relevant circulars.

(f) . All the vehicles of the company have been checked and the vehicles which are in running condition and the vehicles which are not in running condition have been identified separately. Initially, 14 vehicles that could be sold were identified, out of which only 04 vehicles were sold through newspaper advertisements. A number of 22 vehicles have been identified as dilapidated and those 22 vehicles have been inspected by the officials of the Department of Motor Traffic and recommended for sale as dilapidated. Once again, 37 uninspected vehicles mentioned in the reports called from the Estate Superintendents were identified and those vehicles were also inspected by the officials of the Department of Motor Traffic on 27.10.2023. There, 29 vehicles were identified to be sold as dilapidated and 08 vehicles were identified to be repaired. Accordingly, the total number of vehicles to be dilapidated is 61. The report of those officials has not been received yet, and inquiries were made several times. This process can be completed as soon as the report is received.

(g) Currently, the recruitment and promotion procedure prepared for the corporation has been sent to the Department of Management Services by the Line Ministry in March 2021 for approval. After several rounds of discussions, the recruitment procedure was sent back to the Corporation for revision. It has been revised again and forwarded to the Department of Management Services in January 2022 through the Line Ministry. After being called to the Management Services Department once again, it was referred to the institution after the discussion. As per the instructions of the Management Services Department, all revisions have been made again and forwarded to the Management Services Department by the Line Ministry in May 2023. Followed by the said, the Deputy General Manager (Management/Human Resources) via telephone conversations requested from the relevant officials who are involved in the recruitment procedure of the Department of Management Services to promptly approve the recruitments.

(h) As there is no need for a post as a manager in the transport sector, the post of Manager has not been approved for the transport sector. The manager who previously worked in the sales department has now been transferred to the transport sector in order to carry out the company's work more efficiently. The number of middle-level managers in the corporation is 05 inclusive of the said officer. The number of approved middle-level management posts are not exceeded even though the said officer is attached to the transport sector. Similarly, this officer has not been given the post of Manager - Transport, and whereas it is only an attachment given based on the need of the organization.

The 04 posts of Administrative Assistant, Work Supervisor - Head Office, Assistant Accountant, and Office Employee Assistant - Regional Office, were made before the year 2017 and no submission was made for these posts due to omission in obtaining the approval of the Management Services Department in the year 2017. Similarly, the letter dated 05.10.2022 has been submitted to the Line Ministry for approval of these posts on a personal basis.

The Line Ministry forwarded this to the National Pay Commission on 18.10.2022 for approval. National Pay Commission has sent a letter dated 15.02.2023 asking to send a detailed report to the Secretary, Ministry of Plantation. The requested information has been forwarded by the Ministry through a letter dated 15.03.2023. In this regard, an inquiry was made with the Line Ministry and since no reply has been sent from the National Pay Commission or the Management Services Department, it was informed that a reminder letter was sent.

2.2.4 (a) In the year 2022, a procurement plan for that year only has been prepared and submitted to the Board of Directors and approval is obtained. The procurement plan prepared for the year 2023 has also been submitted to the Ministry of Plantation Industries with the approval of the Board of Directors.

The information required to submit the procurement plan for 03 years from 2024 onwards (2024/2025/2026) is being prepared, and it is planned to be submitted to the Ministry after obtaining the approval of the Board of Directors.

(b) Tenders were called for the purchase of tea plants through a newspaper notice dated 19.01.2022, while informing to submit a bid security worth Rs.50,000 whereas only one of the two companies that submitted bids provided the bid security. However, the organization that presented the security had offered a very high price of Rs. 58.10 for one plant. Hence, the departmental procurement committee decided to re-invite tenders for the purchase of tea plants based on the recommendation given by the technical committee to re-invite tenders considering the market value of a tea plant.

The Technical Evaluation Committee has recommended that obtaining bid security for the tender held to purchase tea plants related to that tender is impractical. This is due to the majority of tea plant suppliers operating these businesses on a private level and the tea plant suppliers are small-scale suppliers. The Committee observed that, because of a lack of understanding about the bid security submission process, there was a possibility that they missed the opportunity to submit their bid, if the corporation had requested bid security due to this misunderstanding, (copies of relevant records are attached)."

(c) For the supply of 354,075 tea plants for the Kotagaga Estate, the letters and Goods Receipt Note (GRN) approved and sent by the Estate Superintendent were checked and the vouchers were prepared and submitted to the finance sector and thereby the payments were made. It is accepted that GRNs were not included in the file and it is a mistake and the relevant documents have been included in the file at present. Copies of GRNs certifying the receipt of tea plants are submitted herewith.

(d) An extent of 20 acres of land in Walahanduwa estate was planned to be cleared by backhoes and cultivated with tea plants, and the contract was awarded for the preparation of 15 acres of land. However, during the observation tour led by the General Manager with the participation of the officers of the Tea Board and the Tea Research Institute, it was observed that out of these 15 acres, 07 acres were not suitable for tea cultivation. Therefore, it was decided to implement this project on 08 acres only. (Relevant report attached)

Accordingly, by April 2023, the land of 06 acres had been prepared and the land preparation was initiated in respect of the remaining 02 acres of land. The award of this contract had to be delayed due to the financial situation of the company

(e) Even though the suppliers were invited for registration for tea factory repair work when suppliers were registered for the year 2022, no contractor was registered for that work. Since no institution could be found for this work in Sri Lanka Rainbow Yellow Pages, these bids have been called based on the information provided by the Corporation's Deputy General Manager - Plantation, and the agencies that have previously been involved in such repairs of the Corporation.

(f) (g) After Tirma Holdings was selected to carry out this work, they were not pleased to submit a bid security or performance security due to the economic crisis prevailing in the country at that time, and thereby the repair of the Furnace machine at the Elamba Kalabokka Tea Factory was carried out followed by a written agreement with the approval of the management, . (Copy of agreement attached)

In the repair work done in the estates, on the recommendation made by the Estate Superintendent that the work has been done properly, the payments have been made according to the proper method under the approval of the General Manager.

(h) It is acknowledged that due to various practical problems such as supplying goods, transportation facilities, etc., it took a long time to complete this work in the wake of the crisis situation in the country, and this work was successfully completed by January 2023.

(i). The 180-hectare tea plantation program in 2022 was implemented as an accelerated program in all estates of the State Plantations Corporation throughout the year 2022. Accordingly, except the leaf pluckers in the estates of State Plantations Corporation, all other labourers had to be employed for this task.

Therefore, it was not possible to implement the program of cultivating minor exports and other crops in an extent of 34.50 hectares, which was included in the action plan for the year 2022 mentioned under letter (i).

However, according to the action plan enquired under letter(j), only 05 hectares of the 18 hectares timber plantation project could be carried in to effect due to the above mentioned labor shortage.

(k). Even though, Rs.89.66 million has been estimated for the modernization of machinery and other maintenance works in 03 factories, due to bans and restrictions on the import of machinery and raw materials for the factories in the wake of the economic crisis and the import restrictions imposed due to the corona epidemic an amount of Rs.2.10 million had been spent under those items by the 3rd Quarter. However, by the last half of 2022, with the gradual easement of these import restrictions, an amount of Rs. 27 million was spent under the above items for Goomara and Kelebokka tea factories, and it was possible to carry out modernization work. It is noted that this is 30% of the total estimate when compared.

l. Even though an amount of Rs. 1.45 million has been estimated for setting up a Camping site in Waitalawa in the year 2022 under this, the tourism industry in Sri Lanka came to a complete standstill due to the economic crisis and the COVID-19 pandemic situation in the years 2021/2022, and for that reason, the priority could not be given to this project..

(m) It has been asked over the drop of 21% of the leaf yield in 2022 compared to 2021 under this letter. There, under the fertilizer subsidy system in 2021, we applied more than 90% of the estimated amount of fertilizer for all tea plantations in 2021. Accordingly, more leaves could be harvested that year. However, in the early part of 2022, the government decided to eliminate the use of chemical fertilizers in the country. There, it was difficult to finance the purchase of fertilizers from the corporation's earnings due to

the shortage of chemical fertilizers and high prices of fertilizers. As a result, the yield of all the estates decreased in the range of 10% to 35%.

(n). The same answer given under the letter m is applicable in this regard.

(o). Even though a harvest of 1,006,605 kg of green leaves was estimated from the area given to the farmers in the year 2022, in relation to the contents of the answer given under (k) and (L) above, a harvest of 601,960 kg of green leaves has been obtained from this area. This is a reduction of approximately 40%.

(p). The cost of production for 01 kg of raw leaves in Kelebokka Estate should be rectified as Rs. 123/06 in the year 2021 is and Rs. 140/24 in the year 2022. Furthermore, due to the decrease in leaf harvest in 2022 compared to 2021 in all estates, the cost of production in 2022 has increased. Although the total area of tea cultivated in Viharagala Estate was 28.14 hectares, the total number of tea bushes in that area was 65,550. Generally, 01 hectare of standardized tea cultivation should have at least 12,500 tea bushes. However, this estate contains only less number amounting to 2328 tea bushes per hectare. Accordingly, its production cost is Rs. 363 which is very high value. However, under the Tea Replantation Project in 2022, 62,500 tea plants have been planted in this estate by now. This estate was vested to the corporation by an external party after the end of the lease period in 2017.

(Q). Money amounting to 200 Million Rupees had been allocated by the Ministry of Plantation to replant 180 hectares of tea in the underutilized land. How this money was received is as follows.

Installment	Date	Amount Received
01	2022.03.21	40,500,000
02	2022.06.06	6,220,000
03	2022.07.10	5,000,000
04	2022.11.14	48,980,000
05	2022.11.14	28,740,000
06	2022.12.01	49,200,000
Total		178,640,000

Accordingly, the amount allocated for replanting tea per hectare is 1.1 million rupees. However, the cost estimated for replanting 01 hectares of tea by the Sri Lanka Tea Research Institute is Rs. 2.2 million. This is an effort taken to recultivate a maximum amount of land by using machines, preparing the soil, by utilizing the 178.640 Million Rupees received, money disbursements have been done in 2022 under the following items.

01. For preparation and application of compost

According to the revised estimate, the allocated amount is Rs.60.19 million. The amount spent on compost and chemical fertilizers for the relevant year is Rs. 30.69 million, the percentage is 51%.

02. Land preparation and soil conservation.

According to the revised estimate, Rs.58 million had been allocated for this. Thus, as at 31.12.2022, the fully completed area is 127.95 hectares. It is 79.72% as a percentage of the revised land area.

01. Purchase of plants

A total of 2,006,250 tea plants were required for the 160.50-hectare tea replanting/new tea replanting project, which was being implemented in the State Plantation Corporation of Sri Lanka. However, the number of tea seedlings planted in nurseries related to this project by 30.11.2022 in plantations belonging to the State Plantations Corporation should be rectified as 1,079,090. Due to the prevailing weather conditions, the tea plants in those nurseries had not grown to a suitable condition to be applied to the field. Therefore, a number of 1079172 tea plants had to be bought from outside. In addition to this, the number of plants purchased before this project in the year 2021 is 1,342,572, including the number of 263,400 plants purchased from the corporation's plant nurseries.

As at 31.12.2022, the extent of land in which the soil has been prepared,conservation is completed, and planted with saplings is 96.91 hectares. This is more than 60% of the revised land area.

Due to the economic crisis caused by the Corona pandemic and people's struggle in the country in the years 2021/2022, money was received by the Ministry for this project. Out of the total amount of Rs. 178,640,000 received, an amount of Rs. 126.920 million was received to the corporation after 14.11.2022. That is 1 ½ months before the end of the year 2022. It is a percentage of 71% of the total amount. As a result, the project could not be completed in 2022, particularly during the Northeast Monsoon season from October to December when rainfall is crucial for this area.

According to the facts and data given above, in the face of the obstacles and challenges faced since the beginning of the project of replanting tea plants in the underutilized land, the State Plantation Corporation has managed it with great effort and transparently and has been able to cultivate maximum extent of land by utilizing the 178,640,000.00 Million Rupees received by the implementation of this project.

As at 30.09.2023, the total area planted under this project is 146 hectares. It is 90.7% of the land to be planted under this project. Furthermore, it is expected that the planting of 14.5 hectares of land left for planting by 30.09.2023 will be completed by 30.11.2023.