Annual Report
2015 / 2016

MASKELIYA PLANTATIONS PLC

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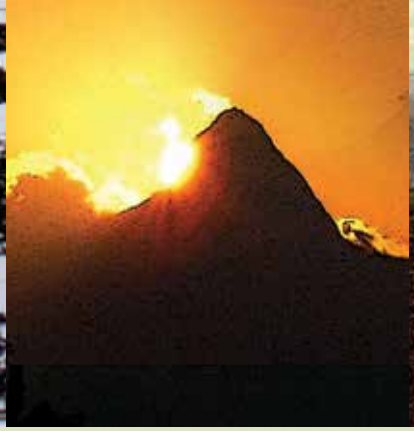

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OUR VISION

"To be a result oriented innovative Tea Company, internationally reputed for quality"

OUR MISSION

"Produce quality tea that meet customer needs, Be an employer of choice in the Plantation Sector, Be socially and environmentally responsible, Increase the wealth of our stakeholders"

OUR BUSINESS OBJECTIVES

"Provide a Return on Investment above the risk free investment rate to shareholders, Maintain Market leadership, both in terms of quality and price, Optimise sustainable land productivity, Maximise worker productivity, Operate within the concept of a sustainable environment, Optimise the use of available resources"

Our Business

Our objectives and mission are towards selecting a premium bud for manufacturing "QUALITY" tea in order to achieve our vision. It is the beginning of our story ....

Introduction to the Report

Another challenging year has come to the end and another fresh year is yet to start. So here we present you the way we faced and the way we managed all the challenges we have been facing throughout the year.

The report is basically about the 4C's (Commerce, Community, Culture, Conservation) of the Company together with the governance structure, risk management approach of the Company and more importantly the sustainability of the Company in a more integrated way.

This report covers MPPLC's financial and non-financial performance between 1st April 2015 and 31 March 2016 and is primarily compiled for providers of capital, but will be of interest to all stakeholders.

The Financial and other information has been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) comprising LKAS and SLFRS, Companies Act 2007, CSE listing rules and other reporting requirements.

Also going into further from our previous report we have used the Global Reporting Initiatives (G4 Reporting Framework) and some of the instructions given by International Integrated Reporting Council's (IR) framework as a guideline. However all these reports are carried out in a voluntary basis. Therefore, the contents of sustainability report has not been externally assured.

We hope that you find this year's Annual Report valuable, inspiring and useful. However you are welcome to comment and question on this report or its content. Please direct all your thoughts, comments and questions to,

mpl.rpk@arpico.com, or in writing to:

No.310, High Level Road,
Nawinna,
Maharagama.

Tel: 011 4310500

Overview of Maskeliya

Journey So Far…

The Government of Sri Lanka as part of its restructuring plan for the Plantation Industry decided to privatize this sector and in June 1992 incorporated 22 Regional Plantation Companies and assigned to these Companies Estates that had been previously vested with the Government and managed by JEDB/ SLSPC on a 53 year lease. Separate Managing Agents were also selected to manage each of these Companies and Maskeliya Plantations PLC is one of these companies.

The Managing Agent appointed by the Government in June 1992 was Uva Western Plantations (Pvt) Ltd. In January 1996, the Government offered 51% of the Issued Share Capital of Rs.200 Mn through the Colombo Stock Exchange to pre- qualified bidders. RPK Management Services (Pvt) Ltd (RPK), a 50:50 joint venture Company between Richard Pieris Company Ltd and John Keells Holdings Ltd being the successful bidder acquired the 51% stake at Rs.21/50 per share.

In September 1997, 20% of the Issued Share Capital consisting of 4,000,000 Ordinary Shares was offered to the public at a price of Rs.15/- per share. This offer was over subscribed many times over and on a Pro-rata basis shares were allocated to more than 16,000 applicants. Subsequently, 19% of the Company's Share Capital amounting to 3,800,000 shares was sold through the Colombo Stock Exchange.

In December 1997, as the final step of the Government's privatization programme, the remaining 10% stake consisting 2,000,000 shares were gifted to the employees. Over 17,000 eligible employees qualified for these shares.

In February 1998, the Convertible Debentures held by Kegalle Plantations Ltd (KPL) were converted to 6,976,744 Ordinary Shares. As a result, the Share Capital of the Company increased to Rs.269,767,450 and KPL was allocated 28.6% of the Issued Share Capital

In September 2002, the shares held by Kegalle Plantations Ltd was sold to RPK Management Services (Pvt) Ltd. As a result RPK's holdings in Maskeliya Plantations PLC was increased to 17,176,744 ordinary shares or 63.67% holding of the Issued Share Capital.

On 31 March 2004, Richard Pieris & Co. PLC bought over the stake of John Keells Holdings PLC in RPK. Thereby RPK became a wholly owned subsidiary of Richard Pieris & Co. PLC and to reflect this change, the name of the Company too was changed as RPC Management Services (Pvt) Ltd.

Subsequently, RPC Management Services (Pvt) Ltd increased its Shareholding of Maskeliya Plantations PLC to 73.48%. Consequent upon a rights issue by Maskeliya Plantations PLC in November 2012 a further increase of its Shareholding up to 83.40% was made by RPC Management Services (Pvt) Ltd.

We are Maskeliya….

The Company operates with 18 tea estates and 14 factories with a land base of 10,560 ha in various Districts in the Upcountry Region: Upcot 2,568 ha, Maskeliya 2,548 ha, Talawakelle 1,519 ha and Bandarawela 3,925 ha. Our core business is basically cultivating, manufacturing and selling of black tea for reputed buyers all around the world through Tea broker companies. The average annual production is around 9 Mn kg of High grown Teas. Tea sold under many of the Garden Marks command high reputation for quality. The employee strength is around 12,500.

For well over 2 decades since the inception of the Company, we have gone through so many ups and downs. There were so many challenges that we have faced in our journey so far and the year under review could be seen as one of the most challenging periods for us. With the global market downturn and considerably lower prices for Ceylon tea, coupled with adverse weather conditions lead Maskeliya to make adverse results.

Despite all these continuous challenges we are strongly dedicated to achieve our ultimate objectives with the support of our work force. We are constantly planning and monitoring our strategic plans and the results in order to create a value for all of our stakeholders to become the market leader both in terms of quality and price which is the ultimate key objective of our Company and we are well dedicated to achieve that. To meet this objective, we invest largely on financial, natural, manufactured, human, Intellectual and social capital of the Company.

Our Business Model

Our business model describes the rationale of how we create, deliver, and capture value in economic, social and environmental contexts. The process of business model construction is part of our business strategy.

INPUT

Financial Capital

Share Capital

Debt Funding- Long term loans, Money Market Loans, Overdraft facility

Intellectual Capital

Garden names of our factories

Brand identity for quality

Certifications we obtained : Fair Trade, DNV, Ethical Tea Partnership

Human Capital

Employee competencies

Training & Development

Awareness Programs

Management Expertise

Natural Capital

Landscape

Water

Energy (Electricity,Fuelwood)

Managed Forestry

Manufactured Capital

Infrastructure (Roads, Electricity)

Equipment/Machinery

Factories

Hydro Power Plants

Social Capital

Government Institutions

Trade Unions

Community living inside our estates

CORE BUSINESS ACTIVITIES

PLANTING & UPKEEP

We continue to flourish with the best planting practices in our estates with careful nursing and cultural maintenance. The management of timber has been another aspect of income generating source with a high planting technique.

HARVESTING

Plantations solely depend on competency of harvest where prime end product is generated. There is a saying, "Good tea is always made in the field"

MANUFACTURING

Our manufacturing process is extended for Rotorvane and Leafy manufacturing techniques in our 14 tea factories where we produce finest Ceylon tea to the competitive market.

SUPPORTING ACTIVITIES

Finance and Governance

Stakeholder Relations

Infrastructure Development

TRANSPORT TO AUCTIONS

As a company, our objective is to deliver the end product in an acceptable and standardized manner and we continue to meet the SLS regulations and other relevant laws prevailing in the country.

AUCTION SALES

We have a reputed customer base who are attracted to the quality of Maskeliya tea and they pay premium prices for our tea at auctions.

OUTPUT

Total Crop Manufactured	8.26 mn Kgs
Estate Crop	7.84 mn Kgs
Bought Crop	0.42 mn Kgs
Yield Per Hectare	1,406 Kgs
Revenue Generated	Rs.3.27 bn
Sale of Managed Timber	Rs. 4.6 mn
RLO	2.91 Kg

Human resources Management → **Information systems and Technology** → **Business Administration**

OUTCOME

Financial Capital

- Rs. 841 mn payments to our suppliers
- Tax paid to the national Government (ESC Payment Rs.8.3mn)
- Capital Expenditure - Rs.148mn
- Loan Repayment Rs. 409 mn

Intellectual Capital

- 13 estates obtained certification for Rain Forest Alliance
- Maintaining the quality of our outputs
- All time top prices for premium quality tea

Human Capital

- Over 12,500 employees are employed
- Payments to employees Rs. 2.4 bn
- Improved quality of life of our employees

Natural Capital

- Water Management
- Biodiversity Management
- Land Improvement
- Conservation of forestry

Manufactured Capital

- Factory development
- Construction of new resort in Moray estate
- Infrastructure Development

Social Capital

- Company spent Rs.185mn on welfare expenditure
- Community development programmes held on estates

Financial Calender

Financial Year Ending 31 March 2016
Quarterly Financial Reports

1st Quarter	13 August 2015
2nd Quarter	10 November 2015
3rd Quarter	10 February 2016
4th Quarter	26 May 2016

Date of most recent previous financial year 31 March 2015

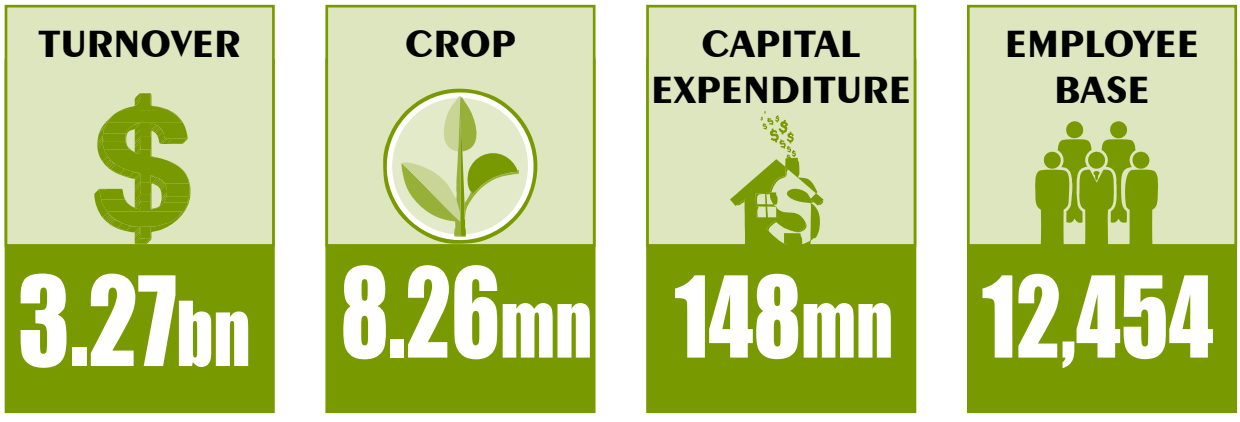
Date Published: 28 May 2015

Annual General Meetings

2012/13	20 Annual General Meeting	28 June 2013
2013/14	21 Annual General Meeting	30 June 2014
2014/15	22 Annual General Meeting	30 June 2015
2015/16	23 Annual General Meeting	30 June 2016

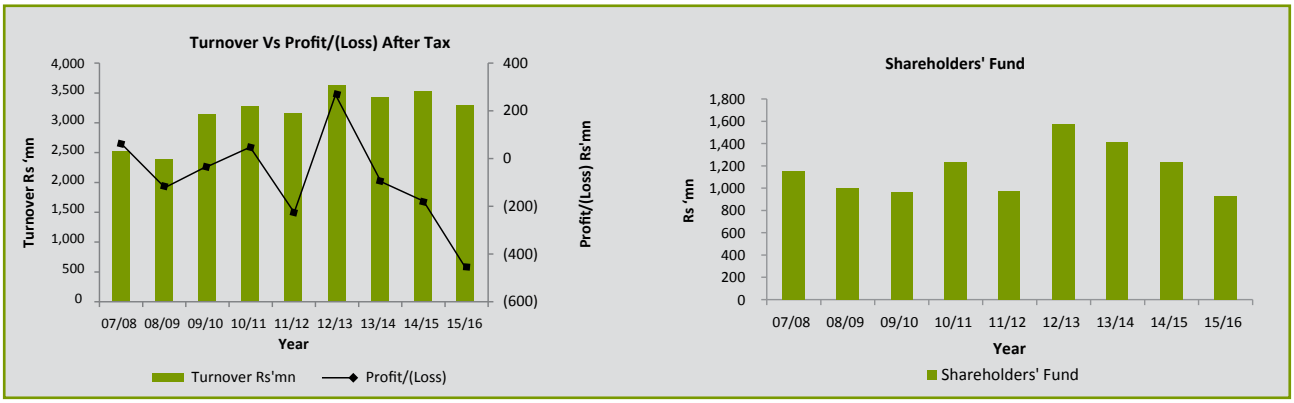
Notice of Annual General Meeting - 31 May 2016

Performance Highlights



Financial Highlights

Performance - Year Ended 31 March 2016		2016	2015	Variance %
Turnover	Rs'000	3,273,852	3,526,431	(7.16)
Profit / (Loss) before Interest and Tax	Rs'000	(262,488)	(103,683)	(153.16)
Profit/ (Loss) after Tax	Rs'000	(468,468)	(184,126)	(154.43)
Capital Expenditure	Rs'000	148,252	204,002	(27.33)
Financial Position as at 31 March 2016				
Fixed assets	Rs'000	3,650,557	3,599,682	1.41
Current Assets	Rs'000	751,608	839,909	(10.51)
Total Assets	Rs'000	4,402,165	4,439,591	(0.84)
Current Liabilities	Rs'000	1,778,005	1,474,137	20.61
Shareholders' Fund	Rs'000	920,038	1,229,262	(25.16)
Stated Share Capital	Rs'000	673,721	673,721	-
Capital employed	Rs'000	1,860,202	2,007,000	(7.31)
Key Indicators				
Earnings/(Loss) per share	Rs.	(8.68)	(3.41)	(154.43)
Net Asset per share	Rs	17.05	22.78	(25.16)
Market Price of a Share	Rs	7.7	9.90	(22.22)
Return on Capital Employed	%	(13.97)	(3.34)	(318.33)
Market Capitalisation	Rs'000	415,442	534,140	(22.22)
Return on Average Equity	%	(43.59)	(13.96)	(212.27)



Presence by Area of Operations

	Estate Name	Extent (Hectares)	Capacity Kg. ' 000	Nos Workers	Elevation (Meters)	Postal Address	Distance from Colombo
	Upcot Region/ Western High						
	Brunswick	676.26	1,900	1,184	1,250	Brunswick Estate - Maskeliya/ 22070	153 (Km)
	Glentilt	456.85	828	797	1,320	Glentilt Estate - Maskeliya / 22070	139 (Km)
	Glenugie	309.15	759	593	1,325	Glenugie Estate - Upcot/ 22075	154 (Km)
	Mocha	422.25	820	839	1,335	Mocha Estate - Maskeliya / 22070	140 (Km)
	Strathspey	703.62	1,656	1,122	1,327	Strathspey Estate - Upcot/ 22075	156 (Km)
	Maskeliya Region/ Western High						
	Brownlow	245.75	Silent	282	1,200	Brownlow Estate - Maskeliya / 22070	137 (Km)
	Hapugastenne	323.77	300	242	1,189	Hapugastenne Estate - Maskeliya /22070	138 (Km)
	Laxapana	737.05	1,311	1,030	1,160	Laxapana Estate - Maskeliya / 22070	166 (Km)
	Moray	682.85	1,200	905	1,185	Moray Estate - Maskeliya / 22070	153 (Km)
	Mousakelle	558.75	1,200	480	1,372	Mousakelle Estate - Maskeliya /22070	140 (Km)
	Talawakelle Region / Western High						
	Ferham	313.21	Silent	444	1,345	Ferham Estate - Talawakelle / 22100	164 (Km)
	St. Clair	519.69	800	522	1,200	St. Clair Estate - Talawakelle / 22100	156 (Km)
	Talawakelle	399.23	1,300	495	1,219	Talawakelle Estate - Talawakelle / 22100	159 (Km)
	Troup	287.75	500	399	1,379	Troup Estate - Talawakelle / 22100	144 (Km)
	Bandarawella Region/ Uva High						
	Ampittiakande	1,594.72	800	854	1,295	Ampittiakande Estate - Poonagala SPO / 90100	224 (Km)
	Craig	418.48	950	534	1,402	Craig Estate - Bandarawella/ 90104	212 (Km)
	Leangawela	460.79	Silent	215	1,167	LeangahawellaEstate - Leangahawella SPO / 90106	217 (Km)
	Poonagalla	1,451.17	2,100	938	1,402	Poonagalla Estate - Poonagala SPO / 90100	225 (Km)

Total Usage of Company Building is Sq. Ft. 7,112,890

Chairman's Review

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Maskeliya Plantations PLC for the year ended 31st March 2016, and welcome you to the 23rd Annual General Meeting of the Company.

The year under review turned out to be a challenging one for the Company, with many financial and non-financial variables affecting the Company's overall performance. It is however not specific to your company instead an industry wide catastrophe primarily prompted by adverse weather conditions, declining prices, lower productivity and ever escalating cost of manufacturing.

During the year under review the company recorded its lowest crop level in five years due to unfavourable weather conditions. However, your Company was able to increase Net Sales Average Price during latter part of the year by concentrating on quality improvement.

Tea prices suffered the same fate as other commodity prices in the global market owing to weak demand and economic slowdown. Our major tea buying countries such as Russia, Ukraine and Middle East countries which cumulatively purchase over 70% of Tea exports of Sri Lanka, themselves are suffering from lower commodity prices such as oil, in addition to economic sanctions, depreciation of

currency and armed conflicts. As a result of lower purchasing power in those countries the demand for tea has weakened adversely affecting the prices.

THE ECONOMIC ENVIRONMENT

The growth of the global economy has yet again fallen short of its expectation in 2015 reporting a 2.4% growth compared to 2.6% in 2014. Subdued global trade, lower commodity prices, weaker capital flows triggered deceleration of growth in emerging economies, which had been the driving force behind global growth since world financial crisis in 2007-08. The growth of BRICS is predicted to slow down at 3.9% on average. Moreover, the easing growth of the Chinese economy, and the recessions in Russia and Brazil eventually had a spill over effect on the rest of the countries as well. However, on a positive note, developing South Asian countries spearheaded by India indicated a sturdy growth of 7% for the year 2015.

Looking forward, the global economy is projected to expand by 2.9% in 2016 on the predictions of continued gains in major developed countries, gradual realignment of focus of the Chinese economy with more concentration on domestic consumption and investment and stabilization of world commodity prices although the negative risk exposure of the world financial system and heightened geopolitical tension especially in middle-east may pose a threat to the optimism.

The country's Budget deficit increased to 7.4% of GDP as opposed to the targeted deficit of 4.4%, mainly due to excessive increase in government spending. An overall deficit in the Balance of Payments (BOP) was recorded due to the slowing down of net foreign exchange inflows, including worker remittances, and capital outflows.

In 2015, several factors contributed to an overall drop in export earnings. The decline in international commodity prices, slow growth rate in advanced economies, geopolitical uncertainties in many of Sri Lanka's key export destinations, and restrictions by the European Union (EU) on fish imports from Sri Lanka contributed to a substantial reduction in export earnings. Consequently, earnings from exports, which grew at a healthy rate in 2014, contracted by 5.6% in 2015 reflecting the decline across all major export categories.

The Rupee, which remained broadly stable during the first 8 months of the year, depreciated at a faster pace from early September with the Central Bank's decision to allow greater flexibility in determining the exchange rate, based on market forces. Accordingly, by the end of 2015, the Rupee had depreciated 9.03% against the US dollar.

INDUSTRY OVERVIEW

The agricultural sector of Sri Lanka grew by 5.5% during the year under review, compared to the growth rate of 4.9% recorded in 2014. This is attributed to the significant expansion in the growth of Rice, as a result of the bumper harvest recorded during the year and the substantial contribution received from the growing of vegetables, fruits including oleaginous fruits.

The price of tea has been plummeting since September 2014, and it continued throughout the year under review. Total tea production in 2015 declined by 2.7% to 329mn kg from 338mn kg reported last year, owing to erratic weather conditions which prevailed during most parts of the year and also due to inadequate demand. Production of both high grown and low grown tea, which collectively accounted for 85% of total production in 2015, declined by 2.5% and 3.6% to 77mn kg and 202mn kg respectively. However, the production of medium grown tea increased marginally by 1% to 50mn kg.

The average price of tea at the Colombo Tea Auction (CTA) declined by 12.5% to Rs. 401.46 per kg in 2015 in comparison to Rs.459.01 per kg witnessed in 2014. Low grown tea recorded the highest year-on-year decline in average tea prices at the CTA with 14.2%, followed by medium grown tea with 11.3%. High grown tea recorded a decline of 7.1%. Lower demand from Middle Eastern countries that

were affected by the decline in international oil prices and the sharp depreciation of currencies of countries such as Russia and Ukraine had an adverse impact on tea prices.

COMPANY PERFORMANCE

Due to the challenges faced during the year under review, your Company has recorded a turnover of Rs.3.27bn, in comparison to Rs.3.5bn in the previous year. The Company recorded a Gross Loss of Rs.152mn.

Erratic weather conditions that prevailed during the year resulted in a sharp drop in production. Amidst the challenges of the nature, your Company recorded a crop of 8.26mn kg during the year under review, which is only 2.2% less than the crop recorded in previous year. Heavy rainfall reported during the months of October, November and subsequent drought towards the end of the financial year caused a considerable drop in harvest. Net sales average of your Company for the year under review was Rs.389, which is marginally below the high grown elevation average.

CAPITAL EXPENDITURE

During the year, your Company has incurred Rs.148mn on capital expenditure, out of which Rs.139mn was spent for field development in Tea, Rubber, Cinnamon and fruit cultivation. The Company is expecting to maintain the diversification of cultivations throughout the forthcoming year. Apart from field development expenditure, the Company has further spent Rs.9mn in purchasing property plant and equipment.

WELFARE

The Company continued to invest in employee welfare, despite harsh industry conditions. Since majority of the employees are living in close proximity to our estates, your Company also allocated funds for employee housing schemes. We believe that such measures would increase the loyalty and commitment of our employees, thus helping us achieving corporate objectives.

FUTURE OUTLOOK

Looking in to the future, the Sri Lankan economy is expected to maintain sustainable growth in the short term, with a real GDP growth of 5.8% in 2016, while targeting a medium term growth rate of around 7%. In order for such targets to become a reality creation of a stable policy framework aimed at promoting investor-friendly economic environment and harmony between all key stakeholders are of paramount importance.

Inflation is expected to remain within 3-5% on average in the medium term, by appropriately adjusting monetary policy instruments, particularly maintaining broad liquid money market, high exchange rate flexibility and public monetary concentration.

It is also expected that the removal of economic sanctions on Iran, which is one of the major export destinations for Sri Lankan tea, and possible improvements in global demand would help stabilize tea prices in the future.

There is a pressing need to consider the sustainability and long term survival of the industry during the process of wage negotiations. Failure to agree on a productivity based wage model will most certainly erode any slim hope of survival amidst the prevailing external challenges.

As part of its strategic plan, Maskeliya Plantations PLC is planning to enhance mechanization of its plucking operations from the current 10% to 30% of total hectarage of the Company in a bid to improve the productivity of the Company and thereby to improve the yield.

SUSTAINABILITY

For a Company to be successful in the long-run, greater emphasis should be placed on sustainability creating a balance between man and Mother

Nature. In line of our vision 13 of our estates were awarded Certification of Rainforest Alliance, a significant milestone in history of the Company. In order to enhance our commitment to sustainability, the Company also expects to invest Rs.26mn for the preservation and rehabilitation of tea while taking dedicated measures to gradually reduce the use of inorganic fertilizer substituting with organic fertilizer.

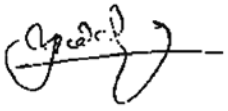
ACKNOWLEDGMENTS

I would like to extend my sincere gratitude to the Management Team for their commitment and dedication displayed during our journey towards success amidst challenging environment. All the hard work and effort of employees across all levels are also greatly acknowledged.

I would like to thank our valued customers, suppliers and business partners for their continued loyalty and support. My sincere gratitude also goes out to all our Shareholders, for their trust and support placed on the Company. I hope you will continue to be our long term partners, who will join us to elevate our Company to greater heights. Contributions made by all other stakeholders and regulatory bodies are also greatly appreciated.

Finally I take this opportunity to thank my Board of Directors whose foresight and commitment continue to guide our Company towards progress. Whilst I take this opportunity to warmly welcome Mr. Shaminda Yaddehige, who recently joined us as a Director on the Board, I greatly acknowledge the valuable contribution made by Mr. J. H. P. Rathnayeke and Dr.H. S. D. Soysa who resigned from their positions in the Board of Directors and wish all the very best in their future endeavours.

Let us look forward to another year filled with strength and determination!



Dr. Sena Yaddeige

Chairman

31 May 2016
Colombo

Achievements & Accolades

The awards are testimony to the Company's focus on excellence in all areas of operations and are the key to brand building. Ranging from awards for financial performances to rankings of quantities produced and business excellence in our operations, they inspire and motivate our employees to stretch goals. On 5th November 2015, thirteen of our estates and 5 Small farmers who supply leaf to our factories totaling to 18 in number had obtained Rainforest Alliance Certificate by following 10 principles of Sustainable Agriculture Network (SAN), which is the largest Group including small holders Certification amongst RPC estates in Sri Lanka.

Rainforest Alliance body had selected Hapugastenne Estate, Maskeliya as the demonstration/validation site under the UNEP/GEF project "Mainstreaming sustainable management of tea production landscapes" which is implemented in China, Vietnam, India and Sri Lanka. Hapugastenne will be a model farm to train the small holders on responsible sustainable tea farming. This is going to be the International Training Centre for Rainforest Alliance on Integrated weed management.

Fairtrade NAPP Sri Lanka awarded the best Fairtrade Premium Projects for the year 2015 to Strathspey Estate, Upcot on 13th February 2016 at a ceremony held in Kandy.

Hapugastenne Estate, Maskeliya obtained the first place at Central Province level for Sustainable Home Garden competition and Talawakelle Estate & Moray Estate won the 2nd and 3rd places respectively at District level, which was organized by the Central Provincial Council and the Ministry of Agriculture of Central Province, and held at the Plant Genetic Resource Centre, Gannoruwa, Peradeniya in December 2015.

Furthermore, Maskeliya Plantations PLC received this certificate of compliance from ICASL for the Annual report 2014/15.

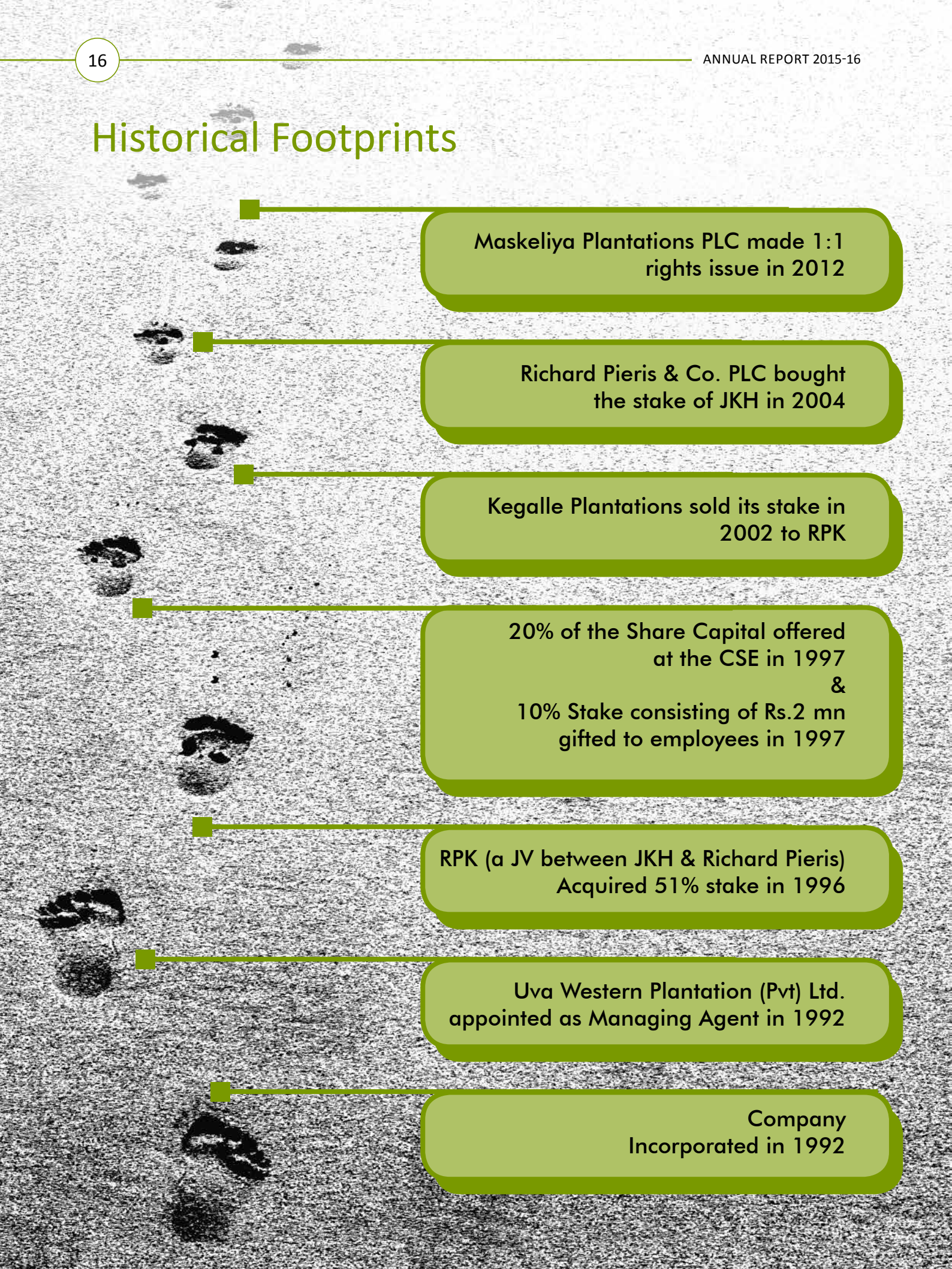
Certificate of Rainforest Alliance

Fairtrade Award

Awards of sustainable Home Garden competition

Annual Report Award 2015

Historical Footprints



Maskeliya Plantations PLC made 1:1 rights issue in 2012

Richard Pieris & Co. PLC bought the stake of JKH in 2004

Kegalle Plantations sold its stake in 2002 to RPK

20% of the Share Capital offered at the CSE in 1997
&
10% Stake consisting of Rs.2 mn gifted to employees in 1997

RPK (a JV between JKH & Richard Pieris) Acquired 51% stake in 1996

Uva Western Plantation (Pvt) Ltd. appointed as Managing Agent in 1992

Company Incorporated in 1992

Geographical Performance

	Extent (Revenue) - Hectares									
Regions	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Upcot Region	1,742.13	1,730.68	1,734.94	1,710.58	1,706.83	1,735.41	1,763.13	1,784.62	1,823.63	1,856.61
Maskeliya Region	1,326.34	1,346.73	1,341.56	1,333.56	1,326.81	1,333.50	1,348.32	1,364.57	1,374.07	1,376.07
Talawakelle Region	1,015.71	1,015.26	1,005.45	998.42	994.16	993.18	1,005.20	1,016.76	1,028.76	1,029.76
Bandarawella Region	1,490.83	1,498.71	1,500.26	1,491.42	1,483.75	1,476.00	1,487.80	1,320.74	1,335.24	1,345.74
Bio Tea	-	-	-	-	-	-	-	218.58	218.58	217.58
Total	5,575.01	5,591.38	5,582.21	5,533.98	5,511.55	5,538.09	5,604.45	5,705.27	5,780.28	5,825.76

	Production Kg '000									
Regions	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Upcot Region	2,896	2,969	2,856	3,210	3,208	3,194	3,024	3,138	3,172	2,864
Maskeliya Region	2,083	2,255	2,039	2,396	2,235	2,160	1,995	2,019	2,072	2,080
Talawakelle Region	1,603	1,607	1,453	1,789	1,752	1,674	1,536	1,544	1,682	1,633
Bandarawella Region	1,681	1,619	1,906	1,623	2,006	2,108	1,800	1,836	1,992	1,807
Bio Tea	-	-	-	-	-	-	-	58	65	61
Total	8,263	8,450	8,254	9,018	9,201	9,136	8,354	8,595	8,982	8,444

	Yield - (Kg/Ha)									
Regions	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Upcot Region	1,618	1,643	1,579	1,765	1,770	1,755	1,656	1,720	1,693	1,498
Maskeliya Region	1,552	1,656	1,483	1,760	1,648	1,587	1,457	1,462	1,490	1,491
Talawakelle Region	1,578	1,582	1,445	1,791	1,749	1,684	1,524	1,517	1,635	1,585
Bandarawella Region	910	879	995	838	1,025	1,093	997	1,169	1,136	1,066
Bio Tea	-	-	-	-	-	-	-	265	279	272
Total	1,406	1,430	1,375	1,519	1,536	1,525	1,410	1,439	1,452	1,366

	N.S.A. (Rs/Kg)									
Regions	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Upcot Region	416.55	418.10	438.23	419.35	351.72	364.63	379.25	295.81	285.00	237.04
Maskeliya Region	420.46	418.75	432.59	422.20	370.56	374.88	387.74	304.00	290.26	263.43
Talawakelle Region	378.95	391.09	393.77	380.84	309.63	347.62	348.41	252.52	265.35	215.72
Bandarawella Region	311.81	346.06	392.61	337.65	287.51	316.72	336.90	233.19	244.79	189.40
Bio Tea	-	-	-	-	-	-	-	336.63	523.03	278.77
Total	388.93	399.33	418.47	397.77	334.28	352.88	366.48	276.85	275.34	229.53

	C.O.P. (Rs/Kg)									
Regions	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Upcot Region	397.20	392.08	400.45	334.41	337.73	305.58	309.48	249.20	226.39	198.16
Maskeliya Region	385.74	382.42	396.54	331.81	337.41	303.88	301.44	249.22	224.05	179.92
Talawakelle Region	355.84	361.53	367.12	298.22	294.76	282.35	275.35	227.08	207.86	172.41
Bandarawella Region	391.25	428.93	402.46	370.11	331.30	322.66	323.49	239.24	220.59	181.73
Bio Tea	-	-	-	-	-	-	-	747.77	644.05	520.08
Total	385.08	390.75	394.08	332.97	328.07	304.86	304.30	246.47	224.11	187.49

Key Personnel

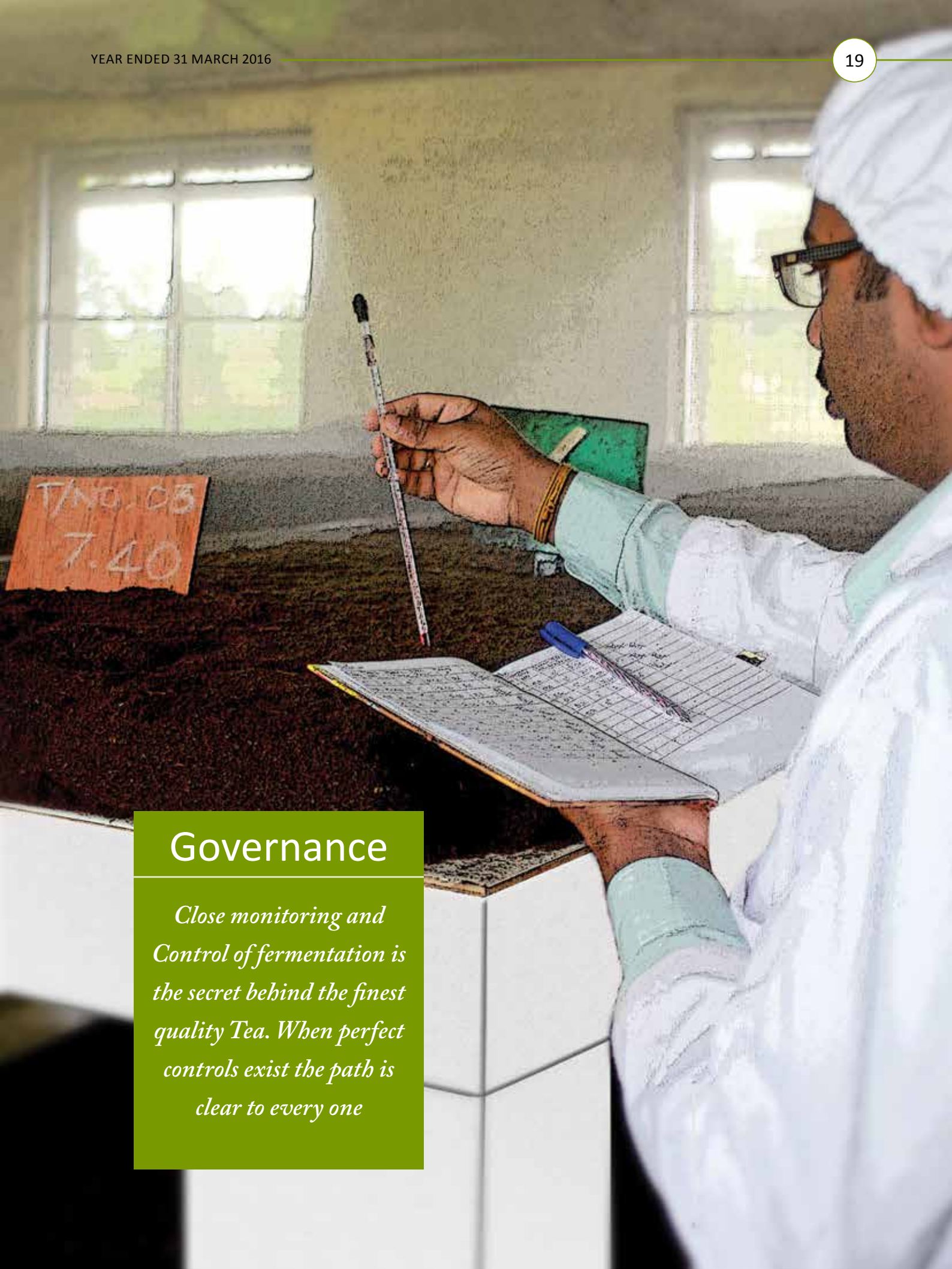
Key Personnel - Head Office

Mr. S S Poholiyadde	Managing Director - Plantations
Mr. V Pusselle	General Manager
Mr. M P S Pathiraja	Director Oparations - BW
Mr. S. Epitakumbura	Sector Financial Controller
Ms. D Fernando	Senior Accountant
Mr. H K Caldera	Accountant
Mr. R M S S Herath	Manager - Information Systems

Ms. K A Weerakkody	Assistant Manager
Mr. S H Nandadasa	Assistant Accountant
Mr. H M B M Jayathilake	Assistant Accountant
Mr. T M S B Yatigammana	Executive
Ms. D N Ranasinghe	Junior Executive
Ms. M S Perera	Junior Executive
Ms. J P Amarasinghe	Secretary
Mr. D M L N Dasanayake	Junior Executive
Mr. P K Tinusha Dilhara	Management Trainee

Key Personnel - Estates

Name of Estate	Postal Address	Name of the Group Manager/ Superintendent	Name of the Assistant Superintendent
Brownlow	Maskeliya	Mr. B B T K Cooray	
Brunswick	Maskeliya	Mr. N N Withanage (Group Manager)	Mr. M H U Abeygunasekera Mr. R A M A N Ranasinghe Mr. P E Gamage
Glentilt	Maskeliya	Mr. R C V V Ramanathan	Mr. M H B Galahitiyawa Mr. W A K G Wemalasena
Glenugie	Upcot	Mr. H E Peiris	Mr. WM J C K Wickramasinghe
Hapugastenne	Maskeliya	Mr. H M P Peiris	
Laxapana	Maskeliya	Mr . A P de Tissera (Group Manager)	Mr. H R Boyagoda Mr. G G P L Gunawardena
Mocha	Maskeliya	Mr. E R Bulathsinhala	Mr.M B W Gamage Mr. H L C Roshan
Moray	Maskeliya	Mr. T N B Herath	Mr. D M T M B Chandrapala
Moussakelle	Maskeliya	Mr. D H A Wijewardene	Mr. W M B Weeraratne Mr. S D Wijenayake
Strathspey	Upcot	Mr. S G Mudannayake (Group Manager)	Mr. T A K L de Silva Mr. R M H I B Rajapaksha Mr. K S T Fernando
Ferham	Talawakelle	Mr W D G Wanigasekara	
St. Clair	Talawakelle	Mr. A S A Madena	Mr. H P K D K Sirisena
Talawakelle	Talawakelle	Mr. I A A D Weerakoon	Mr. S M N S Dasanayake
Troup	Talawakelle	Mr . U N Illankoon	
Ampittiakanda	Poonagalla, SPO	Mr. G N Hordagoda	Mr. S E B Madugalla Mr. S J Kobinath
Craig	Bandarawela	Mr. A W R Seneviratne	Mr. B K Premalal
Leangawella	Leangahawella, SPO	Mr. M M O A Stembo	
Poonagalla	Poonagalla, SPO	Mr. M S A Akber	Mr. D H Wekunagoda Mr. H M W S Hellarawa



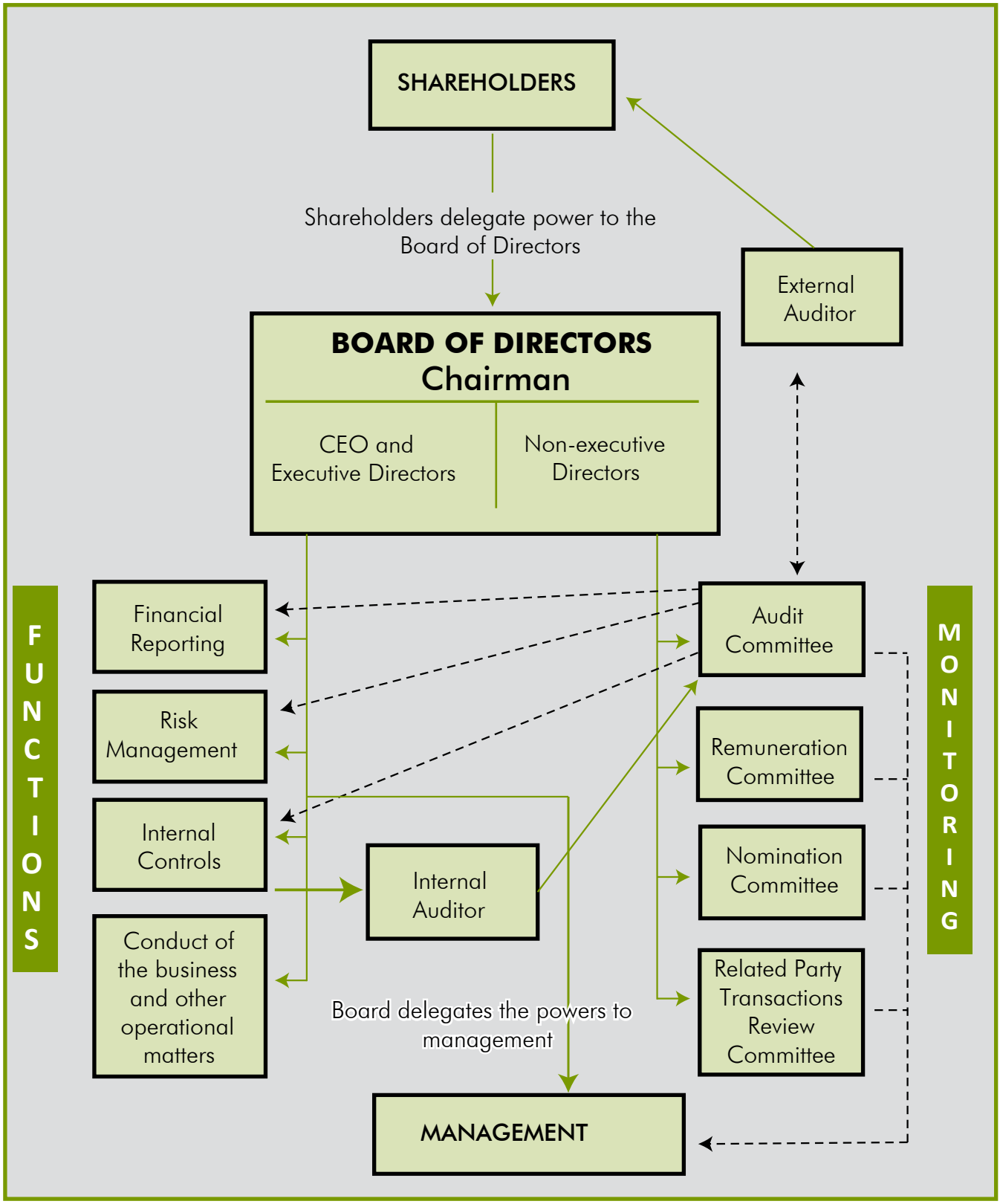
Governance

Close monitoring and Control of fermentation is the secret behind the finest quality Tea. When perfect controls exist the path is clear to every one

Corporate Governance Review

Corporate Governance Structure

The company Governance frame work is depicted in the following diagram,



The Board of Directors of Maskeliya Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance.

Maskeliya Plantations PLC has designed its Corporate Governance policies and practices to ensure that the Company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The Company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and the other communities in which it operates. The Company complies with the rules on Corporate Governance, included in the listing rules of the Colombo Stock Exchange, and is guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board and its Operations

The Company is governed by its Board of Directors, who directs and supervises the business and affairs of the Company on behalf of the shareholders.

The Board comprises six Directors, of which two are Executive Directors whilst four are Non-Executive Directors. Out of four Non-Executive Directors, two are independent, ensuring an independent outlook to temper the expediency of the experts. Brief profiles of the Directors are set out on pages 32 and 34. The Board has assessed the independence of the Non-Executive Directors.

Name of Director	Executive	Non-Executive	Independent
Dr. Sena Yaddehige	x	-	-
J H P Ratnayeke (Resigned w.e.f 11.01.2016)	x	-	-
S S Poholiyadde	x	-	-
Dr.H S D Soysa (Resigned w.e.f 09.05.2016)	-	x	x
E M M Boyagoda	-	x	x
Dr. L S K Hettiarachchi	-	x	x
J L A Fernando		x	-
Shaminda Yaddehige (Appointed w.e.f 01.03.2016)		x	-

During the year the Board met on four occasions. Prior to each meeting, the Directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions. Board Papers are submitted in advance on Company performance, new investments, capital projects and other issues which require specific Board approval. A separate information memorandum is provided on statutory payments at each Board Meeting.

The Chairman is responsible for matters relating to policy, maintaining regular contact with other Directors, shareholders and external stakeholders of the Company. He is responsible for overall commercial, operational and strategic development and assisted by an Executive Management Committee comprising Executive Directors and Heads of Companies of the Strategic Business Units (SBU) of the Ultimate Parent Company. The Finance function devolves on the Group Chief Financial Officer and the Sector Financial Controller, who is present by invitation at board meetings when financial matters are discussed. The Board of Directors has access to independent professional advice as and when deemed necessary for decision making.

The main functions of the Board are to:

- Direct the business and affairs of the Company.
- Formulate short and long term strategies, as a basis for the operational plans of the Company and monitor implementation.
- Report on their stewardship to shareholders.
- Identify the principal risks of the business and ensure adequate risk management systems in place.
- Ensure internal controls are adequate and effective.
- Approve the annual capital and operating budgets and review performance against budgets.
- Approve the interim and final financial statements of the Company.
- Determine and recommend interim and final dividends for the approval of shareholders.
- Ensure compliance with laws and regulations.
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects.

All independent Directors have no direct or indirect material relationship with the Company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.

Sub Committees of the Board

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. During the year, two new Board Sub Committees were formed namely Nominations Committee and Related Party Transactions Review Committee. The Board has delegated responsibilities to four Board Sub Committees which operate within clearly defined terms of reference.

Audit Committee

Maskeliya Plantations PLC is one of the Group Companies of the Richard Pieris & Company PLC. Richard Pieris & Company PLC is also the majority shareholder and as such the Group Audit Committee acts as the Audit Committee of the Company. Audit Committee Report on Pages 27 and 28 describes the activities carried out during the Financial Year.

Remuneration Committee

The Report of the Remuneration Committee is on Page 29 and highlights its main activities.

Nominations Committee

The Report of the Nominations Committee is on Page 30 and highlights its main activities.

Related Party Transactions Review Committee

The Report of the Related Party Transactions Review Committee is on Page 31and highlights its main activities.

Relationship with Shareholders

The Board maintains healthy relationships with its key shareholders (individual and institutional) while maintaining a dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, its principal methods of communication include the corporate website, the annual report, quarterly financial statements and press releases. Further, contact details are published in both Quarterly Accounts Statements as well as in the Annual Report & the Shareholders are able to contact the Company Secretaries or Senior Management at any given time.

Internal Controls

The Board is responsible for instituting effective internal control systems to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational

and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 24 to 26.

Apart from the strategic plans covering a three year time horizon, a comprehensive budgetary process is in place, where annual budgets, identifying the critical success factors and functional objectives, prepared by all subsidiaries are, approved by the Board, at the commencement of a financial year, and its achievement monitored monthly, through a comprehensive monthly management reporting system both at Company & Group level. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Internal Audit Division reporting to the Chairman, regularly evaluates the internal control system across the Organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and are satisfied with its effectiveness.

Relationship with Other Stakeholders

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Company inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Company's policies and practices are in line with the Group's values and its social responsibilities. The Company promotes protection of the environment, health and safety standards of its employees and others within the Organization. The relevant measures taken are given in detail in the Corporate Social Responsibility report on pages 35 to 74.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The Financial Statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations. Financial statements are published quarterly in line with the listing rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Corporate Governance Requirements listed under Sections 7 & 9 of the listing rules issued by the Colombo Stock Exchange (CSE);

CSE-Section Reference	Requirement	Status of Makeliya Plantations PLC
7.10.1 (a) to (c)	Non Executive Directors	In Compliance
7.10.2	Independent Directors	In Compliance
7.10.3	Disclosures relating to Directors	In Compliance
7.10.4	Criteria for defining 'Independence"	In Compliance
7.10.5	Remuneration Committee	In Compliance
7.10.6	Audit Committee	In Compliance
9	Related Party Transactions Review Committee	In Compliance

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the Financial Statements, after careful review of the financial position and cash flow status of the Company. The Board of Directors believes that the Company has adequate resources to continue its operation for the foreseeable future.

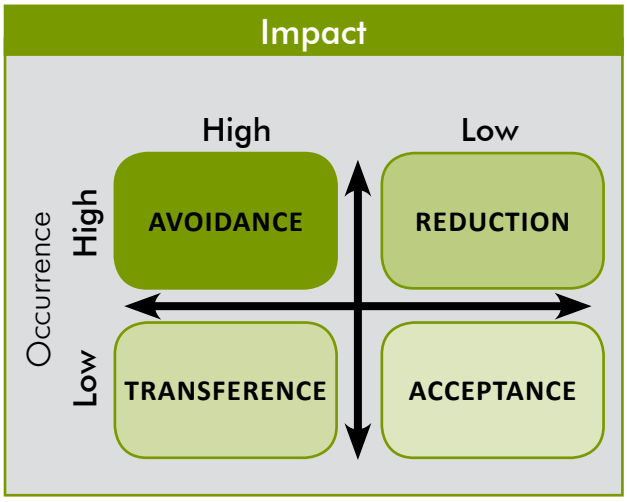
Further reference is made to Directors Reports' on Page 78 regarding Going Concern status of the Company.

Risk Management

We define risk as the probability of or threat of damage, liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities. Therefore risk is about the consequence of uncertainty on objects and therefore a well-defined, time-based mechanism is crucial to successful risk management. In MPPLC our focus is not to treat each and every aspects of the risk but to treat that are most significant as far as our business is concerned.

Constant scanning of the internal and external environments in which we operate allows us to identify emerging risks that may create opportunities or threats to current and future operations of our business.

Company is exposed to a multitude of risks associated with the cultivation and processing of Tea and the economic environment in which it operates. The Board of Directors together with the management Committee places special emphasis on the management of business risks. MPPLC uses the following model in deriving risk management strategy.



Company recognizes the importance of adopting a proactive approach when dealing with the risk and has a comprehensive system of controls to manage the risk. Risks are prioritized based on the impact and the likelihood of the occurrence and then develop strategies to manage them.

Company's risk management approach mainly fall into two categories namely Financial Risk Management & Business Risk Management. Based on the risk assessment and risk ratings Company will take actions in order to minimize or accept the risk if it is within the company's risk appetite while taking actions to avoid or transfer only if the risks are beyond the company's risk appetite.

Financial Risk Management

Company Objectives	Risk Treatment
1. Liquidity & Cash Management	
• Capitalize on opportunities to raise funds at lowest possible cost. • Maximum utilization of the concessionary funding available to Plantation Companies. • Ensuring proper management of working capital.	**Strategy- Risk Avoidance** • Funding of long term assets through Equity and Long Term Loans. • Ensure availability and effective utilization of short term Funding facilities where necessary.

Financial Risk Management

Company Objectives	Risk Treatment
2.Interest Rate Risk	
• To ensure a strong liquidity position. • To minimize adverse effects of interest rate volatility and currency denominated borrowings. • To ensure cost of borrowing is at the optimum level with the assistance of Group Treasury. • Maximum utilization of the concessionary funding available to Plantation Companies.	**Strategy-Risk Reduction** • Structuring the loan portfolio to combine both foreign and local currency. • Effective utilization of hedging techniques such as interest rate swaps.
3. Currency Risk	
• To minimize risk associated with the fluctuation in foreign currency rates in relation to export proceeds, import payments and foreign currency debt transactions. • Ensuring efficient utilization by effective treasury management through various hedging techniques such as forward bookings, forward sales, swaps etc.	**Strategy- Risk Retention** • Export proceeds exceeding the import payments and foreign currency debt payments act as a natural hedge. • The borrowing ability against the foreign currency deposits for entities dealing in foreign currency.

Business Risk Management

Company Objectives	Risk Treatment
1. Credit Risk	
• To minimize risks associated with debtor defaults. • Work towards obtaining collaterals from major local customers with high outstanding. • Follow stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit.	**Strategy-Risk Transfer** • Obtaining insurance covers for export debtors. • Colombo Tea Auctions payment systems monitor the payments made by Tea Brokers to the sellers & is a highly regulated activity.
2. Asset Risk	
• To minimize risks from fire, theft and plant, machinery & equipment breakdown	**Strategy-Risk Transfer** • Obtaining comprehensive insurance covers for all tangible assets. • Adoption of stringent procedures with regard to the moving of assets from one location to another. • Carrying out mandatory preventive maintenance programs. • Carrying out frequent employee training programs in areas such as fire prevention & effective usage of plant & machinery.
3. Internal Controls	
• To maintain a sound system of internal control to safeguard shareholders wealth and Company's assets.	**Strategy-Risk Transfer** • Carrying out system audits and other control mechanisms such as inventory counts and cash counts throughout the estates by the Central Internal Audit Department of the main Group. • Conduct surprise checks within the Company which ensures that systems are in place.
4. Reputation Risk	
• To prevent the causes that damages our reputation, estate marks and quality of the product.	**Strategy-Risk Transfer** • Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Company's performance is continuously in line with its targets. • Adopting stringent quality assurance policies with regard to raw and packing materials bought out from third parties. • Ensure quality in manufacturing process and compliance with the standards.

Business Risk Management

Company Objectives	Risk Treatment
	• All factories maintain a minimum of HACCP ISO 22000 Standard for food and safety. • Ensuring effective communication with various stakeholders such as employees, bankers, regulators, customers, suppliers and the shareholders.
5. Human Capital & Labour Risk	
• To ensure a smooth flow of operations without any undue disruptions. • Ensure that the correct recruitments are made for the positions.	**Strategy- Risk Avoidance** • Maintaining healthy relationships with trade unions through regular dialogue. • Entering into collective agreements with trade unions. • Ensure compliance with all regulatory requirements with regard to the benefits applicable to workers at estates. • To protect ourself as an employer successful in motivating, developing, retaining and attracting the best of human capital. • Improving employee benefits by way of financial incentives and welfare activities. • Arrange in-house and external training in order to develop human resources.
6. Technological Risk	
• To keep pace with the current technological developments and safeguard against obsolescence.	**Strategy-Risk Reduction** • The continuous investments in new machineries and experiments on new methods. • Mechanization of estate functions up to the highest possible extent. • Investing in Research & Development activities whenever necessary. • Implementation of the new computer system in head office and the estates. • Investing in hardware resources.
7. Procurement Risk	
• To minimize risk associated with price and availability. • To procure the best quality with value for money.	**Strategy-Risk Transfer** • Continuous replanting activity with adequate plant nurseries. • Establishing relationships with many suppliers for bought leaf in order to reduce over-dependency on a single supplier. • Entering into forward contracts for purchases of certain raw material items.
8. Inventory	
• To reduce stock obsolescence and manage stock holding costs. • Reducing the risk associated with theft and shrinkage.	**Strategy-Risk Transfer** • Adopting a monthly declaration policy. • Identifying slow moving stocks and effectively laying out a channel for these to be sold off. • To sift & catalogue all tea produced.
9. Risk of Competition	
• To maximize our market share and maintain leadership in the respective industry.	**Strategy- Risk Avoidance** • Ensuring high standards of quality in the eyes of the customer. • Increasing productivity and efficiency in order to ensure an adequate margin despite increasing wage, energy and transportation cost. • Carrying out Research & Development activities whenever necessary in order to identify key areas to be focused.
10. Capital Investments Risk	
• To minimise risk of not meeting profit expectations.	**Strategy- Risk Avoidance** • Adopting a stringent approval procedure for Capital expenditure based on the level of investment and the expected pay back.
11. Information Systems Risk	
• To minimise risk associated with security, Hardware communication and software.	**Strategy-Risk Reduction** • Maintaining of spare servers mirroring of hard disks with critical data. • Data back-ups stored at off site locations. • Vendor agreements for support service and maintenance. • Regular updating of Virus scanners, Firewalls etc. • Compliance with statutory requirements for environmental preservations.
12. Environmental & Political Risk	
• To minimise the negative & Regulatory Risk of external environment which are beyond our control.	**Strategy-Risk Transfer** • Ensure compliance with all regulatory requirements from changes to the standards.

Report of the Audit Committee

The Audit Committee Charter, approved by the Board of Directors defines the purpose, authority, composition, meeting, and responsibilities of the Committee.

The purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities for the financial reporting process.
2. Review the system of internal control and risk management.
3. Monitor the effectiveness of the internal audit function.
4. Review the Company's process for monitoring compliance with laws and regulations.
5. Review the independence and performance of the external auditors.
6. To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The Audit Committee consisted of three Independent Non-Executive Directors of the Richard Pieris & Company PLC, the Ultimate Parent Company namely Prof. Lakshman R. Watawala, Chairman, Dr. S.A.B. Ekanayake and Prof. Kapila Goonasekara (Appointed with effect 15th February 2016). The Chairman of the Committee is a Senior Chartered Accountant. The Company Secretary functions as Secretary to the Audit Committee.

The principal activities of the Committee are detailed below.

Meetings

The Audit Committee held 4 meetings during the year under review.

The Group Chief Financial Officer, Chief Executive Officer, Sector Financial Controller and Group Internal Audit Manager were invited if deemed necessary for audit committee meetings.

Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

Internal Audit and Risk Management

The Internal Audit Programme was reviewed by the Committee to ensure that it covered the major operational aspects of the Company.

The Group Internal Audit Manager was invited to be present at all Audit Committee deliberations. He presented a summary of the salient findings of all internal audits and investigations carried out by his department for the period. The responses from the Chief Executive Officer of the Company to the internal audit findings were reviewed and where necessary corrective action was recommended and implementation monitored.

The Committee also had the responsibility to review the loss making Estates of the Company and strategies for turning round these Estates and recommending suitable corrective action.

Internal Controls

During its meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Company's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of Financial Statements. A comprehensive Management Report and Accounts are produced at month end highlighting all key performance criteria pertaining to the Maskeliya Plantations PLC which is reviewed by the Senior Management on a monthly basis.

Board of Directors review performance on a quarterly basis or more often, if required.

Financial Statements

The Committee reviewed the Company's Quarterly Financial Statements, the Annual Report and Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards and other statutory requirements, including the Companies Act, No 7 of 2007, prior to issuance. The committee also reviewed the adequacy of disclosure in the published Financial Statements.

The Company has successfully adopted the new Sri Lanka Accounting Standards (new SLAS) comprising LKAS and SLFRS applicable for financial periods commencing from 1st January 2012 as issued by the Institute of Chartered Accountants of Sri Lanka.

External Auditors

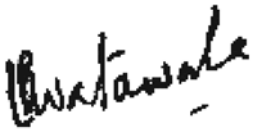
The Audit Committee has reviewed the other services provided by the External Auditors to the Company to ensure their independence as Auditors has not been compromised.

The Committee reviewed the Management Letters issued by the External Auditors, the Management response thereto and also attended to matters specifically addressed to them. The external auditors kept the Audit Committee informed on an on-going basis of all matters of significance. The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken where necessary.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31 March, 2017 subject to the approval of the shareholders at the next Annual General Meeting.

Conclusion

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the Company, the assets are safeguarded and that the Listing Rules of the Colombo Stock Exchange have been met.



Prof. Lakshman R. Watawala
Chairman
31 May 2016

Report of the Remuneration Committee

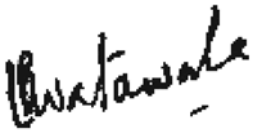
The Remuneration Committee of the Ultimate Parent Company acted as the Remuneration Committee of Maskeliya Plantations PLC.

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two Independent Non- Executive Directors, Prof. Lakshman R Watawala and Dr. S.A.B. Ekanayake. The Committee is chaired by Prof. Lakshman R Watawala. The Committee met on several occasions during the financial year.

The Remuneration Committee has reviewed and recommended the following to the Board of Directors:

1. Policy on remuneration of the Executive Staff
2. Specific remuneration package for the Executive Directors

In a highly competitive environment attracting and retaining high calibre executives is a key challenge faced by the Company. In this context, the Committee took into account, competition, market information and business performance in declaring the overall remuneration policy of the Company.



Prof. Lakshman R. Watawala
Chairman
31 May 2016

Report of the Nominations Committee

The Nomination Committee of the Ultimate Parent Company acted as the Nomination Committee of Maskeliya Plantations PLC

The Committee was constituted on 15th February 2016 and the following members were appointed:

Dr. S.A.B. Ekanayake (Chairman) Prof. Lakshman R Watawala Prof. Kapila Goonasekara

The objectives of the Committee,

1. To consider /recommend new Directors or re-electing current Directors to the Board.
2. To periodically review the composition of the Board and to make recommendations.
3. To advise / recommend on matters referred by the Board of Directors.

The committee selected and recommended Mr. Shaminda Yaddehige as a Director to the Company w.e.f. 01 March 2016.

Dr. S.A.B. Ekanayake
Chairman
31 May 2016

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee of the Ultimate Parent Company acted as the Related Party Transactions Review Committee of Maskeliya Plantations PLC.

The Committee was constituted on 25 February 2016 and the following members were appointed:

Dr. S A B Ekanayake (Chairman)
Prof. Lakshman R Watawala
Prof. Kapila Goonasekara

The Group Chief Financial Officer , Chief Executive Officer, and Financial Controller attended meetings by invitation. The Company Secretary functions as Secretary to the Related Party Transactions Review Committee.

The Objectives of the Committee,

- To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of Maskeliya Plantations PLC is carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of the Company on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of Richard Pieris Group.
- To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee articulated and recommended a policy framework for adoption on Related Party Transactions for the Company. In such process the committee considered Related Party Transactions which require approval of the Board of Directors, various thresholds set out by the Colombo Stock Exchange listing rules and disclosure requirements, etc.

Further, processes were introduced across the Richard Pieris Group to obtain annual disclosures from all KMPs.

The Committee held two meetings during the period under review. The activities and views of the Committee have been communicated to the Board of Directors quarterly through verbal briefings, and by tabling the minutes of the Committee meetings.

Details of the related party transactions entered into by the Company are disclosed on page 32.

Dr. S.A.B. Ekanayake
Chairman
31 May 2016

Our Board Profiles

Dr. Sena Yaddehige
Chairman

Dr. Sena Yaddehige is a Sri Lankan born British Scientist/Engineer and a Swiss based industrialist. Dr. Yaddehige is the Chairman of the Richard Pieris Group of Companies comprising seven Listed Companies, including three Plantation Companies, and over 50 companies wholly or majority owned by Richard Pieris and Company PLC. He served as a Director in the Board of Directors of National Development Bank PLC during the period between 2007 and 2010.

Dr. Yaddehige is a brilliant scientist and a high energy radiation specialist who innovated and developed contactless sensor technology, drive by wire systems and made numerous inventions in radiation processing for which he holds worldwide patents. In addition he also holds the patent for slow release fertilizer in Sri Lanka.

He is a Founder, Chairman and Director of numerous companies in Sri Lanka, USA, Japan, UK, Germany, Switzerland and Singapore. He is also the founding Managing Director of a European Company, which manufactures and exports automotive components and systems, developed based on his own innovations, to Europe, Japan, China and the United States.

Dr. Yaddehige was conferred with Doctor of Science (D.Sc.) in consideration of his original research work in the fields of Radiation, Radiation processing, Electromechanical Sensor technology, non contact sensor technology and automotive pedal systems along with numerous patents in the above fields.

Sunil Poholiyadde
Director / CEO

Mr. Sunil Poholiyadde currently holds the position of Managing Director of the Plantations Sector of the Richard Pieris Group and Director/Chief Executive Officer Kegalle Plantations PLC, Namunukula Plantations PLC and Maskeliya Plantations PLC. He has over three decades of experience in the Plantation Industry, having commenced his career as an Assistant Superintendent. He joined the corporate management of Kegalle Plantations PLC in 1998 after being a Superintendent.

He is the current Chairman of the Plantation Services Group of the Employers' Federation of Ceylon (EFC) and the Colombo Rubber Traders' Association and Deputy Chairman of the Planters' Association of Ceylon. He is also a Director of Richard Pieris Natural Foams Ltd., Exotic Horticulture (Pvt) Ltd., AEN Oil Palm Processing (Pvt) Ltd., Eastern Brokers Ltd., and a member of the Rubber Research Board. He was appointed as an Honorary Member of the Advisory Council in February 2015 and Member of the Committee to Oversee Rubber Sector Issues of the Ministry of Plantation Industries, a Council Member of the EFC, the Ceylon Chamber of Commerce, and in the Advisory Committee on Rubber & Plastics Sector of the Export Development Board. He also serves on the Wages Boards for the Rubber Growing and Manufacturing Trade, Coconut Growing Trade, Cocoa, Cardamom & Pepper Growing & Manufacturing Trade and the Executive Committee of The Sri Lanka Society of Rubber Industry.

E M Mangala Boyagoda
Director

Mr Mangala Boyagoda is a Senior Banker, possessing over 35 years' experience holding key positions in the field of Financial Services. He is the former CEO of Standard Chartered Bank. He is the present Chairman of Wealth Lanka Management (Pvt) Ltd. Director SAFE Holdings (Pvt) Ltd, Wealth Trust Securities Ltd, Asset Trust Management (Pvt) Ltd, Ceylon Hotels Corporation PLC, Sierra Constructions (Pvt) Ltd, Dankotuwa Porcelain PLC, Sri Lanka Gateway Industries (Pvt) Ltd, CA Crushing (Pvt) Ltd, Lanka Century Investments PLC, Ceylinco Insurance General (Pvt) Ltd, Cargill's Bank Ltd, Colombo Trust Finance PLC, Royal Fernwood Porcelain (Pvt) Ltd, Faber Capital (Pvt) Ltd, Virginia International Investments Ltd, United Hotels (Pvt) Ltd and Lanka Trading & Education Academy Guarantee Ltd.

He has served as a Consultant to the Asian Development Bank (ADB), the World Bank, the Central Bank of Sri Lanka and the Securities and Exchange Commissions of Sri Lanka and Bangladesh. He also serves as a Committee member of the Financial Reform Task Force and is a former President of the FOREX Association of Sri Lanka.

He holds a Masters Degree in Business Administration from the Irish International University (European Union).

Dr L Saman K Hettiarachchi
Director

Dr L Saman K Hettiarachchi obtained PhD degree from the University of Aberdeen, UK carrying out research on liming acid tea soils, after graduating from University of Peradeniya with a BSc Special honours degree majoring chemistry. Professionally, he is an Agricultural Chemist having specialized in soil science and plant nutrition, and involved in technological and policy interventions for the promotion of rational fertiliser use in tea and other crop sectors in Sri Lanka. Also, he has been a Chartered Chemist, authorized by the Institute of Chemistry, Ceylon; a section of Royal Society of Chemistry in the UK.

At the Tea Research Institute of Sri Lanka (TRISL), he holds the Additional Director position, next to the CEO of the Institution. His responsibilities are to coordinate, monitor and evaluate research and development programmes on tea cultivation and processing; and disseminate and deliver technical guidance collectively to address the emerging challenges of local tea industry. He was a Board Member of the Tea Small Holding Development Authority in 2015.

Serving the tea industry over 29 years whilst working at TRISL, he is exposed to all the disciplines of Research and Development projects and their outputs and outcomes, thus aware of necessary technological interventions for the adoption. Involving in consultative committees of the Sri Lanka Tea Research Board, national committees of the Departments, Organizations and Institutions, and interacting with both government and private sector organizations along with the stakeholders, he is quite aware about decision making and policy development processes in local environments. Besides, having to interact with global, regional and local organizations and entrepreneurs, he is acquainted with the global tea industry issues as well.

J L Aananda Fernando
Director

Mr. Ananda Fernando is a Fellow Member of the National Institute of Plantation Management and holds Diplomas in Plantation Management, Human Rights, Diplomacy & International Relations, Conflict Resolutions and Negotiation Skills. He also served as a Member of the Sri Lanka Tea Board Panel for monitoring of Tea Auctions, Direct Sales and Imported Tea.

Mr. Fernando counts over 40 years experience in the Management of Plantations having begun his planting career in 1976. He served as Superintendent of Mahagastote, Holyrood, Welimada and Somerset estates before he took charge as General Manager of Horana Plantations in 1993. He joined RPK Plantations in 2000 and also functioned as Director-Operations of Kegalle Plantations, Maskeliya Plantations and in 2007 joined Watawala Plantations as Director-Operations. He was the Director/ Chief Executive Officer of New Vithanakande Tea Factory Ltd for 5 years from 2008 and presently serves as the Executive Director of Eastern Brokers and Director of Maskeliya Tea Gardens Ceylon Ltd.

He is an auditor of Japanese 5S & Kaizen and an Ex-committee member of Japan Sri Lanka Technical and Cultural Association (JASTECA). Mr. Fernando possesses international exposure in Plantation Management and Tea Manufacturing with participation in training and development programmes and conferences in Japan, China, USA and Germany and also has the exposure in to International Tea Markets participating at Trade Fairs and Exhibitions in Germany, USA and UAE

Shaminda Yaddehige
Director

Mr. Shaminda Yaddehige has been appointed to the Directorates of Kegalle Plantations PLC, Maskeliya Plantations PLC and Namunukula Plantations PLC with effect from 1 March 2016 as a Non Executive Director.

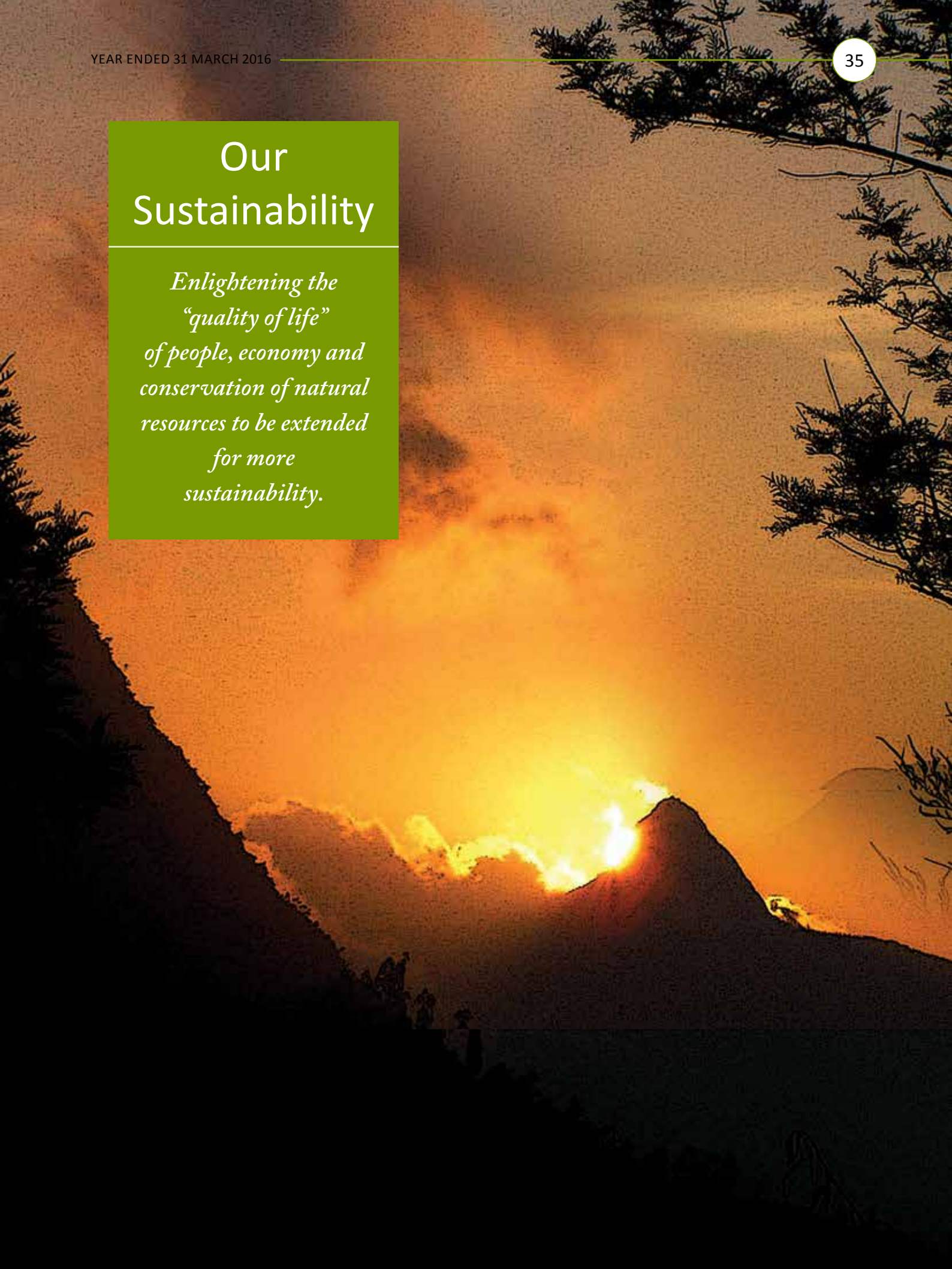
Mr. Yaddehige was educated at Charter House, United Kingdom and graduated in Chemical Engineering from University College London. After establishing himself in business in Europe and USA, he further graduated in Master of Business Administration at IE Business School, a global top 10 ranked business school.

He worked as a Management Consultant at Price Waterhouse Coopers, United Kingdom and also at world renowned International Ultra High Net Worth banking giant, Credit Suisse of Switzerland. He has an extensive experience in International Marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige is in the Directorate of Richard Pieris & Company PLC as an Executive Director/Chief Operating Officer of the Company and also in the Directorates of Richard Pieris Exports PLC and Subsidiary Companies of the Richard Pieris Group.

Our Sustainability

Enlightening the "quality of life" of people, economy and conservation of natural resources to be extended for more sustainability.



The Report

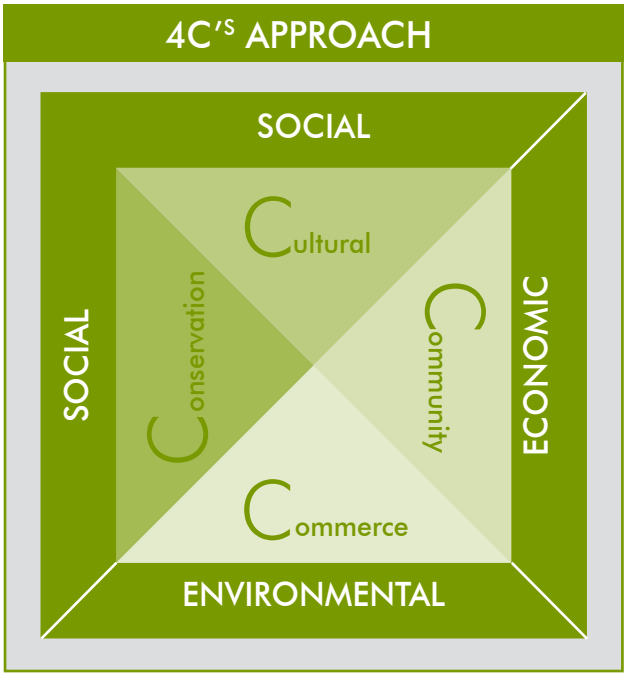
First time in the history of Maskeliya Plantations PLC we adapted to the Global Reporting Initiatives for reporting. This inspires us to extend our traditional role of providing only financial information into providing wider range of information based on the triple bottom line. This practice is to be executed upon the assumption that the Company has a wider range of social responsibilities than simply providing financial information to the investors of capital. The report is formulated using the "Core" option given by the Global Reporting Initiatives.

Sustainability in Maskeliya

Maskeliya Plantations PLC has focused on our role as a producer with expertise in agriculture but is reviewing strategic options to capture the value addition aspects of the supply chain. We are committed to our long term vision of being a profitable company that sets the benchmarks for operational excellence in the country. Our focus will continue to be the foundation for our corporate philosophy and strategic direction as we focus on development of our employees and the land to yield sustainable earnings and growth in the coming years

We see sustainability practices as a continuous process and believe our sustainable work at present will bring us among the best in the industry. Our aim is to integrate sustainability into the way we run our business and thereby prove how sustainability contributes to the business. As part of this strategy, entire workforce in Maskeliya Plantations PLC are empowered to be part of the sustainable work that is carried out by the Company.

This time we use 4C's approach to report our sustainable practices in a more integrated way.



Identified Material Aspects and Boundaries

We use the following process to identify, evaluate and prioritize the aspects that matters to our business so that we are able to report on each and every aspect comprehensively to our stakeholders.

Establishing Principles for Identification of Material Aspects

Principles for Defining Report Content

The aspects included in our annual report are basically aimed at the wide range of Company's stake holders. We have considered the following basis of principles in determining the matters that affect our business and eventually the stakeholders.

Materiality

We intend to cover topics and indicators that reveal Company's significant economic, environmental and social impacts and also the other required information that have a substantial influence on the decisions of our stakeholders.

Stakeholder Inclusiveness

Internal and external parties that can affect or can be affected by Company's activities and actions are taken into consideration. These stakeholders include those who have invested in our Company both financial and non-financial ways. Preparation of our report is basically carried out by giving priority to the reasonable expectations and interests of our stakeholders.

Sustainability Context

We report all information related to the present and future development of our own Company, economy at large, social and environmental context in order to make the awareness on our practices that create a sustainable value in medium and long term.

Completeness

The report covers material matters, Indicators and their boundaries that are sufficient enough to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organization's performance in the reporting period.

Principles for Defining Report Quality

Process of preparing our sustainability report is consistent with the following basic principles which enabled us to enhance the quality of information provided by the content of this report. We strongly believe the quality of information would empower our stakeholders to make sound and reasonable assessment on our overall performance.

Balance

We have reported all the relevant positive and negative aspects of the Company's performance and nothing is withheld. Therefore this report would provide an unbiased picture of the Organizational performance.

Comparability

Information are provided in a manner that users of this report can compare the information against our own previous reports.

Accuracy

Providing sufficient, accurate and detailed information for stakeholders to assess Organizational performance.

Timeliness

Reporting information on a regular basis (annually) in order to facilitate stakeholders ability to make informed decisions.

Clarity

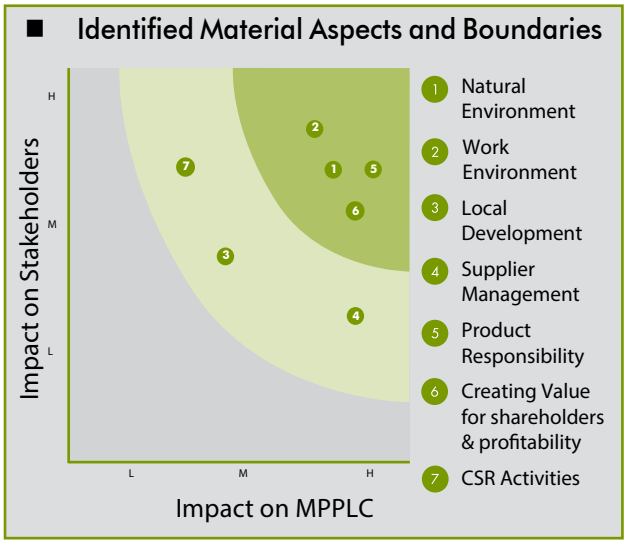
Information is made available in a manner that is understandable and accessible to stakeholders using the report.

Reliability

Gather, record, analyze and disclose information in a manner that they can be subject to accuracy and establishes the quality and materiality of the information.

Prioritization of Material Issues

The aspects that matters to us are prioritized based on the following matrix. The sustainability report focuses on these aspects and thereby our stakeholders would be able to understand the areas which have high potential to create an impact on our business model.



Material Issue for MPPLC	Corresponding GRI G4 Material Aspect	Aspect Boundary	
		Internal	External
Natural Environment	Materials	*	
	Energy	*	
	Water	*	
	Biodiversity	*	
	Emissions	*	
	Products and Services	*	
	Compliance	*	
	Overall	*	
Work environment	Employment	*	
	Labor/Management Relations	*	
	Occupational Health and Safety	*	
	Training and Education	*	
	Diversity and Equal Opportunity	*	
	Equal Remuneration for Women and Men	*	
	Non-discrimination	*	
	Freedom of Association and Collective Bargaining	*	
	Child Labor	*	
	Indigenous Rights		
Local Development	Local Communities	*	
	Public Policy		
	Anti-competitive Behavior	*	
	Compliance	*	
Supplier Management	Supplier Assessment for Impacts on Society		*
	Supplier Human Rights Assessment		*
Product Responsibility	Customer Health and Safety	*	
	Product and Service Labeling	*	
	Customer Privacy		
	Compliance	*	
Creating value for shareholders & profitability	Economic Performance	*	
	Market Presence	*	
	Indirect Economic Impacts		*
	Procurement Practices	*	
CSR Activities		*	

Impact on stakeholders and the Company was identified based on Company's own management judgment.

Culture

Beliefs & behaviors transforming from one generation to another have developed unique features of a society. The quality of society will be judged by what the least privileged in it has achieved.

Work life of a tea plantation.

On a typical working day, a female worker wakes up around 4.30 or 5 in a cold morning to begin her busy day preparing breakfast for her family, getting her children ready for school and also attending to her retired feeble parents whom she has to leave at home and report for work by 8 am.

At 6 in the morning as the factory blows the siren, male workers gather at divisional muster sheds. By 6.30 am Field Officers and Asst. Superintendents will disperse them for various sundry works and also for plucking.

Weeding, Pruning, New clearing work, Manuring, road work are some of the sundry works and due to severe shortage of workers present, most of the male workers are employed for harvesting operations. By 7 am muster will be over and workers get back to their residents for breakfast and return for work by 8am. Female workers are all employed for harvesting and they too report for work by 8 am.

Female workers will hand over their toddlers to the divisional' Child Development Centers' (CDC's) on their way to work, to take care of them in their absence by able' child development offices'. Other grown up children will be sent to schools situated within the estate or in its close proximity.

Work on the estate commence by 8 am and whilst harvesting continues throughout the day till 4.30 pm, other sundry work which are done on task basis will be over by 1 or 1 .30 pm. Field Officers and Asst. Field Officers will be constantly checking work performed by workers and their main role is to obtain daily tasks on each field operations to a quality standard.

Superintendents and Asst. Superintendents will spend most of their time in the morning session doing their field rounds and they too check all work performed by workers for standards and tasks. They monitor, assess, make decision on agricultural practices and also provide knowledge and advice to workforce and staffs.

In regard to a female, having completed day's task by 5 pm and picking toddlers from CDC's will have to get back home and take care of her family matters thereafter. She has to cook meals for the family and the only chance she gets to be with the family is dinner time. Her daunting daily tasks are mostly over by 9 or 10 pm before she retires to sleep to start the same routine the following day.

Field staff , Office and Heath staff work throughout the day till 6 or 7 pm. Field staff complete divisional book work by 7 pm and factory staff are engaged in working for day & night shifts. Leaf brought to the factory during day time will be manufactured around 12.30 or 1 am and factory operations are done 24 hours.

Executives of the plantation who are responsible for management of the estate will have to be on call for any matter if needed for 24 hours in all departments of the estate and they visit the factory in the night too as and when necessary, for withering and manufacturing processes.

Asst. Superintendents mostly spend time in the fields during the day time and afternoons and by evening they attend for office work and other labor matters and thereafter the factory, for supervision of operations there, such as spreading and withering. They mostly get back to their bungalows by 8 pm onwards and this routine continues daily throughout the season.

Belief and Social Life

In Tea Estates of Sri Lanka most of the Estate workers follow Hinduism. There are Temples and places of worship for deities on Estates. Their popular Goddess Mariamman, Murugan, Pillayar, Sivan, Parwathie, and Laxmi.

Every year in mid December the Hindu workers commence "Pajana", which mostly they start early morning go around the Lines with Oil Lamp singing "Pakthi Geethai" about Lord Krishna. This will take place upto "Thai Pongal' day. On the last day , it is on Thai Pongal Day they will carry Lord Krishna's Statue in a Chariot around the lines and the workers will offer Pooja with Coconut, fruits, Chamber, etc. In the meantime they will Offer their gratitude to Sun, as "Sooryan Pongal". On the second day they will arrange for Pongal for cows and feed the pongal to the Cow. This festival will go on for a week and they will return for work on a auspicious day.

In certain Estates on the pongal day night, they will have Drama, such as "Aruchunan Thavasu" "Ponnar and Sankar", which Drams were brought from South India, when they migrated to Sri Lanka.

In the month of March they will celebrate "Mariamman" Pooja. On a Friday they clean the temple and go to the River side around 7 p.m.and prepare "Karagam" with pure water and coconut flower and leaf. The Poosary will make all this with the help of Temple committee. The "Karagam" will be brought to the Temple where they will play "Thappu" and use other musical instruments, and all will be dancing (Falk dance) with "Kavadi" and coming to the Temple. On the following day the Marimman Statue will be placed in a Chariot fully decorated which will be taken around the Lines with music, dance etc.

The 5th day will be a Tuesday when they will prepare "Mavilaku" (Rice flour is used for this and it will be just hard Cake and in middle of it they will put some Gingerly oil and make lamp.) All will be taken to the Temple where the Poosari will make pooja. In the temple the ladies will be singing and offer their gratitude to Marimman by the way of "Kummi". After completing this, the men will go around the line rooms with "Karagam" with Tappu etc, at that time the people will pour saffron water, which means to clean all the sins etc. Throughout five days they will not prepare any non vegetarian food.

Also some have their own deity based on family predecessors and are worshipped as guardian angels "Venkadasalapathy", Murugan with Theivay and Valli, as their guardian angel to whom vows and sacrifices are made.

They also celebrate Deepavali Festival, where they will be buy new clothes and prepare sweet items and offer Pooja to Murugan. Thereafter will they prepare non vegetarian food and have the meals with family and relations.

Habits, literacy and Health

On the Tea Estates, most of the men have a habit of consuming Liquor. Specially the Bottled Toddy is famous in the Estate Sector. This is the main reason most of the Estate workers are unable to educate their Children. In very olden days each estate had school where the Teachers from India were teaching. The classes were up to 4th standard. In the Town area Christian Missionary was running schools where Estate staffs' children and business community's children were studying. The men were able to study a little whilst the women did not get an opportunity to study and even they were not able to write their names. This was gradually changed since, independence. Some of the workers who control their expenses such as on alcohol save money to admit their children to schools in town. Some join estates staff cadre and few have become Executives. At present most of the estate schools are developed and going up to GCE Ordinary Level. The Children of some estate workers have entered the Universities. During the post independent era lot of changes have taken place in the Estate Sector. In the Pre independent era, there was no proper children care centre but now it is available with well trained and educated care taker who is looking after the children. Pre-schools are also available to train children in every aspect from very young age. Further, every estate has a Family Welfare Officer, in addition to the Estate EMA and Midwife, who is looking after the welfare of the Estate workers. Estate Dispensary is managed by a semi qualified person – RMP Level, and look after the health condition of the Estate workers. The monthly clinic for pregnant mothers are conducted by the midwife with the help of Government health officials of the area.

Community

Quality growth of a region does not happen by chance. It depends on how we lay down the foundation for development of a society.

As per the belief of MPPLC, community management is about recognizing and managing both positive and negative business impacts on people. Directly or indirectly we have an impact on our employees, workers in the value chain, customers, local communities & other stakeholders. Ignorance of community around our business would be a liability to us that our brand, the quality of products and entire business can no longer afford. Therefore we rate this as an important matter that needs to be managed proactively through maintaining strong relationships with all the people that are affected by our business activities.

Our Key Relationships

We operate within an integrated culture where multi-faceted stakeholders interact with each other with an intention to achieve various needs and objectives. Our approach is to manage stakeholder relations ethically and in compliance with relevant legislations and best practices.

Engagement with stakeholders in MPPLC is a two-way approach and take place on a constant basis over different platforms. In our approach of managing stakeholders, we follow an inclusive process whereby the legitimate requirements and interests and material concerns of key stakeholders are identified and considered and their expectations managed.

An overview of our key stakeholder groups, their interests and concerns and how we engage with them is provided in the table below.

Group of Stakeholders	Why it is Important us to Engage	How We Engage	We cater for
Investors	This represent RPC management service, The largest shareholder, Richard Pieris & Co.PLC, the ultimate parent and all the other shareholders together with capital providers such as banks and finance organizations.	- Annual general meeting - Extra ordinary meetings - Quarterly and annual reports	- Corporate governance - Risk mitigation - Provide financial returns
Employees	Being the driving force of the business company maintains a mutually rewarding employee management system. The success and the performance of the company directly related with the efficiency and the effectiveness of the work force.	- Daily engagements - Review meetings. - Discussions with employee representatives - Grievance handling mechanisms	- Uplift the standard of living - Employee empowerment - Welfare facilities - Medical, health and hygiene factors
Brokers And Buyers	Brokers and buyers interact with our company mainly through the Colombo Tea Auction (CTA) Brokers involve in cataloguing and selling products to customers. Buyers represent large scale exporters as well as local distributors	- Tea Auction Meetings with brokers - Discussions with customers - Broker and buyer evaluations	- Quality concern - value addition - Compliance with standards
Government	Government is the golden shareholder of the company, the lessor of the estate's and a key regulator and opportunity creator for the business	Communication with central government, Ministries, municipal councils, Pradeshiya sabha etc.	- Contribute to the national strategy - Payment of taxes
Community	Company expose to a larger community which directly linked with worker population of 18 estates. Company coordinates government, non-government organisations to provide financial and non-financial assistance to uplift the standard of living of communities	- Through company officials such as welfare officers, Medical officers etc. - Time to time meetings with estate officials	- Address Financial, Cultural, Social issues - Preserve Environment

Compliance & Integrity

We are committed to undertake our business activities with honesty, integrity and responsibly considering all our stakeholders. We promote an ethical corporate culture among our employees across the organization. This would enable us to create a morale among the employees to be ethical in all aspects of their engagements with business activities.

The acts, ordinance and other regulations that we comply with are as follows.

Companies Act No.7 of 2007, Sri Lanka Accounting and Auditing Standards Act No.15 of 1995, Listing Requirements of the Colombo Stock Exchange, Employees Provident Fund Act, Employees Trust Fund Act, Payment of Gratuity Act, Maternity Benefits Ordinance, Medical Wants Ordinance, Shop and Office Act, Industrial Disputes Act, Factories Ordinance, Workmen's Compensation Ordinance Inland Revenue Act No.38 of 2000.

Employee Development

We are a business that embraces the wellbeing of the people and the planet as our sustainability is inextricably interwoven with the land and the employees. Our company can easily be categorized as one of the largest employees in the Industry with a workforce of nearly 12,500 and approximately between 5,000 to 6,000 dependent families, not mentioning on the surrounding communities, who directly or indirectly benefit from the said integration.

As always, the human resources factor in the Company has been identified as the most critical component for success of its operations. Having identified this, steps are being taken on a regular basis to improve the living standards and the quality of life of both employees and the workers families with the assistance of the Ministry of Hill Country New Villages, Infrastructure & Community Development, in collaboration with the Plantation Human Development Trust.

We rely on the employees as approximately 99% of them reside on the estates and have access to a variety of welfare services/primary health care provided free of charge. We rely on them for our growth and the performances and seek to empower them to reach their full potential.

Collaborating with People

Capitalizing on our employees is considered as a process which spreads beyond their careers to their wellbeing with the purpose of enhancing employee morale and retention. Therefore we create ideal conditions for good work environment and also offer employees with fair terms and make them more productive in terms of employee efficiency. We believe this kind of an engagement will benefit the Company, employees working around and more importantly the society at large. In addition to this MPL incur higher amount of money on behalf of employee welfare with the purpose of enhancing and enlarging their standard of living.

Following factors are identified as key areas for development of both the Company and employees in medium to long term.

- Enhance the productivity of our labour force.
- Improve the motivation, commitment and the loyalty of employees.
- Facilitate better working conditions.
- Comply with the government rules and regulations regarding workers.
- Enable them to achieve the targets set by the top management.

We are operating with a well-diversified workforce who possess so many similarities and differences among each other in terms of age, gender, race, religion, physical abilities etc. Maskeliya Plantations PLC is committed to the principle of equal employment opportunity for all these employees and to provide employees with a work environment free of discrimination and harassment.

Industrial Relations & Collective Agreement

Industrial relations with our people plays a vital role in the future performance of the Company. We as a socially responsible Company always try to establish a better relationship with our employees. Company establishes its policies with regard to estate workers and staff relations through the Collective Agreement. 82% of our employees belong to worker and staff unions and all estate staff and workers are covered by the Collective Agreements. Usually the collective agreement covers a number of aspects such as salaries & wages, overtime, statutory contributions,

health & safety, grievance handling and union actions. We always likely to proactively engage with employee unions to have a sound understanding of the needs and requirements of our employees.

These collective agreements are subject to revisions in every 5 years for staff and 2 years for workers.

Since around 99% of our employees reside within our estates or in the vicinity, the value we place on them have the potential of creating a more economical value than what we simply count as the employee expenditure. The community related to the employees under our Company are entitled for benefits such as residences, crèches, hospitals, preschools, schools and other welfare facilities provided by the Company. Additionally they are free to run their own businesses such as grocery shops, cattle farming, vegetation etc.

Employment Strength

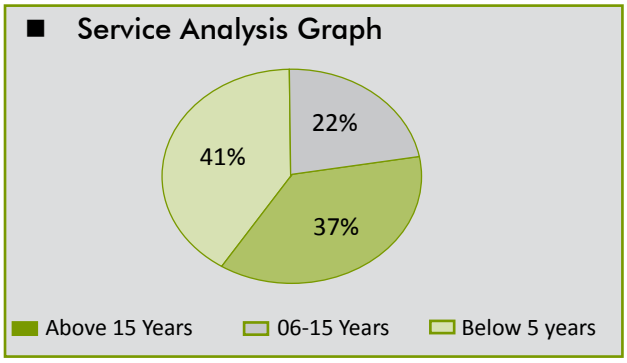
Company's employee base accounts for nearly 12,500 employees. We have classified these employees into 3 basic categories namely Workers, Clerical technical & other staff and Executives for the administrative purposes. We are continuously committed to cope up with our employees in order to ensure that they receive the best working conditions and assurance applicable to their work life.

	2015/16	2014/15
Total number of employees	12,454	12,729
Value paid as salary (Rs.mn)	2,444	2,460

Employee Productivity	2015/16	2014/15
Revenue per employee (Rs'000)	263	277
Profit per employee (Rs'000)	(38)	(14)
Asset per employee (Rs'000)	353	349

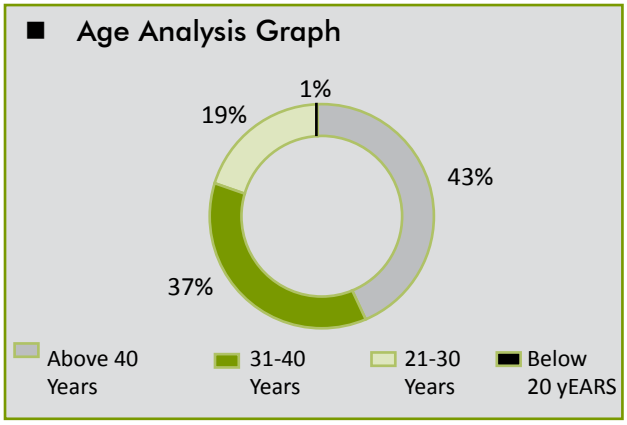
Service Analysis Graph

Service Analysis	No of		
	Executives	Staff	Estate Workers
Above 15 years	12	111	5,082
06-15 years	20	174	4,311
Below 5 years	22	246	2,476
Total	54	531	11,869



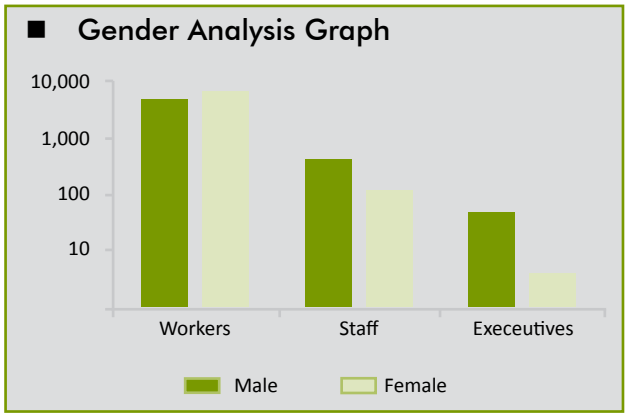
Age Analysis Graph

Age Analysis	No of Employees
Above 40 years	5328
31-40 years	4647
21-30 years	2408
Below 20 years	71
Total	12454



Gender Analysis Graph

	Male	Female
Workers	4,908	6,961
Staff	413	118
Executives	50	4
Total	5,371	7,083



Occupational Health & Safety

Health & safety are core values in our employee engagement policy and we continuously strive for excellent performance in all areas of our operations. Our long-lasting intention is to have everybody leave work at the end of the day in the same state as they arrived in the morning.

For this purpose we have taken many initiatives during the reporting period. Employees involved in our production process are well trained about work place accidents and other occupational diseases. At the same time we are continuously assessing the safety requirements and take necessary actions to ensure the health and safety of our employees. For this purpose we have introduced and implemented workshops and awareness programs during the reporting period.

Training program on employee safety and first aid treatments were conducted in Mocha estate with the aid of Sri Lanka Red Cross.

Conference on Employment Protection & Health Awareness conducted by NIPM for the MPPLC staff

Oral cancer prevention and awareness program was conducted by Moussakelle estate of Maskeliya Plantations PLC at Moussakelle Estate Dispensary & Maternity Ward on 5th of June 2015.

Training & Education

Being educated and trained is a way of improving employee efficiency, effectiveness and ultimately the productivity. Company has identified the importance of delivering sufficient and appropriate training for its employees and has conducted many training and awareness programs during the year.

Enhance the knowledge of the Planting Executives

A workshop had been conducted by NIPM on developing the human resources and enhancing the knowledge of the Assistant Superintendents of the Company on the preparation and checking of the estate Monthly Accounts and awareness of financial statements in plantations during October 2015 at the Maskeliya Planters' Club.

The Assistant Superintendents have attended many NIPM progressive courses during this period in order to enhance their knowledge in Plantation Management.

Machine Plucking Demonstration

A demonstration on Machine Plucking/Shear Plucking conducted by Dr. M.Wijeratne of the Tea Research Institute of Ratnapura and Mr. Samansiri from the advisory Division of Tea Research Institute, Talawakelle, was held at Moussakelle Estate, Maskeliya in collaboration with the Manufactures from Japan during February 2016, which was followed by a Power point presentation at the Maskeliya Planters' Club. This is going to be the future trend to overcome the shortage of workers and to maximize the harvesting of crop during rush period. In addition to this field training on Good Agricultural Practices (GAP) at Field day had been undertaken by the TRI Officials at Maskeliya Planters' Club for all the Maskeliya Plantations PLC., Planting Executives, Field Staff, which was followed up by a Field demonstration and Power point presentation.

Corporate Social Investment

We rely on a holistic and long term approach to address our responsibility towards the society at large. We place a higher value on social investments in our value creation process since this is considered as an integral component of our business. Developing and maintaining a strong relationship with the community close to us is an essential part of our strategy formulation.

We strongly believe that sustainable growth can only be accomplished by striking a balance with wider social and environmental aspects. Our approach for social sustainability goes beyond the philanthropy to undertake initiatives that provide sustainable returns to the community, society and the whole country at broader level.

We always try to capture broader set of our stakeholders when planning social sustainable initiatives. This multi stakeholder approach creates greater package of benefits to our stakeholders who have positive and negative interest towards our business. As a sustainable Company we believe that our greatest strength lies in our people. Therefore we are highly engaging with the resident communities as many of the citizens are directly and indirectly attached with our business and its activities. We have come across many milestones as far as the relationship between our company and local community is concerned. In this journey we have moved beyond the employee level to interact with the local community in many ways.

We closely engage with many government and nongovernment organizations (NGO's) in order to implement programs that are aimed to uplift the standard of living of related communities. Further we establish close contacts with the village committees and other community representatives to continue an effective dialogue with our resident community.

With the fact that most of our people reside within our estates or nearby regions we highly emphasize our concern on regional development. As part of this we have undertaken many programs over the years to uplift the quality of life of local communities. These projects include supporting cultural, educational, sports, healthcare, infrastructure development and other projects which are directed to enhance the quality of life of our employees, their families and entire community as a whole. Programs and activities that were undertaken during the reporting period are disclosed in consequent chapters.

New Housing Projects

The landslide victims of Strathspey, Mocha Estates were gifted with a new house with all modern facilities through the Ministry of Hill Country New Villages, Infrastructure & Community Development in collaboration with the Plantation Human Development Trust. During October 2015, 22 New Houses were handed over to the beneficiaries at Midlothian Division of Mocha Estate and 10 Houses and 05 Houses were handed over to Minna Division and Ladbroke Division of Strathspey Estate respectively by Hon. P. Thigambaram the Minister of Hill Country New Villages, Infrastructure & Community Development. Maskeliya Plantations PLC., General Manager, Executives, Ministry Officials, Politicians, Staff, Workers, Police Officers, Grama Niladharies of the area, and well wishers graced this memorable occasion.

Providing Addresses - "Vilaasama" Project

The" Vilaasama" program, aimed at providing addresses to 1,500 families living in the Mocha Estate in The Maskeliya Plantation PLC has now been completed. The program, initiated in December 2015 with full cooperation from the Ambagamuwa Pradeshiya Saba, Postmaster and Divisional Secretariat, with assistance from World Vision, and Plantations Human Development Trust(PHDT) was conducted under the guidance of the Centre for Policy Alternatives (CPA).

The Vilaasama program was launched during the March, 2016 at Mocha Estate Adamspeak Divisional Grounds. The event was preceded with a directory of all new addresses being distributed to all government institutions, as well as the unveiling of 1,500 addresses. The Executive Director of CPA Dr. Paikiasothy Saravanamuttu attended this event. Government institution officers such as the Maskeliya Police, Divisional Secretariat, Pradeshya Saba and other distinguished guests graced this historical event.

Infrastructure Development

A suspension bridge at Rutherford division in Moussakelle estate was in a deplorable status and this was repaired by replacing the damaged timber frames and planks on estate account, with untiring effort of the present superintendent of Moussakelle estate Mr. D H A Wijewardene and his team.

Child Development

The emotional, social and physical development of children have a direct bearing on their overall development towards their adulthood. As a socially sustainable company, we have clearly identified the value of investing in very young children to maximize their future well-being.

Optimum early childhood development would help children to have a successful transition to their life cycle. We are always committed to create a caring and supportive environment that support early childhood development of children living on our estates. This, in turn endorses children's chances of accomplishing better learning with and end result of better education, employment and good health.

Children Day Activities

Children's Day is celebrated amoung estates of MPPLC with great enthusiasm. These programs are organized with the intention of respecting children's personalities and celebrating their happiness. Following programs were conducted in line with the World Children's Day.

Art Competition

During the period under review Art Competition for the school children was conducted in two age groups, one from 10 to 13 years and the other from 14 to 18 years to commemorate the children's day, through FLO "Children are the world's most valuable resources and future of humanity"

Aiding Education of Children

Glenugie Estate, Upcot donated school stationeries to the Grade 01 to 05 students of Deeside Tamil Vidyalayam.

Strathspey Estate had felicitated the children who got through at the year five scholarship examination on their achievements including the Teachers who guide them to excel in their studies.

Health awarnence & Safety

Health camps were held on estates on a periodical basis to screen the employees for Diabetes, Cancer, Hypertension, Eye diseases, Gender awareness, First aid camps, Pregnant mothers were supplied with nutrients participants were educated on HIV/AIDS were conducted during this year. The Company practices to ensure the Health & Safety of all employees, which goes beyond compliance with the guidelines set by the Factory ordinance and Workmen Compensation ordinance. Further this area is also assessed in the certification obtained for Fairtrade, Ethical Tea Partnership, ISO 22000:2005, HACCP, Rainforest Alliance, Safety etc.,

An eye clinic was conducted by Plantation Human Development Trust, Dickoya during the August 2015 at Glenugie Estate Dispensary in collaboration with Ideal Optician Care.

Spectacles were donated to the poor people in Mocha estate during the year.

Almsgiving Ceremony

MPPLC arranged a great meritorious activities, in view of the Medin Poya Day, during the March 2016, by offering alms to Saman Devalaya, Maskeliya and Dhanaya were served to the Pilgrims who were climbing the sacred Adamspeak. Approximately 2,500 Pilgrims benefited from this

remarkable occasion with the participation of the General Manager, Executives and the staff attached to our Company estates

Sports

We encourage our employees to participate in sports activities with the intention of improving their healthy life style.

Engaging in sports and physical activities, including physical fitness activities, plays an important role in promoting health and wellness among our people. Not only does such activity help improve the physical fitness and health but also it is an integral strategy to improve the aspects of behavior and attitudes of our people to build up team spirit.

Brunswick Estate staff had a soft ball Cricket match against the Executives during the season.

Fitness Development Centre was opened in Mocha estate during the year for the use of its employees.

Product Responsibility

Quality is the core concern for MPPLC from the inception of the Company and now it has become our brand identity among our buyers, brokers and customers. We have gained so many respect from these category of our stakeholders for producing best quality tea. With the increasing cost of production and other adverse macro-economic factors have forced us to further concentrate on the quality of our tea since this is considered as the best possible way of being the market leader in the industry. Given the quality of our tea, we have been able to obtain top prices continuously in weekly auctions and those information are disclosed in the chapter, "Our Achievements" (Page No: 15).

We are responsible for the end product that is sold at Colombo Tea Auction (CTA) and always our intention is to ensure highest standards of food safety and quality of our products. We are closely monitoring and taking care of the manufacturing process which goes through growing tea, harvesting, processing at factories and transporting to auctions.

Further, Factory managers and separate tea tasters employed by the Company are continuously working on the quality checking procedures prior to samples and invoices being sent to Colombo Tea Auction.

Our focus is to achieve zero defects and we are continuously concentrating on improvements where necessary for every aspects of our manufacturing

procedures. For this purpose we introduce new technologies and other mechanisms to our production process on a regular basis and our employees are trained and educated accordingly. Information related to training and education of our employees are disclosed on page no 48 under the topic of "Training & Development".

Further to these practices we are interactive with the following institutions and have obtained membership with them for the purpose of improving quality of our products.

- The Colombo Tea Traders Association
- The Planters Association of Ceylon
- The Employer's Federation of Ceylon

Additionally we are certified with following certificates and these certifications would guarantee the quality and the safety of our products. Therefore the product security expected by our end customers will be ensured.

- HACCP/ ISO 22000 (Food Safety Management System Certification)
- Ethical Tea Partnership (ETP)
- Fairtrade
- Rain Forest Alliance

Product Labeling

We conform to all the packaging/labeling standards and requirements imposed by Colombo Tea Auctions and the Ceylon Tea Trade Association. Estate name, garden mark (selling mark), grade, invoice number, gross and net weight are generally included in the product label accordingly.

Conservation

Biodiversity governs the ecosystems which nurture us by providing food, air,fresh water, health and recreation, and also the protection from natural disasters. All those quality blessings we were borrowing from the past. Thus, we are bound to preserve same today on behalf of future generations.

■ Reflections at Moussakelle reservoir under still air conditions.

Biodiversity

Maskeliya Plantations PLC occupies one of the best scenic areas in Sri Lanka in addition to our renowned name gained in production of some of the superlative teas in the globe.

The scenic beauty of the region is enhanced by a number of splendid waterfalls concentrated in to the territory, created by unique terrain, topography and also the climate. This attractiveness of the region has further enriched by the anthropogenic features such as man-made reservoirs embedded with tiny islets, surrounded by greenly carpeted tea plantations mixed with a mosaic of natural forest and exotic timber plantations. Flamboyant Moussakelle reservoir, the head of Kelani Valley hydro power scheme is well positioned surrounded by a ring of tea carpet and the forest line adding an extra attraction to the location. "Peak Wilderness World Heritage Site pinnacled and crowned by The Adam's Peak makes an extraordinary picturesque value to the region.

Western edge of the Maskeliya basin and it's tea cover is sharply demarcated and bordered with an escarpment (cliff of mountains) capped with a healthy montane forest system, the Peak Wilderness Nature Reserve (PWNR), declared world heritage site, crested by the sacred Adam's Peak towering up to 2243m (7402 ft) amsl. This is the largest protected area by far, in the wet zone Sri Lanka covering 22,379 ha and also the only continuous forest stretch in the Island spreading from lowland wet zone up to upper mountain Pygmy forest formation (Singhakumara, 1995). In addition, PWNR is considered the aseasonal, ever wet natural region receiving highest precipitation in entire south-east Asia next to Borneo, where the annual rainfall ranges between 3500mm to 6600mm in different localities. Above fact is well confirmed by the receiving of 5200mm to 6550mm annual rainfall at Hapugastenne estate of MPPLC, although, immediate next estates located in Maskeliya basin are gauging only between 3500mm – 4300mm of rainwater per annum. Daily temperature in Maskeliya varies in the range of 18°C-32°C (day) and 0°C - 15°C. (night) within the year.

Apart from the other ecosystem services performed such as Carbon sequestration, recharge of atmospheric Oxygen and retention of dust carried by the wind etc, PWNR also home for well over 50% of the endemic biodiversity in Sri Lanka due to high habitat diversity and the extremely high

"Giant Tree Ferns" (Cyathea crinita) are deemed "living fossils" since they remain almost unchanged for past 200 million years or so.

There are many Fungii species hidden in PWNR yet to be known to science.

biodiversity found in the region. There are 19 endemic biological genera found in Sri Lanka, where 11 out of which were discovered here. According to a comprehensive study done by B M P Singhakumara (1995), from the total of 491 species of woody plants collected at Peak wilderness belongs to 262 Genera and 108 Families. Out of which 192 species are endemic. Furthermore, there are over 1100 herbaceous plant species too have recorded from the territory and more then 50% of them are endemic to the Island.

From the 175 species of orchids recorded with 51 of such are restricted to the Island, where around 60 species are found in this zone including 25 endemic Orchids (Fernando S. S. 2002). According to Palitha Jayasekara (1996) it includes 122 species of Ferns and their relatives with 32 endemic species in Peak wilderness which includes 6 rare species of Filmy ferns (Family Hymenophyllaceae) which are highly sensitive even to slight changes in the environment. (Fernando S. S. 2002) recorded 20 "Mistletoe" (parasitic plant) species out of 31 found in the island, from this area including two rare endemic species *Macrosolon barlowii* and *Dendrofthoe lonchifilus*, latter species was believed to be extinct and rediscovered in 2002 after 100 years.

The forest records more than 125 bird species. However, 25 species out of the 33 bird species endemic to the country are found here and 3 are globally threatened including newly discovered (2001) "Serendib Scops Owl" (*Otus thelohofmanii*), rare "Sri Lanka Whistling Thrush" (*Myophonus blighi*) and "Sri Lanka Blue Magpie" (*Urocissa ornata*) too are among them.

The Mammal life in any eco-system play very important role and are assigned with many duties such as maintenance of ecological balance by manipulating and controlling of various biotic and abiotic components at different levels.

Daffodil orchid, (Ipsea speciosa) locally known as "Nagaa Meroo Ala" is a renowned, strong Aphrodisiac endemic to central highlands of Sri Lanka.

Biological richness of few selected Taxa in Peak Wilderness as against Sri Lankan total

Taxa	Peak Wilderness	Endemic	Sri Lanka	Endemic
Woody plants	491	192	xx	xx
Orchids	60	25	174	52
Ferns	122	32	336	49
Mammals	50	16	124	21
Birds	125	25	240	33
Amphibians	50	xx	121	101
Reptiles	126	xx	211	126
Snakes	xx	xx	103	xx
Lizerd	xx	xx	108	xx
Freshwater fish	16	xx	91	50
Butterfly	34	5	245	26
Freshwater Crabs	xx	xx	51	50
Land Snails	96	54	253	205

"Stone Sucker" (*Garra ceylonensis*), and Mountain Loach (*Schistura notostigma*) are the most dominant fish species (Goonatilaka, 1993) out of the 16 fish species identified in the territory. When considering Butterfly fauna, 34 species have been encountered by Goonatilaka (1993) including 5 endemic species.

The land snail fauna of the sanctuary too is highly diverse. There are 96 species recorded from the area counting 54 endemic species also including four endemic genera namely, Rathnadvipia, Acavus, Oligospira and Aulopoma (Raheem and Butterworth 1988).

"Sri Lanka White-eye" (Zosterops ceylonensis) is the most abundant endemic bird restricted to montane Sri Lanka.

Lovely "Lunar Moth" of Sri Lanka (*Actius selene taprobanis*)

Cute looking Fishing cat (Zibethailurus viverrina) too is a frequently seen inhabitant in MPPLC tea gardens.

Environmental Management

(MPPLC) is undoubtedly blessed with a variety of forms of Capital contributing for a greater comparative advantage over the competitors in our affairs. Starting with the investors and lenders trusted on us, who support the operations by financing for the growth of the business and, next may be the properly structured, fully equipped and well located array of processing centres. Many of these are also gifted with road proximity and further aided by the goodwill earned in making and maintenance of excellent and consistant product quality over a century.

In addition, MPPLC is the only tea company that possesses a training centre in operation in Sri Lanka, which share the self generated commercial scale applied solutions for the problems faced by the industry at present. Moreover, the company is also has the pride of carrying a team of self motivated extraordinary minds capable in ingenious and

innovative thinking who regularly come out with new creations and creative remedies fulfilling the needs of the business and the industry besides the committed workforce focused to the interests of the firm.

MPPLC also maintains and strengthens the emotional bonds with society by extending a variety of heartfelt relationships with the stakeholders at all levels including employees, dependents, neighbors, brokers, buyers, value adders and also the product consumers.

In addition to all these, MPPLC considers and clearly understands that we cannot sustain and support all above forms of capital, unless you preserve and upgrade the uttermost form of capital, the Natural component of the lot.

Soil is the fundamental resource in agriculture. The escarpment (cliff of mountains) bordering western edge of the Maskeliya basin and its tea cover not only demarcating the limits of forest and the farmland, but enriches farm soil remarkably and endlessly. These mountain cliffs are the exposed cross sections of metamorfied sedimentary rocks consisting thousands of different layers composed by an immense range of minerals formed over a period of hundreds of millions of years. So, every chunk of rock fragmented and fall down from any level would contain diverse quantum of such mineral layers. Thus, weathering of escarpment faces creates soils, tremendously rich in plant nutrients.

Hence, it is considered that the escarpment soils (soils immediate below mountain cliffs) are the most fertile of all, since they are originated by simultaneous weathering of a mixture of vast spectrum of different minerals sandwiched in numerous rock layers. Many of the MPPLC estates are fortunate to have escarpment soils irrespective from the regions of Maskeliya basin, Talawakelle and Bandarawela. The unique Maskeliya Tea Character with thick colour liquors also with a touch of pleasant rosy flavor, too are greatly supported by Manganese and many other nutrient rich soils present in the Maskeliya and Up-cot regions.

In addition, being privileged by located on eastern slopes of mountain ranges, also in a North-South orientation, most estates have got the opportunity of acquiring the fullest benefit of quality morning sunshine, thus a perfect growth of tea shoots, the raw material for a superior product.

Furthermore, the tea gardens are blessed with year round steady supply of water provided via many natural processes. Out of which heavy showers created through monsoons, inter-monsoon air currents and cyclones play a major role in annual water supply for tea gardens belongs to MPPLC.

However the most important process in terms of recharging soil moisture and ground water level with respect to agriculture is the mechanism called "fog trapping effect" by montane forest systems.

Natural forests positioned above 1060m (3500 feet) above mean sea level (amsl) where fog and mist start appearing, are also termed cloud forests. They actively participate in this "fog interception" process year round whenever there is fog and mist is present, thus capable in continuous recharging of soil moisture levels even without the occurrence of rain. PWNR is the number one hydro catchment in Sri Lanka. It is estimated that around 858mm of precipitation or 25 % of the average annual water yield released to rivers from Peak Wilderness World Heritage Site in the form of stream flow, figuring up to a volume of 241 billion litre is harvested this way.

Over 80 % of the tea extent belongs to MPPLC is placed above 1300m (4000 feet amsl) and even the tea bushes with thick dense canopy also with moss covered trunk & branches could actively involved in trapping of fog and mist, and harvesting moisture from the atmosphere, even at a lesser degree of efficiency when compared to natural forests. Therefore, fog interception by tea bushes themselves could help their own survival to a certain extent, especially during persistent drought periods. The factors mentioned above may be the secrets contributing for the production of some of the finest teas in the world by MPPLC.

Poor education level of local community and language barrier with local Plantation Tamil community, inadequacy of basic facilities and resources for wildlife officers, larger wildlife range with difficult terrain, lacking in co-ordination between relevant authorities and so on are the main constraints in conservation of natural resources in Maskeliya region at present. In this context

community awareness would be an ideal solution for many of the above said anthropogenic hazardous activities which could be largely mitigated through proper education of the local community. In spite of this, much of the community awareness on nature conservation, worker and public health and safety, were done under "ten principles" of Sustainable Agricultural Network (SAN) standards during the preparatory process of Rainforest Alliance (RA) certification.

MPPLC became a RA Certified tea producer in year 2015 exclusively using the internal resources. Although, many of the areas required to be fulfilled for the certification, which are met by outsourced expertise in general, the company successfully obtained the certification covering and satisfying all requirements including training, documentation and awareness programmes conducted in trilingual media for the work force, on conservation of biodiversity and natural resources, integrated crop management systems, soil conservation and waste management etc., only by acquiring the services of interior experts.

In addition, MPPLC has the pride of housing an Applied Sustainable Agricultural Research and Training Centre in operation based on the findings of in-situ research conducted on commercial tea, located at Hapugastenne estate Maskeliya, the one and only of such kind at present in Sri Lanka. The centre is prepared to share the self generated commercial scale applied solutions for the problems currently faced by the industry with the stakeholders of all levels. Further, Tea small holders, representatives from Regional Plantation Companies from different tea districts, students from Universities are being trained and equipped with the new knowledge and technical knowhow at the centre. The estate had been performing long term research on actual affectivity of the weedicides used in tea in controlling the weeds that cause economic damage to the tea crop.

Sharing self generated knowledge with island wide stakeholders of tea industry at rainforest training center, Hapugasthanna estate, MPPLC

"Herbicide-Free Integrated Weed Management" (HFIWM) system for commercial tea which developed at Hapugastenne estate has gained a Global reputation at present. Moreover, importance of this sustainable weed management system applicable to perennial crops was identified by the higher authorities of RA during their visits paid to the estate and picked as the highlight of RA annual report for 2015/16 period. Also, the concept of HFIWM will be tested and applied in 90 different countries globally, in 20 different plantation crops with international influence. In addition to that there will be two short Documentry Videos too will be released by RA headquarters based in New York, USA, on the Applied Sustainable Agriculture Research work conducting on tea and other forms of agriculture.

Therefore, HFIWM would shortly gain world-wide goodwill and reputation for the company creating a massive comparative advantage over the competitors of the firm.

Apart from that, many other research work carried out at the estate aiming to find solutions for the current problems faced by the tea industry including a way to re-establish a quick canopy cover in commercial tea following to pruning.

Pollinators are the most important factor in nature next to Sun light and soil based components with respect to sustenance of ecosystems. Thus, bees play a major role in conserving an ecosystem by supporting both present and future generations. Giant honey bee (GHB) or "Bambara" (*Apis dorsata*) holds the mass pollinator trophy among all living kinds employed in the game of pollination by the nature. Although there are no incidents reported in the country side Sri Lanka on GHB attacking on villagers, plenty of such incidents are booming in plantation regions and places like "Seegiriya" year round where people are not aware about the behavior of GHB and do's and don'ts with them.

Only "Giant Honey Bees" (Apis dorsata) are capable of handling "seasonal mass flowering" assuring fruitful future for all.

Therefore, knowledge was gathered on this issue and now we have a solution for stinging of GHB with an accidentally found antidote for Bee venom as well, with applied and proven results. Now this knowledge is being spread within the plantation community in collaboration with Tea Research Institute and other experts who developed supportive techniques to prevent GHB attacks on human.

By the way, Central Provincial Ministry of Agriculture has offered a collaborative demonstration model to be established at the Training Centre at Hapugastenne estate Maskeliya in order to spread many of the novel innovative applications in practice to the public through the visitors attending the centre.

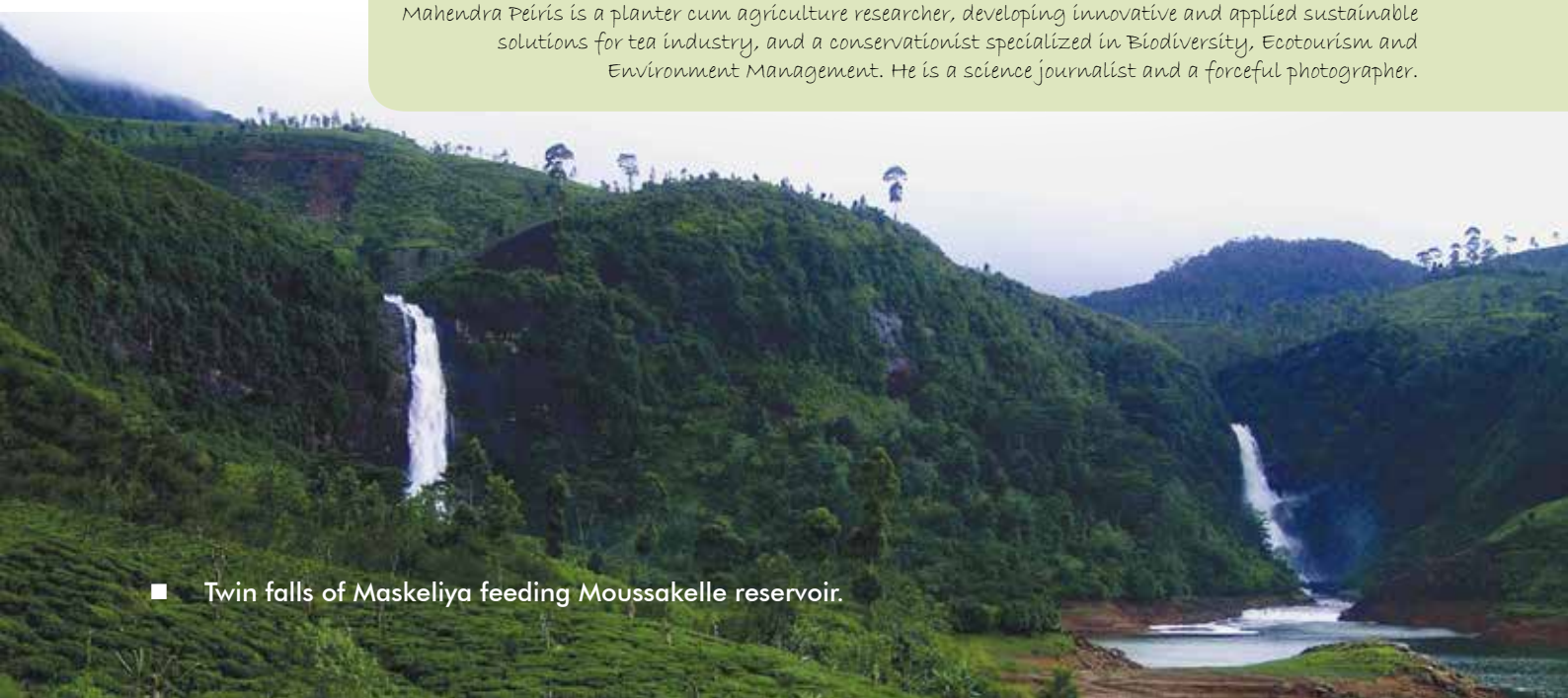
In this context it is obvious that MPPLC is taking the leadership in giving applied solutions for the problems faced by the tea industry locally as well as internationally, based on the concepts of Sustainable Agriculture, whilst supporting other sorts of agriculture as well. Additionally, this work would reduce pollution of natural resources and the environment causing through escaping agricultural inputs from plantations and other farmlands jeopardizing human health, biodiversity also contributing to mitigate climate change locally and global level.

In terms of tea industry, this novel knowledge would reduce operational costs and is capable of giving additional in-situ monetary benefits to the estate, worker community by safe, efficient resource utilization and broader benefits at national and global level with minimized pollution, trigger through escaped agricultural inputs applied on tea. These benefits were supported and convinced by careful application of physical as well as monetary sustainability in accounting systems and will lead to ascertain other possible applications and benefits in many different lines of sustainable agriculture.

Undoubtedly, making awareness could be used as a tool of improving the knowledge by educating both visitors and the local plantation community on conservation of natural resources and the environment, whilst getting them actively involved in conservation efforts in a sensible manner. Thus, identification and evaluation of biodiversity and its components as an ecotourism resource base in Maskeliya region is of immense importance.

About the Author:

Mahendra Peiris is a planter cum agriculture researcher, developing innovative and applied sustainable solutions for tea industry, and a conservationist specialized in Biodiversity, Ecotourism and Environment Management. He is a science journalist and a forceful photographer.



■ Twin falls of Maskeliya feeding Moussakelle reservoir.

Environment

The environmental measurement of sustainability concerns the Company's influence on living and non-living natural systems, including land, air, water and ecosystems.

The Environmental Category covers impacts related to inputs (energy, agricultural inputs and water) and outputs (emissions, effluents and waste). In addition, it covers biodiversity, transport, and product and service-related impacts of the Company.

Materials

Basic categories of materials that are used in our process of black tea manufacturing can be summarized as follows.

- Raw Materials - Green leaf (Estate leaf & Bought leaf)
- Processing Materials – Firewood, other machinery up keeping materials
- Packing Materials – Multiwall paper sacks, Rigid Tea sacks

Consumption of these materials during the year together with comparative figures are given in the following table.

Material Item	2015/16	2014/15
Green Leaf (Kg)	34,832,253	35,097,374
Firewood (Cubic Meters)	65,394	64,504
Packing Materials (Bags)	152,756	156,439

Energy Utilisation

Company is highly concerned about the energy sources used in day today operations and it has begun to focus on increasing the utilization of sustainable sources of energy. As part of this objective Company has implemented following initiatives in our factories.

- Investing in energy efficient equipment and machinery
- Increasing the use of renewable sources such as Hydro power, fire wood and briquettes to reduce the consumption of non renewable fossil fuels.
- Undertaking training & awareness programs to enhance the knowledge and awareness of our employees and related community regarding the use of sustainable energy. (This is as part of the programs implemented under the Rain Forest Alliance Certification)

Our energy consumption has a direct effect on operational cost of the Company and can be caused to vary the cost of production based on energy consumption and the price variances. Therefore it is one of our objectives to reduce the consumption of energy usage in our factories through efficient and effective management of available resources.

Our energy consumption for the reporting year is summarized in the following table.

Energy Source	2015/16
Firewood (Cubic Meters)	65,394
Firewood Expenditure (Rs.mn)	129
Electricity units consumed	7,164,842
Fuel - Petrol (liters)	46,428
Fuel - Diesel (liters)	221,302

Hydro Power

Apart from the usage of national grid electricity, we are generating electricity from our own hydro power plants placed in Talawakelle and Brunswick estates. We have supplied the electricity generated from these plants to the national grid to support national production. Details related to power generation by these 2 plants are given below.

Hydro Power	Units (kWh)	Income (Rs.mn)
Brunswick	980,323	14.80
Talawakelle	215,325	2.40
Total	1,195,648	17.20

Talawakelle Mini Hydro Project

Brunswick mini Hydro Project

Water Management

Sustainable water management is something that would be essential start up right now on the backdrop of increasing population and changing climate. However Maskeliya Plantations PLC is fortunate enough to have so many water resources in and around its estates in all the regions. All though we are currently flourished with these resources. The prime intention of the Company is to protect and sustain available water resources for the wellbeing of both human and other forms of the environment.

We distinguish our responsibility of minimizing hazardous environmental impacts from disposing waste that move out from our factories. The company has introduced several other initiatives to minimize and eliminate the environmental impacts by disposing used water, emissions, effluents and waste to the natural water resources.

As a consequence of these initiatives, we ensure effective consumption and re-use of water in order to diminish waste-water discharges. Company develops and implements environmental friendly practices to minimize the waste and also to prevent the chemical discharges to the natural environment.

Self operated Rain Proof Waste Water Management System

An innovative waste water management system developed within the Company is in operation currently on our estates. This technique is basically designed to treat domestic waste water through a soak pit where the pollutants are treated by a natural process whilst recharging ground water. The structure is prevented from getting flooded automatically during heavy rain by its design.

Emissions

Fuel and electricity usage in all estates, factories, offices, buildings, bungalows and the head office are subject to carbon emissions. However the Company is still in the process of developing a mechanism to account its carbon emissions accurately. Therefore we are currently unable to present you the level of Company's carbon footprint in a more realistic way. However our journey of sustainability reporting is expected to be further improved in the future.

Despite the consumption of fuel and electricity resulting in carbon emissions, the generation of 1,195,648 kwh by our two hydro power plants in Brunswick and Talawakelle estates aim at minimizing our net impact on the environment.

We are always focused on reducing our carbon emissions and support to slow down the speed of global warming and air pollution. To this we are undertaking several environmental projects across all our estates. The general practices that are being implemented on a regular basis for the Rain Forest Alliance too helps us to reduce this carbon footprint.

Tree Planting Programs

Trees create quality of life and would play a vital role in reducing the carbon emission of our business activities. Plants absorb carbon dioxide from the air. Less carbon in the air reduces temperature and positively impacts life on earth.

A tree planting campaign had been organized at Strathspey Estate, Upcot during the October 2015 by planting Eucalyptus grandis plants at Annandale division and Fruit plants such as Avocado & Orange at Ormidale Division near the Nursery. Further 650 Nos. Bamboo plants, 150 Nos. Avocado plants, 100 Nos. Jak plants, 300 Nos. Calliandra plants & 350 Nos. Eucalyptus grandis plants have been planted at Moussakelle estate, under tree planting campaign.

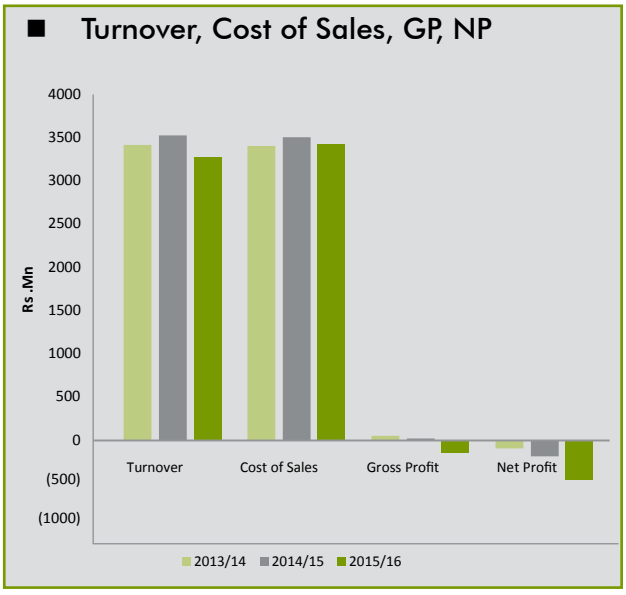
Commerce

Great minds discuss ideas to build up a healthy, wealthy and quality economy- to change today for tomorrow

Financial Review

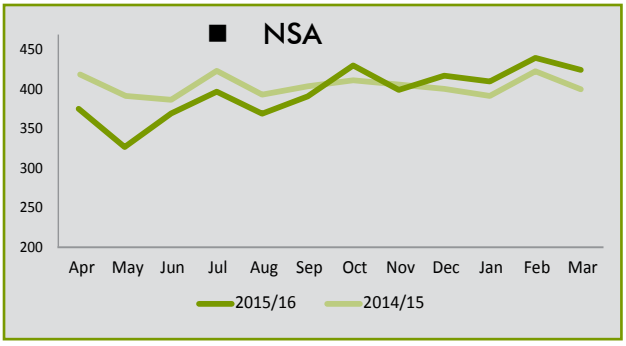
During the year under review, the Company faced number of challenges emanating from the revenue shortfall that resulted in the decline of NSA and the crop as well due to uncertainties in the macro-economic environment. As a result, the declining trend of profitability in the plantation industry continued which affected the company's performance for the year under review.

The company financial performance at the operating level deteriorated over the previous year. The Company recorded a decline in turnover at 7.2% year on year. Gross profit margin of the Company was negative 4.64%, mainly due to the drop in the demand in the tea market coupled up with the drop in the production volume. Despite of these challenges, Company has managed to control its cost of production at Rs.385.08 compared to Rs.390.75 in the previous year mainly due to the commitment & dedication of the management team.



NSA

Company's NSA for the year ended 31st March 2016 was reported at Rs.388.93 indicating a reduction of 3% compared to that of the preceding year NSA of Rs.399.33. However the Company has been able to reduce the gap between High grown elevation average and Company NSA during the year under review. The gap between NSA and elevation average has reduced to Rs.2.56 compared to the previous year where it was Rs.12.34 which is below the high grown elevation average.



During the first half of the year under review, drop in demand in the market induced average NSA to fall below Rs.400, but improved during the second half of the year which averaged NSA to Rs.388.93 for the year.

The global deterioration of the commodity market and other external factors affected the prices adversely. Furthermore, the instability in our key export destinations in Russia, Ukraine and Middle East that account for over 70% of Ceylon Tea exports have faced serious financial and political issues which have provided a negative impact in auction prices as well as the low demand in the auctions which resulted in a substantial stocks of tea remaining unsold at the auctions.

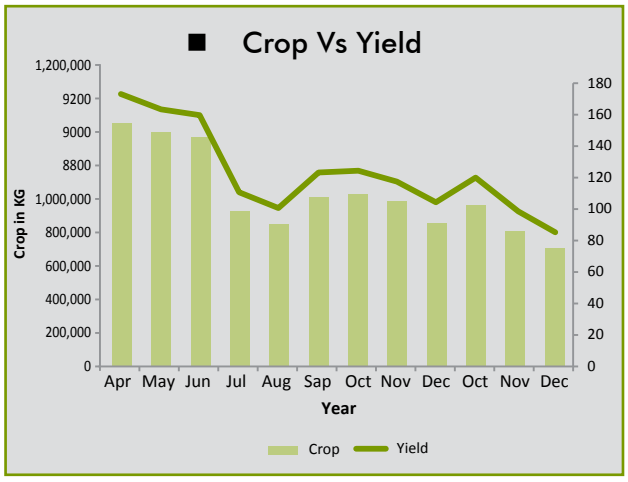
Crop

Moreover to the uncomplimentary movement in tea prices during the year, the production too was affected by prolonged adverse weather patterns faced by the plantations. Further the production was weakened due to workers' performance of "go slow" in the cropping months demanding higher wages which induced the drop in crop against the budgeted crop for the year.

Further Company's crop dropped considerably during the months of May, October and November compared to same period in previous year due to the inclement weather with heavy rain being experienced during these months in the western high grown tea areas in Sri Lanka. Rainfall recorded for the months of October and November were 563mm and 442mm respectively and resulted a crop reduction of a total of 145,125 kg compared to the same months of the previous year.

The highest drop in crop intake was reported in the last quarter of the year under review and this

was due to the extended drought that prevailed in the country. During this period, Company's intake reduced by 300,783kg compared to same period in the previous year.

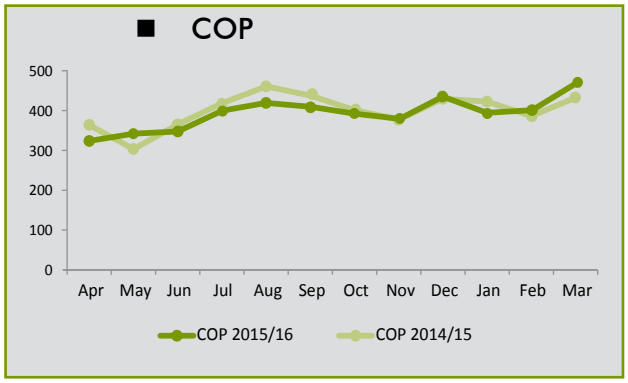


In spite of the above developments, the total crop reduction in comparison with the previous year is 186,685 kg as a result of high crop intakes witnessed during rest of the months of financial year due to the commitment of the Management team. The Yield which represents the crop harvested per hectare was also decreased by 2% compared to the previous year and recorded an YPH of 1,406Kgs as at the end of the year.

Turnover

Company recorded a revenue of Rs.3.27bn for the year ended 31st March 2016, representing a decrease of 7% when compared to that of the preceding year due to the reasons depicted above. In addition, the revenue earned from sale of refuse tea and sale of timber has also decreased by 27% and 73% respectively compared to the previous financial year. Reduction in refuse tea income occurred as a result of the drop in prices received for refuse tea during the year under review.

Cost of Production



Management was compelled to undertake several initiatives to reduce fixed overheads within the scope of the operations. Efforts have been made to optimize the yields and productivity of employees through implementation of best practices, thus recording a reduction of 1% in COP compared to the previous year even while Company's crop has reduced by 2% during the year.

The Workers' and staff cost accounted for over 70% of the total cost of production while fertilizer and energy cost accounts for 5% and 6% respectively. In spite of the financial constraints, the Company, invested on replanting & up-keeping immature tea, improve value addition and treat its employees in best possible ways.

However these adverse outcomes with regard to the cost of production are a result of some inheritable characteristics existing in the overall plantation industry of Sri Lanka. For instance, even after making allowance for the comparatively greater age of our tea bushes, labor productivity still leaves much to be desired. However Company has taken many actions to enhance its productivity during the year under review and hope to continue with those strategies in coming years as well. As part of this strategic plan of the Company, MPPLC is planning to enhance its mechanization of plucking operations from current 10% to 30% of total hectarage of the Company.

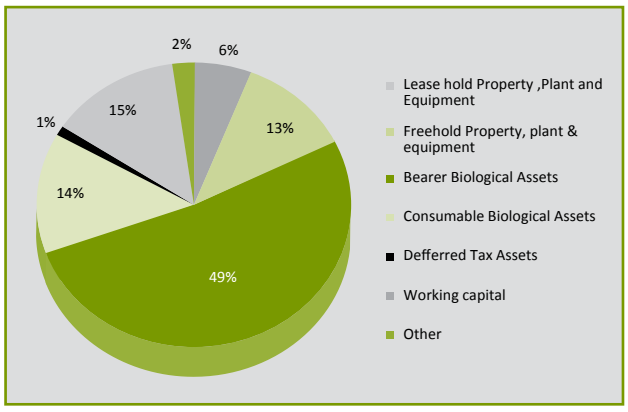
Net Profit

Gain on change in fair value of Biological assets was reduced by 74% and finance cost increased sharply by 69% during the year under review. However the Company has been able to reduce the administrative expenses for the reviewing year by 9% compared to the preceding year. The impact from the top lines of the income statement together with higher finance cost and reduced gain from timber valuation have made a huge impact on Company's bottom line. As a result, profit before tax of the company has declined by 154% and increased the loss to Rs.468mn.

Asset Base

Biological asset is the major component in Company's asset base and it has improved by 5% to Rs.2.18bn during the year under review. This represents immature and mature plantations. Increase in the biological assets imply Company's potential to generate future operational cash flows

since this is considered as the major revenue spin in the Company. Timber plantation is represented by Consumable Biological assets and this has also increased by 2% compared to the previous year.

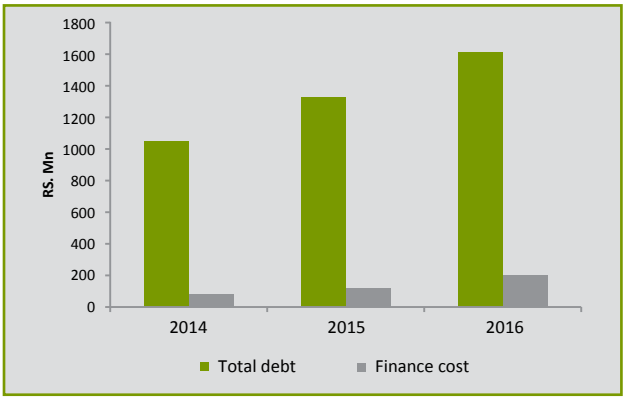


However total asset base of the Company has deteriorated marginally by 1% compared to the preceding financial year primarily because of the reduction in working capital of the Company.

Debt Capital & Finance Cost

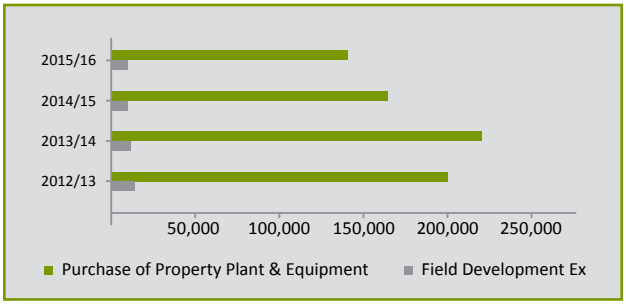
Total debt at Company level was Rs.1.58bn as at 31st March 2016 when compared to Rs. 1.29 bn reported in the previous year.Company's total net debt (i.e. after deducting cash and cash equivalents) as at balance sheet date was Rs.1.57bn which is an increase of 22% compared to the previous financial year. This increase resulted due to the loans obtained during the year following the rise of capital requirement for both investment and working capital commitments.

Debt Ratio (Debt to Assets) of the Company increased to 36% during the year from 29% of prior year. On the other hand gearing ratio further deteriorated and clocked at 63% due to increased borrowings and reduction in Company's equity base as a result of increase in negative retained earnings.



Capital Expenditure

The Company continues to invest significantly in capital expenditure consisting of field development expenditure on property plant and equipment. Company spent Rs.148 mn on capital expenditure in which 94% was incurred on field development such as replanting, rehabilitation uprooting and upkeep of immature tea, which is carried out on a regular basis to improve yield and productivity of estate's fields. Property, plant and equipment expenditure mainly comprises of the expenditure on upgrading and purchasing of machinery. This would support a high growth path in the future operations.

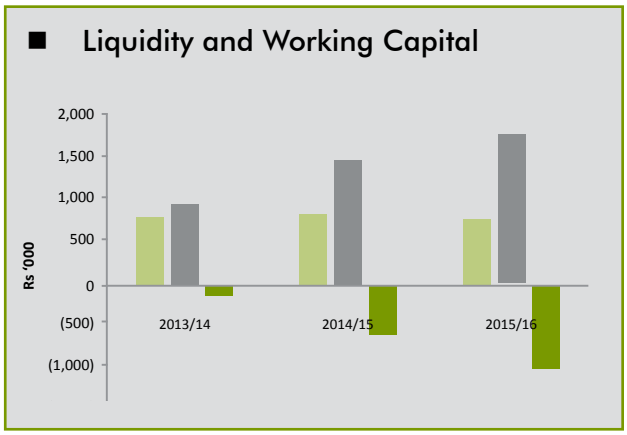


Cash Flows

Financial year 2015/16 concluded with a net cash outflow of Rs.124mn at the end of the period parallel to the net cash outflow of Rs.301mn recorded in the prior year. Net cash from operating activities for the year was negative Rs.125mn compared to previous year's negative figure of Rs.34mn followed by undesirable operating results during the period under consideration. As a result of these financial constraints the net cash used in investing activities also showed a reduction of Rs.56mn from Rs.204mn recorded in the preceding year. Financing activities recorded a net cash inflow of Rs.150mn against a net outflow of Rs.63mn recorded in 2014/15. This was mainly due to loans obtained by the Company during the year.

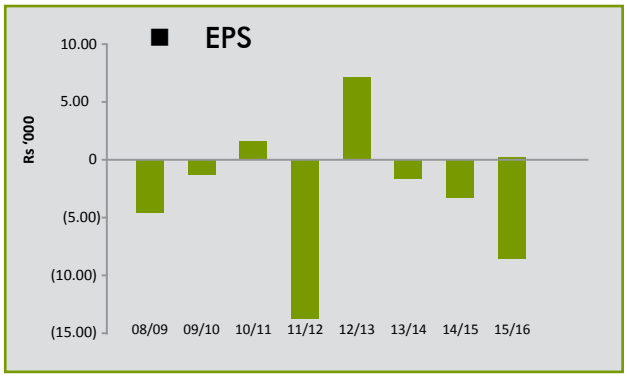
Working Capital

Working capital indicates a cash outflow of Rs.1bn in the year under review compared to the cash outflow of Rs.634mn in 2014/15. No significant increase that could be filtered in the category of current assets for the reviewing year. Simultaneously Company's current ratio has reduced to 0.42 compared to the 0.57 of preceding year.



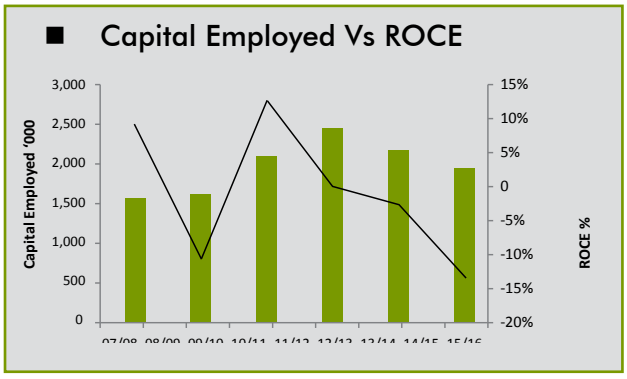
Shareholders Return

Negative consequences of the Company continued to degrade the trend of negative EPS generated by the Company over the recent years. For the year under review, negative EPS of investors stood at Rs.8.68 compared to the previous year negative EPS of Rs.3.41. Deteriorated earnings of the Company has adversely affected EPS.



ROCE which signposts the return provided for the capital providers, further impaired to negative 13.97% from previous rate of 3.34%.

The ultimate objective of the Company is to maximize shareholder wealth and share price of the Company. Almost all the companies in plantation industry were adversely affected by macro-economic factors around the world.



Company share price in the beginning of the year was Rs.9.90 and Rs.7.70 at the end of the year. The highest price recorded for the period was Rs.12.40 and the lowest was Rs.7.70.

Even though Company was unable to generate positive outcomes and create a financial value for its shareholders with many adverse factors impacting Company's performances during the year under review, it is expected to continue with its intention of maximizing shareholders wealth in the coming years with more courage and dedication.

Quarterly Summary

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Turnover	921,800	815,942	729,852	806,258	3,273,852
Cost of Sales	(933,745)	(892,670)	(723,104)	(876,115)	(3,425,634)
Gross Profit/(Loss)	(11,945)	(76,728)	6,748	(69,857)	(151,782)
Other Income	6,465	6,745	2,225	2,134	17,569
Gain on Change in Fair Value of Biological Assets	-	-	-	13,267	13,267
Profit/(Loss) Before Tax	(96,072)	(157,596)	(81,115)	(126,008)	(460,791)
Profit/(Loss) After Tax	(96,072)	(157,596)	(81,115)	(133,686)	(468,469)
Earnings Per Share	(1.78)	(2.92)	(1.50)	(2.48)	(8.68)

Operational Review

Over View 2015/2016

Year 2015/16 has been one of the most challenging Financial Years Maskeliya Plantations PLC had ever experienced. Decline in tea prices, removal of fertilizer subsidy, and ban on glyphosate hampered adversely on Company cash flow. Further, weather too was not conducive for growth and resulted a shortfall in production against the Estimate.

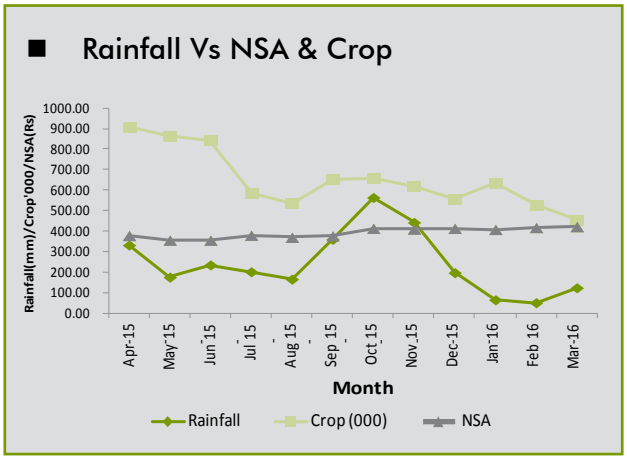
Production

MPPLC produced 8.2 Mn. kilos of black tea during the year under review, which is 2% slump compared to previous year. Reason for the shortfall being the extreme wet and dry weather prevailed in 1st, 3rd and 4th quarters. Low temperature, heavy rain fall with gale force winds in the 1st quarter affected the crop harvest, while 4th quarter experienced with severe drought, high atmospheric temperatures resulting tea bushes to wilt & wither resulting a sharp drop in production. Company was able to maintain a Revenue Labour Output of 3.05 for season which is a 0.09 improvement over the previous year.

Product Quality & Net Sale Average (NSA)

Product quality was given high priority in all our activities, and all employees were fully focused towards achieving highest standards in tea manufacture. Sri Lankan Tea Industry is experiencing one of the worst in the history. Socio Economic unrest in the Middle Eastern Regions and drop of oil prices have adversely affected the tea prices. 1st quarter of the financial year recorded an all time low NSA and further deteriorated right throughout the year.

In spite of the distrubed environment that prevailed during the year under review, Brunswick, Laxapana, Moray & Glentilt Estates of MPPLC achieved GSA above Western High Grown Average. Brunswick Estate realized all times record price of Rs.700 for BOPF and has achieved 55 numbers of top prices in Western High Grown and hold the 10th position in the island.



Mechanical Plucking systems introduced in MPPLC estate

The Following estate also achieved top prices

St. Clair	: 16	Ampittikande	: 12
Glentilt	: 13	Laxapana	: 6
Strathspey	: 1		

Thirteen Estates of MPPLC were able to obtain Rain Forest Alliance Certification and all fourteen factories possess ISO 22000, ETP, and Fair Trade Certification.

Compliance to Rain Forest Alliance will increase the productivity and receive premium prices for the end product.

Cost of Production

The Labour cost is approximately 70% of the Company cost structure and labour productivity is still behind the expectation. Company introduced mechanical plucking as a strategy of cost reduction and to increase productivity. Workers and the Staff were exposed for training in mechanical harvesting. The purchase of pruning machines facilitated to overcome the worker shortage and complete the pruning operation within the stipulated time frame with minimal cost.

We have continued with planting of short rotation fuel wood Plants in view of achieving self sufficiency in factory fuel wood. Bandarawela Region is 70% self sufficient in this respect. Further mini hydro power plants are used in two of our estates to generate power for factory with the intention of reducing the cost of electricity. During the year, Talawakelle Estate has used self generated electricity of 215,325kw units with a value Rs 2.4 Mn.

Despite several challenges, Company was able to keep the cost of production at Rs 388 per kilo, and record a marginal drop against previous year with the price increases on fertilizer and weedicides.

Factory Development

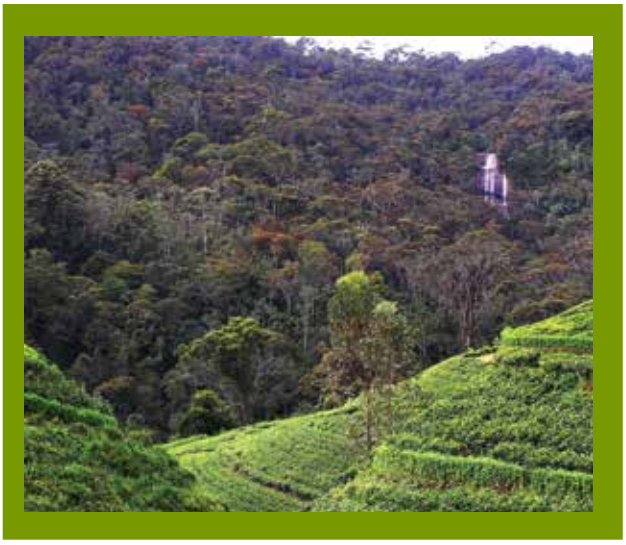
In order to further improve the end product, Rs. 6.3 mn was invested in Moray withering system and Laxapana Estate Drier modification.

Capital Investment

During the year under review, Rs. 114mn was spent on replanting and maintaining of 145.05 Ha of Tea and another Rs 21mn was spent for maintaining 114 Ha of rubber. Company has already implemented diversification of crops and further continued during the year under review. Rs 4 mn was spent for maintaining 25 Ha of citrus in Ampittiakande, 3.50 Ha. of pears in Leangawella, cinnamon in Ampitikanda and Poonagalla Estates. We intend to embark on larger scale fruit cultivation in the 2016/17.

Forest Conservation

We being an environmentally responsible Tea Company, virtually Custodians of Peak wilderness the conservation of forests and water sheds were given priority and planted with SRS short terms rotating crop calliandra – calothyrous and 2150 bamboo plants in stream banks.



Human Resource & Welfare

We believe our Employees as most important constituent in our business. Executives, Staff and Workers were exposed for training on Industrial Relations, Plucking Operation, Nursery Management, Social and environment responsibilities. Training Programmers were also conducted for Pluckers, Sundry Workers on Chemical/Foliar Spraying, fertilizer application with the assistance of TRI. During the year, the company spent for providing medical and welfare facilities to the employees.

We encouraged our Executives to follow NIPM Courses and reimbursed the Course Fee in full on successful completion.

ECO Tourism

The Adam's Peak is one of the Island's cardinal pilgrimage focuses and renowned tourist attraction. The road access for same too runs via the heart of MPPLC estate cluster. Hence the company's estates are blessed with effortless mass flow of tourists passing through the place creating an excellent opportunity to establish and maintain healthy tourism business year round.

Legendary "Fishing Hut" located in Moray estate had been the most consistent tourism feature owned by MPPLC in the region until recent times. However, with a collaborative effort launched by creative and innovative minds of present Superintendents of Moray and Brownlow estates (former snr. Assistant supirintendend, Moray estate) have developed another marvelous tourism facility, "Blue Magpie Resort"; built by using exclusively local resources and, making same a proud and pure plantation product. In addition, many other estates including Brownlow, Talawakelle and Hapugastenne are in the process of developing unique tourism features based on distinct concepts.

Moreover, some entities such as Moray, Brownlow and St. Clair estates have already established tea sales outlets to market garden fresh tea produce of MPPLC to the visitors who enter in to these plantations.

Economic Performance

Performance in terms of economic perspective is one of the key driving factors for Maskeliya Plantations PLC over the years. But it is accepted that financial are just results driven by the integrated efforts made by the Company at broader level. Company has gone through many ups and downs when it comes to financial returns and have had mix results over the years.

Value Added Statement

A measure of the wealth created by the Company is the amount of value added to the cost of raw materials, products and services purchased.

This statement shows the total wealth created and how it was distributed.

■ Value Added Statement

	2015/16 Rs.000's	2014/15 Rs.000's
Turnover	3,273,852	3,526,431
Other Income	17,569	17,261
Total Revenue	3,291,422	3,543,692
Cost of Material & Service Purchased	(840,804)	(1,029,477)
Value added	**2,450,618**	**2,514,215**
Distribution of Value Added		
A. To Employees as Remuneration	2,444,205	2,460,159
B. To Government(Tax etc)	8,279	9,126
C. To Lenders of Capital	198,304	117,070
E1. Provision for Depriciation	109,055	107,865
E2. Profit Retained	(309,224)	(180,006)
	2,450,618	**2,514,215**

Value Added per Employee(Rs.)	196,773.54	197,518.67
Value Added as a % of Fixed Assets	67%	70%
Value Added as a % of Total Assets	56%	57%
Value Added as a % of Capital Employed	132%	125%

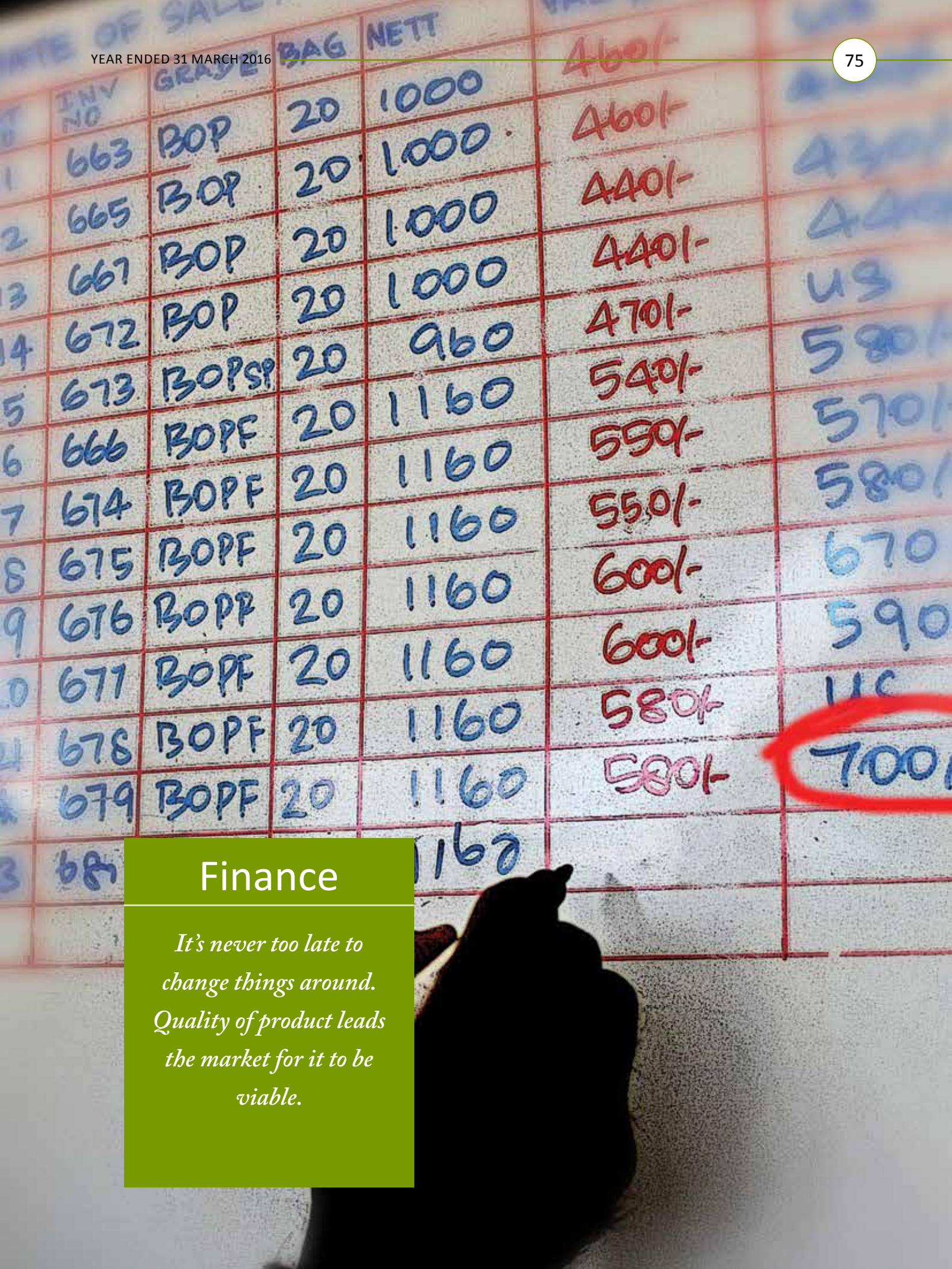
Sustainable Procurement Practices

As a socially responsible company we extend our commitment of being sustainable from our own company level to the entire supply chain at a broader level. Undeniably, sustainable procurement practices and supply chain management is considered as a strong driver of value and success for business as well as for society at large. This value creation can either be direct or indirect but it would definitely add social, economic and environmental values in short or medium term. By spreading and exchanging good practices among our suppliers we can ensure a sustainable supply chain in long term. At the same time we are keen to ensure all of our suppliers comply with relevant social and environmental best practices applicable to their operations.

We encourage our procurements to be made through local markets and suppliers since it would enlarge and ensure our assurance of corporate social responsibility towards the local community. This practice motivates our local suppliers and the community attached to them since it enhances the wellbeing and development of our local society.

Our factories that spread in 4 geographical regions produce high quality tea and process both our own estate leaf and bought leaf. 5% of Company's production was arrived from bought leaf during the reporting period and this is subject to changes in every year based on the production targets set by the Management. Bought leaf is supplied by the local small holder suppliers who are in close proximity to our factories.

Apart from procurement of green leaf, approximately more than 90% of other purchases of the Company are supplied from Sri Lankan suppliers. These include fuel, hardware items, packing materials, stationary, fixed assets, computer hardware and software, utilities and other supporting services such as transportation.



Finance

It's never too late to change things around. Quality of product leads the market for it to be viable.

Annual Report of the Board of Directors

The Directors of Maskeliya Plantations PLC have pleasure in presenting to the Members, their Report together with the Audited Financial Statements of the Company for the year ended 31 March 2016 and the Auditor's Report thereon.

The Directors approved this report on 31 May 2016.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities Exchange Commission and are guided by recommended Best Accounting Practices. The Company's new registration number is PQ 134.

Principal Activities and Operational Review

The principal activity of Maskeliya Plantations PLC is cultivation and processing of Tea and remains unchanged from the previous year. During the year the Company managed & operated 18 Estates with an extent of 5,575 ha. of Tea in bearing. The Company has also commenced planting Rubber & Cinnamon.

The Company continues to be managed by RPC Management Services (Pvt) Ltd. The basis of Computation of Management Fees was changed commencing from 01 January 2016 and is in accordance with the Agreement signed between both parties as disclosed in note 32.4 of the Financial Statements.

Review of the Company Performance

The Chairman's Review, Review of Operations, the Financial Review and other reports attached, briefly describe the performance of the Company in the current financial year. These Reports together with the Financial Statements reflect results and the state of affairs of the Company.

Turnover

The Turnover of the Company was Rs. 3,273,852,212/- (2015 – Rs. 3,526,430,895/-) and a composition of the Revenue is given in Note 6 to the Financial Statements.

Financial Results

Year Ended 31 March	2016 Rs'000.	2015 Rs'000.
Profit /(Loss) before tax	(460,791)	(220,753)
Income Tax (Expense)/Income	(7,677)	36,627
Profit /(Loss) after taxation	(468,468)	(184,126)
Other Comprehensive Income/ (Expense) net tax	159,244	4,120
Profit/(Loss) B/f Including Timber Reserves	15,540	195,546
Profit /(Loss) C/f including Timber Reserves	(293,684)	15,540

Results and Dividends

In view of the adverse trading Results of the Company, the Directors do not recommended a Dividend for the year.

Investments

The Company has entrusted the management of the Tea Centre at St. Clair Estate to a company in the group on a profit sharing basis. The Profit earned during the year was Rs.1,159,223.

Property, Plant and Equipment

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 148,252,076/- (2015 - Rs. 204,001,805/-), out of which expenditure on Replanting and Field Development amounts to Rs.138,701,184/-(2015 - Rs. 163,923,078/-).

Further information relating to the movement of Fixed Assets is given in Notes 13 to 14 to the Accounts. Capital expenditure has been financed by either long or short term borrowings depending on the pay- back period and /or internally generated funds.

Stated Capital

The Stated Capital of the Company as at 31 March 2016 was Rs. 673,720,950/-. Details of the Stated Capital are given in Note 18 to the Financial Statements.

Reserves and Accumulated Profits

The total Reserves and Accumulated profit of the Company as at 31 March 2016 was Rs.246,316,512/- (2015 - Rs. 555,540,874/-)

Donations

No Donations were made by the Company during the year.

Taxation

As per the Inland Revenue Act the Company profits from agricultural activities will be liable to income tax at the rate of 10% and all other sources of income will be liable to income tax at the rate of 28%. Further details of Taxation are given in Note 10 to the Financial Statements.

Share Information

Information on Earnings, Dividend, Net Assets and Market Value per share is given on Pages 118 and 119 of this report.

Major Shareholders

The twenty largest shareholders of the Company as at 31 March 2016 together with percentages held are given under the caption "Shareholder and Investor Information" on Page 119.

Directors

The Names of the Directors who held Office during the year are given below. Their brief profile appear on Page 32 to 34.

Name	
Dr. Sena Yaddehige	Chairman
J H P Ratnayeke (Resigned 11.01.2016)	Deputy Chairman
S S Poholiyadde	Director/ CEO
Dr.H S D Soysa (Resigned w.e.f 09.05.2016)	Director
E M M Boyagoda	Director
Dr.L S K Hettiarachchi	Director
J L A Fernando	Director
Shaminda Yaddehige (Appointed w.e.f 01.03.2016)	Director

Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company from RPC Management Services (Private) Limited of 310, High Level Road, Nawinna , Maharagama, a shareholder of the Company.

"That Dr. Sena Yaddehige of Le Neuf, Chemin, St. Saviours, Guernsey, United Kingdom, who is 70 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige"

The Company has also received a letter dated 12th May 2016 from Dr. Sena Yaddehige declaring his willingness to be elected to the Directorate of the Company.

The Directors who considered the contents of the letters received by the Company from RPC Management Services (Private) Limited and Dr. Sena Yaddehige decided to notify the Shareholders of the Company of the Special Notice received by the Company and the proposed Resolution, which is to be moved at the Annual General Meeting of the Company for the purpose of considering and if thought fit passing the said Resolution as an Ordinary Resolution.

In accordance with the Provisions of the Article 92 of the Articles of Association of the Company, Dr. Saman Hettiarachchi retires by rotation and offers himself for re-election.

In accordance with the Provisions of Article 98 of the Articles of Association of the Company, Mr. Shaminda Yaddehige retires at the Annual General Meeting and offers himself for election.

Interest Register

The Interest of the Directors in contracts or proposed contracts with the Company both direct or indirect are disclosed in Notes 32 and 33 to the Financial Statements on Pages 118 & 119. These interests were disclosed at the Directors' Meetings where such contracts were approved.

As required by the Companies Act No. 7 of 2007 an Interest Register is maintained by the Company.

Directors' Interest in Contracts.

Directors' Interest in Contracts in relation to transactions with related entities, key Management Personnel and other related disclosures are stated in Note 32 (Related Party disclosures) to the Financial Statements. In addition, the Company carried out transactions in the ordinary course of business with the following entities having one or more directors in common.

Directors' Interest in Shares

Shareholding of Directors who held office during the financial year is as follows:-

Director	2016	2015
Dr. H S D Soysa (Resigned w.e.f 9/05/2016)	2,800	2,800
J L A Fernando	300	300

Transactions with Related undertakings.

Name of Company	Name of Director	Position	Nature of Transaction	Amount Charged/(Credit)	
				2015/16 Rs.'000	2014/15 Rs.'000
Eastern Brokers Limited	Mr.S.S Poholiyadde	Director	Brokerage	27,236	33,795
	Mr.J.L.A Fernando	Director	Lot Money	888	996
			Storage	3,209	1,025

Directors' Remuneration and Other Benefits

The Remuneration of the Directors for the year ended 31March 2016 is given in Note 9 of the Financial Statements.

Environmental Protection

The Company's activities can have both direct and indirect effects on the environment. It is the policy of the Company to minimize any adverse effects by recycling resources as much as possible and creating awareness among staff on current global environmental threats.

The Company's efforts in relation to environmental protection are set out on Pages 56 to 64 under Corporate Social responsibility.

Employment Policy

The Company's recruitment and employment policy is non discriminatory. Appraisals of individual employees are carried out by the respective departmental heads in order to evaluate their performance and realise their potential and through this process to benefit the Company and themselves.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments have been made up to date.

Event After Reporting Period

No circumstances have arisen since the Balance Sheet date which would require adjustment or disclosure in the Accounts.

Board Committees

During the year, two new Board Sub Committees were formed namely Nominations Committee and Related Party Transactions Review Committee. Information on four Board Committees is given in Pages 27 to 31 under Corporate Governance.

Corporate Governance and Internal Control

The policies adopted by the Company in relation to Best Practices and Good Corporate Governance are given on Page 20 to 23.

The Board has overall responsibility for the Company's system of Internal Financial Control. Although no system of Internal Control can provide absolute assurance against material misstatement or loss, the Company's internal control system has been designed to provide the Directors with reasonable assurance that assets are safeguarded, transactions authorized and properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

Directors' Responsibility for Financial Reporting

The Statement of Directors' Responsibility is given on Page 79 of this report.

Auditors

The Financial Statements for the year ended 31 March 2016 have been audited by Messrs. Ernst & Young, Chartered Accountants. The Auditors Report is given on Page 80.

Fees paid to Messrs. Ernst & Young for the current year was Rs.2,900,000/- (2015 Rs 2,766,000/-). In addition Rs.223,160/- (2015 Rs. 587,000/-) was paid by the Company for non-audit related work which consists Tax related work. As far as the Directors were aware the Auditors do not have any relationship other than that of an Auditor with the Company.

In accordance with the Companies Act No. 7 of 2007, a resolution proposing their re-appointment as Auditors to the Company and authorizing the Directors of the Company to fix their remuneration will be proposed at the Annual General Meeting.

Going Concern

The Company incurred a net loss of Rs. 468,468,523/= (2015 – Rs. 184,125,986/=) for the year ended 31 March 2016 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 1,026,398,269/= (2015 – Rs. 634,229,496/=). The Directors are of the opinion that following will mitigate this position.

a) The Company is confident and is in the process of obtaining medium and long term loans to restructure the Balance Sheet in order to strengthen the liquidity of the Company.

b) The net loss is mainly attributable to the Tea Prices prevailed during the financial year under review, which is even below year 2014/15. However it could be arrested once the market conditions improve in 2016/17 and The Company Would be able to make favorable results.

Annual General Meeting

The Annual General Meeting will be held on 30 June 2016 at the registered office of the Company at 310, High Level Road, Nawinna, Maharagama. The notice of the Annual General Meeting is on Page 128 of the report.

S S Poholiyadde
Director

J L A Fernando
Director

Mrs. R J Siriweera
Company Secretary
Richard Pieris Group Services (Pvt) Ltd.
Secretaries
310, High Level Road, Nawinna, Maharagama.
31 May 2016

Statement of Directors' Responsibility

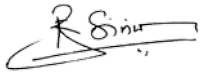
In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Maskeliya Plantations PLC, acknowledge their responsibility in relation to financial reporting of the Company. These responsibilities differ from those of its Auditors, Messrs Ernst & Young, which are set out in their report, appearing on Page 80.

The Financial Statements of the Company for the year ended 31 March 2016 included in this Report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the Financial Statements on Pages from 81 to 117 inclusive. All material deviations from these standards if any, have been disclosed and explained. The judgments and estimates made in the preparation of these Financial Statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that Company maintains accounting records, which are sufficient to prepare Financial Statements to disclose with reasonable accuracy, the financial position of the Company. They also confirm their responsibility towards ensuring that the Financial Statements presented in the Annual Report give a true and fair view of the state of affairs of the Company as at 31 March 2016 and that of the loss for the year then ended.

The overall responsibility for the Company's internal control systems lies with the Directors. Whilst recognising the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them which comprise internal checks, internal audit, financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorised and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time. The Directors' are of the view that the Company has adequate resources to continue operations in the foreseeable future and have continued to use the going- concern basis in the preparation of these Financial Statements.

The Directors have provided the Auditors, Messrs Ernst & Young, Chartered Accountants, with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities The Auditors, have examined the Financial Statements together with all financial records and related data and express their opinion which appears as reported by them on Page 80 of this report.



By Order of the Board,
Mrs. R J Siriweera
Company Secretary
Richard Pieris Group Services (Pvt) Ltd.
310, High Level Road
Nawinna
Maharagama.
31 May 2016

Independent Auditors Report

Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF MASKELIYA PLANTATIONS PLC

Report on the Financial Statements

We have audited the accompanying Financial Statements of Maskeliya Plantations PLC ("the Company") which comprise the Statement of Financial Position as at March 31, 2016 and the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant Accounting Policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the Accounting Policy Note 2.1.1 to the financial statements regarding the going concern ability of the Company. The Company incurred a net loss of Rs. 468,468,523/= (2015 – Rs. 184,125,986/=) for the year ended 31 March 2016 and the Company's current liabilities exceeded its current assets by Rs. 1,026,398,269/= (2015 – Rs. 634,229,496/=) as at 31 March 2016. Hence there are conditions indicating an uncertainty on the going concern.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

a) The basis of opinion, scope and limitations of the audit are as stated above.

b) In our opinion:

- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company, and
- The financial statements of the Company comply with the requirements of sections 151 of the Companies Act. No 07 of 2007.

31 May 2016
Colombo

Partners: W R H Fernando FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W K B S P Fernando FCA FCMA
Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayesinghe FCA FCMA
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

A member firm of Ernst & Young Global Limited

Statement of Profit or Loss

Year Ended 31 March 2016

	Notes	2016 Rs.'000	2015 Rs.'000
Revenue	6	3,273,852	3,526,431
Cost Of Sales		(3,425,634)	(3,504,203)
Gross Profit/ (Loss)		(151,782)	22,228
Other Income	7	17,569	17,261
Administrative Expenses		(40,011)	(44,061)
Gain On Change In Fair Value Of Biological Assets		13,267	51,745
Management Fee		(101,531)	(150,856)
Finance Cost	8	(198,303)	(117,070)
Profit / (Loss) Before Taxation	9	(460,791)	(220,753)
Income Tax (Expense)/ Income	10	(7,677)	36,627
Profit / (Loss) For The Year		(468,468)	(184,126)
Basic Earnings /(Loss) Per Share	11	(8.68)	(3.41)

The accounting policies and Notes on Pages 86 through 117 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year Ended 31 March 2016

	Notes	2016 Rs.'000	2015 Rs.'000
Profit/ (Loss) for the year		(468,468)	(184,126)
Other Comprehensive Income			
Other Comprehensive income to be reclassified to profit or loss in Subsequent periods (net or tax)		-	-
Net other comprehensive Income to be reclassified to profit or loss in subsequent periods		-	-
Other Comprehensive income not to be reclassified to profit or loss in Subsequent periods (net or tax)			
Remeasurement gains/ (Losses) on defined benefit plan,net of tax	21	159,244	4,891
Income tax effect	10.2	-	(771)
Net Other comprehensive income/(Loss) not to be reclassified to profit or Loss		159,244	4,120
Total Other Comprehensive Income/(Loss) for the year, net of tax		159,244	4,120
Total Comprehensive Income/(Loss) for the year, net of tax		**(309,224)**	**(180,006)**

The accounting policies and Notes on Pages 86 through 117 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31 March 2016

	Notes	2016 Rs.'000	2015 Rs.'000
ASSETS			
Non Current Assets			
Lease hold Property ,Plant and Equipment	12	269,783	287,193
Freehold Property, plant & equipment	13	550,339	592,830
Bearer Biological Assets	14A	2,178,317	2,079,219
Consumable Biological Assets	14B	615,953	604,275
Deferred Tax Assets	22	36,165	36,165
		3,650,557	3,599,682
Current Assets			
Inventories	15	431,922	477,365
ACT Recoverable		47,926	47,926
VAT Receivable		21,024	21,031
Trade and Other Receivables	16	202,249	246,108
ESC Recoverable		34,858	34,345
Amounts Due From Related Parties	17	2,730	2,707
Cash and bank balances		10,899	10,427
		751,608	839,909
TOTAL ASSETS		4,402,165	4,439,591
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	18	673,721	673,721
General Reserve	19	540,000	540,000
Timber Reserves		573,202	561,524
Retained Earnings/(Losses)		(866,885)	(545,983)
Total Equity		920,038	1,229,262
Non Current Liabilities & Deferred Income			
Interest Bearing Loans & Borrowings	20	470,850	417,600
Retiring Benefit Obligations	21	905,211	981,279
Deferred Income	23	215,200	222,307
Liability to make Lease Payment after one year	24	112,861	115,006
		1,704,122	1,736,192
Current Liabilities			
Trade and Other Payables	25	374,306	376,272
Interest Bearing Loans & Borrowings	20	1,111,246	877,129
Liability to make Lease Payment within one year	24	2,144	2,061
Amounts Due to Related Parties	26	288,301	216,667
Dividends Payable	27	2,008	2,008
		1,778,005	1,474,137
Total Equity and Liabilities		4,402,165	4,439,591

These Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

Sudheera Epitakumbura
Financial Controller

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 Maskeliya Plantations PLC

S S Poholiyadde
Director

J L A Fernando
Director

The accounting policies and Notes on Pages 86 through 117 form an integral part of the Financial Statements.

31 May 2016
Colombo

Statement of Changes in Equity

Year Ended 31 March 2016

	Stated Capital Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Timber Reserve Rs.'000	Total Rs.'000
Balance as at 31 March 2014	673,721	540,000	(321,815)	517,362	1,409,268
Net Profit / (Loss) for the year	-	-	(184,126)	-	(184,126)
Total Other comprehensive income /(Loss) for the year,net of tax	-	-	4,120	-	4,120
Timber Reserve	-	-	(51,745)	51,745	-
Transfer of Realized Timber Gain	-	-	7,583	(7,583)	-
Balance as at 31 March 2015	673,721	540,000	(545,983)	561,524	1,229,262
Net Profit / (Loss) for the year	-	-	(468,468)	-	(468,468)
Total Other comprehensive income/(Loss) for the year,net of tax	-	-	159,244	-	159,244
Timber Reserve	-	-	(13,267)	13,267	-
Transfer of Realized Timber Gain	-	-	1,589	(1,589)	-
Balance as at 31 March 2016	673,721	540,000	(866,885)	573,202	920,038

The accounting policies and Notes on Pages 86 through 117 form an integral part of the Financial Statements.

Statement of Cash Flows

Year Ended 31 March 2016

	Notes	2016 Rs.'000	2015 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before Taxation		(460,791)	(220,753)
ADJUSTMENTS FOR			
Depreciation/Amortisation	12-14	109,055	107,865
Provision for Defined Benefit Plan Cost	21	154,323	161,227
Amortisation of Grants	23	(11,762)	(11,905)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting	14B	(11,678)	(44,162)
Finance Costs	8	198,303	117,070
Operating Profit/(Loss) before Working Capital Changes		**(22,550)**	**109,342**
(Increase)/Decrease in Trade and other receivables		43,954	(63,232)
(Increase)/Decrease in Inventories	15	45,444	7,853
Increase/(Decrease) in Trade and other payables		(37,558)	(29,358)
Increase/(Decrease) in amounts due to Related Parties	26	71,634	127,927
(Increase)/Decrease in amounts due from Related Parties	17	(23)	222
Cash Generated from Operations		**100,901**	**152,754**
Finance Costs Paid		(147,249)	(84,873)
Defined Benefit Plan Costs paid	21	(71,147)	(92,436)
ESC Paid		(8,279)	(9,127)
Net Cash from Operating Activities		**(125,774)**	**(33,682)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Field Development Expenditure	14A	(138,701)	(163,923)
Purchase of Property, Plant & Equipment	13	(9,551)	(40,079)
Net Cash used in Investing Activities		**(148,252)**	**(204,002)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants Received		4,656	2,382
Payment of Government lease rentals		(17,525)	(33,643)
Proceeds from loans		570,968	250,000
Payment of loans		(408,541)	(282,136)
Net Cash from Financing Activities		**149,558**	**(63,397)**
Net Increase/(Decrease) in Cash & Cash Equivalents		**(124,468)**	**(301,081)**
A. Cash & Cash Equivalents at the beginning of the year		(506,564)	(205,483)
B. Cash & Cash Equivalents at the end of the year		**(631,032)**	**(506,564)**
NOTE A			
Cash & Cash Equivalents at the beginning of the year			
Cash & Bank Balances		10,427	5,313
Bank Overdrafts		(516,991)	(210,796)
		(506,564)	(205,483)
NOTE B			
Cash & Cash Equivalents at the end of the year			
Cash & Bank Balances		10,899	10,427
Bank Overdrafts		(641,931)	(516,991)
		(631,032)	**(506,564)**

The accounting policies and Notes on Pages 86 through 117 form an integral part of the Financial Statements.

Notes to the Financial Statements

Year Ended 31 March 2016

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Maskeliya Plantations was incorporated and domiciled in Sri Lanka, under the Companies Act No.17 of 1982 (The Company re-registered under the Companies Act No.07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government-Owned Business Undertakings into Public Companies Act No. 23 of 1987. The registered office of the Company is located at No. 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Bandarawela, Maskeliya, Upcot and Talawakelle.

The Financial Statements of the Company comprise with the Statement of Financial Position, Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to Financial Statements.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation, manufacture and sale of black tea, planting of timber.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is RPC Management Services (Pvt) Ltd. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Richard Pieris & Company PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorization for issue

The Financial Statements of Maskeliya Plantations PLC for the year ended 31 March 2016 was authorized for issue in accordance with a resolution of the Board of Directors on 31 May 2016.

1.5 Responsibility for Financial Statements

The responsibility of the directors in relation to the Financial Statements is set out in the Statement of Directors' responsibility report in the Annual Report.

2 BASIS OF PREPERATION

2.1 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss ,Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to Financial Statements been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act No. 07 of 2007.

These Financial Statements have been prepared on a historical cost basis except for the revaluation of certain Property, Plant and Equipment, which are stated at revalued amounts. The Financial Statements are prepared in Sri Lankan Rupees and all values are rounded to the nearest thousand.

2.1.1 Going Concern

The financial statements of the company have been prepared on the assumption that the company is a going concern. The Directors are satisfied that the company has adequate resources to continue as a going concern in the foreseeable future, to justify adopting the going concern basis in preparing these financial statements. However, the Company incurred a net loss of Rs. 468,468,523/= (2015 – Rs. 184,125,986/=) for the year ended 31 March 2016 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 1,026,398,269/= (2015 – Rs .634,229,496/=). The Directors are of the opinion that following will mitigate this position.

a) The Company is confident and in the process of obtaining medium and long term loans to restructure the Financial Position Statement in order to strengthen the liquidity of the Company.

b) The net loss is mainly attributable to the Tea Prices prevailed during the financial year under review, which is even below year 2014/15. However, it could be arrested once the market conditions improve in 2016/17 and Company could be able to make favorable results.

2.2 Basis of Measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than Right to Use of Land which have been revalued as described in Note 12.1 to the Financial Statements. Managed biological assets, have been measured at fair value where appropriate, specific policies are explained in the succeeding Notes.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) which is the Company's functional and presentation currency and all values are rounded to the nearest thousand.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are consistent with those used in the previous year.

3.1 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non -current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Fair Value Measurement

The Company measures financial instruments and non-financial assets at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Managed Consumable biological assets Note 14.B

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

External valuers are involved for valuation of significant assets, such as managed biological assets. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Property, Plant & Equipment

3.3.1 Recognition and Measurement

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

3.3.2 Owned Assets

The cost of Property, Plant & Equipment includes expenditure which is directly attributable to the acquisition of the asset. Such costs includes the cost of replacing part of the Property, Plant and Equipment and borrowing costs for long terms construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

3.3.3 Leased Assets

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

Assets held under finance lease are amortized over the shorter of the lease period or the useful lives of equivalent-owned assets, unless ownership is not transferred at the end of the lease period. The principal/ capital elements payable to the lessor are shown as liability/ obligation. The lease rentals are treated as consisting of capital and interest elements. The capital element in the rental that is applied to reduce the outstanding obligation and interest element is charged against profit, in proportion to the reducing capital element outstanding.

The cost of improvements to or on Leased Property is capitalized, disclosed as improvements to leasehold property and depreciated over the unexpired period of the lease, or the estimated useful lives of the improvements, whichever is shorter.

3.3.4 Subsequent Cost

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

3.3.5 Derecognition

The carrying amount of an item of Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognized in profit or loss and gains are not classified as revenue. When revalued assets are sold, any related amount included in the Revaluation Reserve is transferred to Retained Earnings.

3.3.6 Land Development Cost

Permanent land development costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

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These costs have been capitalized and amortized over the remaining lease period.

Permanent impairments to land development costs are charged to the Statement of profit or loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.3.7 Biological Asset

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

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include tea plants, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce from biological assets or sold as biological assets.

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

(a) Bearer Biological Assets

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment as per the ruling issued by the Institute of Chartered Accountant of Sri Lanka.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Tea, Timber fields) which comes into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Permanent impairments to Biological Assets are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

(b) Consumable Biological Assets

Consumable biological assets include managed timber that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees are measured on initial recognition and at the end of each reporting period its fair value less cost to sell in terms of LKAS 41.The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. All other assumptions and sensitivity analysis are given in Note 14B.

The main variables in DCF model concerns

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each specie in different geographical regions. Factor all the prevailing statutory regulations enforced for harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimated based on the normal life span of each specie by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees into saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.
Discount Rate	Future cash flows are discounted at following discount rates: Timber trees 13%

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

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The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

3.3.8 Infilling Cost on Bearer Biological Assets

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

Infilling costs that are not capitalized have been charged to the Statement of Profit or Loss in the year in which they are incurred.

3.3.9 Borrowing Cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalized as a part of the asset.

Borrowing costs that are not capitalized are recognized as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 – 'Borrowing Costs'.

3.3.10 Depreciation and Amortisation

(a) Depreciation

Depreciation is recognized in Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Lease period of land acquired from JEDB/ SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows:

	No. of Years	Rate (%)
Buildings & Roads	40	2.75
Plant & Machinery	13 1/3 to 23	7.50/4.35
Motor Vehicles	05	20.00
Equipment	08	12.50
Computer	04	25.00
Computer Software	03	33.33
Furniture & Fittings	10	10.00
Sanitation, Water Supply and Electricity	20	5.00

Mature Plantations (Replanting and New Planting)

	No. of Years	Rate (%)
Tea	33 1/3	3.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognized. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is less. No depreciation is provided for immature plantations.

(b) Amortisation

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

	No. of Years	Rate (%)
Bare land	53	1.89
Improvements to land	30	3.33
Mature Plantations (Tea)	30	3.33
Buildings	25	4.00
Machinery	15	6.67

3.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial assets

3.4.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

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Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised i.e., the date that the company commits to purchase or sell the asset.

The company financial assets include cash and short-term deposits, short term investments, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments.

3.4.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as described below:

(a) Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance income or finance costs in the statement of profit or loss.

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

(b) 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 profit or loss statement. The losses arising from impairment are recognized in the profit or loss statement in finance costs.

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

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, 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 statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs.

The company did not have any held-to-maturity investments during the years ended 31 March 2015 and 2016.

(d) Available for sale financial investments

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

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for sale reserve to the statement of profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets the Company may elect to reclassify these financial assets, If the management has the ability and intention to hold the assets for foreseeable future until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

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3.4.3 Derecognition

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

- The rights to receive cash flows from the asset have expired
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.4.4 Impairment of financial assets

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

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 reorganisation and when 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.

3.4.5 Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a company 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.

The amount of any impairment loss identified is measured as the difference between the asset's 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.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

3.4.5.1 Available for sale financial Assets

For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value,

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less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

3.5 Financial liabilities

3.5.1 Initial recognition and measurement

Financial liabilities 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. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, and payable net of directly attributable transaction costs.

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

3.5.2 Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

(a) Financial liabilities at fair value through profit or loss

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

The Company has not designated any financial liabilities at fair value through profit or loss.

(b) Loans and borrowings

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

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 as finance costs in the statement of profit or loss.

3.5.3 Derecognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.5.4 Offsetting of financial instruments

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

3.5.5 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for

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short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

3.5.6 Financial Risk Management objectives and policies

The Company's principal financial liabilities, comprise with loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. Further the company has loans and other receivables, trade and other receivables and cash and short term deposits that arrive directly from its operations. Accordingly, the Company has exposure to namely Credit Risk, Liquidity Risk, and Interest Risk from its use of Financial Instruments

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

Credit Risk

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

Trade and Other Receivables

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

The Company reviews external ratings and bank references of the customer when available. Purchase limits are established for each customer, which are reviewed quarterly. In monitoring credit risk, customers are categorized according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of previous financial difficulties. Credit risk on trade debtors are minimal since settlement is guaranteed within seven days.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Interest Rate Risk

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

3.6 Investments

3.6.1 Short-Term Investments

Short-term investments are measured at the lower of cost and market value on an aggregate portfolio basis, with any resultant gain or loss recognized in profit or loss.

3.6.2 Long-Term Investments

Quoted and unquoted investments in shares held on long-term basis are measured at cost, less impairment losses.

Provision for impairment is made when, in the opinion of the Directors there has been a decline other than temporary in the value of the investment.

3.7 Inventories

Finish goods manufactured from agricultural produce of biological assets

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

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Input Material, Spares and Consumables

At actual cost on weighted average basis.

3.8 Trade and Other Receivables

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

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and short term deposit. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.10 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

3.11 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss Statement net of any reimbursement.

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3.12 Employees Benefits

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

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

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

All the employees of the Company are members of the Employees' Trust Fund, to which the Company contributes 3% on the consolidated salary of such employees.

(b) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised as in retained earnings through other comprehensive income. Past service costs are recognised immediately in Profit or Loss Statement.

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

The Liability is not externally funded.

The key assumptions used in determining the retirement benefit obligations are given in Note 21.

3.13 Trade and Other Payables

Trade and other payables are stated at their costs.

3.14 Capital Commitments and Contingencies

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

3.15 Events Occurring after the Date of Financial Position

All material events after reporting date have been considered where appropriate either adjustments have been made or adequately disclosed in the Financial Statements.

3.16 Deferred Income

3.16.1 Grants and Subsidies

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

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant. Assets are amortized over their useful lives as follows.

Buildings	40 years

3.17 Earnings Per Share

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

NOTES TO THE FINANCIAL STATEMENTS

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3.18 Statement of Profit or Loss

For the purpose of presentation of statement of Profit or Loss, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance.

3.18.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 and excluding taxes or duty.

(a) 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. Revenue is recorded at invoice value net of brokerage, sale expenses and other levies related to revenue.

(b) Gains and losses on disposal of an item of Property, Plant & Equipment are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant & Equipment and are recognised within 'other operating income' in the Statement of Profit or Loss.

(c) Interest income is recognised on accrual basis.

(d) Dividend income is recognised in Statement of Profit or Loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(e) Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

3.18.2 Expenses

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

3.18.2.1 Financing Income and Expenses

Finance income comprises interest income on funds invested, and gains on translation of foreign currency. Interest income is recognised in Statement of Profit or Loss as it accrues.

Finance expenses comprise interest payable on borrowings and losses on translation of foreign currency. The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.18.2.2 Taxes

3.18.2.2.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.18.2.2.2 Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3.19 Statement of Cash Flow

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

3.20 Segment Reporting

The segments are determined based on the company's geographical spread of operations. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company.

No operating segments have been aggregated to form the above reportable operating segments. An individual segment manager is determined for each operating segment and the results are regularly reviewed by the Financial Controller. The Financial Controller monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the operating segments information, is measured differently form operating profit or loss in the financial statements.

Transfer prices between operating segments are on an arm's-length basis in manner similar to transactions with third parties.

4. USE OF ESTIMATES AND JUDGMENTS

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

- Note 21 - Measurement of the Retiring Benefit Obligations
- Note 24 - Liability to make Lease Payment
- Note 22 - Deferred Taxation
- Note 14.B - Biological Assets

4.1 Taxation

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Unused tax losses as of 31 March 2016 are given in Note 22.

4.2 Retirement Benefit Obligations

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the retirement benefit obligations are given in Note 21. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

4.3 Biological Assets

The fair value of managed timber trees depends on a number of factors that are determined on a discounted method using various financial and non financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the Note 14 B.

5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

SLFRS 9 Financial Instruments

SLFRS 9 replaces the existing guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from LKAS 39.

SLFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

SLFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Amendment to LKAS 41 - Agriculture & LKAS 16 - Property, Plant & Equipment

This amendment define a bearer plant and accordingly, require bearer plants to be accounted for as property, plant and equipment and include within the scope of LKAS 16, instead of LKAS 41. Entities are required to apply the amendments for annual periods beginning on or after 1 January 2016. However, this amendment has no impact on company current accounting treatment on recognition and measurement. Since currently the company's continued to recognise and measure bearer plant in accordance with LKAS16. Further the above amendment requires entity to recognise agricultural produce at fair value separately from its bearer plants prior to harvest. Determining the point at which to recognise agricultural produce separately , will require judgment.

Pending the detailed review of such standards and interpretations, the extent of the impact has not been determined by the management.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

06 REVENUE

	2016 Rs.'000	2015 Rs.'000
06.1 Summary		
Tea	3,269,172	3,509,321
Profit/(Loss) on Sale of Trees	4,680	17,110
	3,273,852	**3,526,431**

06.2 Segment Information

Geographical Segment	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Revenue	892,543	962,041	1,229,593	1,273,679	617,748	631,353	533,969	659,358	3,273,853	3,526,431
Cost of Sales	(801,471)	(839,345)	(1,143,051)	(1,147,974)	(568,743)	(564,544)	(651,299)	(684,046)	(3,164,564)	(3,235,909)
Depreciation /Amortzation	(27,552)	(27,680)	(33,272)	(32,885)	(20,711)	(21,361)	(27,521)	(25,939)	(109,056)	(107,865)
Gratuity	(33,583)	(35,568)	(56,914)	(57,413)	(24,222)	(26,757)	(37,296)	(40,692)	(152,015)	(160,430)
Segment Results	29,937	59,448	(3,644)	35,407	4,072	18,691	(182,147)	(91,319)	(151,782)	22,227
Other Income									17,569	17,261
Gain on change in fair value of Biological Assets									13,267	51,745
Administrative Expenses									(40,011)	(44,061)
Management Fees									(101,531)	(150,856)
Finance Cost									(198,303)	(117,070)
Income Tax (Expenses)/ Income									(7,677)	36,627
Profit/ (Loss) for the year									(468,468)	(184,126)

Segment Assets	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000	2016 Rs.'000	2015 Rs.'000
Cost	1,230,721	1,197,978	1,485,047	1,430,326	868,208	858,119	1,628,650	1,587,568	5,212,626	5,073,991
Accumulated Depreciation	(401,654)	(375,740)	(524,916)	(493,623)	(297,050)	(277,570)	(417,289)	(391,404)	(1,640,909)	(1,538,337)
Current Assets	185,365	183,728	257,787	247,093	99,911	127,513	146,002	144,452	689,065	702,786
	1,014,432	1,005,966	1,217,918	1,183,797	671,069	708,061	1,357,363	1,340,616	4,260,782	4,238,440
Unallocated Assets										
Cost									128,113	106,816
Accumulated Depreciation									(49,272)	(42,788)
Current Assets									62,543	137,123
Total Assets									4,402,166	4,439,591
Segment Liabilities										
Non Current Liabilities	288,093	284,672	438,136	430,994	190,576	192,381	297,081	295,006	1,213,886	1,203,053
Current Liabilities	72,937	74,425	122,230	124,776	57,656	53,341	73,868	75,920	326,690	328,462
	361,030	359,097	560,366	555,770	248,232	245,722	370,949	370,926	1,540,576	1,531,515
Un Allocated										
Non Current Liabilities									490,237	533,138
Current Liabilities									1,451,314	1,145,676
									1,941,551	1,678,814
									3,482,127	3,210,329
Capital Expenditure										
Field Development	27,968	25,090	58,966	54,992	11,292	8,020	40,476	75,821	138,701	163,923
Property, Plant & Equipment	3,245	7,800	961	13,656	49	271	3,720	9,522	7,974	31,249
	31,213	32,890	59,927	68,648	11,341	8,291	44,196	85,343	146,675	195,172
Property, Plant & Equipment Unallocated									1,577	8,830
Total Capital Expenditure									148,252	204,002

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

07. OTHER INCOME	2016 Rs.'000	2015 Rs.'000
Amortization of Capital Grants	11,762	11,904
Other Sundry Income	5,807	5,357
	17,569	17,261

08. FINANCE COST	2016 Rs.'000	2015 Rs.'000
Interest on Lease Rental (JEDB/SLSPC)	4,683	4,762
Contingent Lease Rental (JEDB/SLSPC)	29,178	27,435
Overdraft Interest	15,917	9,540
Term Loan Interest	139,324	80,029
Short Term Loan Interest	23,952	12,247
Stamp Duty & Other charges	4,969	1,435
	218,023	135,448
Amount Capitalised	(19,720)	(18,378)
	198,303	117,070

Interest rate sensitivity

The following table demonstrates the sensitivity on interest rates on floating loans and borrowings with all other variables held constant.

	Increase /decrease In Interest rate	Effect on Profit Before tax Rs.'000
2015 /2016	+ 1%	8,238
	-1%	(8,238)
2014 /2015	+ 1%	5,040
	-1%	(5,040)

09 PROFIT BEFORE TAXATION IS STATED AFTER CHARGING	2016 Rs.'000	2015 Rs.'000
Auditor's Remuneration	2,900	2,689
Directors' Remuneration	1,598	1,166
Depreciation/Amortisation	109,055	107,865
Defined Benefit Plan Costs (Included Under Cost of Sales & Administration Expenses)	154,323	161,226
Defined Contributions Plan Costs - EPF & ETF	218,831	226,675
Others - Staff Costs (Including Estate Employees)	2,071,050	2,072,257

10. TAX EXPENSE

The major component of income tax expense for the year ended 31st March 2016 are as follows :

10.1 Statement of Profit or Loss	2016 Rs.'000	2015 Rs.'000
(I) Current Income Tax:		
ESC Written off	(7,677)	(8,134)
(II) Deferred Tax:		
Relating to origination and (reversal) of temporary differences (Note 22.1)	-	44,761
Income Tax charge/(reversal) reported in Income Statement	(7,677)	36,627

10.2 Statement of Comprehensive Income		
Deferred tax relating to items (charges)/credited directly to OCI during the year:		
Net gain/(loss) on actuarial gains and losses on defined Benefit Plans (Note 22.1)	-	(771)
IncomeTax charge directly to other comprehensive income	-	(771)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

10.3 RECONCILIATION BETWEEN TAX EXPENSES AND THE PRODUCT OF ACCOUNTING PROFIT MULTIPLIED BY THE STATUTORY EFFECTIVE TAX RATES ARE AS FOLLOWS:

	2016 Rs.'000	2015 Rs.'000
Profit / (Loss) before Tax	(460,791)	(220,753)
Effective Tax Rate	15.76%	15.76%
Tax effect on Accounting Profit / (Loss)	(72,621)	(34,791)
Tax effect on Aggregate disallowed items	268,061	42,390
Tax effect on Aggregate allowable items	(276,120)	(60,050)
	(80,680)	(52,451)
ESC Write off during the year	7,677	8,134
Income Tax Charge/(Reversal)	7,677	8,134

11. BASIC EARNINGS PER SHARE

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

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

	2016 Rs.'000	2015 Rs.'000
Amounts used as the Numerator :	(468,468)	(184,126)
Net Profit/(Loss) applicable to ordinary share holders for basic earnings per share	(468,468)	(184,126)
Amounts used as the Denominator :	53,953,490	53,953,490
Weighted average number of ordinary shares in issue applicable to basic earnings per share	53,953,490	53,953,490

12. LEASEHOLD PROPERTY, PLANT & EQUIPMENT

As at 31st March	Notes	2016 Rs.'000	2015 Rs.'000
Right-to-use of land	12.1	183,704	189,820
Immovable leased bearer biological assets	12.2	72,507	80,114
Immovable Leased assets (other than right-to-use land and bearer biological assets)	12.3	13,572	17,259
		269,783	287,193

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

12.1. RIGHT-TO-USE OF LAND (REVALUED)

"Right-To-Use of Land on Lease" as above was previously titled "Leasehold Right to Bare Land". The change is in order to comply with Statement of Recommended Practice (SoRP) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. Such leases have been executed for all estates for a period of 53 years.

This right-to-use land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non-current assets. The Statement of Recommended Practice (SoRP) for right-to-use of land does not permit further revaluation of right-to-use land. The values taken into the Statement of Financial Position as at 22 June 1992 and amortization of the right to use of land up to 31 March 2016 are as follows.

	Balance as at 31/03/2016 Rs.'000	Balance as at 31/03/2015 Rs.'000
Capitalised Value	332,176	332,176
Amortization		
As at 1st April	142,356	136,240
Amortization charge for the year	6,116	6,116
As at 31st March	148,472	142,356
Carrying amount	183,704	189,820

12.2. IMMOVABLE LEASED BEARER BIOLOGICAL ASSETS

In terms of the ruling of the UITF of the Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatisation of plantation estates, all immovable assets in these estates under finance leases have been taken into the books of the Company retroactive to 22nd June 1992. For this purpose, the Board decided at its meeting on 8th March, 1995, that these assets be stated at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the Statement of Financial Position as at 22nd June, 1992 and amortisation of immovable leased assets to 31March 2016 are as follows.

	2016 Rs.'000	2015 Rs.'000
MATURE PLANTATIONS - TEA		
Capitalised Value		
22nd June, 1992	230,859	230,859
Amortisation		
As at 1st April	150,745	143,139
Amortisation for the year	7,606	7,606
As at 31st March	158,351	150,745
Carrying amount	72,508	80,114

Investment in Immature Plantations at the time of handing over to the Company as at 22 June, 1992 by way of estate leases were shown under Immature Plantations. However, since then all such investments in Immature Plantations attributable to JEDB/SLSPC period have been transferred to Mature Plantations. These mature tea was classified as bearer biological assets in terms of LKAS 41 - Agriculture. The carrying value of the bearer biological assets leased from JEDB/SLSPC is recognised at cost less amortisation. Further investments in such plantations to bring them to maturity are shown in Note 14 A

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

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

	Improvement to Land	Other Vested Assets	Buildings	Plant & Mchinery	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Capitalised Value (22 June, 1992)	12,153	836	101,800	12,585	127,374	127,374
Amortisation						
As at 1 April	9,398	346	87,785	12,585	110,114	106,427
Amortisation for the year	405	15	3,267	-	3,688	3,688
As at 31 March	9,803	361	91,052	12,585	113,802	110,115
Carrying amount	2,350	475	10,748	-	13,572	17,259

These assets are being amortised in equal annual amounts over the following periods:

Mature plantations/improvement to land	30 years
Buildings	25 years
Machinery	15 years

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

13. FREEHOLD PROPERTY ,PLANT AND EQUIPMENT

Cost	Balance as at 01.04.2015 Rs.'000	Additions for the year Rs.'000	Disposals during the Year Rs.'000	Balance as at 31.03.2016 Rs.'000
Land Improvements	91,943	-	-	91,943
Buildings	323,477	1,272	-	324,749
Motor Vehicles	173,285	-	-	173,285
Plant & Machinery	666,701	7,693	-	674,394
Furniture & Fittings	11,928	-	-	11,928
Equipment	85,286	213	-	85,499
Water Sanitation	46,101	-	-	46,101
Computers	17,910	235	-	18,145
Computer Software	1,465	-	-	1,465
	1,418,096	9,413	-	1,427,509

Depreciation	Balance as at 01.04.2015 Rs.'000	Charge for the Year Rs.'000	Accumulated depreciation on disposals Rs.'000	Balance as at 31.03.2016 Rs.'000
Land Improvements	14,813	2,299	-	17,112
Buildings	82,164	8,087	-	90,251
Motor Vehicles	152,816	4,948	-	157,764
Plant & Machinery	478,656	29,957	-	508,613
Furniture & Fittings	11,918	1	-	11,919
Equipment	75,256	4,229	-	79,485
Water Sanitation	37,547	1,982	-	39,529
Computers	17,133	538	-	17,671
Computer Software	1,465		-	1,465
	871,768	52,041	-	923,809
Written Down Value	546,328	-		503,700

	Balance as at 01.04.2015 Rs.'000	Additions for the Year Rs.'000	Capitalised Disposed during the Year Rs.'000	Balance as at 31.03.2016 Rs.'000
Capital Work-in-Progress	46,502	4,710	(4,573)	46,639
TOTAL WRITTEN DOWN VALUE	592,830			550,339

Note : The assets shown above are those movable assets vested in the Company by Gazette Notification at the date of formation of the Company (22nd June 1992) and all investments in tangible assets by the Company since its formation. The assets taken over by way of estate leases are set out in Note 12.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

14 A. BEARER BIOLOGICAL ASSETS

Cost	Immature Plantations Rs.'000	Mature Plantations Rs.'000	Total 2016 Rs.'000	Total 2015 Rs.'000
At the beginning of the year	1,065,235	1,320,126	2,385,361	2,221,438
Additions	138,701	120,713	259,414	163,923
Transfers	(120,713)	-	(120,713)	-
At the end of the year	1,083,223	1,440,839	2,524,062	2,385,361
Depreciation				
At the beginning of the year	-	306,141	306,141	268,524
Charge for the year	-	39,604	39,604	37,618
At the end of the year	-	345,745	345,745	306,142
Written Down Value	1,083,223	1,095,094	2,178,317	2,079,219

Note : These are investments in immature/ mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 12 . Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity, will be moved from immature to mature under this note.

The requirement of recognition of bearer biological assets at its fair value less cost to see under LKAS 41 was superseded by the ruling issued on March, 2nd 2012 by the Institute of Chartered Accountants of Sri Lanka. Accordingly, the Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property, Plant & Equipment.

Borrowing cost amounting to Rs. 19,719,567/= (2015 - Rs. 18,378,473/=) incurred to meet expenses relating to immature plantations have been capitalised as a part of the cost of immature plantations.

14 B. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS

	2016 Rs.'000	2015 Rs.'000
As at 1st April	604,275	560,113
Gain/(loss) arising from changes in fair value less cost to sell	13,267	51,745
Increase due to development	-	-
Decrease due to harvest/ transfer	(1,589)	(7,583)
As at 31st March	615,953	604,275

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

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was carried by Messers Ariyathillaka & co , accredited Chartered Valuers, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried covering all the estates and the valuation has considered the different species, size, condition and location of timber trees.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

The future cash flows are determined by reference to current timber prices without considering the future increase of timber price. Following associated factors are taken into consideration in determining the present value of timber prices.

1) Price list of the State Timber Corporation of sawn timber logs.
2) When considering the market price of the estimated output of standing timber an average value of market price were taken after deducting cost of harvesting, transportation, and administrative costs etc at 60%.
3) The fuel wood tree is taken at a nominal value.
4) Time period of maturity estimated at 20 years.
5) Rate of return on capital assumed at 13%.

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the LKAS 41 against his own assumptions.

14 C. INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

Non Financial Asset	Valuation Technique	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average.)	Relationship of Unobservable Inputs to Fair Value
Consumable Managed Biological Assets	DCF	Discounting Rate	13%	The higher the discount rate the lower the fair Value.
		Optimum rotation (Maturity)	20 Years	Lower the rotation Period, the higher the fair value.
		Price per cu ft	Rs.132/= to Rs.850/=	The higher the price the higer the fair Value.

Other key factors considered in valuation

1. The harvesting is approved by the PMMD and Forest Department based on the forestry development plan
2. The price adopted are net of expenditure
3. Though the replanting is a condition precedent for harvesting, yet the cost are not taken in to consideration.

14 D. Sensitivity Analysis

Sensitivity Variation Sale Price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

Managed Timber		-10%	+10%
As at 31 March 2016	Rs.'000	(75,443)	42,819
As at 31 March 2015	Rs.'000	(59,329)	58,974

Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1.5% of the discount rate has the following effect on the net present value of biological assets:

Managed Timber		-1.5%	+1.5%
As at 31 March 2016	Rs.'000	90,977	(68,011)
As at 31 March 2015	Rs.'000	87,805	(65,997)

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

15. INVENTORIES

	2016 Rs.'000	2015 Rs.'000
Input Materials	44,989	44,032
Growing Crop - Nurseries	23,102	20,462
Produce Stock	341,502	400,180
Consumables & Spares	22,329	12,691
	431,922	477,365

16. TRADE AND OTHER RECEIVABLES

	2016 Rs.'000	2015 Rs.'000
Produce Debtors	60,371	130,865
Advances & Prepayments	5,998	4,393
Other Debtors	158,197	133,549
Staff Debtors	1,441	1,059
	226,007	269,866
Less: Provision for Doubtful Debt	(23,758)	(23,758)
	202,249	246,108

17. AMOUNTS DUE FROM RELATED PARTIES

	Relationship	2016 Rs.'000	2015 Rs.'000
Richard Pieris Distributors Ltd	Related Company	-	95
Maskeliya Tea Gardens Ceylon Ltd	Related Company	240	1,363
Richard Pieris Plantations (Pvt) Ltd	Related Company	1,209	1,209
Richard Pieris Exports PLC	Related Company	8	8
Namunukula Plantations PLC	Related Company	73	10
Kegalle Plantations PLC	Related Company	1,121	22
Arpitech (Pvt) Ltd	Related Company	79	-
		2,730	2,707

18. STATED CAPITAL

Issued and Fully Paid Number of Shares

Balance as at 01 of April	53,953,490	53,953,490
	53,953,490	53,953,490

Value of Issued and Fully Paid Shares

	Rs.'000	Rs.'000
Balance as at 01 of April	673,721	673,721
	673,721	673,721

19. GENERAL RESERVE

Balance at the beginning of the year	540,000	540,000
Balance at the end of the year	540,000	540,000

General Reserves represents amounts set-a-side from time to time by the Directors of the Company for purpose of general application. These have been appropriated by the Board in compliance with the Articles, which provides for such amounts being set-a-side for future and utilized after appropriate Board Approvals.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

20. INTEREST BEARING LOANS AND BORROWINGS

	Repayable				Total	
	within 1 year	After 1 year less than 5 years	After 5 years	After 1 year	as at 31.03.2016	as at 01.04.2015
Long-Term Loans (ADB)	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Seylan Bank	-	-	-	-	-	4,137
National Development Bank PLC-Securitisation Loan	17,000	34,000	-	34,000	51,000	68,000
National Development Bank PLC-Securitisation Loan	21,000	-	-	-	21,000	138,000
National Development Bank PLC	132,000	-	-		132,000	234,000
National Development Bank PLC	44,600	255,400	-	255,400	300,000	-
National Development Bank PLC	139,800	58,250		58,250	198,050	-
Hatton National Bank PLC	40,480	-	-	-	40,480	110,560
Hatton National Bank PLC	25,920	65,200	-	65,200	91,120	117,040
Hatton National Bank PLC	24,000	58,000	-	58,000	82,000	106,000
Bank Overdraft	641,931	-	-	-	641,931	516,991
Short Term Loan						
Sri Lanka Tea Board	24,515	-	-	-	24,515	-
	1,111,246	470,850	-	470,850	1,582,096	1,294,729

20.1. LONG TERM LOANS	Repayable within	Repayable After 1 year	Repayable After 5 years	Repayable After 1 year	Total as at	Total as at	Rate of interest	Terms of Re payments
ASIAN DEVELOPMENT BANK LOAN	**1 year**	**less than 5 years**			**31.03.2016**	**01.04.2015**		
Through National Development Bank	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**		
Through Seylan Bank								
Term Loan 1	-	-	-	-	-	1,805	12.9%	119 monthly installments of Rs. 360,900/= & final installment of Rs. 362,000/= payable commencing from 31.07.2005
Term Loan 2	-	-	-	-	-	1,692	12.9%	119 monthly installments of Rs. 338,800/= & final installment of Rs. 336,600/= payable commencing from 30.09.2005
Term Loan 3	-	-	-	-	-	640	14.33%	119 monthly installments of Rs. 58,331/= & final installment of Rs. 58,311/= payable commencing from 31.03.2006
	-	-	-	-	-	4,137		
National Development Bank PLC	17,000	34,000	-	34,000	51,000	68,000	AWPLR+0.5%	83 monthly installments of Rs.1,416,666/= and last installment of Rs.1,416,722/= payable commencing from 01.05.2012
National Development Bank PLC	21,000	-	-	-	21,000	138,000	AWPLR+4.75%	38 monthly payment in varied installments and payable commencing from 12.04.2013
National Development Bank PLC	132,000	-	-	-	132,000	234,000	AWPLR+2.5%	36 monthly payment in varied installments and payable commencing from 27.04.2014
National Development Bank PLC	44,600	255,400	-	255,400	300,000	-	AWPLR+0.75%	36 monthly payment in varied installments and payable commencing from 29.07.2016
National Development Bank PLC	139,800	58,250		58,250	198,050	-	AWPLR-0.5%	20 Monthly payment of Rs 11.650,000/= installments payable commencing from 14.01.2016 - Effect rate is AWPLR +1.5%P.A - Until 14 August 2017- the rate payble by the borrower is AWPLR-0.5%p.a Interest subsidy of 2% to be collected by NDB FROM GOSL - After 14 August 2017- the Rate payable by Borrower is AWPLR +1.5%p.a
Hatton National Bank PLC	40,480	-	-	-	40,480	110,560	AWPLR+0.5%	59 monthly installments of Rs.5.840,000/= and last installment of Rs.5,440,000/= payable commencing from 21.11.2011
Hatton National Bank	25,920	65,200		65,200	91,120	117,040	AWPLR+0.5%	59 Monthly installments of Rs.2,160,000/= and last installment of Rs.2,560,000/= payable commencing from 10.09.2014
Hatton National Bank	24,000	58,000	-	58,000	82,000	106,000	AWPLR+0.5%	60 monthly installments of Rs.2,000,000/= payable commencing from 13.08.2014
	444,800	470,850	-	470,850	915,650	773,600		
20 B. Short Term Loan								
Sri Lanka Tea Board	24,515	-	-	-	24,515	-	-	First Installment of Rs 2,947,000/= and 10 Monthly Instatement of Rs 3,502,100/= payable commencing from 10.12.2015
	24,515	-	-	-	24,515	-		

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

20.2. LIQUIDITY RISK

The Company does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The company aims to fund investment activities of the individual and company level by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the company consults the Treasury Department and Strategic Business Development Unit in Parent Company for scrutinizing the funding decisions.

The Table below summarizes the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

As at 31st March 2016	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest bearing loans & borrowing	641,932	126,031	369,971	643,934	-	1,781,868
Trade & other payables	374,306	-	-	-	-	374,306
	1,016,238	126,031	369,971	643,934	-	2,156,174
As at 31st March 2015						
Interest bearing loans & borrowing	516,992	89,302	289,038	491,043	-	1,386,375
Trade & other payables	376,273	-	-	-	-	376,273
	893,265	89,302	289,038	491,043	-	1,762,648

21. RETIRING BENEFIT OBLIGATIONS

	2016	2015
	Rs.'000	Rs.'000
At the beginning of the year	981,279	917,379
Interest Cost	100,581	100,912
Current Service Cost	53,742	60,315
Gratuity Payments for the year	(71,147)	(92,436)
Actuarial (Gain) / Loss	(159,244)	(4,891)
At the end of the year	905,211	981,279

The actuarial valuation had been carried out for retiring gratuity for all the employees of the Company as at 31 March 2016, which amounts to Rs.905,210,932/=. If the Company had provided for gratuity for workers on the basis of 14 days wages and for staff and executives, a half month salary for each completed year of service, in line with the Gratuity Act No.12 of 1983, the liability would have been Rs.1,242,773,321/=. Hence, there is a contingent liability of Rs.337,562,389/= which would crystallize only if the Company ceases to be a going concern.

The following payments are expected from the defined benefit plan obligation in future years.

	2016
	Rs.'000
Within the next 12 months	34,618
Between 2 and 5 years	163,976
Beyond 5 years	706,616
	905,210

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

The weigted average duration of the Defind Benefit plan obligation at the end of the reporting period is 6.47 years and 8.62 Years for staff and workers respectively.

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

	2016	2015
(i) Rate of Discount	11.5 % (per annum)	10.25 % (per annum)
(ii) Rate of Salary Increase		
Workers	16% (every two years)	16% (every two years)
Estate Staff	8 % (per annum)	8 % (per annum)
Head Office Staff & Executives	8 % (per annum)	8 % (per annum)
(iii) Retirement Age		
Workers	60 years	60 years
Staff - Head Office	55 years	55 years
- Estates	58 years	58 years

Sensitivity Analysis - Salary/ Wage Escalation Rate

Values appearing in the financial statements are very sensitive to the changes of financial and non financial assumptions used.The sensitivity was carried for both the rate of wage increment and the salary increment. Simulation made for retirement benefit obligation shows that an increase or decrease by 1% of the rate of wage and salary increase has the following effect on the retirement benefit obligations.

	Workers		Staff	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	+1%	-1%	+1%	-1%
As at 31 March 2016	38,114	(35,999)	4,686	(4,179)
As at 31 March 2015	43,962	(41,369)	5,475	(4,856)

Sensitivity Analysis - Discount Rate

Values appearing in the financial statements are very sensitive to the changes of financial and non financial assumptions used. The sensitivity was carried for the discount rate. Simulation made for retirement benefit obligations shows that an increase or decrease by 1% of the discount rate has the following effect on the retirement benefit obligation.

	Workers		Staff	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	+1%	-1%	+1%	-1%
As at 31 March 2016	(65,092)	74,935	(3,872)	4,387
As at 31 March 2015	(75,944)	88,205	(4,561)	5,200

22. DEFERRED TAX

	2016		2015	
	Temporary Difference Rs.'000	Tax Effect Rs.'000	Temporary Difference Rs.'000	Tax Effect Rs.'000
As at 1 April	675,341	(36,164)	892,730	7,826
Amount originating/(Reversal) during the year	(284,985)	(51,609)	(217,389)	(43,990)
As at 31 March	390,356	(87,773)	675,341	(36,164)
Temporary difference of Property, Plant and Equipment	374,829	70,730	377,318	71,436
Temporary difference of mature and immature plantations	2,178,317	217,832	2,079,220	207,922
Temporary difference of Consumble biological asset	615,954	61,595	604,275	60,427
Temporary difference of retirement benefit obligation	(905,211)	(142,661)	(981,279)	(154,649)
Temporary difference of debtors provision	(23,758)	(3,744)	(23,758)	(3,744)
Carried forward tax losses	(1,849,775)	(291,525)	(1,380,435)	(217,556)
As at 31 March	390,356	(87,773)	675,341	(36,164)

Due to continues losses of the company, deferred tax asset originating amounting to Rs 51,608,503/= not recognized in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

22.1. Reconciliation of deferred tax charge/(reversal)

	2016 Rs.'000	2015 Rs.'000
At the beginning of the year	(36,164)	7,826
Tax charge/(reversal) during the period recognised in Income statement.	-	(44,761)
Tax charge/(reversal) during the period recognised in other comprehensive income.	-	771
At the end of the year	(36,164)	(36,164)

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences other than Biological Asset as at 31 March, 2016 is 15.76% (2015 -15.76%) for the company.

The effective tax rate used to calculate deferred tax liability for Consumble Biological Asset as at 31 March, 2016 is 10% (2015-10%) for the company.

23. DEFERRED INCOME

	2016 Rs.'000	2015 Rs.'000
Deferred Grants and Subsidies		
Balance at the beginning of the year	222,307	231,830
Add : Grants received / (refunded) during the year	4,655	2,382
Less : Amortisation for the year	(11,762)	(11,905)
Balance at the end of the year	215,200	222,307

The Company has received funding from the Plantation Housing and Social Welfare Trust and Asian Development Bank for the development of workers facilities such as re-roofing of line rooms, latrines, water supply, sanitation and roads etc. The amounts spent are included under the relevant classification of Property, Plant & Equipment and the grant component is reflected under Deferred Grants and Subsidies. Further this includes the C.T.C Machinery Subsidy which represents the fund received from Sri Lanka Tea Board in relation to C.T.C Project at Poonagalla Estate and also a rebate received from Ceyloan Electricity Board on acquisition of a Generator. Grants are amortised over the life of the assets for which they are being deployed.

24. LIABILITY TO MAKE LEASE PAYMENT

	2016 Rs.'000	2015 Rs.'000
Gross Liability		
As at 1st April	204,357	211,101
Repayment during the year	(6,744)	(6,744)
	197,613	204,357
Finance cost allocated to future periods	(82,608)	(87,290)
Net Liability	115,005	117,067
Payable within one year		
Gross liability	6,744	6,744
Finance cost allocated to future periods	(4,600)	(4,683)
Net liability transferred to current liabilities	2,144	2,061
Payable within two to five years		
Gross liability	26,976	26,976
Finance cost allocated to future periods	(17,508)	(17,872)
Net liability	9,468	9,104
Payable after five years		
Gross liability	163,893	170,637
Finance cost allocated to future periods	(60,500)	(64,735)
Net liability	103,393	105,902
Net liability payable after one year	112,861	115,006

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

The lease of the estates have been amended, with effect from 22nd June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The first rental payable under the revised basis is Rs.6.744 million from 22nd June 1997. This amount is to be inflated annually by the Gross Domestic product (GDP) deflator and is in the Form of Contingent rental. The contingent rental charged to the Income statement amounted to Rs.29,178,495/= (2014/15 Rs.27,435,348/=) which is based on the GDP deflator of 5.01% (2014).

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

Gross Liability	=	2,014,711
Finance Charges	=	(1,354,936)
Net Liability	=	659,775

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

25. TRADE AND OTHER PAYABLES

	2016 Rs.'000	2015 Rs.'000
Trade Creditors	136,433	137,416
Accrued Expenses	140,926	183,578
Others	96,947	55,278
	374,306	376,272

26. AMOUNTS DUE TO RELATED PARTIES

	Relationship	2016 Rs.'000	2015 Rs.'000
RPC Management Services (Pvt) Ltd	Parent Company	263,185	205,895
RPC Plantation Management (Pvt) Ltd	Related Company	1,568	641
Richard Pieris Group Services (Pvt) Ltd	Related Company	1,233	1,033
Richard Pieris and Company	Ultimate Parent	21,770	9,098
Richard Pieris Distributors Ltd	Related Company	402	-
Richard Pieris Rubber Products (Pvt) Ltd	Related Company	143	-
		288,301	216,667

27. DIVIDEND PAYABLE

	2016 Rs.'000	2015 Rs.'000
Ordinary Dividend Unclaimed	2,008	2,008
	2,008	2,008

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

28. SECURITIES PLEDGED

The following assets have been pledged as securities for liabilities.

Name of Bank	Loan Facility Rs.	Security	Nature of Liability	Carrying Amount 2016 Rs.'000	Pledged 2015 Rs.'000
Sampath Bank PLC	100,000,000	Primary mortgage over leashold rights of Glentilt estate	Overdraft	172,421	173,678
HNB	125,000,000	Primary Floating Mortgage bond over leasehold rights of Glenugie Estate	Overdraft	111,169	105,604
Nations Trust Bank	150,000,000	Primary mortgage over stocks in trade	Overdraft/Money Market Loan	341,502	400,180
A.D.B. Loan 1	106,680,000	Primary mortgage over leasehold rights of Brunswick, Strathspey, Laxapana and Moray Estates	Long term Loan	831,832	823,918
A.D.B. Loan 2	142,915,200	Secondary mortgage over leasehold rights of Brunswick, Strathspey, Laxapana & Moray and primary mortgage over leasehold rights of Talawakelle Estates	Long term Loan	921,844	919,912
A.D.B. Loan 3	157,588,000	Tertiary mortgage over leasehold rights of Brunswick, Strathspey, Laxapana & Moray and secondary mortgage over leasehold rights of Talawakelle Estates	Long term Loan	921,844	919,912
Seylan Bank PLC Loan 1	96,000,000	Primary mortgage over leasehold rights of Mousakelle Estate	Long term Loan	115,738	116,535
Seylan Bank PLC Loan 2	7,000,000	Further mortgage over leasehold rights of Mousakelle Estate	Long term Loan	115,738	116,535
NDB	119,000,000	Further mortgage over leasehold rights of Brunswick, Strathspey, Laxapana, Moray & Talawakelle Estates	Long term Loan	921,844	919,912
HNB Term Loan	350,000,000	Primary mortgage over leasehold rights of Ampittiakande, Craig & Glenugie Estates	Long term Loan	457,814	452,799
HNB Term Loan	120,000,000	Primary mortgage over leasehold rights of Ampittiakande, Craig Estates	Long term Loan	457,814	452,799
HNB Term Loan	130,000,000	Primary mortgage over leasehold rights of St Clair Estate	Long term Loan	140,627	143,396
NDB Loan	300,000,000	Primary mortgage over unexpired leasehold right of Strathspey Estate	Term Loan	127,576	-

29. CAPITAL COMMITMENTS

Capital commitments as at the reported date	2016 Rs.	2015 Rs.
Budgeted, but not provided for	**108 Mn**	216 Mn
Total	**108 Mn**	216 Mn

The budgeted field development programme of the Company for the next three years amounts to Rs.375 Mn.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

30. CONTINGENCIES

As per the Collective Agreement with plantation workers unions, wages has to be reviewed by 1 April 2015. However, negotiations are still under consideration and therefore, no agreement has been reached as at the statement of financial position date.

Contingent liabilities that may result,depending on the timeing of the taxability of certain fair value adjustments is amounts to approximaterly Rs.1,326,726/= (2015 Rs 5,174,485/=).

31. EVENT AFTER REPORTING PERIOD

There have been no material events occurring after the statement of financial position date that require adjustments or disclosure in the Financial Statements.

32 TRANSACTION WITH RELATED ENTITIES

32.1 Parent Company

	2016 Rs.	2015 Rs.
Amounts payable as at 31 March	263,184	205,895
Management Fees	101,531	150,856

32.2 Group Companies

Amounts receivable as at 31 March	2,825	2,708
Amounts payable as at 31 March	25,212	10,773
Secretarial Fees	200	200
Rent	1,697	1,424
Purchase of goods/services	1,379	1,557
Current Account Settlement	-	1,700
Interest Paid	8,657	5,406
Interest Received	102	1,025
Salaries, Fuel , Maintenance, etc Received	1,419	752
Salaries, Fuel , Maintenance, etc Paid	257	168
Others - Received	-	255
Others - Paid	41	17

32.3 Interest Paid to Parent Company on its loan was based on prevailing AWPLR + 0.5% adjusted monthly.

32.4 Management Fees

Management fee is payable to Managing Agent of the company on the following Basis. Up to 31 December 2015

(i) 3.5 % on Turnover (Gross)
(ii) 2.0% on Supplies
(iii) 0.50 cts per Kg on Tea Crop and
(iv) 5 % on the Profit

Crop is Stated in (iii) will include Bought Crop.

Profit for the purpose of (iv) above means ,Gross revenue for a particular financial year less all expenditure including retiring gratuity provision, but excluding depreciation, amortization ,lease rental, capital expenditure, interest payments, corporate taxes and profit and loss from sale of capital assets.

From 01 January 2016, the management fees agreement was revised to 15% on earning before interest and tax (EBIT) with minimum management fees of Eighteen Million (Rs 18,000,000/-) per annum.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2016

32.5 Transactions with the Key Management Personnel of the Company and parent

There were no transactions with the key management personnel of the Company and its Parent for the year ended 31 March 2016. Further there were no key management compensation paid during the year other than those disclosed in Note 09.

32.6 Other related party disclosure

Professional fee of Rs.631,771 /- (2014/15 - Rs. 402,433/-) was paid by the Company to an entity in which a Key Management Personnel was a Partner.

33. RELATED PARTY TRANSACTIONS

There are no related party transactions other than those disclosed in Notes 17, 26 and 32 to the Financial Statements.

Shareholder and Investor Information

Stock Exchange Listing

The Issued Ordinary Shares of Maskeliya Plantations PLC are listed with the Colombo Stock Exchange of Sri Lanka. The Audited Accounts of the Company for the Year ended 31 March, 2016 have been submitted to the Colombo Stock Exchange within three months of the Balance Sheet date.

Distribution of Shareholdings

No of Shares held		No. of Shareholders	%	No. of Share	Holding %
Less than	1,000	16,104	97.14	2,158,742	4.00
1,001	5,000	343	2.07	820,919	1.53
5,001	10,000	67	0.40	517,685	0.96
10,001	50,000	47	0.28	977,635	1.81
50,001	100,000	7	0.04	545,042	1.01
100,001	500,000	7	0.04	1,163,923	2.16
500,001	1,000,000	1	0.01	650,000	1.20
1,000,001	and Over	3	0.02	47,119,544	87.33
Total		16,579	100.00	53,953,490	100.00

Distribution of Shareholdings - Resident & Non-Resident

	No. of Shareholders	%	No. of Share	Holding %
Resident Shareholders	16,563	99.90	53,832,950	99.78
Non-Resident Shareholders	16	0.10	120,540	0.22
	16,579	100.00	53,953,490	100.00

Distribution of Shareholdings - Inter Companies & General Public

	No. of Shareholders	%	No. of Share	Holding %
Group Companies	1	0.01	44,998,397	83.40
General Public Including Employees	16,578	99.99	8,955,093	16.60
	16,579	100.00	53,953,490	100.00

Public shareholding as at 31 March 2016 is 16.59% is represented by 16,576 public shareholders (31.03.2015 - 16.59% represented by 16,620)

Market Value per share

	Value	Date
Market Value per share	Rs. 7.70	(31/03/2016)
The Highest Value Recorded	Rs. 12.40	(03/08/2015)
The Lowest Value Recorded	Rs. 7.70	(31/03/2016)

Colombo Stock Market Activities During the year	2015/16	2014/15
Number of Trades	1,088	3,140

	As at 31st March 2016		As at 31st March 2015	
	Number of Shares Held	% of the Holding	Number of Shares Held	% of the Holding
RPC Management Services (Pvt) Ltd	44,998,397	83.40%	44,998,397	83.40%
Dawi Investment Trust (Pvt) Ltd	1,062,341	1.97%	962,495	1.78%
David Pieris Motor Company Ltd	1,058,806	1.96%	1,058,806	1.96%
Amina Investments Ltd	650,000	1.20%	650,000	1.20%
Est of late Mr.M.Radhakrishnan (Deceased)	260,600	0.48%	260,600	0.48%
Seylan bank Ltd/Govindasamy Ramanan	251,529	0.47%	251,529	0.47%
Mr.M.H.M.Fazal	145,858	0.27%	-	-
HSBC International Nominees Ltd-SSBT-Deustche	141,600	0.26%	141,600	0.26%
Freudenberg Shipping Agencies Ltd	137,295	0.25%	126,828	0.24%
Mr.P.S.M.Fernando	122,943	0.23%	122,943	0.23%
Merchant Bank of Sri Lanka PLC/R.R.S.Ananda	104,098	0.19%	104,098	0.19%
Mrs.M.M.C.Fernando	100,000	0.19%	100,000	0.19%
Mrs.J.K.P.Singh	100,000	0.19%	100,000	0.19%
Mr.R.Magdon Ismail	87,586	0.16%	87,586	0.16%
Dee Investments (Pvt) Ltd	84,100	0.16%	84,100	0.16%
Mr.A.K.Seneviratne	61,156	0.11%	71,000	0.13%
United Power (Pvt) Ltd	57,000	0.11%	57,000	0.11%
Mrs.V.Indraganthi	55,200	0.10%	-	-
Merchant Bank of Sri Lanka PLC/Mr.Pathige	50,000	0.09%	50,000	0.09%
Cocoshell Activated Carbon Company Limited	44,100	0.08%	-	-
	49,572,609	91.88%		-
Balance held by 16,559 Shareholders (2015-16,603)	4,380,881	8.12%	4,566,127	8.46%
Total No. of Shares	**53,953,490**	**100.00%**	**53,953,490**	**100.00%**

The Golden Shareholder

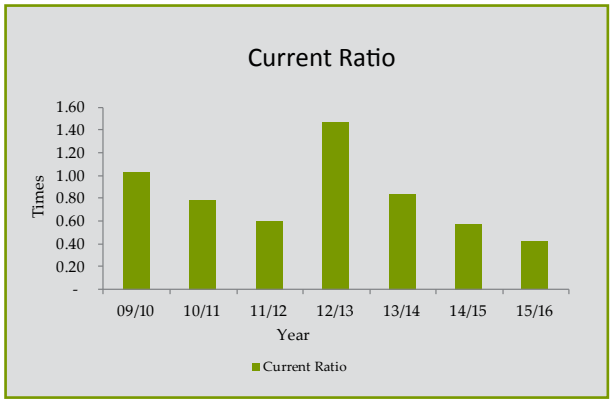
The Golden Share of Rs.10/- is currently held by the Secretary to the Treasury and should be owned either directly by the Government of Sri Lanka or by a 100 Government owned public Company. In addition to the rights of the normal ordinary shareholder, the Golden Shareholder has the following rights;

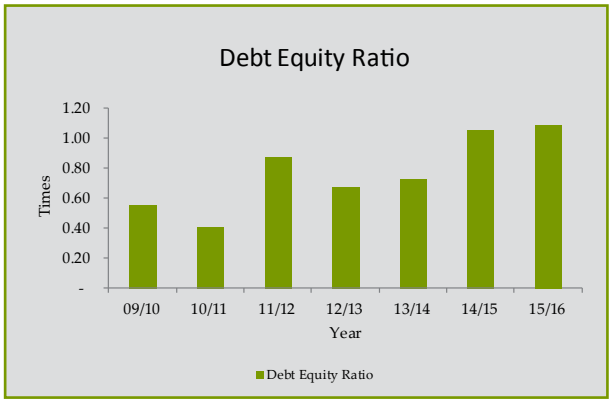
1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/ to be leased to the Company by the Janatha Estate Development Board/Sri Lanka State Plantations Corporation
2) The concurrence of the Golden Shareholder will be required to amend any clause in the articles of association of the Company which grant specific rights to the Golden Shareholder.
3) The Golden Shareholder, or his nominee will have the right to examine the books and accounts of the Company at any time with in two weeks of written notice.
4) The Company should be required to submit detailed quarterly accounts report to the Golden Shareholder in a specified format within 60days of the end of each quarter. Additional information relating to the Company in a specified format must be submitted to the Golden Shareholder within 90 days of the end of each fiscal year.
5) The Golden Shareholder can request the Board of Directors of the Company to meet with respective nominee, once in every quarter to discuss issues related to the Company's operation of interest to the Government

10 Year Summary

Assets & Liabilities	15/16 Rs'000	14/15 Rs'000	13/14 Rs'000	12/13 Rs'000	11/12 Rs'000	10/11 Rs'000	09/10 Rs'000	08/09 Rs'000	07/08 Rs'000	06/07 Rs'000
Non Current Assets										
(Excluding Investment)	3,650,558	3,599,682	3,423,219	3,263,371	3,100,722	2,873,655	2,293,674	2,158,279	2,075,403	1,987,927
Investment	-	-	-	-	-	-	-	-	-	9,548
Current Assets	751,607	839,909	778,644	993,228	659,129	707,481	665,413	554,401	688,495	697,623
Current Liabilities	(1,778,006)	(1,474,138)	(939,797)	(681,600)	(1,108,348)	(905,180)	(653,007)	(740,682)	(584,834)	(656,488)
Working Capital	(1,026,398)	(634,229)	(161,153)	311,628	(449,220)	(197,698)	12,406	(186,281)	103,661	41,135
Long Term Debt	583,711	532,605	695,763	928,922	517,661	333,656	411,307	297,695	392,646	395,944
Provision for Terminal Benefits	905,211	981,279	917,379	776,574	882,848	747,984	706,431	470,785	458,968	368,025
Interest paid/Received										
(Including /Borrowing Cost)	218,023	135,449	98,353	121,175	110,874	102,298	108,365	115,690	106,152	75,616
Share Capital & Reserves										
Stated Capital	673,721	673,721	673,721	673,721	350,000	350,000	350,000	350,000	350,000	350,000
General Reserve	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000
Revenue Reserve	(293,683)	15,541	195,546	356,829	88,282	347,028	76,141	112,963	266,212	224,060
Total Shareholders' Fund	920,037	1,229,262	1,409,267	1,570,550	978,280	1,237,027	966,141	1,002,963	1,156,212	1,114,060
% Increase in Sharehlders' Fund	(25.16%)	(12.77%)	(10.27%)	60.54%	(20.92%)	28.04%	(3.81%)	(13.25%)	3.78%	0%
Capital Employed (Rs. Mn)	1,860	2,007	2219	2,567	1,510	1,643	1,412	1,292	1,620	1,768
Financial Ratios										
Return on Capital employed %	(13.97%)	(3.34%)	(0.58%)	12.23%	(11.11%)	8.64%	4.33%	(2.01%)	8.97%	4.09%
Current Ratio (Times)	0.42	0.57	0.83	1.46	0.59	0.78	1.02	0.75	1.17	1.06
Debt Equity Ratio (Times)	1.72	1.05	0.72	0.68	0.87	0.41	0.56	0.58	0.49	0.59
Equity to Assets %	21%	28%	34%	37%	26%	35%	33%	37%	42%	41%
Interest Cover (Times)	-	-	-	2.66	-	1.47	0.70	-	1.74	1.06
Total Asset to Current Liabilities %	40%	33%	22%	16%	29%	25%	22%	27%	21%	24%
Dividend Payout Ratio	-	-	-	-	-	-	-	-	35%	119%
Debt to Total Assets %	36%	29.16%	24.29%	24.92%	22.70%	14.04%	18%	11%	17%	16%
Investor Ratios										
Annualized Earnings per Share (Rs.)	(8.68)	(3.41)	(1.71)	4.02	(8.63)	1.57	(1.36)	(4.68)	2.06	0.42
Price Earning Ratio (Times)	-	-	-	3	-	18	-	-	13	58
Dividend Rate (%)	-	-	-	-	-	-	-	-	10%	5%
Dividend per Share (Rs.)	-	-	-	-	-	-	-	-	1.00	0.50
Dividend Cover (Times)	-	-	-	-	-	-	-	-	2.06	0.84
Dividend Yield %	-	-	-	-	-	-	-	-	384.00%	2.06%
Effective Dividend Rate (%)	-	-	-	-	-	-	-	-	4%	2%
Market Price of a Share as at 31/03 (Rs.)	7.7	9.9	10	12.10	17.10	28.1	29.75	13.75	26.00	24.25
Market Capitalization (Rs.Mn.)	415	534	540	653	461	758	803	370	701	654
Enterprise Value (Rs.Mn)	1,345	1,312	1,344	1,342	993	1,164	1249	659	1,165	1,077
Net Asset Value per Share (Rs.)	17.05	22.78	26.12	29.11	36.26	45.86	35.81	37.1	42.86	41.3
Net Sales Average per 1 kg Tea (Rs.)	388.93	399.33	418.47	397.57	329.12	352.88	366.48	276.85	275.34	227.39
Capital Expenditure (Rs.000)	148,252	204,002	230,344	211,352	281,668	292,325	238,138	178,416	183,316	113,230

Assets & Liabilities	15/16	14/15	13/14	12/13	11/12	10/11	09/10	08/09	07/08	06/07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Production Kg.'000										
Estate	7,836	7,997	7,675	8,407	8,468	8,448	7,901	8,210	8,393	7,960
Bought	426	453	579	612	733	688	453	385	589	484
Total	8,263	8,450	8,254	9,019	9,201	9,136	8,354	8,595	8,982	8,444
Turnover	3,273,852	3,526,431	3,416,223	3,574,776	3,126,093	3,251,424	3,121,273	2,364,846	2,513,197	1,922,865
Gross Profit/(Loss)	(151,782)	22,228	52,623	388,780	(141,341)	331,967	284,739	118,793	310,920	185,154
Operating Profit/(Loss) Before										
Management Fees & Interest	(160,956)	47,173	106,089	447,080	(122,242)	295,194	216,901	81,876	281,145	164,123
Profit before Interest & Similar Charges	(262,488)	(103,683)	(44,347)	259,951	(253,022)	131,979	66,648	(30,582)	149,952	64,750
Profit/(Loss) for the year before Tax	(460,791)	(220,753)	(122,700)	162,276	(336,614)	42,481	(28,716)	(126,272)	63,862	3,868
Profit & (Loss) after Tax	(468,469)	(184,126)	(92,191)	151,699	(258,748)	42,481	(36,822)	(126,272)	55,640	11,335
Transfer to Reserves								-	-	-
Retained Profits	(293,683)	15,541	195,546	356,828	88,280	347,028	76,141	112,963	266,212	224,060
Proposed Dividend	-	-	-	-	-	-	-	-	26,976	13,488
Operating Ratios										
Annual Turnover Growth %	(7%)	3%	(4%)	14%	(4%)	4%	32%	(6%)	30%	1%
Profit Growth %	(154.43%)	(99.72%)	(161%)	(158%)	(709%)	215%	71%	(327%)	(390%)	92%
Turnover per Employee Rs.'000	263	277	260	268	218	226	202	156	154	116
Fixed Assets to Turnover Ratio %	89.68%	97.97%	99.80%	110%	101%	113%	136%	110%	121%	97%
Value Added per Employee Rs. '000	197	198	177	197	117	144	142	95	100	78





GRI Content Index : "In accordance" - Core

GENERAL STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No	External Assurance
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker	Chairman's Review	11	None
ORGANIZATIONAL PROFILE				
G4-3	Report the name of the organization	Corporate Information	Inner Back Cover	None
G4-4	Report the primary brands, products, and services	Overview of Maskeliya	5	None
G4-5	Report the location of the organization's headquarters	Corporate Information	Inner Back Cover	None
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Presence by Area of Operations	10	None
G4-7	Report the nature of ownership and legal form.	Corporate Information	Inner Back Cover	None
G4-8	Report the markets served	Our Business Model	6	None
G4-9	Report the scale of the organization	Overview of Maskeliya, Financial Highlights	5, 9	None
G4-10	Total workforce by employment type, employment contract and region broken down by gender.	Employment Strength	46	None
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Industrial Relations & Collective Agreement	45	None
G4-12	Describe the organization's supply chain	Sustainable Procurement Practices	74	None
G4-13	Significant changes during the reporting period regarding the organization's size, structure & ownership	No significant changes regarding organisations' structure, ownership & supply chain	-	None
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Risk Management	24	None
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Conservation	55	None
G4-16	Memberships in associations (such as industry associations) and national or international advocacy organizations.	Compliance & Integrity	45	None
IDENTIFIED MATERIAL ASPECTS & BOUNDARIES				
G4-17	Organisation's entities covered by the report	Identified Material Aspects and Boundaries	36	None
G4-18	Process for defining the report content	Identified Material Aspects and Boundaries	36	None
G4-19	List all the material Aspects identified in the process for defining report content.	Identified Material Aspects and Boundaries	36	None
G4-20	For each material Aspect, report the Aspect Boundary within the organization	Identified Material Aspects and Boundaries	36	None
G4-21	Aspect Boundary for each material aspect report outside the organization	Identified Material Aspects and Boundaries	36	None
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Information provided in previous reports have not been restated	-	None

GRI Indicator	Description	Page Reference	Page No	External Assurance
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	First time adaption	-	None
STAKEHOLDER ENGAGEMENT				
G4-24	Provide a list of stakeholder groups engaged by the organization.	Our key relationships	44	None
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Our key relationships	44	None
G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Our key relationships	44	None
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Our key relationships	44	None
REPORT PROFILE				
G4-28	Reporting period	Introduction to the Report	4	None
G4-29	Date of most recent previous report	Financial Calender	8	None
G4-30	Reporting cycle	Introduction to the Report	4	None
G4-31	Contact point for questions regarding the report or its contents	Introduction to the Report	4	None
G4-32	'In accordance' option the organization has chosen & GRI Content Index for the chosen option	Our Sustainability	36	None
G4-33	Policy and current practices with regard to seeking external assurance for the Report	Introduction to the Report	4	None
GOVERNANCE				
G4-34	Governance Strucure of the Organisation, including committees of the highest governance body	Governance Report	19	None
ETHICS AND INTEGRITY				
G4-56	organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Compliance & Integrity	2, 45	None

SPECIFIC STANDARD DISCLOSURES				
GRI Indicator	Description	Page Reference	Page No	External Assurance
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-DMA	Generic disclosure on Economic performance	Financial Review	64	None
G4-EC1	Direct economic value generated and distributed	Value Added Statement	73	None
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Risk Management	24	None
G4-EC3	Coverage of the organization's defined benefit plan obligations	Note to Financial Statements	111	None
G4-EC4	Financial assistance received from government	Note to Financial Statements	113	None
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA	General disclosures on market presence	Collaborating with People	45	None
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Employment Strength	46	None
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA	General Disclosures on Indirect economic impacts	Industrial Relations & Collective Agreement	45	None

GRI Indicator	Description	Page Reference	Page No	External Assurance
G4-EC7	Development and impact of infrastructure investments and services supported	Corporate Social Investment	49	None
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Risk Management	24	None
MATERIAL ASPECT: PROCUREMENT PRACTICES				
G4-DMA	General Disclosures on procurement practices	Sustainable Procurement Practices	74	None
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Sustainable Procurement Practices	74	None
CATEGORY: ENVIRONMENT				
MATERIAL ASPECT: MATERIALS				
G4-DMA	General Disclosures on Material	Materials	62	None
G4-EN1	Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period	Materials	62	None
G4-EN2	Percentage of materials used that are recycled input materials	Not Reported	-	None
MATERIAL ASPECT: ENERGY				
G4-DMA	General Disclosures on energy	Energy Utilisation	62	None
G4-EN3	Energy consumption within the organization	Energy Utilisation	62	None
G4-EN6	Reduction of energy consumption	Energy Utilisation	62	None
MATERIAL ASPECT: WATER				
G4-DMA	General Disclosures on water	Environmental Management, Water Management	58, 63	None
G4-EN8	Total water withdrawal by source	Not Reported	-	None
MATERIAL ASPECT: BIODIVERSITY				
G4-DMA	General Disclosures on Biodiversity	Biodiversity, Environmental Management	56, 58	None
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, Environmental Management	56, 58	None
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiveraity value outside protected areas.	Biodiversity, Environmental Management	56, 58	None
MATERIAL ASPECT: EMISSIONS				
G4-DMA	General Disclosures on Emissions	Emissions	64	None
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Not Reported	-	None
MATERIAL ASPECT: PRODUCTS AND SERVICES				
G4-DMA	General Disclosures on Products & Services	Product Responsibility	53	None
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environmental Management	58	None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	General Disclosures on Compliance	Environmental Management	58	None
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Not Reported	-	None
MATERIAL ASPECT: OVERALL				
G4-DMA	General Disclosures	Environmental Management	58	None
G4-EN31	Total environmental protection expenditures and investments by type	Not Reported	-	None

GRI Indicator	Description	Page Reference	Page No	External Assurance
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA	General Disclosures on Employment	Collaborating with People, Employment Strength	45, 46	None
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Employment Strength	46	None
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS				
G4-DMA	General Disclosures on Labour/Management Relations	Industrial Relations & Collective Agreement	45	None
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Not Reported	-	None
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	General Disclosures on Occupational Health & Safety	Occupational Health & Safety	47	None
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and saftey programs	Not Tracked	-	None
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	General Disclosures on Training & Education	Training & Education	48	None
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training & Education	48	None
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	General Disclosures on Diversity & Equal Opportunity	Collaborating with People	45	None
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employment Strength	46	None
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA	General Disclosures on Equal Remuneration for Women & Men	Employment Strength	46	None
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Not Reported	-	None
SUB-CATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	General Disclosures on Non Discrimination	Collaborating with People	45	None
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No incidents were reported	-	None
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA	General Disclosures on Freedom of Association & Collective Bargaining	Industrial Relations & Collective Agreement	45	None
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Industrial Relations & Collective Agreement	45	None
MATERIAL ASPECT: CHILD LABOR				
G4-DMA	General Disclosures on Child Labor	No operations having significant risk for incidents of child labour	-	None
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No operations having significant risk for incidents of child labour	-	None

GRI Indicator	Description	Page Reference	Page No	External Assurance
MATERIAL ASPECT: INDIGENOUS RIGHTS				
G4-DMA	General Disclosures on Indigenous Rights	Not Applicable	-	None
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	Not Applicable	-	None
SUB-CATEGORY: SOCIETY				
MATERIAL ASPECT: LOCAL COMMUNITIES				
G4-DMA	General Disclosures on Local Communities	Corporate Social Investment	49	None
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Corporate Social Investment	49	None
MATERIAL ASPECT: PUBLIC POLICY				
G4-DMA	General Disclosures on Public Policy	Not Reported	-	None
G4-SO6	Total value of political contributions by country and recipient/ beneficiary	Not Reported	-	None
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA	General Disclosures on Anti-Competitor Behaviour	No incidents reported	-	None
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No incidents reported	-	None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	General Disclosures on Compliance	No incidents reported	-	None
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No incidents reported	-	None
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				
G4-DMA	General Disclosures on Supplier Assessment for Impacts on Society	Sustainable Procurement Practices	74	None
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	Not Reported	-	None
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY				
G4-DMA	General Disclosures on Grievance Mechanisms for Impacts on Society	Not Reported	-	None
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Not Reported	-	None
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY				
G4-DMA	General Disclosures on Customer Health & Safety	Product Responsibility	53	None
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Product Responsibility	53	None
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING				
G4-DMA	General Disclosures on Product & Service Labeling	Product Responsibility, Product Labeling	53, 54	None
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Product Responsibility, Product Labeling	53, 54	None
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	General Disclosures on Customer Privacy	No incidents reported	-	None
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No incidents reported	-	None
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	General Disclosures on Compliance	No incidents reported	-	None
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No incidents reported	-	None

Definitions

ACT	Advance Company Tax
Bio Tea	The finished product of organically produced green leaf of Tea
Borrowing Costs	Interest and other costs incurred by an enterprise in connection with the borrowing of funds
Cash Equivalents	Liquid Investments with original maturities of three months or less
CIS	Commonwealth of Independent States
Contingent Liabilities	Condition or situations at the Balance Sheet date, the financial effects of which are to be determined by future events, which may or may not occur
COP	Average cost to produce a kg of Made Tea. It is computed for all the Grades collectively
Current Ratio	Current assets divided by current liabilities
Dividend Cover	Profit attributable to shareholders divided by gross dividend
Dividend Payout Ratio	Dividend Per Share divided by Earnings Per Share
Dividend Per Share	Dividend attributable to ordinary shareholders divided by the number of Ordinary Shares in issue
Earnings Per Share	Profit attributed to ordinary shareholders divided by the number of Ordinary Shares in issue and ranking for dividend
Enterprise Value	Market capitalization plus net debt
Gearing	Long Term Interest bearing Borrowings/Liabilities as a percentage to Total Capital (Shareholders' Funds Plus Long Term Interest bearing Borrowings/Liabilities)
General Reserve	Reserve available for distribution and investments
GSA	G ross Sales Average
HACCP	Hazard Analysis Critical Control Point System
Interest Cover	Profit before tax plus interest charges divided by interest charges
ISO	International Organisation for Standards
Market Capitalisation	Number of Shares in issue, multiplied by the market value of each Share at the year-end
Negative Goodwill	The excess of the fair value of assets acquitted by way of finance lease over the net liability to the lessor
Net Assets	Sum of Fixed Assets and Current Assets less total liabilities
Net Assets Per Share	Net Assets at the end of the period divided by the number of Ordinary Shares in issue
NSA	Net Sales Average is the average price realised per kg of Made Tea at an Auction or an average price realised over a period. It can be worked for each grade seperately and for all the grades individually
pH	A determination of the acidity level of soils
Price Earnings Ratio	Market price of a share divided by earnings per share.
Related Parties	Parties who could control or significantly influence the financial and operating policies of the Company
Return on Capital Employed (ROCE)	Profit after tax plus Interest on Borrowings as a percentage of Average Capital Employed. (Shareholders' Funds Plus Long Term Interest bearing Borrowings/Liabilities)
Return on Equity	Profit after tax as a percentage of average shareholder's funds
Shareholder's Funds	Funds attributable to Shareholders and comprises of Share Capital, Reserves and Retained Profit
SLAS	Sri Lanka Accounting Standards
Turnover per Employee	Consolidated turnover of the Company for the year divided by the number of employees at the year-end
UITF	Urgent Issues Task Force of the Institute of Chartered Accountants of Sri Lanka
Value Addition	The Quantum of wealth generated by the activities of the Company and its application
VAT	Value Added Tax
Yield (YPH)	Average yearly output of produce from a hectare of mature plantation

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Twenty Third (23rd)Annual General Meeting of Maskeliya Plantations PLC will be held at the Registered Office, No. 310, High Level Road, Nawinna, Maharagama on Thursday, 30th June 2016 at 10.45 a.m. and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2016 with the Report of the Auditors thereon.
2. To approve the appointment of Dr. Sena Yaddehige as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Management Services (Private) Limited, 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

   "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 70 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "
3. To re-elect Dr. Saman Hettiarachchi, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director
4. To elect Mr. Shaminda Yaddehige who retires in terms of Article 98 at the Annual General Meeting, a Director
5. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.
6. To authorize the Directors to determine contributions to charities
7. To consider any other business of which due notice has been given

By Order of the Board
(Sgd.)

Richard Pieris Group Services (Private) Limited
Secretaries

No. 310, High Level Road, Nawinna, Maharagama

31 May 2016

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.

b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report

   The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) ..... of .....
..... being a member / members of the MASKELIYA PLANTATIONS PLC , hereby appoint ..... of .....
.....

whom failing DR. SENA YADDEHIGE whom failing SUNIL SOMINDRANATH POHOLIYADDE whom failing EKANAYAKE MUDIYANSELAGE MANGALA BOYAGODA whom failing DR. LAXMAN SAMAN KUMARA HETTIARACHCHI whom failing JESENTHU LIYANA ANANDASIRI FERNANDO whom failing SHAMINDA YADDEHIGE* as my/our proxy to represent me/us and to vote on my/our behalf at the 23RD ANNUAL GENERAL MEETING of the Company to be held on 30th June 2016 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

		In favour	Against
1.	To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2016 with the Report of the Auditors thereon.		
2.	To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at this Annual General Meeting, a Director		
3	To re-elect Dr. Saman Hettiarachchi , who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director		
4.	To elect Mr.Shaminda Yaddehige, who retires in terms of Article 98 at the Annual General Meeting, a Director		
5.	To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.		
6.	To authorize the Directors to determine contributions to charities		
7.	To consider any other business of which due notice has been given		

Dated this ..... day of 2016

.....
Signature of shareholder

Notes: (i) Please delete the inappropriate words
(ii) A proxy need not be a member of the Company.
(iii) Instruction as to completion appear on the reverse of this form.

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the Registered Office of the Company No. 310, High Level Road, Nawinna, Maharagama., not later than 10.45 a.m. on Tuesday, 28th June 2016.

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointor or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Corporate Information

Name of Company	:	Maskeliya Plantations PLC
Legal Form	:	A Quoted Public Company with Limited Liability Incorporated in Sri Lanka
Date of Incorporation	:	22 June 1992
Company Registration No	:	P Q 134
Registered Office	:	310, High Level Road, Nawinna, Maharagama
Business Address	:	310, High Level Road, Nawinna, Maharagama. Telephone: 011- 4310500
E- Mail Address	:	mpl.rpk@arpico.com
Holding Company & Management	:	RPC Management Services (Pvt) Ltd
Ultimate Parent Enterprise	:	Richard Pieris & Company PLC 310, High Level Road, Nawinna, Maharagama.
Business Activity	:	Tea Plantations
Stated Capital	:	Rs 673,720,950/- Represented by 53,953,490 Shares
Group Holding	:	83.40%
Directors	:	Dr.Sena Yaddehige - Chairman J H P Ratnayeke - Deputy Chairman (Resigned w.e.f 11.01.2016) S S Poholiyadde - Chief Executive Officer Dr. H S D Soysa (Resigned w.e.f 09.05.2016) E M M Boyagoda Dr.L S K Hettiarachchi J L A Fernando Shaminda Yaddehige (Appointed w.e.f 01.03.2016)
Stock Exchange Listing	:	The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka
Management	:	S S Poholiyadde - Managing Director - Plantations V Pusselle - General Manager M P S Pathiraja - Director Operation - BW S Epitakumbura - Sector Financial Controller N N Withanage - Group Manager S G Mudannayake - Group Manager A P de Tissera - Group Manager Mrs. D Fernando - Senior Accountant H K Caldera - Accountant R M SS Herath - Manager IT
Secretaries	:	Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Telephone: 011 – 4310564
Auditors	:	Messrs, Ernst & Young Charted Accountants 201, De Saram Place, Colombo 10
Bankers	:	Sampath Bank PLC - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank PLC - Millennium Branch Hatton National Bank PLC – City Office Branch NDB Bank Nations Trust Bank PLC
Legal Advisors	:	Paul Ratnayeke Associates International Legal Consultants Solicitors and Attorneys – at – law No, 59 Gregory's Road, Colombo 07.

Maskeliya Plantations PLC

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