



Democratic Socialist Republic of Sri Lanka

**STATEMENT OF CORPORATE INTENT
SRI LANKA STATE PLANTATIONS CORPORATION**

**Agreement between Ministry of Finance,
Ministry of Public Enterprise, Kandyan Heritage & Kandy
Development
and
Sri Lanka State Plantations Corporation**

10th June 2019

Ministry of Finance

Colombo 01

Statement of Corporate Intent
between
Ministry of Finance, Ministry of Public Enterprise, Kandyan
Heritage and Kandy Development
and
Sri Lanka State Plantations 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 the Ministry of Public Enterprise, Kandyan Heritage and Kandy Development (hereinafter referred as "Line Ministry") as one party, and the Board of Directors of the Sri Lanka State Plantations Corporation (hereinafter referred to as "the Board"), a State Owned Enterprise (SOE), as the other party.

WHEREAS

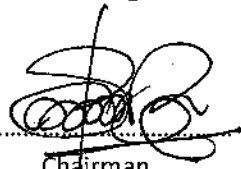
The Ministry of Finance and the Line Ministry are committed to clearly defining the working relationship between themselves and the Sri Lanka State Plantations Corporation (SLSPC) with a focus on performance;

The parties recognize the need for adequate and reasonable managerial and operational autonomy to facilitate achievement by the Board and management of SLSPC 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 SLSPC and are desirous of enhancing transparency in the management of public resources and accountability for results;

The Board and SLSPC 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.

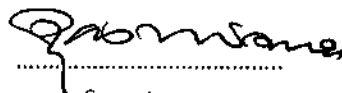


Chairman

Sri Lanka State Plantations
Corporation

Colombo 01

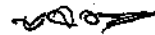
M. G. G. THILAKASIRI
CHAIRMAN / CEO
SRI LANKA STATE PLANTATIONS CORPORATION
No: 21, MEERANIYA STREET
COLOMBO 12.



Secretary

Ministry of Public Enterprise,
Kandyan Heritage and Kandy
Development

Ravindra Hewavitharana
Secretary
Ministry of Public Enterprise, Kandyan Heritage
and Kandy Development
Level 07, West Tower, World Trade Center,
Echelon Square, Colombo 01.



Secretary

Ministry of Finance

DR. R. H. S. SAMARATUNGA
Secretary
Ministry of Finance
Colombo 01 10.06.2019
Sri Lanka.

**SRI LANKA STATE PLANTATIONS CORPORATION
STATEMENT OF CORPORATE INTENT**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	ii
1. INTRODUCTION.....	1
2. MACRO-ECONOMIC POLICY OF THE SECTOR	4
3. GOALS OF SRI LANKA STATE PLANTATIONS CORPORATION.....	4
4. OBJECTIVES OF SRI LANKA STATE PLANTATIONS CORPORATION.....	4
5. KEY PERFORMANCE INDICATORS (KPIs)	5
6. FACTORS AFFECTING THE SCI.....	7
7. ASSUMPTIONS UNDERLYING THE SCI.....	8
8. MAJOR RISKS TO DELIVER THE SCI OUTCOMES AND MITIGATION STRATEGIES	9
9. COMPETITIVE NEUTRALITY	9
10. NON-COMMERCIAL GOODS OR SERVICES	10
11. FINANCING POLICY.....	10
12. LEVY POLICY.....	10
13. RESPONSIBILITIES OF TRI-PARTIES	10
14. FINANCIAL INFORMATION.....	11

EXECUTIVE SUMMARY

The Sri Lanka State Plantations Corporation (SLSPC) was established under Act No.4 of 1958. The Act was amended thrice later in terms of Act No. 12 of 1962, Act No.49 of 1979 and Act No.34 of 1985.

The Corporation has 11,237.07 hectares of land in extent under its purview and a human resource of 3,515 employees on its roles. Also, the Corporation accounts for a market share of 0.52 percent of Sri Lanka's total tea production.

In 2017, average annual turnover of the Corporation ranges from Rs.650 million to Rs.700 million. The average monthly working capital requirement is Rs.55 – 60 million. Compared to 2013, the total loss has reduced by Rs. 156 million in 2017.

The Organization is presently run at a loss and facing financial crisis in generating working capital due to the market downfall, low productivity, lack of agricultural inputs and poor upgrading of manufacturing process of SLSPC. Other than the financial crisis, SLSPC is grappling with some other issues such as non-availability of marketing system and capital inputs.

The Corporation's management is tasked with the challenge to develop the organization into a profitable venture within the next three years while improving productivity and developing new marketing strategies etc.

The new management has developed an action plan to achieve this during the next three years.; to replant vacant patches with V.P.(vegetative propagated) Plants , to maintain the required stand per hectare , to replant tea estates in place of old Seedling Tea with V.P. Tea as the top priority, to uprooting old Rubber Trees and undertake re- planting for better intake in the future, to harvest matured fuel wood trees & to replanting trees immediately after harvesting, Disposal of Minor Crops and cultivation process, Launching of "Sanstha Tea", Renovation of 04 Bungalows and converting them to Holiday Bungalows, Public Private Partnership (PPP) – Project Proposals, and reintroduce Renewable energy usage process to develop the green energy concepts and upgrade the plantation workers life and develop the infrastructure for better future and achieve set goals by sustainable Agribusiness model.

1. INTRODUCTION

1.1 Establishment

The Sri Lanka State Plantations Corporation (SLSPC) was established under Act No.4 of 1958, and later amended under subsequent Act No. 12 of 1962, No. 49 of 1979 and No.34 of 1985.

1.2 Vision

“To be the Government owned strongest Commercial Enterprise in the Plantation Sector”.

1.3 Mission

“To contribute a maximum to the Gross Domestic Product (GDP) of the Country as well as to the wellbeing of the Plantation Worker Families and neighboring villages by the proper management of the assets of Sri Lanka State Plantations Corporation through worker participation”.

1.4 SWOT Analysis

Table 1: [(a) Strengths, (b) Weaknesses, (c) Opportunities and (d) Threats]

(a) Strengths	(b) Weaknesses
<ul style="list-style-type: none">▪ Plantations to yield better performance with out-growers system in place.▪ SLSPC is the largest CTC Tea producer in Sri Lanka and reliable Tea Brokers.▪ Sources for additional income.▪ Conducive weather condition ideal for crop intakes with good soil condition.▪ Well trained staffs and skilled workers to achieve required outputs, improve performance of Plantations and job security▪ Well maintained Holiday Bungalows and attractive areas to support eco-tourism, with unpolluted environment.▪ Large extents of commercial Forest and Fuel wood to generate additional income.▪ Land for animal husbandry, poultry, etc.▪ Cultural interactions, political support, Estate Workers Housing Cooperative Societies (EWHCS).▪ Providing supervisory & transport vehicles.▪ Timely medical attention with dispensaries and maternity wards.▪ Basic Information Technology system.	<ul style="list-style-type: none">▪ Maximum benefits not obtained from trained staff and skilled workers.▪ Poor performance in some plantations due to negligence in maintenance.▪ Tea - Poor Bush Cover (bushes per hectare) and lesser number of Plucking Rounds to achieve increased yields.▪ More percentage Old Seedling Tea.▪ Underutilization of lands and other resources.▪ Lack of funds for purchase of agricultural inputs.▪ Soil erosion, negligence of agricultural practices, reduction in forest cover, and no proper land use policy and no Forestry Management Plan.▪ Non-implementation of latest manufacture techniques resulting in low tea prices and no proper tea-marketing systems.▪ Delay in harvesting of Trees due to delay in approvals from relevant authorities.▪ No motivation, limited skills, poor language proficiency, etc.

(c) Opportunities	(d) Threats
<ul style="list-style-type: none"> ▪ Alternative income generation sources in addition to Tea, Rubber and Minor Crops. ▪ Increasing marketing of Tea consumption. ▪ Tourist attraction to boost eco-tourism. ▪ Subsidies granted by the Government for Tea Factory Machinery, Tea Replanting, Tea Infilling, etc. ▪ Land available for New/Re-Planting of Tea, Diversification, Development Activities and Investment. ▪ Bush cover by way Infilling of Tea to achieve higher yields. ▪ Open up Nurseries to raise Tea Plants and Fuel wood Plants. ▪ Enhance income of resident workers and villagers. ▪ Increase production of CTC Teas and close contacts with Tea Brokers for better prices. 	<ul style="list-style-type: none"> ▪ Best results and maintain performance of neighboring RPC Estates. ▪ Change in weather pattern. ▪ Illicit felling of Trees, Encroachment of Lands. ▪ There are lots of competitors in market. ▪ Non availability of agricultural imputes. ▪ Damages caused to Tea by wild animals, pests & diseases and natural disasters. ▪ Increase in cost of production (COP) due to increase in wages, materials and agricultural inputs. ▪ Political interference with regard to release of land, etc. .

1.5 Core Business/Principal Activities

The major business operations of the SLSPC are;

- Tea growing, manufacturing & trading.
- Rubber growing, manufacturing & trading.
- Selling refuse tea.

Business Operations:

- **Cultivation of Minor Crops**
In addition to Tea and Rubber trades, the SLSPC cultivates Minor Crops such as Cardamom, Cinnamon, Coffee, Cocoa, Cloves, Nutmeg, Areca nut, Ginger, Lemon, etc. which had not yielded any successful results in the past.
- **Harvesting and Disposal of Timber (Fuel Wood)**
Fuel wood Trees are available in SLSPC Plantations in an extent comprising of 1,025.54 ha. The matured Trees are harvested and/or disposed after obtaining approvals from the relevant authorities such as Grama Niladari, Divisional Secretariat, Central Environment Authority and finally Board of Directors.
- **Promoting Tourism**
The SLSPC owns four (04) well-furnished Holiday Bungalows in Plantations, in the Kandy District, to encourage both local and foreign tourists.

- **Launching of "Sanstha Tea"**
The "Sanstha Tea" which manufactured in the Vocational Training Centers of the SLSPC Plantations, were launched successfully and introduced to open market.
- **Lease Rentals on leased out lands, buildings, etc.**

1.6 Market Share

During the year 2018 SLSPC has contributed 0.52% to the Sri Lankan Made Tea production.

Table 2: Market Share

Made Tea Production of Sri Lanka (kg)	302,493,967
Made Tea Production of SLSPC (kg)	1,576,432
Market share	0.52%

Source: Statistical Bulletin, Sri Lanka Tea Board

1.7 Performance of Past 10 Years and Cadre Information

1.7.1 Operational Performance

Table 3: Operational Performance

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Made Tea Produced (kg) X (000)	2,070	2,189	2,166	1,906	1,928	1,555	1,625	1,453	1,532	1,772
Yield Per Hectare - (Kg/Ha)	669	708	701	617	624	503	526	470	496	510
Cost of Production - (Rs.)	283	291	330	346	400	426	432	441	492	496
Net Sale Average - (Rs)	249	248	244	286	275	289	245	302	403	392
Total Profit/(Loss)- Rs.(Million.)- Plantations	-64	-104	-181	-104	-215	-187	-287	-191	-122	-153
Overall Profit/(Loss) Rs. (Million.) Combined					-218	-177	-222	-117	-62	-76

Source: Sri Lanka State Plantations Corporation

1.7.2 Financial Position

Table 4: Financial Position

Description	2013	2014	2015	2016	2017
Total Non-current Assets	5,805	5,798	5,809	5,807	5,820
Total Current Assets	162	481	285	270	265
Total Assets	5,967	6,279	6,094	6,077	6,085
Total equity	4,554	4,708	4,645	4,480	4,578
Total Non-current liabilities	234	388	376	346	353
Total Current liabilities	1,179	1,183	1,073	1,251	1,153
Total liabilities			1,448	1,597	1,506
Total Equity and Liabilities	5,967	6,279	6,094	6,077	6,085

Source: Sri Lanka State Plantations Corporation

1.7.3 Cadre Information

Table 5: Present Cadre

Employee Category	No. of Employees
Superintendents & Asst. Superintendents	41
Monthly Paid Staff- Plantations	253
Daily Paid Workers- Plantations	3,156
Total	3,450
Head Office	60
Regional Office	05
Total	65
Grand Total	3,515

Source: Sri Lanka State Plantations Corporation

2. MACRO-ECONOMIC POLICY OF THE SECTOR

Driving the plantation sector for capturing a considerable market share in the international market while ensuring the decent living conditions of the plantation community and to have a greater contribution for the development of the rural economy and also to run the business profitably in the competitive environment

3. GOALS OF SRI LANKA STATE PLANTATIONS CORPORATION

Goal 1 : Convert the SLSPC into a viable profit making Institution within next three years.

4. OBJECTIVES OF SRI LANKA STATE PLANTATIONS CORPORATION

Goal 1 : Convert the SLSPC into a viable profit making Institution within next three years.

Objective 1. To Increase Made Tea Income by 42 % by 2021.

Objective 2. To Increase HR Training by 40 % by 2021.

Objective 3. To Maintain Cost of production (COP) increment within range of (4%- 5%) by 2021.

Objective 4. To Harvest available timber resource on 95 hectare while replanting program by 2021.

5. KEY PERFORMANCE INDICATORS (KPIs)

Table 6: Objective 1 - To Increase Made Tea Income by 42 % by 2021.

	KPIs	Unit of Measurement	Base year 2018	Target			
				2019	2020	2021	
Activity 01							
Soil fertility	Input	Nitrogen Replacement Ratio	%	4.54	8.54	10.54	12.54
		Cost of fertilizer	Rs.Mn	7.1	15.7	20	22
	Output	Green Leaves Harvested	kg / ha	8,079,694	8,460,561	8,758,538	9,010,274
		Yield per Hectare	kg / ha	2,613	2,736	2,833	2,914
	Outcome	Made Tea Revenue	Rs.Mn	215	235	261	305
		Profit / Loss per Hectare	Rs. / ha	(8,307)	(6,817)	(3,072)	1,555
Activity 02							
Factory modification	Input	Cost of Factory Modification	Rs.Mn	-	50	105	15
		Process	3 Factories completion	%		38	53
	1 Factory completion		%		-	90	100
	Output	Revenue Increase of Green Leaf	Rs	-	17,635,081	13,755,363	14,168,024
		Total Green Leaf output	kg		5,394,260	5,556,088	5,722,770
		Revenue Increase of Made Tea	Rs.Mn	8.6	19.3	25.8	44.3
		Made Tea production	kg	478,760	499,642	526,592	597,992
	Outcome	Made Tea Revenue	Rs.Mn	215	235	261	305
	Impact	Profitability of Corporation	Rs Mn	-93	-76	-34	17

Table 7: Objective 2 - To Increase HR Training program by 40 % by 2021.

Activity	KPIs		Unit of Measurement	Base year 2018	Target		
					2019	2020	2021
Workers & staff training programs	Input	Cost of training	Rs.	240,000	265,000	280,000	340,000
	Process	No. of Programs	No.	12	12	14	17
	Output	No. of Employees to be trained	No.	3,058	3,000	2,950	2,900
		Reduction of cost per plucker	Rs.	6.60	5.86	5.61	5.46
	Outcome	Output per Plucker	kg / Plucker	22.64	28.05	32.26	36.45
	Impact	Unit Cost Reduction (Plucking Cost/kg)	Rs./kg	149.48	164.43	180.87	198.96

Table 8: Objective 3 - To Maintain Cost of Production increment within range of (4 %- 5 %) by 2021.

Activity	KPIs		Unit of Measurement	Base year 2018	Target		
					2019	2020	2021
Reduction of sundry work expenses.	Input	Man power utilization	%	57	60.1	63.4	66.9
	Output	Cost of Man power per kg	Rs. / kg	194.97	141.42	102.58	74.41
	Outcome	Cost Reduction of production	Rs. / kg	N/A	53.55	38.84	28.17
	Impact	Profit / Loss Margin per kg	Rs./ kg	(64.97)	(39.09)	(14.97)	(0.47)

Table 9: Objective 3 -To Harvest available timber resource on 95 hectare while replanting program by 2021.

Activity	KPIs		Unit of Measurement	Base Year 2018	Target		
					2019	2020	2021
Harvest & replanting	Input	Timber harvest Cost	Rs. / Tree	3000.00	3500.00	4000.00	4250.00
		Total Cost of Trees	Rs.	2,709,000	3,794,000	5,204,000	6,634,250
		Total cost of Replanting (plants)	Rs.	289,630	327,640	373,210	427,810
	Output	No. of Trees(harvest)	Trees	903	1,084	1,301	1,561
		No of replanting (plants)	No.	948	1138	1366	1640
		Extent of Replanted Land	ha.	20	25	30	40
	Outcome	Increase Timber Income	Rs.Mn	54	65	78	98
	Impact	Profitability of Corporation	Rs. Mn	-93	-76	-34	17
		Increase unit Profitability	Rs./ Tree	50,250	53,750	58,250	63,750

6. FACTORS AFFECTING THE SCI

The key factors that will have impact on the performance of the SLSPC are as follows:-

6.1 Revenue:

- Made Tea prices are decided on Colombo Tea Auction and the Western Medium (W/M) Elevation Average. The reasons for obtaining lesser prices are due to low quality of green leaf harvested for manufacture and poor standard of factory machinery utilized for the manufacture process.
- Adverse weather condition / Climate change.
- Pest and Diseases.
- Unpredictable price fluctuations of tea and rubber.
- Labor demand and Trade Union actions.
- Rules and regulations of labor wages and other requirements.
- Changes in Government policies.

6.2 Expenses:

- Prices and supply of Agriculture Inputs
- Prices of Energy.
- Litigation of EPF/ETF, legal matter and collective agreement. (Workers & staff)

7. ASSUMPTIONS UNDERLYING THE SCI

The key assumptions used to prepare the financial projections included in this Statement of Corporate Intent (SCI) are explained below. These are the key factors of the Corporation to provide the final working results either on monthly basis or on annual basis.

Table 10: Assumptions Underlying the SCI

Underlying Performance Factor	Assumed Value (2019)	Sensitivity
Green Leaf harvested	8,079,694 kg	+/- 10% Can be varied due to un-favorable weather condition and lesser fertilizer inputs in the past.
Yield Per Hectare; (Kilos Made Tea produced per Hectare).	509.87 kg/Ha	+/- 5 % Can be varied due to un-favorable weather condition, lesser fertilizer inputs in the past and availability of Chemicals.
Profit / (Loss) Margin – Per kilo Basis;	(64.97) Rs./kg	+/- 10% Can be varied due to fluctuation of Net Sale Average & Cost of production.
Total Profit / (Loss) –	Rs.(93,344,143.03)	+/- 3% Can be varied due to fluctuation of Net Sale Average , Cost Of production & Opening/Closing inventory
Other income	Rs.54,993,910.75	+/- 5% Canbe varied due to new projects plan or delaying for getting approval to new projects from third parties
Expenditure	Rs. 120,221,766.84	+/- 5% Can be varied due to new recruitment, economy of country and new projects.
Gross - Profit/(Loss)	Rs. (28,116,286.94)	+/- 5% Can be varied due to Net sale average, material price changes, labor charges

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

Table 11: Major Risks to Deliver the SCI Outcomes and Mitigation Strategies

Anticipated Risk	Mitigation Strategy
1. Fluctuation in the Tea Prices in Colombo Tea Auctions.	<ul style="list-style-type: none"> ▪ Manufacturing quality tea to obtain better prices in line with prices obtained by other factories in the sub-district ▪ Improving other income sources
2. Interest Rate Risk: High Interest on Temporary Overdrafts (TOD)	<ul style="list-style-type: none"> ▪ Better cash flow management to address the cash flow constraints
3. Liquidity Risk: The potential loss of earnings arising due to inability of meeting the SLSPC's obligations in a timely manner.	<ul style="list-style-type: none"> ▪ Liquidity position is consistently monitored
4. Operational Risk: Risk of incurring losses resulting from lesser crop harvested and low prices obtained for the tea sold in Colombo Auctions due to low quality	<ul style="list-style-type: none"> ▪ Close monitoring and intensified supervision to ensure that estimated crop is harvested right throughout. Fertilizer applications and other agricultural inputs such as Foliar Application, etc., to be undertaken as per the annual estimates to achieve expected results. Improved manufacture techniques to be adopted in tea factories to produce quality final products (Made Tea) for obtaining better prices at the Colombo Tea Auctions.
5. Credit Risk ; the lease rentals receivable in respect of buildings, lands leased out for various purposes, etc.	<ul style="list-style-type: none"> ▪ Close monitoring on regular basis and delays in settlement of rentals are minimized by way of forwarding invoices, reminders, etc.

9. COMPETITIVE NEUTRALITY

Treasury contribution to pay salaries and settle statutory dues of the SLSPC from 2013 up to May 2019 is as follows.

Table 12: Treasury Contribution

	Rs. Mn
salaries	619
statutory dues	772

10. NON-COMMERCIAL GOODS OR SERVICES

▪ Workers Housing, Water & Sanitation and Well-being of Plantation Community

Provide adequate housing facility and sanitation, providing better education to the children of plantation workers, proper maintenance of Child Development Centers (Creches), providing medical facilities, Nourishing food to children, etc. Maintenance and repairs to Workers Housing (Line Rooms) including all Minor Buildings. Installation of overhead Water Tanks, installation of new Pipe Lines and construction of new Toilets. Establishment of Libraries in all Plantations through EWHCS with the funding of NGOs. The management of SLSPC to provide the required assistance to the beneficiaries for the construction of houses in the 07 Perches land allocated to them in a satisfactory manner. To educate the workers in Plantations to enhance their knowledge and the standard of their living in line with the workers of various other sectors.

11. FINANCING POLICY

Project investment will be financed by Own funds, Term loan & Treasury grant according to below percentages.

Own funds	- 80%
Term loan	- 9%
Treasury grant	- 11%

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 SCI process.
- Submit progress reports on SOEs progress to the Cabinet of Ministers bi-annually.
- Arrange meetings and discussions as and when required as specified above

13.2. Secretary, Line Ministry

- Supervises and provides 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.
- Ensure timely submission of the monthly, quarterly and annual progress reports of the SCI with his/her recommendations to the Department of Public Enterprises.

13.3. Chairman and Board of Directors of Sri Lanka State Plantations Corporation

- Should ensure the implementation of 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 memoranda 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 13: Forecasted Income Statement

Description	Forecasted		
	2019	2020	2021
Revenue	790,403,117.63	845,658,947.88	930,712,086.32
Cost of sales	791,427,186.64	815,170,002.24	839,625,102.31
Gross profit/ (Loss)	(1,024,069.01)	30,488,945.64	91,086,984.01
Other Income	55,063,078.75	75,139,163.55	75,222,856.83
Administrative expenses	114,286,036.14	115,428,896.50	116,583,185.47
Operating profit/ (Loss)	(60,247,026.40)	(9,800,787.31)	49,726,655.37
Finance expenses	(16,360,548.05)	(24,724,493.25)	(32,252,043.92)
Profit/ (Loss) for the period	(76,607,574.45)	(34,525,280.56)	17,474,611.45

Rs.

Table 14: Forecasted Statement of Financial Position

Rs.

Description	2019	2020	2021
ASSETS			
Non-current assets			
Property, plant and equipment	899,611,207	1,069,611,207	1,245,611,207
Biological Assets	3,608,084,157	3,727,384,157	3,790,384,157
Investment Property	1,611,520,641	1,611,520,641	1,611,520,641
Capital Work in Progress	335,347	335,347	335,347
Deferred Assets	1,720,777	1,720,777	1,720,777
Total Non-current Assets	6,121,272,129	6,410,572,129	6,649,572,129
Current assets			
Inventories	23,524,884	23,524,884	23,524,884
Trade and other receivables	129,193,347	129,193,347	129,193,347
Other deposits	1,935,020	1,935,020	1,935,020
Fixed deposits	17,036,026	21,509,109	25,982,193
Cash and Cash equivalents	20,450,200	15,452,300	12,562,220
Total Current Assets	192,139,477	191,614,661	193,197,664
Total Assets	6,313,411,606	6,602,186,789	6,842,769,793
EQUITY AND LIABILITIES			
Capital and reserves			
Contributed Capital	5,499,852,851	5,499,852,851	5,499,852,851
Retained Earnings	(1,091,157,876)	(1,125,683,156)	(1,108,208,545)
Treasury Grant	100,000,000	450,000,000	750,000,000
Total equity			
Non-current liabilities			
Employee benefit Obligations	353,137,365	353,137,365	353,137,365
Borrowings	320,000,000	240,000,000	160,000,000
Total Non-current liabilities	673,137,365	593,137,365	513,137,365
Current liabilities			
Trade and other payables	1,089,880,138	1,089,880,138	1,092,988,530
Bank Overdraft	41,699,128	94,999,592	94,999,592
Total Current liabilities	1,131,579,266	1,184,879,730	1,187,988,122
Total liabilities	1,804,716,631	1,778,017,095	1,701,125,487
Total equity and liabilities	6,313,411,606	6,602,186,789	6,842,769,793

Table 15: Forecasted Statement of Cash Flow

Rs.

Description	2019	2020	2021
Cash Inflows			
Made Tea	172,209,982	191,153,080	223,649,104
Made Tea From Factory Modification	62,621,812	69,510,211	81,326,947
Green Leaf	458,512,125	472,267,489	486,435,514
Timber Income	65,370,406	78,444,487	98,055,609
V.P. Plants	10,895,068	13,074,081	19,611,122
Rubber	13,681,781	13,955,417	14,234,525
Minor Crops	7,111,944	7,254,183	7,399,267
Lease Rentals	25,289,441	25,289,441	25,289,441
Other Income	25,300,554	25,376,639	25,460,332
Fixed Deposit Interest Income	4,473,083	4,473,083	4,473,083
Loan from Central Bank	400,000,000	-	-
PPP (Public Private Partnership) Projects		20,000,000	20,000,000
Treasury Grants - to settle statutory dues		350,000,000	300,000,000
Total Cash Inflows	1,245,466,196	1,270,798,111	1,305,934,943
Cash Outflows			
Cost of Sales without salaries & wages	316,570,875	326,068,001	335,850,041
Estate Salaries & Wages	474,856,312	489,102,001	503,775,061
Head Office Staff Salaries	35,899,636	35,899,636	35,899,636
Head Office Administrational Expenses	43,224,079	43,224,079	40,115,687
Estate & Other Administrational Expenses	35,162,321	36,305,181	37,459,470
Financial Expenses	6,360,548	14,724,493	22,252,044
Loan Repayment	80,000,000	80,000,000	80,000,000
Loan Interest	10,000,000	10,000,000	10,000,000
Biological Assets	65,300,000	119,300,000	63,000,000
Property Plant & Equipment	103,000,000	170,000,000	176,000,000
Settlement of Outstanding Balance	57,401,694		
Total Cash Outflows	1,227,775,465	1,324,623,392	1,304,351,940
Total Net Cash flows	17,690,731	(53,825,281)	1,583,003
Opening Cash & Cash Equivalent Balance	(21,903,634)	(4,212,902)	(58,038,183)
Closing Cash & Cash Equivalent Balance	(4,212,902)	(58,038,183)	(56,455,179)

14.2 Capital Investment Plan

Table 16: Capital Investment Plan

Rs. Mn

Description	Forecasted		
	2019	2020	2021
Plantations			
Replanting of Tea	47.30	93.30	25.00
Cultivation of Minor Crops	5.00	5.00	6.00
Opening of new Tea Nurseries	3.00	6.00	10.00
Replanting & Maintenance Fuelwood	10.00	15.00	22.00
Buildings	25.00	27.00	25.00
Office Equipment	2.00	2.00	1.00
Furniture & Fittings	2.00	2.00	2.00
Tools & Equipment	1.00	2.00	2.00
New Vehicles and Major Repairs, Etc.	20.00	25.00	130.00
Tea Factories	50.00	105.00	15.00
Floor Tiling, Painting, etc.	2.00	5.00	
Software – New Computers	1.00	2.00	1.00
Total	168.30	289.30	239.00