



Democratic Socialist Republic of Sri Lanka

**STATEMENT OF CORPORATE INTENT
STATE TIMBER CORPORATION**

**Agreement between Ministry of Finance,
Ministry of Mahaweli Development & Environment
and
State Timber Corporation**

10th June 2019

Ministry of Finance

Colombo 01

Statement of Corporate Intent
between
Ministry of Finance, Ministry of Mahaweli Development & Environment
and
State Timber Corporation
2019 – 2021

The Statement of Corporate Intent is agreed between the Ministry responsible for the subject of Finance (hereinafter referred to as "Ministry of Finance") and Ministry of Mahaweli Development and Environment (hereinafter referred to as "Line Ministry") as one party, and the Board of Directors of the State Timber Corporation (hereinafter referred to as "the Board"), a State Owned Enterprise (SOE), as the other party.

WHEREAS

The Ministry of Finance and the Line Ministry are committed to clearly defining the working relationship between themselves and the State Timber Corporation (STC) with a focus on performance;

The parties recognize the need for adequate and reasonable managerial and operational autonomy to facilitate achievement by the Board and Management of the STC of the agreed and freely negotiated performance targets set out in this Agreement with a shared objective to improve performance, efficiency and the quality of public services;

The parties are committed to improve the corporate governance of the STC and are desirous of enhancing transparency in the management of public resources and accountability for results;

The Board and STC Management have indicated its capacity and competence to perform duties and undertake functions specified under this Agreement.

SCI shall be updated annually with the agreement of all the signing parties, to reflect the performance achieved in the past year and the updated performance targets for the next three years, making it a rolling and agile management tool for the SOEs as well as for the shareholders.



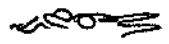
Chairman

State Timber Corporation



Secretary

Ministry of Mahaweli Development
and Environment



Secretary

Ministry of Finance

Niluka Ekanayake

Chairman - State Timber Corporation

"Sampathpaya"

22, Rajamalwatta Road,

Battaramulla.

Anura Dissanayake

Secretary
Ministry of Mahaweli Development
and Environment

No:500, T.B.Jayah Mawatha
Colombo 10.

DR. R. H. S. SAMARATUNGA

Secretary
Ministry of Finance

Colombo 01
2019
Sri Lanka

**STATE TIMBER CORPORATION (STC)
STATEMENT OF CORPORATE INTENT (SCI)**

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EXECUTIVE SUMMARY

State Timber Corporation (STC) endeavors to produce the highest quality timber products with the best possible service from elegant residences to luxurious villas, executive suites to exotic dwelling, specialty wood adds a touch of class to everywhere. STC's distinctive range of household furniture, office furniture, logs and sawn timber, treated sleepers, elephant poles & transmission poles from precious Sri Lankan woods comfort and delight the senses of valuable customers. As a reputed state owned organization, STC offers wide range of top-class wooden products, which are assuredly durable. All STC items are produced at modern atmosphere using high-tech machineries with state-of-the-art technology.

The Statement of Corporate Intent (SCI) forecasts its financial and non-financial performances based on the Key Performance Indicators (KPIs) agreed with Ministry of Mahaweli Development & Environment and Ministry of Finance.

The forecasted profit for three consecutive years as Rs.417Mn, Rs.577Mn & Rs.614Mn in 2019, 2020 & 2021 respectively. Actual outcome can be differed from the estimated figures, as the demand and supply for the timber & timber based products are highly depend on the plantation released by the forest department, environmental policies & concerns, customer preferences on timber based products over substitutes, market trends & economic factors. As a remedy to overcome the shortage of timber supply, STC is working towards to import logs, get in agreements with plantation companies and increase timber supply from home gardens.

In order to achieve above stated financial results, STC has allocated worth of Rs. 1,471Mn on capital investments for coming 3 years, which is solely funded by internally generated cash. Modernizing furniture showrooms, installing new plants & machineries with latest technology, introducing ISO Quality Management System and constructing new office buildings are the major projects that STC has planned to achieve the objectives identified in SCI. STC has focused to increase its market share of value added products i.e. furniture and sawn timber throughout this agreed period of three years and try to differentiate from timber business to modern furniture by promoting concept of " long life quality furniture ."

Apart from the financial performances, STC has committed to improve its performances on other aspects of the business operations by making current business support systems such as ERP, AccPac & salary package etc. up to date & implementing new systems to carry out day to day functions efficiently & effectively. As non-financial factors, STC focuses to strengthen its corporate activities, employee empowerment, welfare & transparency of the operation system.

1. INTRODUCTION

1.1 Establishment

The State Timber Corporation was incorporated in 1968 by Hon. Minister of Lands, Irrigation and Power under the provisions of the State Industrial Corporation Act No. 49 of 1957. The objectives and functions of the State Timber Corporation set out in Gazette Notification No. 178/10 of 5.2.1982 and Gazette No. 11907 of 26.06.2009.

1.2 Vision

“To be the Nation's leader in providing most trusted and best quality Timber & Timber based products.”

1.3 Mission

“To produce timber and timber based products for our customers through the knowledge and skills gained over the time and to contribute to the national and environmental demands of Sri Lanka.”

1.4 Core Business /Principal Activities

- Extraction of timber from forests, conversion of such timber into sawn timber and finished products. Sale of logs, sawn timber and finished products, construction of forest roads required for the extraction of timber.
- Acquisition, construction and operation of logging units, sawmills, impregnation and preservation plants, seasoning and drying kilns and other equipment and installations.
- Operation of timber and firewood sales depots.
- Manufacturing and marketing of by-products from timber.
- Import of timber.
- Afforestation, reforestation and scientific management of forests and forest plantations.
- Purchase of timber from private lands.
- Processing of forest related products.
- Identification and certification of local and imported timber species through sample testing.
- Conduct training programs on timber industry related subjects and issue certificate and undertake environmental awareness programs to contribute towards developing an environmental conscious society.

1.5 Market Share

STC measures the market share based on the Gross National Income of wood, wood based products and the Gross National Income of furniture according to the Central Bank report.

According to the Central Bank report in 2018, Gross National Income of wood and wood based products (except furniture) was Rs. 26,717 Mn. Revenue of the logs, sawn timber, sleepers, transmission poles, elephant poles and other products (except furniture) of STC was Rs. 4,371 Mn in 2018, which is 16.36% market share of wood and wood based product (except furniture).

STC's furniture is in the growth stage of the product life cycle which consists of household furniture, traditional furniture, office furniture and finger joint furniture which generated Rs. 356 Mn revenue over the year 2018. As per the Central Bank report, the Gross National Income of furniture Industry is Rs. 81,719 Mn and STC holds market share of 0.43% for wooden furniture in the furniture industry.

1.6 Performance of Past 10 Years & Cadre Information

Table 1: Performance of Past 10 Years & Cadre Information

Description	Rs.Mn.									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total revenue	3,445	3,616	3,104	3,563	3,214	3,756	4,132	4,522	4,942	4,727
Gross profit	1,352	1,365	1,238	1,546	1,198	1,453	1,757	2,045	2,076	1,965
Net profit before levy and tax	811	878	603	802	382	427	769	660	967	672
Non-current assets	1,793	1,802	1,740	1,480	1,659	1,655	1,744	1,733	1,895	1,979
Current assets	2,080	2,341	2,178	2,929	3,154	4,005	4,115	3,652	4,423	4,542
Current liabilities	1,029	1,034	497	804	1,050	1,592	1,481	897	1,235	1,048
Non-current liabilities	365	399	400	409	385	485	425	499	852	812
Equity	2,479	2,710	3,021	3,196	3,377	3,583	3,953	3,988	4,231	4,660
Contribution to the consolidated fund	50	413	75	600	50	25	50	175	100	100
No. of employees (No.)	2,457	2,346	2,267	2,187	2,139	2,186	2,145	2,125	2,083	2,001

Source: State Timber Corporation

2. MACRO-ECONOMIC POLICY OF THE SECTOR

increase sustainable timber resources utilization through value added products to increase the contribution of the national economy in Sri Lanka.

3. GOALS OF STATE TIMBER CORPORATION

Goal 1: Increase the contribution from value added products to total revenue.

Goal 2: Increase productivity and capacity of operational activities to meet demand.

4. OBJECTIVES OF STATE TIMBER CORPORATION

Goal 1: Increase the contribution from value added products to total revenue.

- To increase the contribution from furniture sales to total revenue up to 15% by 2021.
- To increase local sawn timber production by 100% by 2021.

Goal 2: Increase productivity and capacity of operational activities to meet demand.

- To increase gross profit earned from furniture up to 33% by 2021.
- To increase no. of factories introducing ISO Quality Management System per year (ISO 9000).
- To increase the no. of training programmes offered to relevant staff.
- To reduce delivery time of orders to 21 days by 2021.

5. KEY PERFORMANCE INDICATORS (KPIs)

Table 2: Goal 1- Increase the contribution from value added products to total revenue

Objective	KPIs		Unit of Measurement	Base year 2018	Target		
					2019	2020	2021
1. To increase the contribution from furniture sales to total revenue up to 15% by 2021.	Input	Machines	No.	102	106	128	144
		Skilled Labour	Hours	475,480	531,135	549,633	568,131
	Process	Marketing campaigns conduct to promote furniture sales	No.	1	2	2	2
		Furniture sales outlets		7	7	8	9
	Output	Revenue from furniture sales	Rs. Mn	356	595	725	825
	Outcome	Contribution from furniture sales to the portfolio	%	7.5	12	13	15
	Impact	Contribution to Gross National Income from furniture of STC	%	0.43			
2. To increase local sawn timber production by 100% by 2021.	Input	Machines (saw mills)	No.	20	22	24	25
		Skilled Labour	Hours	45,792	40,637	62,600	83,466
	Process	Depots to sale sawn timber	No.		13	20	30
	Output	Sawn timber sales	m ³	4,389	3,895	6,000	8,000
	Outcome	Revenue from sawn timber sales	Rs. Mn	250	207	703	850
	Impact	Increase market share of sawn timber	%	0.6			

Table 3: Goal 2- Increase productivity and capacity of operational activities to meet demand.

Objective	KPIs		Unit of Measure	Base year 2018	Target		
					2019	2020	2021
1. To increase gross profit from furniture up to 33% by 2021.	Input	Machines	No.	102	106	128	144
		Skilled Labour	Hours	475,780	531,135	549,633	568,131
	Process	Manufacture of Furniture	No.	12,418	29,177	32,267	33,045
	Output	Increase gross profit from furniture production	%	18	27	30	33
	Outcome	Contribution from furniture sales to the portfolio	%	7.5	12	13	15
	Impact	Increase the profitability of corporation	%	(9)	10	11	12
2. To increase no. of factories introducing ISO Quality Management System per year (ISO 9000).	Input	Training programmes related to ISO	No.		5	5	5
		Factory visits	No.		3	3	3
		Quality policy preparation	%		20	50	100
	Process	Factories applied ISO 9000	No.		1	1	1
	Output	Quality manuals	%		20	50	100
	Outcome	Establishment of ISO 9001	%		20	50	100
	Impact	Improve quality of STC furniture products					
3. To increase the no. of training programmes offered to relevant staff.	Input	Newly introduce training programmes	No.	5	6	8	10
		Training institutions	No.	8	10	12	15
		Training methods	No.	3	4	5	6
	Process	Conducting training Programmes	%	52	60	80	100
	Output	Skilled staff	No.	250	400	600	800
	Outcome	Increase of furniture & sawn timber sales	Rs. Mn	625	922	1,578	1,870
	Impact	Increase profitability of corporation	%	(9)	10	11	12
4. To reduce delivery time of orders to 21 days by 2021.	Input	New Systems Introduce	%			25	75
	Process	Introduce new factory layout	No.		1	1	1
	Output	Orders delivery on time	%	60	70	80	90
	Outcome	Reduce delivery days	Days	60	50	45	21
	Impact	Satisfied customers	%	75	80	85	90

6. FACTORS AFFECTING THE SCI

6.1 Extent of Harvest Released by the Forest Department

Annual income of the Corporation mainly depends on the extent of forest harvest released by Forest Department according to their Annual Forest management Plan. STC's product portfolio that consists with logs, sawn timber, transmission poles, sleepers, elephant poles and furniture are mainly produced by using harvested timber from these forest areas.

6.2 Customer Requirement

Mainly turnover of transmission poles, sleepers & elephant poles depends on demand requirement of corporate bodies (Department of Railways [CGR], Ceylon Electricity Board [CEB], Department of Wild life). At present, using substitution products such as cement concrete sleepers, transmission poles and elephant poles is mainly affecting to decrease revenue of the Corporation.

6.3 Under Capacity Utilization

At present, operations of Boossa and Kaldemulla impregnation and seasoning plants are significantly run with a low production due to low customer demand on timber sleepers, transmission and elephant poles.

6.4 Parity Fluctuation

The high volatility of foreign exchange will bring pressure for earnings and cost savings, reduce the profit on imported sawn timber and increases the cost of creosote oil that uses for timber preservation.

7. ASSUMPTIONS UNDERLYING THE SCI

Table 4: Assumptions underlying the SCI

Underlying Performance Factors	Assumed Value	Sensitivity (Provide an impact on 2019 results of changes in the underlying assumptions)
Average Revenue per Logs	Teak - Rs. 45,408 / m ³ Pinus - Rs. 17,142 / m ³ Other - Rs. 16,722 / m ³	+/- 1% change in sale price per m ³ has Rs.28Mn impact on the annual revenue.
Stumpage	Teak - Rs. 23,186 / m ³ Pinus - Rs. 11,774 / m ³ Other - Rs. 3,597 / m ³	+/- 1% change in stumpage per m ³ has Rs. 8.7 Mn impact on the annual cost.
Average Personnel Cost per year	Rs. 63,712 / employee	+/- 1% change in personnel cost per employee has Rs. 15Mn impact on annual personnel cost.

8. MAJOR RISKS TO DELIVER THE SCI OUTCOMES AND MITIGATION STRATEGIES

Table 5: Major risks to deliver SCI outcomes and mitigation strategies

No.	Anticipated Risk	Mitigation Strategy
01.	<p>Government policy on :</p> <ul style="list-style-type: none"> ▪ Restriction of timber extraction of 5,000 feet above forest areas in up countries. ▪ Government is considering the possibility of changing the policies to allow private sector organizations to harvest government forest plantations through competitive bidding ▪ Lack of specialized labour skills. 	<ul style="list-style-type: none"> ▪ Implement Sustainable timber harvesting strategies ▪ Selective & strip felling ▪ Focus on import timber ▪ Develop system of acquiring home garden timber <p>STC constantly is doing training programs in order to develop skills and competencies of the work force.</p>
02.	<p>Non availability of required timber species specially for construction industry in areas released by Forest Department</p>	<p>STC focus to import sawn timber to address the requirement of the construction industry.</p>
03.	<p>High competitiveness in the market.</p>	<p>STC has to compete with private sector suppliers including who are market illicit timber and other low quality timber & furniture at lower prices.</p> <ul style="list-style-type: none"> ▪ Develop marketing strategies to promote “quality” concept on STC’s product. ▪ Intend to diversify product portfolio. (eg : finger joint furniture production) ▪ Expand the market internationally. (eg: engage in re-export treated sleepers to Singapore by joining with GMIC Holdings.)
04.	<p>Threat of substitute products.</p>	<p>Increasing awareness of customers about advantages of using timber & timber based products.</p> <p>eg: Durability Outlook/Finishing</p>
05.	<p>Exchange rate risk</p>	<ul style="list-style-type: none"> ▪ Risk calculation prior to engage in import and export projects. ▪ A policy of moving extra cost to be incurred toward customers when under taking agreements. ▪ Use forward contracts with bank.

9. COMPETITIVE NEUTRALITY

The State Timber Corporation has been given authority to receive all the timber from government lands. Annual production of the Corporation mainly depends on the extent of forest harvest released by the Forest Department according to their Annual Forestry Management Plan. The Annual Forestry Management Plan of the Forest Department is based on the annual allocation for the reforestation from the National Budget which is very important to achieve set targets.

10. NON-COMMERCIAL GOODS OR SERVICES

- Maintaining 25 acres of Bio-Diversity Park at Minneriya.
- Production of endangered tree species (Ebony) at STC's nurseries.
- STC plays a leadership role in guiding "Green Building Rules and System of Assessment" for government and Semi-government organizations.
- Conducting awareness programs related to timber preservation, productive timber utilization to interested parties in timber industry.
- Maintaining 22 nurseries at regional office.

11. FINANCING POLICY

- STC has liability of an amount to pay gratuity on the retirement of employees' and STC calculate gratuity provision for each year and maintain fixed deposit in a government bank to settle gratuity payments for more 2100 employees of the corporation.
- STC plans to incur Rs.1, 471 Mn as capital expenditure during the period of 2019-2021, which will be financed through retained earnings.

12. LEVY POLICY

Payment to the Consolidated Fund of a return on the capital grants of the government at such rate or payment to the Consolidated Fund of such amount as may be determined from time to time by the Minister of Finance.

13. RESPONSIBILITIES OF TRI-PARTIES

13.1 Secretary, Ministry of Finance

- As the trustee of the public property signs the tripartite agreement. Moreover, the Ministry of Finance will make policy directives affecting the SOEs and ensure the compliance of the SCI process.
- Submit progress reports on SOE's progress to the Cabinet of Ministers bi-annually.
- Arrange meetings and discussions as and when required.

13.2 Secretary, Line Ministry

- Supervise and provide policy directives to the SOEs at all stages of SCI process through the audit and management committee of the ministry.
- Appoint a liaison officer to coordinate the SCI process with the respective agencies.
- Advise and guide on submission of the monthly, quarterly and annual progress reports of the SCI with his/her recommendations to the Department of Public Enterprises.

13.3 Board of Directors of the State Timber Corporation

- Should responsible for the operational and financial performance of corporation. This Statement of Corporate Intent set out for agreed financial and non-financial targets for the period of 2019 - 2021.

13.4 Chairman and Top Management of the State Timber Corporation

- Should ensure the implementation of the SCI process efficiently and effectively and ensure sub-agreements have been signed with the management to implement the SCI and to achieve the stipulated targets.
- Should actively negotiate the targets and expectations of SCI, Corporate Plan to be achieved and other limitations.
- Should empower the SOE management to ensure the achievement of the objectives and targets stipulated in the SCI and hold it accountable for results.
- Should introduce proper risk management strategies to identify, assess and mitigate the potential risks of SOEs.
- Should submit a board memorandum to discuss the progress and monitor the achievements against KPIs as stipulated in SCI at monthly Board meetings and provide directives to the management.
- Should establish a proper mechanism to ensure the timely submission of relevant information and progress reports of SCI to the relevant Line Ministry and to the Ministry of Finance.
- Should appoint a liaison officer to coordinate the SCI process with the respective ministries - line ministry and MOF.
- Should report and actively participate at the audit and management committee meeting of the line ministry.

14. FINANCIAL INFORMATION

14.1 Forecasted Financial Statements

Table 6: Forecasted Income Statement for the year ended 31st December

Rs.

Description	Unaudited	Forecasted		
	2018	2019	2020	2021
Turnover	4,729,518,000	5,115,678,657	5,370,879,000	5,585,780,250
Less-VAT/NBT	(660,497,734)	(727,620,400)	(747,476,816)	(777,385,086)
Net Turnover	4,069,020,266	4,388,058,257	4,623,402,184	4,808,395,164
Less- cost of sales	(2,104,372,869)	(2,696,714,000)	(2,681,573,267)	(2,788,869,195)
Gross profit on operation	1,964,647,397	1,691,344,257	1,941,828,917	2,019,525,968
Other income				
Non- operating income	388,004,153	264,500,000	300,000,000	325,000,000
Total net income	2,352,651,550	1,955,844,257	2,241,828,917	2,344,525,968
Less- expenditure				
Selling and distribution	(789,340,223)	(655,957,300)	(739,744,349)	(769,343,226)
Administration	(890,878,473)	(882,814,800)	(924,680,437)	(961,679,033)
Profit before tax & levy	672,432,854	417,072,157	577,404,131	613,503,710
Levy paid to treasury	(100,000,000)	(166,828,863)	(230,961,652)	(245,401,484)
Profit after levy	572,432,854	250,243,294	346,442,479	368,102,226
Taxation for the year	(250,372,289)	(154,627,000)	(161,673,157)	(171,781,039)
Profit for the year	322,060,565	95,616,294	184,769,322	196,321,187

Table 7: Forecasted Statement of Financial Position as at 31st December

Rs.

Description	Unaudited		Forecasted	
	2018	2019	2020	2021
Non-current assets				
Property, plant and equipment	983,985,526	1,763,138,668	1,900,000,000	2,100,000,000
Intangible assets	1,384,486	1,600,000	3,000,000	4,000,000
Biological assets	7,061,289	9,000,000	9,500,000	10,000,000
Deposits with treasury	2,966,000	2,966,000	2,966,000	2,966,000
Security deposit - staff	67,948,050	68,000,000	71,000,000	75,000,000
Investments	646,408,384	645,500,000	655,000,000	675,000,000
Prepaid staff benefit	106,106,944	70,000,000	80,000,000	90,000,000
Differed tax assets	77,240,757	26,948,000	81,584,000	90,000,000
Capital work in progress	85,753,849	69,857,000	50,000,000	45,000,000
Total non-current assets	1,978,855,286	2,657,009,668	2,853,050,000	3,091,966,000
Current assets				
Inventories	1,628,071,793	1,292,713,000	1,400,000,000	1,450,000,000
Trade and other receivables	1,127,960,088	864,200,000	861,000,000	860,000,000
Investment in fixed deposits	1,572,356,375	1,548,340,000	1,500,000,000	1,600,000,000
Cash and cash equivalents	213,221,840	59,000,000	75,000,000	60,000,000
Total current assets	4,541,610,096	3,764,253,000	3,836,000,000	3,970,000,000
Total assets	6,520,465,382	6,421,262,668	6,689,050,000	7,061,966,000
Capital and reserves				
Authorized Capital	75,000,000,000	75,000,000,000	75,000,000,000	75,000,000,000
Contributed capital	41,503,668	41,503,668	41,503,668	41,503,668
Revenue reserve	4,277,346,100	4,372,962,394	4,557,731,716	4,754,052,903
	4,318,849,768	4,414,466,062	4,599,235,384	4,795,556,571
Staff loan revolving fund	341,506,845	341,506,845	341,506,845	341,506,845
Total equity	4,660,356,613	4,755,972,907	4,940,742,229	5,137,063,416
Non-current liabilities				
Retirement benefit obligation	744,492,569	850,000,000	948,747,951	980,000,000
Security deposit – staff	67,948,050	68,000,000	71,000,000	75,000,000
Total non-current liabilities	812,440,619	918,000,000	1,019,747,951	1,055,000,000
Current liabilities				
Income tax payable	361,558,026	99,992,000	256,727,446	223,142,298
Trade and other payables	686,110,124	647,297,761	471,832,374	646,760,286
Total current liabilities	1,047,668,150	747,289,761	728,559,820	869,902,584
Total liabilities	1,860,108,769	1,665,289,761	1,748,307,771	1,924,902,584
Total equity and liabilities	6,520,465,382	6,421,262,668	6,689,050,000	7,061,966,000

Table 8: Forecasted Statement of Cash Flows for year ended 31st December

Rs. '000

Description	Unaudited	Forecasted		
	2018	2019	2020	2021
<u>Cash flows from operating activities</u>				
Cash receipts from customers	3,907,224	4,244,699	4,626,602	4,809,395
Cash paid to suppliers and employees	(4,034,358)	(3,414,834)	(4,213,264)	(4,144,711)
Cash flows from operating activities	(127,135)	829,865	413,338	664,684
Income tax	(137,636)	(127,804)	(59,574)	(213,782)
Special levy	(100,000)	(166,829)	(230,962)	(245,401)
Net cashflow from/(used in) operating activities	(364,770)	535,232	122,802	205,500
<u>Cash flows from Investing activities</u>				
Acquisition of property plant and equipment	(116,034)	(576,392)	(464,999)	(430,000)
Biological assets	(484)	(1,000)	(500)	(500)
Investments	80,807	(253,340)	38,840	(120,000)
WIP	(15,897)	-	19,857	5,000
Revolving Fund	9,444	-	-	-
Income from investments	256,478	206,500	300,000	325,000
Proceeds on sale of property plant and equipment	16,504	-	-	-
Net cashflow from/(used in) investing activities	230,818	(624,232)	(106,802)	(220,500)
<u>Cash flows from Financial activities</u>				
Net increase/(decrease) in cash & cash equivalents	(133,952)	(89,000)	16,000	(15,000)
Cash & cash equivalents at the beginning of the year	347,174	148,000	59,000	75,000
Cash & cash equivalents at the end of the year	213,222	59,000	75,000	60,000
Net increase/(decrease) in cash & cash equivalents	(133,952)	(89,000)	16,000	(15,000)

14.2 Capital Investment Plan

Table 9 : Capital Investment Plan

Rs. Mn

Description	Forecasted		
	2019	2020	2021
Land	6	5	5
Office Buildings Construction	34	60	60
Workers Quarters Construction	63	20	25
State of Arts New Showroom	34	50	50
Lorries/Tractors & Long Vehicles	60	50	50
Passenger Vehicles (Jeep/Cab/Motor Bike)	139	40	40
Plant & Machinery	17	120	80
Logging Equipment for Timber Handling	75	60	60
Office & Electrical Equipment/Furniture & Fittings/Other	73	15	15
Upgrading of Infrastructure in depot network	43	20	20
Expansion of Impregnation Plants		15	5
Building for Furniture Plants	34	10	20
Total	576	465	430
Sources of Finance			
Equity	-	-	-
Retained earning	576	465	430
Debt	-	-	-
Total	576	465	430