



# වාර්ෂික වාර්තාව ஆண்டறிக்கை ANNUAL REPORT 2014 / 2015

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களுபோவிட்டியான தேயிலைத் தொழிற்சாலை லிமிரெட்  
KALUBOWITIYANA TEA FACTORY LIMITED



වැවිලි කර්මාන්ත අමාත්‍යාංශය  
பெருந்தோட்டக் கைத்தொழில் அமைச்சு  
Ministry of Plantation Industries



KALUBOWITIYANA TEA FACTORY LIMITED

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ANNUAL REPORT 2014/'15

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## CORPORATE INFORMATION

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<b>Name of the Company</b>	: Kalubowitiyana Tea Factory Limited
<b>Company Registration No.</b>	: PB 1020
<b>Registered Office</b>	: Kalubowitiyana Tea Factory Limited 70,TSHDA Building Chairmans Office Parliament Road, Pelawatta, Battaramulla
<b>Shift Office</b>	: No.556,Nagahamulla,Pannipitiya Road, Pelawatta,Thalangama South
<b>Legal form</b>	: A Public Compny with Limited Liability Incorporated in Sri Lanka on 30th September 1992.
<b>Telephone No.</b>	: 011-4645279
<b>Fax No.</b>	: 011-4645279
<b>E-mail Address</b>	: 'ktfl@sltnet.lk
<b>Auditors</b>	: Jayasinghe & Co, Chartered Accountants, No. 94/12, Kirulapone Avenue, Colombo 05.
<b>Secretaries</b>	: Corporate Services Limited, 216, De Saram Place, Colombo 10
<b>Lawyers</b>	: F J & G De Saram Attorney -at-Law & Notaries Public 216, De Saram Place, Colombo 10
<b>Bankers</b>	: People's Bank
<b>Board of Directors</b>	: Mr. Donald Abeysundara -Chairman (20.01.2015) Mr. M.F.S. Wijesiri Stembo - Managing Director (20.01.2015) Mr. Karunathilaka Brahmana - Executive Director Mrs. Indranie Sugathadasa Mr. A.M.P.M.Bandara Atapattu (30.01.2015) Mr..W.D.Upali Wijesinghe (30.03.2015) Mr. D L S A Jayasinghe (09.02.2015) Ven. Hewesse Upatissa Thero (Observer Member) - not resigned  Mr.G.W.D.P.Senanayake (19.01.2015-09.08.2015) Mr.A.U.C.Athukorala (20.02.2015) P.S.Samarakoon (23.02.2015) Mrs.Kalyani Dahanayake (27.02.2015.23.02.2016) Mr.A.R.Deshapriya (23.03.2015-15.02.2016) Mr.D.G.M.R.Hapuarachchi (24.04.2015-02.02.2016) Mr.Gamini Nallaperuma (28.5.2015) Mr.Thusitha P.Rathnayake (28.5.2015-15.02.2016) Mr.Dammika Ambewela (28.5.2015) Mrs.S.N.Attanayake (02.02.2015) Mr.M.A.S.N.K.Manthrinayake (22.2.2015) Mr.Hemal Kasthuriarachchi (15.02.2015)
<b>Senior Management</b>	: Mr.P Jayasekara (Manager Finance) Mr.T.W.M.S.P.Bandara (Manager / Administration & Human Resources) Mr. T.A.D.J.C.Thilakarathna(Manager / Kalubowitiyana Tea Factory) Mr.Thusitha Siriwardana ( Manager / Derangala Tea Factory)
<b>Factories</b>	: Kalubowitiyana CTC Factory Kalubowitiyana, Via Matara Tel/ Fax. 0913 783020 E-Mail ktflk@sltnet.lk : Derangala Tea Factory Kiriwelkelle, Pitabeddara Tel/ Fax. 0913 783621 E-Mail dtfl@sltnet.lk : Hiniduma Hills Tea Factory Thawalama Tel/ Fax. 041-7201222

## **INTRODUCTION**

Kalubowitiyana Tea Factory Ltd (KTFL) was incorporated on the 30th of September 1992 as a public Company fully owned by the Government. At the initial stage this company was formed with the facilities of Board of Investment of Sri Lanka. (BOI) . It began commercial operations with the commencement of manufacture at the newly built CTC Tea Factory at 01st August 1994. Initial capital of the Kalubowitiyana Rs. 50 Million consists of five Million shares valued of Rs.10 per share. The Initial Capital was provided under Indian line of Credit to establish a new tea factory at Kalubovitiyana to produce Cut, Tear and Curl (CTC) Tea. Similarly the Derangala Tea Factory was re-built, again with the assistance of the Indian Line of Credit, and commenced manufacture of Orthodox teas in March 2000. Company acquired another tea factory Hiniduma Hills on lease to its network on the year 2012, thus increased the total no of factories to three. Hiniduma Hills commenced operations but is yet to add return to the Company. Therefore start up operational cost has affected the bottom line of the company.

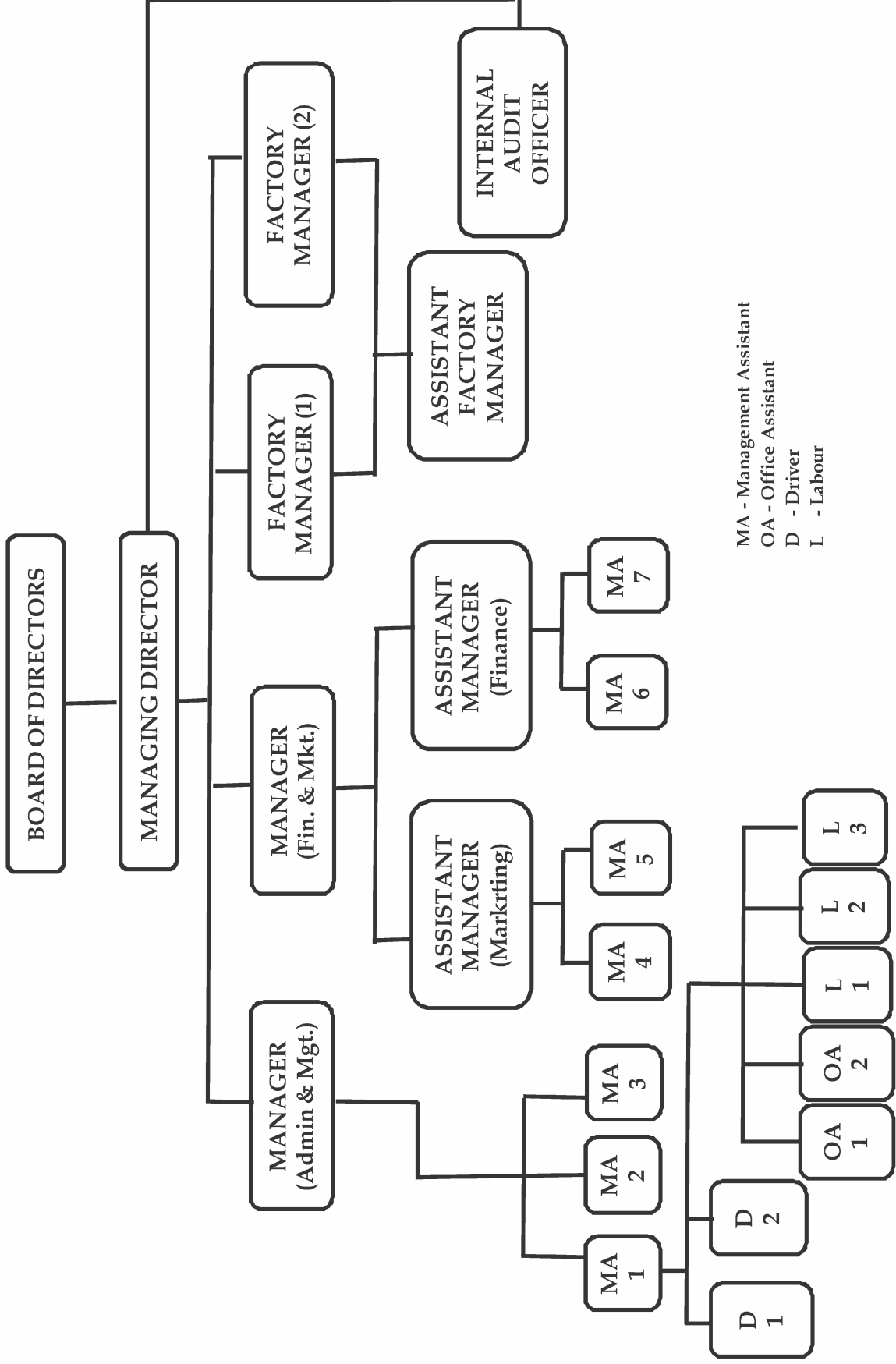
## **VISION**

To be the most recognized model in manufacturing and marketing of best sri lankan CTC and Orthodox Tea.

## **MISSION**

To manufacture superior quality, tasty and consumer friendly Sri Lankan Tea aiming at internal and external markets.

# ORGANIZATION STRUCTURE



**Kalubovitiyana Tea Factory Ltd.**  
**Corporate Management**

**MR.M.F.S.STEMBO**

Managing Director

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**Mr.K.BRAHMANA**

Executive Director

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**MR.P.JAYASEKARA**

Manager/Finance & Marketing

---

**MR.T.W.M.S.P.BANDARA**

Manager/ Administration & Human Resources

---

**MR.T.A.D.J.C.THILAKARATHNA**

Manager/Kalubovitiyana Tea Factory

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**MR.T.SIRIWARDANA**

Manager/Derangala Tea Factory

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**MR.L.A.D.D.I.NANDASIRI**

Assistant Manager/Hiniduma Hills Tea Factory

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## CHAIRMAN'S REVIEW

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On behalf of the Board of Directors of Kalubowitiyana Tea Factory, I present to you the Annual Report of the Company for the Financial Year ended March 2015. The Sri Lankan tea industry encountered a challenging year in the backdrop of varied factors primarily on the international front as well as adverse weather locally, towards the end of the financial year under review. Despite this, national tea exports experienced a record breaking year with the highest recorded volume of 327.8 Mn kilograms at a value of US 1.6 billion (Rupees 212 billion). This represented a 3% increase in volume and 4% increase in price since 2013, a result of favourable prices at all elevations, as well as record levels of production in 2014.

The economic contraction in Russia, Sri Lanka's key buyer of orthodox teas, stemming from geopolitical instability, and a drop in oil prices further exerted a downward pressure on the 'Ruble'. This was in addition to the political and economic unrest within the Middle East primarily, Iran, Egypt, Syria, and Libya, all of which are tea buyers. US and European imposed sanctions which disallowed direct financial dealings with Iran, created uncertainties for the local exporter in terms of them receiving payment.

Despite the above, Russia remained the largest buyer of tea in 2014 accounting for 14% of Sri Lankan tea exports, with Turkey following in second place at 13%. The Middle Eastern region comprising Iran, Iraq, UAE, Syria, Kuwait, Jordan and Lebanon jointly constituted 34%, while the European Union and African regions made up the remainder.

In this backdrop, our Company reported a revenue of Rupees 751Mn and a post-tax profit of Rupees 13.1 Mn for the year under review, a reduction of 3.6% and 27.4% respectively. The reason for the decline was attributable to multiple factors. Unfavourable weather that affected crop output combined with a loss of several buyers in Russia who shifted towards procuring CTC teas from Kenya, and general heavy competition among tea factories to source as much tea as possible from the Tea Small Holder segment were reasons.

The outlook of the Sri Lankan tea industry seems to be a challenging one. The domestic and trading conditions within key buyer markets, of whom bulk are oil producing nations remain critical factors. The depreciating 'Ruble', and declining oil prices will be closely watched. The positive is Russia's accession to the WTO in August 2014 which carries favourable tariff considerations. With the easing of tensions between Iran and the US, the former being Sri Lanka's second largest buyer prior to the sanctions is expected to accrue benefits. General socio-economic unrest in the Middle East however will continue to be of concern. On the local front, climatic conditions, labour wages and fertilizer subsidies will need to be managed. Although the latter is provided at an attractive and fairly consistent rate throughout the year, one of the challenges faced by Tea small holders is the sourcing of quality fertilizer.



From a strategic perspective, the Company intends to educate and upgrade the knowledge levels of the Tea Small Holder segment in relation to sound agricultural and manufacturing practices in an effort to increase yields, and add on a higher premium to the end product. The introduction of cooperative societies intends to establish a good relationship with the smallholder segment, while the introduction of a local brand is a probability going forward. As a means to expand awareness and understanding, Kalubowitiyana Tea Factory Ltd will conduct relevant training programs for its executive staff and workers to further enhance knowledge growth, and improve overall productivity.

The Company continues to operate on strong fundamentals and considers its people to be its biggest asset. On behalf of the Board of Directors I would like to extend my appreciation to the Tea Smallholder sector on whom we remain dependent, as well as our staff at Kalubowitiyana, and the Management whose combined efforts continue to steer forward our operations successfully. Our appreciation extends to the Hon.

Minister of Plantations, and the unstinted support of the Ministry of Plantation Industries. Although the year ahead poses challenges on many fronts, I draw confidence from the support and loyalty of our people, our stakeholders, and their strong partnerships, which give us determination in moving forward with confidence.

P.S.Samarakoon

Chairman

(Month) 2014

### Revenue Analysis

The Company reported a gross revenue of Rupees 741Mn, versus Rupees 771Mn in the previous financial year, a 3.8% decline year on year. Multiple factors comprising unfavourable weather that affected crop output combined with a loss of several buyers in Russia who shifted towards procuring CTC teas from Kenya, and general heavy competition among tea factories to source as much tea as possible from the Tea Small Holder segment were key reasons. Of the revenue component, local sales comprising Rupees 19.5Mn witnessed a marginal increase of 7.7% year on year. This was attributable to increased local purchasing by Government Institutions and Welfare Societies.

### Cost of Sales and Operating Expenses

The cost of sales amounting to Rupees 737Mn witnessed a 1.3% reduction from the previous financial year. Although a similar quantity of tea was produced each year, the Company was able to lower its cost of production in terms of its leaf cost. This was enabled by way of installing a hot water generator at the Kalubowitiyana Tea Factory for better processing efficiencies. However, Gross Profit margins declined as a result of a higher decline in revenue in comparison.

Administration expenses rose to Rupees 36Mn versus Rupees 28Mn in line with an increase in multiple expenditure components. Personnel costs rose in line with an increase in the staff salary quantum, while Rupees 1Mn was paid for the services of a manufacturing consultant/advisor recruited to better the internal manufacturing efficiencies. The Company also contributed funds by way of a significant donation of Rupees 3.8Mn in its efforts to provide relief to the flood victims in Mathugama. During the year, the Company shifted the location of its headquarters which incurred an increase in rent. In addition to this, Rupees 0.9Mn was spent in setting up operations for the proposed new factory at Baduraliya. Accordingly, expenses as a percentage of revenue rose to 4.8% from 3.7% in the previous financial year.

### Other Operating Income

A component of Rupees 22.8Mn reflected as other income represents the quantum of subsidized funding provided to Company by the Ceylon Tea Board and which was subsequently written off by the latter during 2015. Consequently, with a reduction in revenue and rise in overheads, operating profit halved to Rupees 4.8mn from Rupees 8.2mn in the previous financial year.

### Finance Cost

During the year, the Company opted to dispose of part of its Treasury bill investments, while developments within the general macroeconomic environment saw a decline in deposit interest rates. Accordingly the Company earned a lower quantum of interest amounting to Rupees 15Mn vis a vis Rupees 21Mn in the previous financial year. The Company loan to BCC Lanka in 2013 continued to remain on the balance sheet and generated an interest income to the Company.

As a prudent measure, funds generated by way of disposal of the Company investments above were channelled in to settlement of the overdraft borrowings in full as a means to reduce interest expenditure going forward. The Company reported a net finance income of Rupees 12.2Mn vis a vis Rupees 19.3Mn in the previous financial year. Interest cover on the other hand dipped to 1.6 from 3.9 previously.

Post taxation, The Company reported a 32% dip in the bottom line to Rupees 13.1Mn vis a vis Rupees 19Mn in the financial year ended 2013/14.

### **Financial Position and Liquidity**

#### **Non Current Assets**

The non-current assets comprise 33% of the total asset base. During the financial year under review, The Company invested in capital expenditure comprising construction of a wall, installation of a boiler house and firewood shed as well as a hot water boiler for purpose of manufacturing and capacity expansion.

#### **Loan - BCC Lanka Ltd**

During the year the company has made several attempts to recover the loan of Rs 10 Mn given to BCC Lanka Ltd In the year 2004, together with accumulated interest of Rs.31.96 Mn (Full amount Rs.41.96Mn),however none of these attempts became successful.

#### **Working Capital**

During the year, the Company's current assets declined to Rupees 345Mn from Rupees 371Mn in the previous year on account of a general decline in the market value of inventory as at balance sheet date and the partial disposal of the Company's Treasury Bill Investment. During the year under review, the Company increased the quantum of its distress loan to its staff as a result of internal policy thereby increasing the trade debtor component to Rupees 69Mn from Rupees 55Mn previously. The settlement of the overdraft borrowing in full reduced the trade payables quantum to Rupees 57Mn from Rupees 87Mn in the previous years. The Company therefore managed to maintain its working capital cycle within satisfactory limits.

### **Capital Structure**

#### **Equity**

The Company's issued ordinary share capital amounts to Rupees 46,375,070.00. Brought forward profits boosted the retained earnings and reserves for the financial year under review increasing the net worth by 3% to Rupees 450Mn for the current financial year.

#### **Borrowings**

The Company did not have any long term borrowings during the year under review. The loan of Rupees 22.8Mn received from the Ceylon Tea Board to acquire capital assets at the commencement of operations was written off by the latter. All amounts spent of this funding have been capitalized as part of the fixed assets over a period of time. The write off of this loan served to reduce the non-current liability total to Rupees 9.1Mn from Rupees 30Mn previously.

## DIRECTOR'S REPORT

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### *ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY*

The Directors of Kalubowitiyana Tea Factory Limited present their report together with the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March 2015.

The details setout herein provide the pertinent information required by the Companies Act No. 07 of 2007, and are guided by recommended best accounting practices.

This report consists of two parts. **Part A** is a report by the board describing contents of this annual report in compliance with section 168 of the Companies Act No. 07 of 2007. **Part B** provides other information referred to.

#### **PART A**

##### *Statement of compliance on the content of the annual report*

##### *Principal activities and business review future developments*

The company is engaged mainly manufacture and marketing of CTC (Cut, tear & curled) tea and Orthodox tea. The company has only three factories in Kalubowitiyana and Derangala in Matara District and Hiniduma Hills in Galle District

A review of the company's business and its performance during the year, with comments on financial results and future strategic developments, is contained in the Chairman's review (page No.04). This report together with the financial statements reflect the state-of-affairs of the Company.

The Directors to their best of knowledge and belief confirm that the company has not engaged in any activities that contravene laws and regulations.

##### *Financial statements*

The financial statements of the company are given on page 13 to 40 .

##### *Auditor's report*

Auditors' report on the financial statements is given on page 11 & 12.

The accounting policies adopted in the preparation of the financial statements are given on pages 17 to 25 . There were no changes in the accounting policies adopted in the previous year.

##### *Directors' remuneration*

Directors' remunerations (including sitting allowances) in respect of the Company for the financial year ended 31<sup>st</sup> March 2015 are as follows;

1. Chairman	660,000.00
2. Managing Director	509,193.55
3. Executive Director	416,612.90
<b>Total</b>	<b>1,585,806.45</b>

## **DIRECTOR'S REPORT (Contd.)**

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### **Corporate Donations**

Donations made by the company during the year amounts to Rs. 3,852,690.09

### **Directorate**

The names of the directors who held office during the financial year are given below;

Mr. Donald Abeysundara -Chairman (20.01.2015)  
Mr. M.F.S. Wijesiri Stembo - Managing Director (20.01.2015)  
Mr. Karunathilaka Brahmana - Executive Director (Pending)  
Mrs. Indranie Sugathadasa  
Mr. A.M.P.M.Bandara Atapattu (30.01.2015)  
Mr..W.D.Upali Wijesinghe (30.03.2015)  
Mr. D L S A Jayasinghe (09.02.2015)  
Ven. Hewesse Upatissa Thero (Observer Member) - not resigned

Mr.G.W.D.P.Senanayake (19.01.2015-09.08.2015)  
Mr.A.U.C.Athukorala (20.02.2015)  
P.S.Samarakoon (23.02.2015)  
Mrs.Kalyani Dahanayake (27.02.2015-23.02.2016)  
Mr.A.R.Deshapriya (23.03.2015-15.02.2016)  
Mr.D.G.M.R.Hapuarachchi (24.04.2015-02.02.2016)  
Mr.Gamini Nallaperuma (28.5.2015-Pending)  
Mr.Thusitha P.Rathnayake (28.5.2015-15.02.2016)  
Mr.Dammika Ambewela (28.5.2015-Pending)  
Mrs.S.N.Attanayake (02.02.2015)  
Mr.M.A.S.N.K.Manthrinayake (22.2.2015)  
Mr.Hemal Kasthuriarachchi (15.02.2015)

### **Directors' Interest**

As far as the Directors are aware, the Directors of the company were not directly or indirectly interested in contracts of the company.

Mrs. Indrani Sugathadasa Directors of the Company hold one share each issued as subscriber shares.

### **Auditors**

As far as Directors are aware the auditors do not have any relationship (other than that of an auditors) or any interest in the Company. The auditors do not have any interest in the Company.

### **Audit Fees**

The Auditors M/s Jayasinghe & Co. were paid Rs. 182,300.00 being the fee payable for the year 2014/2015.

## **PART B**

### **Revenue**

The total revenue of the company for the year is Rs.751 Mn. An analysis of the revenue is given in note No. 03 (page 27) to the financial statements the company's revenue has decrease by 3.6% compared to the previous year.

### **Financial Results and Appropriations**

The pre tax profit for the year is Rs. 16.98 Mn (2014 - Rs.27.5 Mn). The decrease in pre tax profit year on year is. 38.34%

### **Taxation and Statutory Payments**

According to the Inland Revenue Act No. 06 of 2006 the company is liable to pay Rs. 3,851,962.19/=, as Income tax on the profits for the year ended 31<sup>st</sup> March 2015

All statutory payments such as EPF, ETF, Gratuity and other taxes etc. have been made up to date.

## DIRECTOR'S REPORT (Contd.)

### Fixed assets

Information relating to movements fixed of assets is given in Note No. 11 to the financial statement in page No.30.

### stated capital

The stated capital as at the end of the year is Rs. 46,375,070/= and there was no change in the stated capital during the year.

### Post balance sheet events

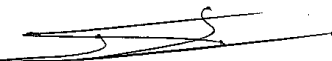
No circumstances have arisen since the balance sheet date would require adjustment, or disclosure in the financial statements.

### Going concern

The directors consider that the company has adequate resources to adopt going concern basis in preparing the financial statements.

### Environmental protection


It is the Company's policy to minimize the adverse effects on the environment, which may result from the Company's operations, and to co-operate and comply with the relevant authorities and regulations.



P S SAMARAKOON  
CHAIRMAN  
KALUBOWITTIYANA TEA FACTORY LTD



S.N.ATTANAYAKE  
MANAGING DIRECTOR  
KALUBOWITTIYANA TEA FACTORY LTD



SECRETARIES  
CORPORATE SERVICES (Private) LIMITED  
CORPORATE SERVICES (PRIVATE) LIMITED  
Secretaries

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF KALUBOWITTIYANA TEA FACTORY LIMITED.

#### Report on the Financial Statements

We have audited the accompanying financial statements of Kalubowitiyana Tea Factory Limited, which comprise the statement of financial position as at March 31<sup>st</sup>, 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation and fair presentation 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 the 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 qualified audit opinion.

(Contd...)

## INDEPENDENT AUDITORS' REPORT (Contd...)

### Basis for Qualified Opinion

- 1 Finished goods stock of the Company as at 31<sup>st</sup> March 2015 has been valued at Rs. 66,409,164/12 taking in to account the net realizable value as at that date. However, no information was available to determine the cost of the corresponding inventory value as at that date. Due to this reason, we were unable to satisfy ourselves as to the correct valuation of closing stock as per LKAS – 02, which specifies inventory should be valued at lower of cost and net realizable value.
- 2 The Company's biological assets as at 31<sup>st</sup> March 2015 amounting to Rs. 2,937,798/74 have been stated on cost basis which is not in accordance with LKAS 41 - Agriculture which specifies the biological assets should be valued at its fair value less cost to sell.
- 3 Gratuity provision as at 31<sup>st</sup> March 2015 amounting to Rs. 9,117,860/= has been calculated based on half month's salary as of the last month of the financial year for each completed year of service commencing from the first year of service of each employee, which is a deviation from the LKAS 19 – Employee Benefits.


### Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the Company maintained proper accounting records for the year ended 31<sup>st</sup> March, 2015 and the financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> March, 2015 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards

### Report on Other Legal & 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 and scope and limitation of the audit areas 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,
  - Except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements of the Company give a true and fair view of its financial position as at March 31<sup>st</sup>, 2015, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards,
  - The financial statements also comply with the requirements of Section 151 (2) of the Companies Act No. 07 of 2007.

  
.....  
**JAYASINGHE & CO.**  
**CHARTERED ACCOUNTANTS**  
Colombo.  
14<sup>th</sup> March 2016  
AR/540/634/639/661



**KALUBOWITIYANA TEA FACTORY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

*(All Amounts Are In Sri Lanka Rupees )*

	Note	2015	2014
Revenue	3	751,044,477.30	779,486,291.59
Cost Of Sales	4	(737,909,957.50)	(747,630,426.27)
<b>Gross Profit</b>		<b>13,134,519.80</b>	<b>31,855,865.32</b>
Other Operating Income	5	27,808,810.97	5,356,424.47
Profit Before Operating Expenses		<b>40,943,330.77</b>	<b>37,212,289.79</b>
Administration Expenses	6	(35,940,919.86)	(28,054,359.92)
Selling & Distribution Expenses	7	(242,818.00)	(917,026.59)
Profit From Operating Activities		<b>4,759,592.91</b>	<b>8,240,903.28</b>
Finance Income		15,115,145.89	21,413,721.34
Finance Expenses		(2,885,464.36)	(2,105,842.47)
Net Finance Income	8	12,229,681.53	19,307,878.87
Net Profit Before Taxation		<b>16,989,274.44</b>	<b>27,548,782.15</b>
Taxation	9	(3,851,962.19)	(8,213,712.89)
<b>Net Profit After Taxation</b>		<b>13,137,312.25</b>	<b>19,335,069.26</b>
Earnings Per Share	10	<b>2.83</b>	<b>4.17</b>

The Significant Accounting Policies and Notes on pages 18 to 41 form an integral part of these Financial Statements.

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

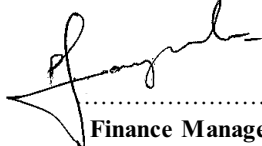
**As At 31<sup>ST</sup> MARCH 2015**

*(All Amounts Are In Sri Lanka Rupees )*

	Note	2015	2014
<b>Non Current Assets</b>			
Property Plant & Equipment	11	168,237,280.83	178,757,095
Biological Assets	12	2,937,798.74	2,937,799
		<b>171,175,079.57</b>	<b>181,694,893</b>
<b>Current Assets</b>			
Inventories	13	84,912,959.25	113,345,327
Loan Receivable From BCC Lanka Limited		41,966,954.83	39,231,042
Financial Assets	14	137,508,569.90	158,206,620
Trade & Other Receivables	15	69,121,808.49	55,087,941
Commissioner General Of Inland Revenue	24	-	1,328,926
Cash & Cash Equivalents	16	12,270,897.86	4,689,217
<b>Total</b>		<b>345,781,190.33</b>	<b>371,889,072.74</b>
<b>Total Assets</b>		<b>516,956,270.16</b>	<b>553,583,966</b>
<b>Equity &amp; Liabilities</b>			
<b>Capital &amp; Reserves</b>			
Stated Capital	17	46,375,070.00	46,375,070
Reserves	18	403,752,534.75	389,727,356
<b>Total</b>		<b>450,127,604.75</b>	<b>436,102,426</b>
<b>Non Current Liabilities</b>			
Sri Lanka Tea Board	19	-	22,465,416
Retirement Benefit Obligation	20	9,117,860.00	7,922,801
<b>Total</b>		<b>9,117,860.00</b>	<b>30,388,217</b>
<b>Current Liabilities</b>			
Creditors & Accrued Charges	21	53,964,432.41	49,651,190
Bank Overdrafts	22	-	33,052,361
Deferred Tax Liability/(Asset)	23	5,593,164.85	4,389,773
Commissioner General Of Inland Revenue	24	(1,846,791.84)	-
<b>Total</b>		<b>57,710,805.42</b>	<b>87,093,325</b>
<b>Total Equity &amp; Liabilities</b>		<b>516,956,270.16</b>	<b>553,583,968</b>

Notes on pages 08 to 34 form an integral part of these Financial Statements.


We certify that the Financial Statements have been prepared in accordance with the requirements of the Companies Act No.7 of 2007

  
 Finance Manager



The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed on behalf of the Board of Directors.

  
 Director

  
 Director

29<sup>th</sup> November 2015  
 Colombo.

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

	Stated Capital (Note 17)	General Treasury	Capital Reserves	Retained Profit	Total
<b>Balance As At 01<sup>st</sup> April 2013</b>	46,375,070.00	23,229,000.00	600,000.00	346,563,286.59	416,767,356.59
Net Profit For The Year	-	-	-	19,335,069.26	19,335,069.26
<b>Balance As At 01<sup>st</sup> April 2014</b>	46,375,070.00	23,229,000.00	600,000.00	365,898,355.85	436,102,425.85
Net Profit For The Year	-	-	-	13,137,312.25	13,137,312.25
<b>Balance As At 31<sup>st</sup> March 2015</b>	46,375,070.00	23,229,000.00	600,000.00	379,035,668.10	449,239,738.10

Notes on pages 08 to 34 form an integral part of these Financial Statements.

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

	Note	2015	2014
<b>Cash From Operating Activities</b>			
Net Profit/ (Loss) Before Taxation		16,989,274.44	27,548,782
<b>Adjustments For:</b>			
Depreciation		24,581,439.54	23,407,730
Provision For Retirement Benefit Costs		1,487,869.25	1,390,056
Profit On Disposal Of Assets		(318,775.00)	-
Interest Income		(15,115,145.89)	(21,413,721)
Sri Lanka Tea Board Loan Written Off		(22,465,416.00)	-
<b>Operating Profit/(Loss) Before Working Capital Changes</b>		<b>5,159,246.34</b>	<b>30,932,847</b>
(Increase) / Decrease In Inventory		28,432,367.64	(9,621,336)
(Increase) / Decrease In Trade & Other Receivables		(14,033,867.98)	(12,950,979)
Increase / (Decrease) In Trade & Other Payables		4,313,242.00	(19,986,079)
<b>Cash Generated From/(Used In) Operations</b>		<b>23,870,988.00</b>	<b>(11,625,548)</b>
Gratuity Paid		(292,810.00)	(320,803)
Tax Paid		(2,278,570.26)	(14,646,303)
<b>Net Cash From / (Used In) Operating Activities</b>		<b>21,299,607.74</b>	<b>(26,592,654)</b>
<b>Cash Flows From /(Used in) Investing Activities</b>			
Acquisition Of Property, Plant & Equipment		(14,061,624.71)	(44,826,184)
Disposal Of Property, Plant & Equipment		318,775.00	-
Interest Received		12,379,234.69	18,677,809
Net Changes In Financial Assets		20,698,050.19	(12,688,277)
<b>Net Cash From /(Used In) Investing Activities</b>		<b>19,334,435.17</b>	<b>(38,836,652)</b>
<b>Net Cash From / (Used In) Finance Activities</b>			
Dividends Paid		-	-
<b>Net Cash Flows From / (Used In) Finance Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) In Cash &amp; Cash Equivalents</b>		<b>40,634,042.91</b>	<b>(65,429,306)</b>
Cash & Cash Equivalents At The Beginning Of The Year		(28,363,143.73)	37,066,162
<b>Cash &amp; Cash Equivalents At The End Of The Year</b>	<b>16</b>	<b>12,270,897.86</b>	<b>(28,363,144)</b>

Notes on pages 08 to 34 form an integral part of these Financial Statements.

**KALUBOVITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

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**01. Reporting Entity**

**1.1 Corporate Information**

Kalubowitiyana Tea Factory Limited is a Limited Liability Company incorporated on 30<sup>th</sup> September 1992 under the Companies Act No. 17 of 1982 and then re - registered under the new Companies Act No.7 of 2007, on 16<sup>th</sup> June 2009 and domiciled in Sri Lanka.

The registered office of the Company is located at No 70, Parliament Road, Pelawatta, Battaramulla.

**1.2 Principal Activities & The Nature of Operations**

The principle activities of the Company are cultivation, manufacturing and sale of tea from tea leaf purchased from growers and from own estates.

**1.3 Directors**

The Directors present herewith the audited financial statements for the year ended 31<sup>st</sup> March 2015. The Directors are responsible for preparing and presenting these financial statements.

The Directors of the Company as at 31<sup>st</sup> March 2015 were,

Mr. Donald Abeysundara.  
Ms. Indranie Sugathadasa.  
Mr. W.D.Upali Wijesinghe.  
Mr. D.L.S.A Jayasinghe.  
Mr.A.M.P.M. Bandara Atapattu  
Mr. M.F.S. Wijesiri Stembo.  
Mr.Karunatilaka Brahmana.

**1.4 Company Secretaries**

Corporate Services (Pvt) Ltd,  
No. 216, De Saram Place,  
Colombo 05

**1.5 Registered Office**

‘TSHDA’ Building,  
No.70, Parliament Road, Pelawatte,  
Battaramaulla.

**1.6 Auditors**

Jayasinghe & Co.  
Chartered Accountants.  
No. 94/12, Kirulapone Avenue,  
Colombo 5.

**KALUBOVITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

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**01. General Policies**

**2.1 Basis of Preparation**

The financial statements of Kalubowitiyana Tea Factory Ltd comprise the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, accounting policies and notes to the financial statements. These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (LKAS and SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka.

**2.2 Basis of Measurement**

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes. Assets and liabilities are grouped by nature and in an order that reflect their relative liquidity.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in notes to the financial statements.

**2.3 Foreign Currency Translation**

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rate of exchange prevailing at the time the transaction was effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka Rupee equivalent using year-end spot foreign exchange rates. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resultant gains and losses are accounted for in the statement of comprehensive income.

**2.4 Taxation**

**(a) Current Tax**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto.

**(b) Deferred Tax**

Deferred Tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for the financial reporting purpose and amounts used for tax purpose. Deferred tax is measured at the tax rate that is expected to apply to temporary differences when they are reversed, based on the laws that have been enacted by the reporting date.

Deferred tax assets are recognized to the extent that is probable that future taxable profits will be available against which such timing difference can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**2.5 Valuation of Assets & Their Bases of Measurement**

**2.5.1 Property, Plant & Equipment**

Property, plant and equipment are stated at cost or fair value accumulated depreciation and any accumulated impairment in value. The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value. Revaluations are done with sufficient regularity. When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of comprehensive income, in which case the increase is recognized in the statement of comprehensive income. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognized as an expense.

Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings. Items of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is derecognized.

**KALUBOVITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

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**(a) Depreciation**

Provision for depreciation is calculated by using the straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets. The estimated useful lives of assets are as follows;

<b>Asset Category</b>	<b>Years</b>
Buildings	20
Paintings	5
Water & Electricity	20
Motor Vehicles	4
Plant & Machinery	8
Equipment	8
Furniture & Fittings	8
Computer Software	8
Computer Equipment	8
Others	8

Freehold land is not depreciated as it is deemed to have an indefinite life.

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

**(b) Restoration Cost**

Expenditure incurred in repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

**2.5.2 Biological Assets**

The entity recognizes the biological assets when, and only when, the entity controls the assets as a result of a 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. No impairment is charged for biological assets.



**KALUBOVITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd...)**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

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**Financial Assets (Non-derivative)**

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following financial assets (non-derivative):

- Loans and receivables
- Cash and cash equivalents

**(a) Loans & Receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

**(a) Cash & Cash Equivalents**

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a Component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents comprise cash in hand and deposits at bank. Bank overdraft is included as a component of cash and cash equivalents for the purpose of the statement of cash flows, which has been prepared using the indirect method.

#### **4 Impairment**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for receivables at collective level. All receivables with similar risk characteristics are grouped together and collectively assessed for any impairment that has been incurred but not yet identified.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit or loss.

##### **2.5.5 Inventories**

Inventories comprise processed, unprocessed and semi-processed agricultural produce, and other consumables. Processed, Unprocessed and semi-processed agricultural produce at the end of the financial period is considered as fully processed agricultural produce and is measured at net realizable value.

Other consumables are measured at lower of cost or net realizable value. When the inventories are sold, the Company recognizes the carrying amount of those inventories as an expense in the period in which the related revenue is recognized.

##### **2.6 Liabilities & Provisions**

Liabilities are recognized in the statement of financial position when there is a present obligation arising from past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the financial position date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the financial position date are treated as non- current liabilities in the statement of financial position.

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

## **Retirement Benefit Obligations**

### **(a) Defined Benefit Plan – Gratuity**

A full provision has been made on account of retiring gratuity from the first year of employment in conformity with the Sri Lanka Accounting Standard No.19- 'Retirement Benefits' according to the formula published by the Institute of Chartered Accountants of Sri Lanka. This provision is not externally funded, nor is it actuarially valued.

### **(b) Defined Contribution Plan-Employees' Provident Fund& Employees'Trust Fund**

Employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations.

## **2.7 Statement of Comprehensive Income**

### **2.7.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of sales discounts and sales taxes.

#### **(a) Sale of Goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer with the Company retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

#### **(b) Gains & Losses**

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

Any losses arising from guaranteed rentals are accounted for in the year of incurring the same. A provision is recognized if the best estimate indicates a loss.

**(a) Interest Income**

Interest income is recognized on accrual basis using effective interest method (EIR).

**(b) Other Income**

Other income is recognized on an accrual basis.

**2.7.2 Expenditure Recognition**

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company’s performance.

**2.8 Basic Earnings/ (Loss) Per Share**

The Company presents Basic Earnings/ (Loss) Per Share (EPS) data 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.

**2.9 Comparative Information**

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the financial statements of the current period and to improve the inter- period comparability. When the presentation or classifications of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current year in order to provide a better presentation.

**2.10 Events Occurring after the Reporting Date**

All material post events of statement of financial position have been considered, and where appropriate adjustments or disclosures have been made in respective notes to the financial statements.

**NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE**

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 - Financial Instruments, which replaces the provisions of LKAS 39 Financial Instruments, Recognition, Measurement and Classification of financial assets and requirements with respect to the classification and measurement of financial liabilities, the de - recognition of financial assets and financial liabilities and how to measure fair value were added to SLFRS 9.

The effective date SLFRS 09 has been deferred till January 1, 2018.

The following Accounting Standards are not expected to have an impact on the financial statements of the Company.

1. SLFRS 14 – Regulatory Deferral Accounts: effective date January 01, 2016.
2. SLFRS 15 – Revenue from Contracts with Customers: effective date January 01, 2017
3. Amendment LKAS 16 and LKAS 41 – Bearer Plants: effective date January 01,2016

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

Note	2015	2014
<b>NOTE 03 - REVENUE</b>		
Gross Sales	741,357,030.00	771,361,075
<u>Less: Brokerage &amp; Sales Expenses</u>	<u>(9,818,461.45)</u>	<u>(10,010,513)</u>
	731,538,568.55	761,350,562
<u>Add: Local Sales</u>	<u>19,505,908.75</u>	<u>18,135,729</u>
<b>Total</b>	<b><u>751,044,477.30</u></b>	<b><u>779,486,292</u></b>
<b>NOTE 04 - COST OF SALES</b>		
Green Leaf Purchases	514,234,223.49	533,817,352
Production Cost	139,246,644.22	165,803,735
Production Overheads	55,616,110.19	53,741,078
<b>Cost Of Manufacturing</b>	<b>709,096,977.90</b>	<b>753,362,164</b>
<b>Movement In Finished Goods</b>		
Balance As At The Beginning Of The Year	95,222,143.72	89,490,406
Balance As At The End Of The Year	<u>(66,409,164.12)</u>	<u>(95,222,144)</u>
<b>Cost Of Sales</b>	<b><u>737,909,957.50</u></b>	<b><u>747,630,426</u></b>
<b>NOTE 05 - OTHER INCOME</b>		
Sundry Income	5,021,269.97	5,240,497
Unpresented Cheques Written Off	-	47,708
Profit On Disposal Of Assets	318,775.00	-
Sri Lanka Tea Board Loan Written Off	22,465,416.00	-
Creditor Balance Written Off	3,350.00	-
Audit Fees Over Provision	-	68,219
<b>Total</b>	<b><u>27,808,810.97</u></b>	<b><u>5,356,424</u></b>

*(Contd...)*

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

*(All Amounts Are In Sri Lanka Rupees )*

	Note	2015	2014
<b>NOTE 06 - ADMINISTRATION EXPENSES</b>			
Directors' Remuneration & Staff Cost	6.1	13,174,859.63	10,930,089.44
Travelling , Subsistence & Vehicle Hire	6.2	3,464,499.75	3,439,670.50
Maintenance Expenses - Equipment & Vehicles	6.3	4,720,105.97	5,504,829.14
Professional Fees	6.4	1,736,152.97	566,479.48
Insurance & License Fees	6.5	700,762.80	1,138,620.07
Printing Stationery & Postage	6.6	428,273.52	339,546.06
Other Administration Expenses	6.7	11,716,265.22	6,135,125.23
<b>Total</b>		<b>35,940,919.86</b>	<b>28,054,359.92</b>
<b>NOTE 06.1 - DIRECTORS' EMOLUMENTS &amp; STAFF COST</b>			
Staff Salaries		4,113,761.49	3,769,495.56
Gratuity		883,994.25	126,247.30
Allowances		5,754,772.70	4,307,522.16
Overtime & Holiday Payments		525,933.02	688,383.42
Employee's Provident Fund Contributions		457,435.42	458,133.17
Employee's Trust Fund Contributions		105,118.83	114,549.38
Bonus		616,000.00	668,500.00
Board Fees		198,000.00	372,000.00
Staff Welfare		519,843.92	425,258.45
<b>Total</b>		<b>13,174,859.63</b>	<b>10,930,089.44</b>
<b>NOTE 06.2 - TRAVELING, SUBSISTENCE &amp; VEHICLE HIRE</b>			
Travelling & Subsistence		587,870.71	330,110.50
Hire Charges		2,876,629.04	3,109,560.00
<b>Total</b>		<b>3,464,499.75</b>	<b>3,439,670.50</b>
<b>NOTE 06.3 - MAINTENANCE OF OFFICE BUILDING, EQUIPMENT &amp; VEHICLES</b>			
Office Building Maintenance		15,238.00	117,252.50
Office Equipment Maintenance		88,307.00	83,142.35
Motor Vehicles Maintenance		1,007,789.00	1,358,105.00
Vehicle Fuel Cost		3,607,421.97	3,945,719.29
Tyre Repairs		1,350.00	610.00
<b>Total</b>		<b>4,720,105.97</b>	<b>5,504,829.14</b>
<b>NOTE 06.4 - PROFESSIONAL FEES</b>			
Other Fees		61,596.00	196,955.68
Secretarial Fees		165,244.00	166,263.80
Consultant Fees		1,060,410.97	-
Audit Fees		182,300.00	165,760.00
Tax Fees		41,250.00	37,500.00
Under Provided Audit Fee		225,352.00	-
<b>Total</b>		<b>1,736,152.97</b>	<b>566,479.48</b>
<b>NOTE 06.5 INSURANCE &amp; LICENCE FEES</b>			
Insurance & License Fees		232,742.14	351,117.68
Staff Insurance		468,020.66	787,502.39
<b>Total</b>		<b>700,762.80</b>	<b>1,138,620.07</b>
<b>NOTE 06.6 - PRINTING, STATIONERY &amp; POSTAGE</b>			
Printing		100,250.00	72,576.00
Postage		10,240.00	11,595.00
Computer Stationery		-	4,240.00
Other Stationery		317,783.52	251,135.06
<b>Total</b>		<b>428,273.52</b>	<b>339,546.06</b>

*(Contd...)*

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

Note	2015	2014
<b>NOTE 06.7 - OTHER ADMINISTRATION EXPENSES</b>		
Legal Fees	40,935.00	90,774.00
Depreciation	3,296,814.10	2,601,440.97
Head Office Expenses	528,271.90	575,185.06
Donations	3,852,690.09	885,022.82
Telephone	497,053.22	421,016.90
Newspapers & Periodicals	168,522.00	169,790.00
Rent	1,097,677.42	752,000.00
Electricity	538,970.67	306,396.91
New Project Expenses	977,989.40	-
Other Utilities & Services	490,897.84	85,749.60
Supplies & Requisitions - Others	8,743.58	-
Staff Training	217,700.00	149,990.00
Festival Advances Written Off	-	26,577.74
Check Roll Debts Written Off	-	11,837.23
Surcharge	-	59,344.00
<b>Total</b>	<b>11,716,265.22</b>	<b>6,135,125.23</b>
<b>NOTE 07 - SELLING &amp; DISTRIBUTION EXPENSES</b>		
Trade Fair & Exhibition	-	404,050.09
Entertainment	21,875.00	388,260.50
Registration Fees	7,835.00	13,444.00
Advertising	213,108.00	111,272.00
<b>Total</b>	<b>242,818.00</b>	<b>917,026.59</b>
<b>NOTE 08 - NET FINANCE INCOME</b>		
<b>08.01 Finance Income</b>		
Fixed Deposit Interest	9,656,871.67	13,248,192.68
Treasury Bill Interest	2,261,631.42	5,112,778.64
Staff Loan Interest	409,414.29	316,837.56
Savings Account Interest	51,317.31	-
BCC Lanka Limited Loan Interest	2,735,911.20	2,735,912.46
<b>Total</b>	<b>15,115,145.89</b>	<b>21,413,721.34</b>
<b>08.02 Finance Expenses</b>		
Bank Charges	37,776.80	40,964.02
Overdraft Interest	2,847,687.56	2,037,768.37
Short Term Loan Interest	-	27,110.08
<b>Total</b>	<b>2,885,464.36</b>	<b>2,105,842.47</b>
<b>Net</b>	<b>12,229,681.53</b>	<b>19,307,878.87</b>
<b>NOTE 09 - TAXATION</b>		
<b>Current Tax Expenses</b>		
Current Year	2,648,570.59	4,513,109.54
	<b>2,648,570.59</b>	<b>4,513,109.54</b>
<b>Deferred Tax Expenses</b>		
Deferred Tax Charged / (Reversal)	1,203,391.60	3,700,603.35
<b>Total Tax Expense</b>	<b>3,851,962.19</b>	<b>8,213,712.89</b>

*(Contd...)*



**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

Note	2015	2014
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**NOTE 10 - EARNINGS PER SHARE/ DIVIDEND PER SHARE**

**10.1 Earnings Per Share**

The basic earnings per share is based on profits attributable to the ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year calculated as follows;

Net Profit For The Year	13,137,312	19,335,069
Weighted Average Number Of Shares	4,637,507	4,637,507
Basic Earnings Per Share	2.83	4.17

**10.2 Dividend Per Share**

Dividend For The Year	-	-
Number Of Shares	4,637,507	4,637,507
Dividend Per Share	-	-

*(Contd...)*

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As At 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees )*

**NOTE 11 - PROPERTY, PLANT & EQUIPMENT**

Cost	Free Hold Land	Buildings	Plant & Machinery	Factory Equipment	Computer Equipment	Office Equipment	Furniture & Fittings	Tools
<b>Cost As At 01.04.2014</b>	2,550,621.30	194,653,944.07	187,418,975.28	7,068,034.85	5,629,168.57	1,999,375.03	5,976,497.65	639,412.90
Additions	2,055,069.34	4,715,708.61	1,690,602.77	175,763.94	510,530.00	589,986.00	362,609.25	46,350.00
Disposals	-	-	-	-	-	-	-	-
Transfer	-	-	23,884,705.03	-	-	-	-	-
<b>Cost As At 31.03.2015</b>	<b>4,605,690.64</b>	<b>199,369,652.68</b>	<b>212,994,283.08</b>	<b>7,243,798.79</b>	<b>6,139,698.57</b>	<b>2,589,361.03</b>	<b>6,339,106.90</b>	<b>685,762.90</b>

Accumulated Depreciation	Free Hold Land	Buildings	Plant & Machinery	Factory Equipment	Computer Equipment	Office Equipment	Furniture & Fittings	Tools
<b>Accumulated Depreciation As At 01.04.2014</b>	-	95,833,246.20	147,246,128.49	2,554,067.92	3,556,470.73	1,524,998.15	2,784,514.81	419,606.20
Current Year Depreciation	-	10,493,119.81	8,094,810.78	781,672.65	416,741.50	167,978.00	573,133.68	42,752.78
Disposals	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation As At 31.03.2015</b>	<b>-</b>	<b>106,326,366.01</b>	<b>155,340,939.27</b>	<b>3,335,740.57</b>	<b>3,973,212.23</b>	<b>1,692,976.15</b>	<b>3,357,648.49</b>	<b>462,358.98</b>
<b>Net Book Value As At 31.03.2015</b>	<b>4,605,690.64</b>	<b>93,043,286.67</b>	<b>57,653,343.81</b>	<b>3,908,058.22</b>	<b>2,166,486.34</b>	<b>896,384.88</b>	<b>2,981,458.41</b>	<b>223,403.92</b>

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

(All Amounts Are In Sri Lanka Rupees )

Note

2015

2014

**NOTE 12 - BIOLOGICAL ASSETS**

At The Beginning Of The Year	2,937,798.74	2,900,115.94
Additions	-	37,682.80
At The End Of The Year	<b>2,937,798.74</b>	<b>2,937,798.74</b>

Kalubowitiyana, Derangala and Hiniduma Hills recognize managed trees as biological assets and managed trees consist of commercial timber plantations cultivated on estates and tea bushes in factory premises.

**NOTE 13 - INVENTORIES**

Food & Beverages	14,800,322.80	14,758,181.92
Finished Goods	66,409,164.12	94,592,580.00
Consumables Stocks	345,714.54	402,853.33
General & Other	3,357,757.79	3,591,711.64
<b>Total</b>	<b>84,912,959.25</b>	<b>113,345,326.89</b>

**NOTE 14 - FINANCIAL ASSETS**

Treasury Bills	17,403,224.56	44,584,872.40
Fixed Deposits - People's Bank	120,105,345.34	113,621,747.69
<b>Total</b>	<b>137,508,569.90</b>	<b>158,206,620.09</b>

**NOTE 15 - TRADE & OTHER RECEIVABLES**

Trade Debtors	30,503,476.52	23,316,324.13
Staff Debtors	11,286,880.41	4,785,447.33
Deposits	1,983,463.00	2,001,975.00
Advances & Prepayments	26,406,253.99	25,594,483.15
Non Moving Balances	1,719,324.15	2,167,300.48
Other Debit Balances	56,662.98	56,662.98
	71,956,061.05	57,922,193.07
Less; Provision For Bad Debts	(2,834,252.56)	(2,834,252.56)
<b>Total</b>	<b>69,121,808.49</b>	<b>55,087,940.51</b>

**NOTE 16 - CASH & CASH EQUIVALENTS**

People's Bank	Account No. 204100140084885 - Headquarters	9,884,165.09	-
People's Bank	Account No. 204100130084961 - Headquarters	66,658.42	-
People's Bank	Account No. 204100140084911 - Headquarters	180,668.10	3,134,977.50
People's Bank	Account No. 060100110000681 - Morawaka	145,891.33	18,773.58
People's Bank	Account No. 060100100000592 - Morawaka	1,831.92	112,974.09
Bank Of Ceylon	Account No. 0006065711 - Neluwa	1,083.00	4,036.08
Bank Of Ceylon	Account No. 75958665 - Pelawatta	470,961.76	-
Bank Of Ceylon	Account No. 205604 - Thawalama	156,815.26	5,602.60
Cash In Hand		19,147.81	43,282.43
Cash In Transit		-	137,213.23
Savings Accounts - People's Bank		1,343,675.17	1,232,357.86
<b>Total</b>		<b>12,270,897.86</b>	<b>4,689,217.37</b>

(Contd...)

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

(All Amounts Are In Sri Lanka Rupees )

	2015	2014
Note		
<b>Unfavourable Cash &amp; Cash Equivalents</b>		
Bank Overdraft	-	(33,052,361.17)
<b>Total Cash &amp; Cash Equivalents For The Purpose Of Cash Flow Statements</b>	<b>12,270,897.86</b>	<b>(28,363,143.80)</b>
<b>NOTE 17 - STATED CAPITAL</b>		
<b>Issued &amp; Fully Paid</b>		
4,637,507 Numbers Ordinary Shares	46,375,070.00	46,375,070.00
<b>Total</b>	<b>46,375,070.00</b>	<b>46,375,070.00</b>
<b>NOTE 18 - RESERVES</b>		
Grant - General Treasury	23,229,000.00	23,229,000.00
Capital Reserves	600,000.00	600,000.00
Profit & Loss Account	379,923,534.7	365,898,355.85
<b>Total</b>	<b>403,752,534.75</b>	<b>389,727,355.85</b>
<b>NOTE 19 - SRI LANKA TEA BOARD</b>		
At The Beginning Of The Year	22,465,416.00	22,465,416.00
Additions During The Year	-	-
Written Off During The Year	(22,465,416.00)	-
At The End Of The Year	<b>-</b>	<b>22,465,416.00</b>
<p>Funds were received from Sri Lanka Tea Board to acquire capital assets at the commencement of the operations at the Kalubowitiyana Tea Factory. Amounts spent thereof were capitalized to the relevant property, plant and equipment account. This balance has been waived by the Sri Lanka Tea Board and is treated as income to the Company in the financial statements in the year under review. The letter dated on 20<sup>th</sup> February 2013 by the secretary of ministry of plantation industries requested Sri Lanka Tea Board to wave-off the amount Rs. 22,465,416.00 outstanding from Kalubowitiyana Tea Factory Ltd, Subsequently the company has recognize as grant based on the letter dated on 16<sup>th</sup> November 2015 from the director general of Sri Lanka Tea Board.</p>		
<b>NOTE 20 - RETIREMENT BENEFIT OBLIGATION</b>		
Movement In The Present Value Of Defined Benefit Obligation		
At The Beginning Of The Year	7,922,800.75	6,781,707.69
Current Service cost		
Interest Cost		
Actuarial Gain/Loss		
Provision For The Year	1,487,869.25	1,390,056.06
Prior Year Adjustments	-	109,080.00
Payments During The Year	(292,810.00)	(320,802.50)
	-	(37,240.00)
At the End Of The Year	<b>9,117,860.00</b>	<b>7,922,800.75</b>
<b>NOTE 21 - CREDITORS &amp; ACCRUED CHARGES</b>		
21.3 Actuarial Assumptions		
Bought Leaf Suppliers	21,883,548.71	20,506,183.32
Trade Creditors	16,101,639.72	16,814,845.79
Service Contractors	1,751,778.23	1,491,182.90
Staff Creditors	1,782,880.05	1,382,828.30
Accrued Expenses	11,648,140.94	8,672,637.54
Unclaimed Balances	311,028.17	298,087.97
Suspense & Other Credit Balances	485,416.59	485,424.59
<b>Total</b>	<b>53,964,432.41</b>	<b>49,651,190.41</b>
<b>NOTE 23 - DEFERRED TAX LIABILITY/(ASSET)</b>		
At The Beginning Of The Year	4,389,773.25	689,169.90
Transferred To / (From) Income Statement	1,203,391.60	3,700,603.35
At The End Of The Year	<b>5,593,164.85</b>	<b>4,389,773.25</b>

(Contd...)

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

(All Amounts Are In Sri Lanka Rupees )

Note	2015	2014
<b>NOTE 24 - COMMISSIONER GENERAL OF INLAND REVENUE</b>		
Balance As At The Beginning Of The Year	(1,328,925.52)	8,804,268
Provision For The Year	-	4,513,110
	(1,328,925.52)	13,317,378
Payments For The Previous Year		
Payments For The Year	-	(9,972,119)
<b>Gross</b>	(1,209,425.00)	(3,110,199)
	(2,538,350.52)	<b>235,060</b>
<b>Tax Credits</b>		
With Holding Tax	-	(1,563,985)
<b>Net Payable/(Refundable)</b>	<b>(2,538,350.52)</b>	<b>(1,328,926)</b>
<b>NOTE 25 - CAPITAL EXPENDITURE &amp; COMMITMENTS</b>		
Land	2,055,069.34	-
Buildings	4,715,708.61	3,180,152
Plant & Machinery	25,575,307.80	18,242,864
Equipment	175,763.94	1,856,093
Furniture & Fittings	510,530.00	983,898
Tools	589,986.00	68,769
Motor Vehicles	362,609.25	-
Other	46,350.00	487,025
Work In Progress	3,915,004.80	19,969,700
<b>Total</b>	<b>37,946,329.74</b>	<b>44,788,501</b>

**NOTE 26 - CONTINGENCIES**

**Pending Legal Cases**

i) A labour case has been filed (Case No. LT/KP/34/18/07) by Mr. T. G. Hemachandra at Kotapola Labour Tribunal against the Company pleading the courts to restate him at his duties stating his dismissal from the service is unfair.

ii) A labour case has been filed (Case No. LT/KP/34/19/07) by Mr. L.S. Wijayamanna at Kotapola Labour Tribunal against the Company pleading the courts to restate him at his duties stating his dismissal from the service is unfair.

iii) A labour case has been filed (Case No. LT/KP/34/01/13) by Mr. Jayantha Abeyathunga at Kotapola Labour Tribunal against the Company pleading the courts to restate him at his duties stating his dismissal from the service is unfair. He has also filed another case (Case No. HRC/MT/70/13/S) at the Human Rights Commission of Sri Lanka, on the same matter.

**NOTE 27 - EVENTS AFTER THE REPORTING DATE**

No material events have taken place after the reporting date, that require adjustments to or disclosures in the financial statements.

(Contd...)

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**As At 31<sup>ST</sup> MARCH 2015**

*(All Amounts Are In Sri Lanka Rupees )*

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**NOTE 28 - RELATED PARTY DISCLOSURES**

Transactions with the related parties in the ordinary course of business carried out on an arm's length basis.

**28.1. Transactions With Key Management Personnel (KMP)**

KMPs are persons who have authority and responsibility directly or indirectly for planning, directing and controlling the

The KMP of the Company comprise of the Board of Directors of the Company.

28.1.1. The compensation of KMPs are disclosed in the note 6 to the accounts

28.1.2. No loans were given to KMPs during the Year.

28.1.3. The shareholdings of the KMPs together with their close family members

*None*

28.1.4. The names of the Directors of the Company, who are also directors of other companies:

*None*

**28.2. Transactions with Close Family Members**

Close family members are those who may be expected to influence or be influenced in their dealings with the Company.

There were no transactions with close family members during the year.

**28.3. Dealing with Subsidiaries, Associates & Joint Ventures - *None***

*(Contd...)*

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

*(All Amounts Are In Sri Lanka Rupees )*

**NOTE 29 - FACTORY SEGMENTS**

29.1 Sales	Head Office		Kalubowitiyana		Derangala		Hiniduma Hills		Total	
	Rs		Factory	Rs	Factory	Rs	Factory	Rs	Factory	Rs
Gross Sales	-		512,269,835.00		150,625,800.00		78,461,395.00		741,357,030.00	
Less: Brokerage & Sales Expenses	-		(5,901,689.60)		(2,553,100.16)		(1,371,204.69)		(9,818,461.45)	
	-		506,368,145.40		148,072,699.84		77,090,190.31		731,538,568.55	
Add: Local Sales	6,811,922.50		9,611,022.50		2,911,354.00		171,609.75		19,505,908.75	
<b>Total</b>	<b>6,811,922.50</b>		<b>515,979,167.90</b>		<b>150,984,053.84</b>		<b>77,261,800.06</b>		<b>751,044,477.30</b>	

**29.2 Cost Of Sales - Kalubowitiyana, Derangala & Hiniduma Hills**

Bought Leaf	Rs		Rs		Rs	
<b>Manufacturing Cost</b>						
Production Cost	4,443,351.81		84,571,917.67		29,875,730.81	
General Charges	2,268,174.40		26,425,108.86		17,466,590.09	
	<b>6,711,526.21</b>		<b>453,282,354.06</b>		<b>159,085,248.68</b>	
			342,285,327.53		111,742,927.78	
					60,205,968.18	
						514,234,223.49
Add: Opening Stock	629,563.72		65,627,355.00		18,482,400.00	
Less: Closing Stock	(646,725.41)		(41,782,500.00)		(13,949,717.60)	
<b>Total</b>	<b>6,694,364.52</b>		<b>477,127,209.06</b>		<b>163,617,931.08</b>	
					<b>90,017,848.95</b>	
						<b>709,096,977.90</b>
					10,482,825.00	
					(10,030,221.11)	
					<b>90,470,452.84</b>	
						<b>737,909,957.50</b>

*(Contd...)*

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31<sup>ST</sup> MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees)*

**NOTE 30 – FINANCIAL RISK MANAGEMENT**

**30.1 Overview**

The Company has exposure to the following risks from its use of financial instruments. These are monitored by the Company on a regular basis:

1. Credit Risk
2. Liquidity Risk
3. Operational Risk

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, the Company's management of capital.

**30.2 Risk Management Framework**

The Board of Directors has overall responsibility for the established and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits.

**30.2.1. Credit Risk**

Credit risk refers to the risk carried by the Company owing to a counter party defaulting on its contractual obligations in relation to a financial instrument or customer contract. The total carrying amount of the credit risk pertaining to the Company as at 31<sup>st</sup> March 2015 is the summation

The maximum credit risk of the Company is limited to the carrying value of these financial assets as 31<sup>st</sup> March 2015.

<u>Carrying Value as at 31<sup>st</sup> March</u>	<b>2015</b>	<b>2014</b>
Amount Due from Related Company	41,966,954.83	39,231,042
Financial Assets	137,508,569.90	159,438,978
Trade & Other Receivables	69,121,808.49	55,087,941
Cash & Cash Equivalents	12,270,897.86	3,456,860
<b>Total</b>	<u>260,868,231.08</u>	<u>257,214,820.33</u>

(Contd.)



**KALUBOWITIYANA TEA FACTORY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST MARCH 2015**  
*(All Amounts Are In Sri Lanka Rupees)*

**30.2.2. Liquidity Risk**

Liquidity risk arises from Company of working capital. It is the risk that Company will encounter when difficulty in meeting its financial obligations as they fall due under the both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The maturity analysis of liabilities

As at 31<sup>st</sup> March 2015

	<u>Current</u>		<u>Non Current</u>	
	<u>Upto 1yr</u>	<u>up to 2 yrs</u>	<u>up to 5 yrs</u>	<u>over 5 yrs</u>
Carrying Value	53,964,432.41	-	-	-
Creditors & Accrued Charges	53,964,432.41	-	-	-
	<u>53,964,432.41</u>	<u>-</u>	<u>-</u>	<u>-</u>

**30.2.3. Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditors and market confidence and to sustain future development of the business. The Board monitors the return on the capital and level of dividends to ordinary shareholders.

There were no charges in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

*(Contd.)*

**KALUBOWITTIYANA TEA FACTORY LIMITED**  
**DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

(All Amounts Are In Sri Lanka Rupees )

	2015
<b>01. TRADE &amp; OTHER RECEIVABLES</b>	
<b>1.1 Trade Debtors</b>	
Bought Leaf Supplier Debts	2,079,994.92
Bought Leaf Supplier Loans	893,933.46
Bought Leaf Transport Loans	50,000.00
Fertilizer Debtors	1,433,590.39
Trade Debtors	26,045,957.75
<b>Sub Total</b>	<b>30,503,476.52</b>
<b>1.2 Staff Debtors</b>	
Checkroll Debts	43,689.54
Check Roll Loans	17,825.06
Distress Loans	10,260,466.07
Festival Advances	964,899.74
<b>Sub Total</b>	<b>11,286,880.41</b>
<b>1.3 Deposits</b>	
Deposits Receivable	1,983,463.00
<b>Sub Total</b>	<b>1,983,463.00</b>
<b>1.4 Prepayments &amp; Advances</b>	
PAYE Tax Recoverable	6,783.00
Prepayments	1,186,420.69
Other Advances	16,837,065.83
Eastern Trading	4,412.00
Kotapola MPCS	327,378.25
Sundry Debtors	351,003.02
Lorry JJ - 1961	91,462.51
WHMU Priyantha	26,350.00
Baur Fertilizers	-
CIC Fertilizer	-
Stamps	1,095.35
Tea Nursery	8,820.00
SAPDA	451,547.30
Tea Board Subsidy	7,113,916.04
<b>Sub Total</b>	<b>26,406,253.99</b>
<b>1.5 Non Moving Balances</b>	
Lorry 226 - 1532	42,833.93
Survey Department	42,511.88
Rice Supplier	1,100.00
Bank Loan Neluwa	9,370.00
Tea Small Holding Development Authority	18,931.25
T.G. Hemachandra	27,258.70
P A Ariyadasa	8,114.00
Sunil Trade Enterprises	26,920.30
Siripura Traders	45,457.75
Silk & Allied Products Development Authority	-
Lalitha Trade Center	4,585.00
Kandy Transport	-
Jayasekara Motors	8,260.40
Jayakody Filling Station	984.38
Iddamalgodia Commercial Company	174,626.00
Divisional Secretariat	3,238.00
Over Paid Insurance	1,008.24
Asha Agencies	63,444.51
Asia Siyaka Commodity Limited	434,924.00
Somerville & Company	798,461.15
Lent Labour	1,128.46
Staff Debts	6,166.20
<b>Sub Total</b>	<b>1,719,324.15</b>
<b>1.5 Other Debit Balances</b>	
Suspense Account	55,975.66
Stock Purchases Suspense	687.32
<b>Sub Total</b>	<b>56,662.98</b>
<b>Grand Total</b>	<b>71,956,061.05</b>
Provision For Bad & Doubtful Debts	<b>(2,834,252.56)</b>
<b>Net Total</b>	<b>69,121,808.49</b>

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

**2,015.00**

(All Amounts Are In Sri Lanka Rupees )

**02. CREDITORS & ACCRUED CHARGES**

**2.1 Bought Leaf Creditors**

Bought Leaf Suppliers

21,883,548.71

**Sub Total**

**21,883,548.71**

**2.2 Trade Creditors**

Abans Ltd

-

Allied Commercial

252,800.00

Agstar Fertilizer

97,297.60

Abyewickrama Stores

440.00

Baurs Fertilizer

1,703,750.00

CIC Fertilizer

1,293,280.87

CIC Poultry Farms

16,150.40

Ceylon Fertilizer

753,200.00

Chandana Engineering

30,525.00

Eastera Trading Agency

Kotapola MPCS

Kotapola Hardware

457.00

Morawaka Hardware

23,627.50

P A Ariyadasa & Son

32,761.00

SLN Sangamaya

2,260.00

Singer Sri Lanka

67,239.00

Sundry Creditors

6,739,478.23

St Regis Packaging

278,801.16

Thanuja Hardware

1,200.00

A.W. Ranasinghe

Ariyasiri Hardware

300.00

Ceylon Paper Sacks

97,902.64

Ceylon Petroleum Company

173,580.00

Colombo Commercial Company

18,657.40

Colombo Agro Fertilizer

10,233.10

Eagle Traders

36,860.62

Falcan Enterprises

-

Hettiarachchi Hardware

365.20

Helix Engineering

64,657.64

Jayakody Filling Station

74,569.19

Jayasekara Motors

-

Kala Motors

-

Lanka Sathosa

505,389.00

Rent Payable To BCC Lanka

750,000.00

Southern Engineering Company

7,100.00

Firewood Contractors

302,400.00

Vithanage (Pvt) Ltd

-

Quikpack (Pvt) Ltd

1,861.80

Morawaka Stores

147,462.00

MPCS Agalawattha

1,782,333.85

A.W.Ranasighe Filling Satation

171,055.00

Accounts Payable

234,991.34

Bank Loan

3,000.00

CPPS Account

8,960.60

Eastern Trading

252,382.58

Firewood

26,350.00

Hightech Engineeres

74,350.00

Sandaru Products

63,610.00

**Sub Total**

**16,101,639.72**

**2.3 Service Contractor Payments**

Green Leaf Transport

1,640,769.33

Leaf Bag Unloading Contractors

48,189.75

Leaf Bag Loading Contractors

35,339.15

Sundry Contractors

27,480.00

**Sub Total**

**1,751,778.23**

**KALUBOWITIYANA TEA FACTORY LIMITED**  
**DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS**

As At 31<sup>ST</sup> MARCH 2015

(All Amounts Are In Sri Lanka Rupees )

	<b>2015</b>
<b>2.4 Staff Creditors</b>	
Check Roll	1,521,139.64
Provision For Holiday Wages	50,344.16
Staff Overtime	211,396.25
<b>Sub Total</b>	<b>1,782,880.05</b>
<b>2.5 Accrued Expenses</b>	
Ceylon Electricity Board	2,933,475.77
Coconut Suppliers	770.00
Cancelled Cheques	500,032.11
Deposit Payable	200,000.00
Employees' Provident Fund	752,530.86
Employees' Trust Fund	110,730.75
Holiday Payments	155,597.66
Filling Station	5,075.66
G.W. Sriyaratne	4,520.00
General Engineering Services	240,150.86
Insurance	81,324.44
PAYE Tax	18,288.00
Turnover Tax	
Stamp Duty	6,406.00
Stamps	-
Sri Lanka Telecom	13,259.31
Sundry Abetment	68,285.79
Sundry Transport	210.75
Shantha Estates	12,512.50
Shantha Electricals	41,276.00
Sunil Trade Enterprises	11,925.00
Tea Shakthi Fund	133,500.00
Welfare Society	66,130.00
Welfare Society DTF	3,200.00
Welfare	-
Unidil Paper Sacks	7,498.40
Gratuity Payable	-
PAYE Surcharge	59,344.00
Audit Fees	348,060.00
Tax Fees	176,250.00
CESU	500.00
Diesel Purchases	115,110.77
Salaries Payable	140,620.00
Lalaln Engineering	1,566,001.92
Other Accrued Expenses	3,875,554.39
<b>Sub Total</b>	<b>11,648,140.94</b>
<b>2.6 Other Credits</b>	
Suspense Account	474,287.53
Tea Short Deliveries	11,129.06
<b>Sub Total</b>	<b>485,416.59</b>
<b>2.7 Unclaimed Balances</b>	
Checkroll Wages	29,436.15
Insurance	4,763.00
Bought Leaf Suppliers	196,524.07
Salaries & Wages	32,220.86
Staff Salaries	44,561.84
Cheques	3,522.25
<b>Sub Total</b>	<b>311,028.17</b>
<b>Grand Total</b>	<b>53,964,432.41</b>

**FINANCIAL HIGHLIGHTS OF PRECEDING TEN YEARS**

	<b>2005/2006</b>	<b>2006/2007</b>	<b>2007/2008</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>
Net Sales	362,116,908.39	409,112,340.00	491,437,211.58	458,241,211.21	498,967,014.32	547,568,613.03	638,941,281.83
Cost of Sales	(324,608,978.00)	(359,218,231.00)	(427,810,879.77)	(418,479,645.76)	(425,784,176.48)	(492,030,156.43)	(536,329,531.92)
<b>Gross Profit</b>	<b>37,507,930.39</b>	<b>49,894,109.00</b>	<b>63,626,331.81</b>	<b>39,761,565.45</b>	<b>73,182,837.84</b>	<b>55,538,456.60</b>	<b>102,611,749.91</b>
Other Income	2,484,409.00	4,958,098.00	14,154,380.16	23,299,933.48	22,502,884.87	18,564,382.09	13,697,746.00
<b>Profit Before Operating Expenses</b>	<b>39,992,339.39</b>	<b>54,852,207.00</b>	<b>77,780,711.97</b>	<b>63,061,498.93</b>	<b>95,685,722.71</b>	<b>74,102,838.69</b>	<b>116,309,495.91</b>
Administration & Establishment Expenses							
Selling & Distribution & Other Expenses	(14,469,062.00)	(18,318,703.00)	(28,432,171.87)	(20,713,538.86)	(23,794,302.78)	(43,324,929.20)	(25,279,941.00)
<b>Profit From Operating Activities</b>	<b>25,523,277.39</b>	<b>36,533,504.00</b>	<b>49,348,540.10</b>	<b>42,347,960.07</b>	<b>71,891,419.93</b>	<b>30,777,909.49</b>	<b>91,029,554.91</b>
Finance Expenses	(392,523.00)	(249,512.00)	(246,743.26)	(190,273.08)	(234,404.29)	(238,320.62)	(585,336.80)
<b>Net Profit Before Taxation</b>	<b>25,130,754.39</b>	<b>36,283,992.00</b>	<b>49,101,796.84</b>	<b>42,157,686.99</b>	<b>71,657,015.64</b>	<b>30,539,588.87</b>	<b>90,444,218.11</b>
Income Tax	(5,779,730.00)	(12,096,366.00)	(21,119,934.90)	(15,857,050.00)	(6,485,203.00)	(5,128,363.00)	(11,182,452.00)
<b>Net Profit After Taxation</b>	<b>19,351,024.39</b>	<b>24,187,626.00</b>	<b>27,981,861.94</b>	<b>26,300,636.99</b>	<b>65,171,812.64</b>	<b>25,411,225.87</b>	<b>79,261,766.11</b>

## OPERATIONAL INFORMATION

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### Kalubowitiyana Tea Factory Ltd - Head Office

Address	: No.556, Nagahamulla,Pannipitiya Road, Palawatta,Thalangama South	
Human Resources:	Managing Director	1
	Manager Finance & Marketing	1
	Manager / Administration & HR	1
	Assistant Manager Finance	1
	Management Assistant	10
	Peon	3
	Driver	2

### Kalubowitiyana CTC Tea Factory

District	: Matara	
Sub District	: Morawaka	
Village	: Kalubowitiyana	
Elevation	: Low Country	
Trade Mark	: Kalubowitiyana	
Type of Production	CTC Teas	
Human Resources:	Factory Manager	1
	Asst.Factory Manager	1
	Office Staff	12
	Factory Staff	10

### Derangala Tea Factory

Matara	
Morawaka	
Kiriwelkelle	
Low Country	
Derangala / Kiriwelkelle	
Orthodox Teas	
Factory Manager	1
Office Staff	8
Factory Staff	7

### Hiniduma Hills Tea Factory

District	Galle	
Sub District	Thawalama	
Village	Jasmine valley	
Elevation	Low Country	
Trade Mark	Hiniduma Hills / Thawalama Hills	
Type of Production	Orthodox Teas	
Human Resources	Asst.Factory Manager	1
	Office Staff	3
	Factory Staff	12

## FACTORYWISE PROFIT / (LOSS) POSITION - 2014/2015

<b>Sales</b>	<b>Kalubowitiyana</b>	<b>Derangala</b>	<b>Hiniduma Hills</b>
Gross Sales	512,269,835.00	150,625,800.00	78,461,395.00
Less: Brokerage & Sales Expenses	(5,901,689.60)	(2,553,100.16)	(1,371,204.69)
	506,368,145.40	148,072,699.84	77,090,190.31
Add: Local Sales	9,611,022.50	2,911,354.00	171,609.75
	<b>515,979,167.90</b>	<b>150,984,053.84</b>	<b>77,261,800.06</b>
Bought leaf	342,285,327.53	111,742,927.78	60,205,968.18
<b>Manufacturing Cost</b>			
Production Cost	84,571,917.67	29,875,730.81	20,355,643.93
General Charges	26,425,108.86	17,466,590.09	9,456,236.84
<b>Cost Of Production</b>	<b>453,282,354.06</b>	<b>159,085,248.68</b>	<b>90,017,848.95</b>
Add: Opening Stock	65,627,355.00	18,482,400.00	10,482,825.00
Less: Closing Stock	(41,782,500.00)	(13,949,717.60)	(10,030,221.11)
<b>Cost Of Sales</b>	<b>477,127,209.06</b>	<b>163,617,931.08</b>	<b>90,470,452.84</b>
<b>Profit/(Loss)</b>	<b>38,851,958.84</b>	<b>(12,633,877.24)</b>	<b>(13,208,652.78)</b>

### Kalubowitiyana Tea Factory

During the financial year of 2014/15, Kalubowitiyana Tea Factory secured a crop of 4,446,200 kgs which recorded as 80% of the estimated crop of 5,580,000 kgs, in spite of unfavorable weather conditions prevailed in the region. There was heavy Competition among the Factories for Green Leaf which was inevitable as the prices was falling due to unexpected downtrend global market conditions. Kalubowitiyana continued to obtain Good Leaf the thereby improving the end product, as a result factory maintained a reasonable N.S.A of 531.32.

Kalubowitiyana Tea Factory recorded a profit of Rs. 38,851,958.84 during the financial year which is remarkable; one area which focused was the Cost of Production to be within the acceptable levels.

Kalubowitiyana Tea Factory contributed to support the Tea Small Holders by way of improving their income and living standards by paying a reasonable price for Green Leaf Supplied by them.

### Derangala Tea Factory

Derangala Tea Factory secured 1,539,562 Kgs as against the estimated crop of 1,600,000Kgs, which is commendable despite of competition among the Factories in the area. Although Factory focused on Good Quality Green Leaf. Due to unfavorable marketing conditions N.S.A realized was far below than expectations which resulted factory been recorded a loss of Rs.(12,633,877.24) during the year.

Management has indentified process improvements by way of automation the rolling operation in the factory has been initiated during the year 2015/2016.

### Hiniduma Tea Factory

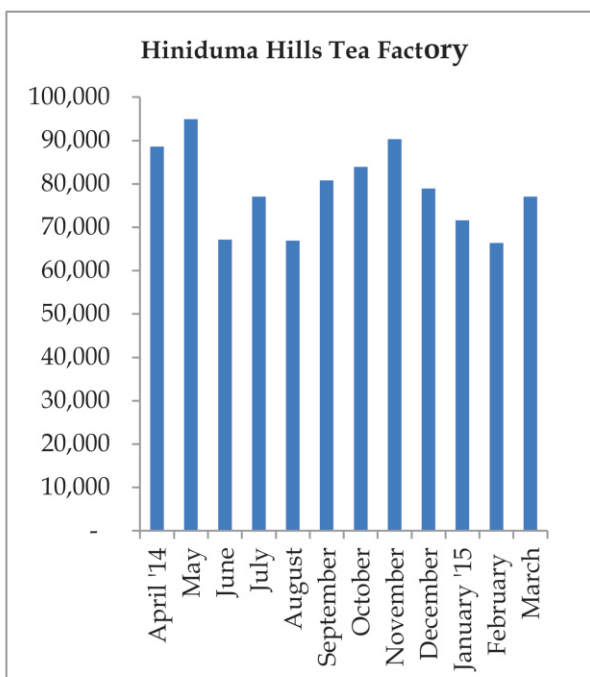
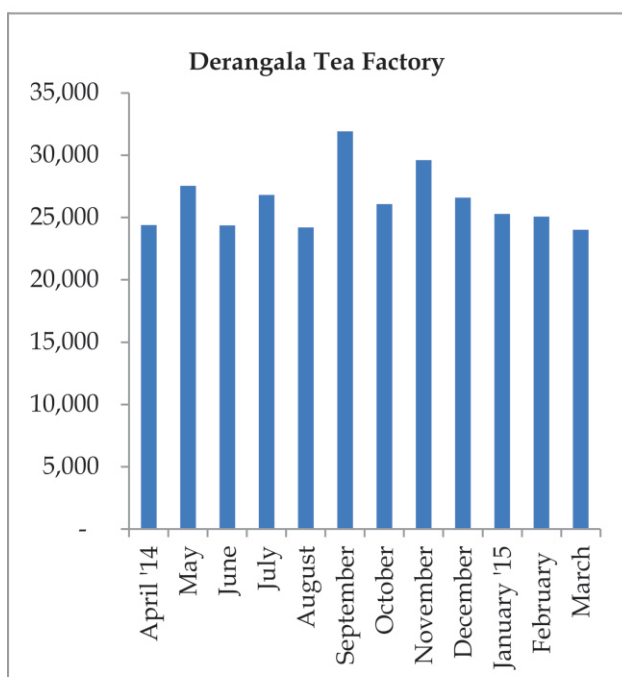
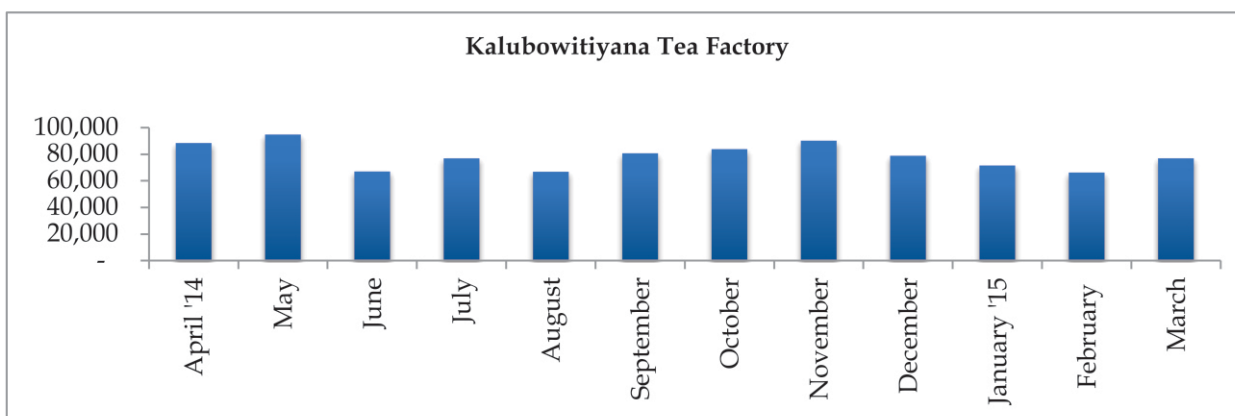
Due to unfavorable climatic conditions factory recorded 834,380 kg green leaf which is 68% only of the estimated crop. During the year management of the factory had made attempt to introduce new bought leaf lines which would ensure increase in crop intakes during ensuing period. Cost of production of Rs 520.84 considered as above expected level which was due to not achieving the estimate crop for the season. This Factory been recorded a loss of Rs.(13,208,652.78) during the year.

Factory recorded Rs 33.90 below the low grown elevation average which has been a concern of the company during the year. Factory focus excepting only good quality leaf in order to produce better end product to achieve a NSA above the elevation average during the year 2014/15.

## DETAILS OF MONTHLY PRODUCTION OF TEA - 2014/'15

Month	Kalubowitiyana Tea Factory Kg.	Derangala Tea Factory Kg.	Hiniduma Hills Tea Factory Kg.	Total Kg.
April '14	88,578	24,385	8,226	121,189
May	94,950	27,550	10,150	132,650
June	67,131	24,352	11,996	103,479
July	77,026	26,801	16,144	119,971
August	66,956	24,210	16,743	107,909
September	80,835	31,895	22,968	135,698
October	83,942	26,067	16,380	126,389
November	90,300	29,611	16,925	136,836
December	78,966	26,592	14,737	120,295
January '15	71,639	25,290	14,350	111,279
February	66,339	25,076	11,634	103,049
March	77,044	24,025	11,498	112,567
<b>Total</b>	<b>943,706</b>	<b>315,854</b>	<b>171,751</b>	<b>1,431,311</b>

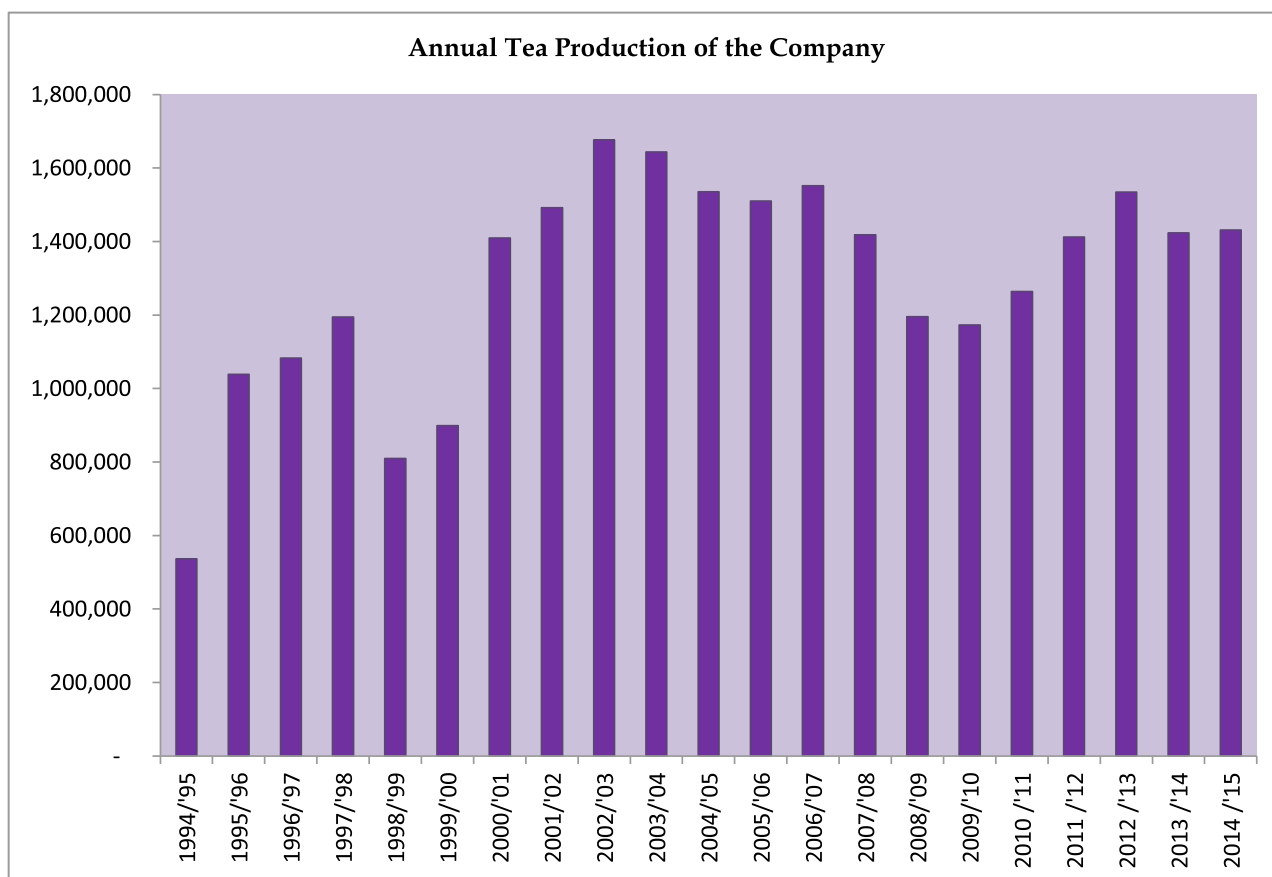
### Monthly Made Tea Production 2014/'15





## DETAILS OF ANNUAL PRODUCTION OF TEA

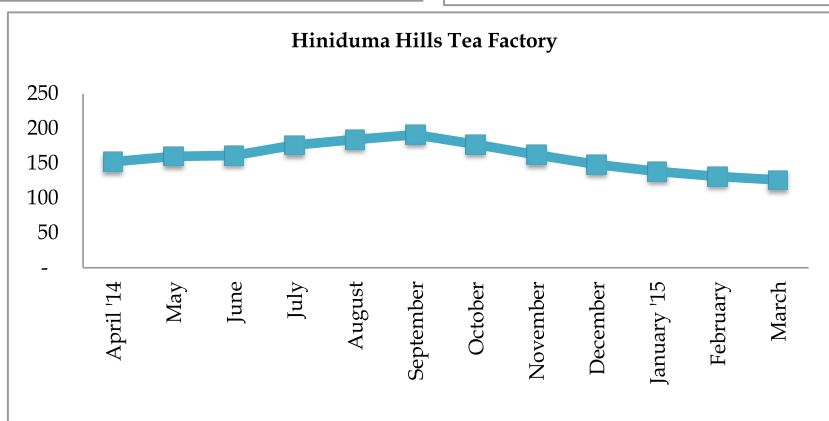
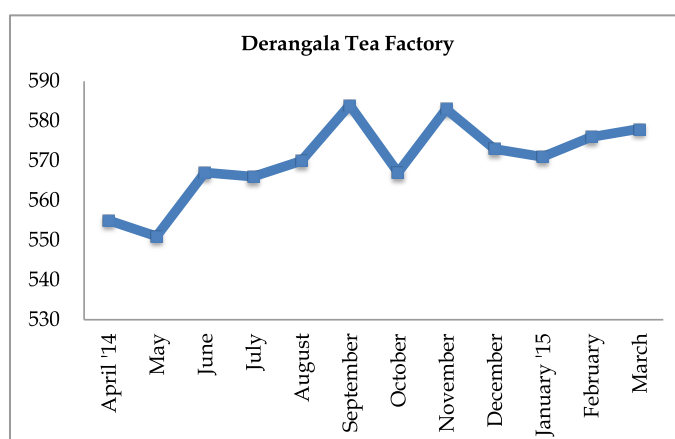
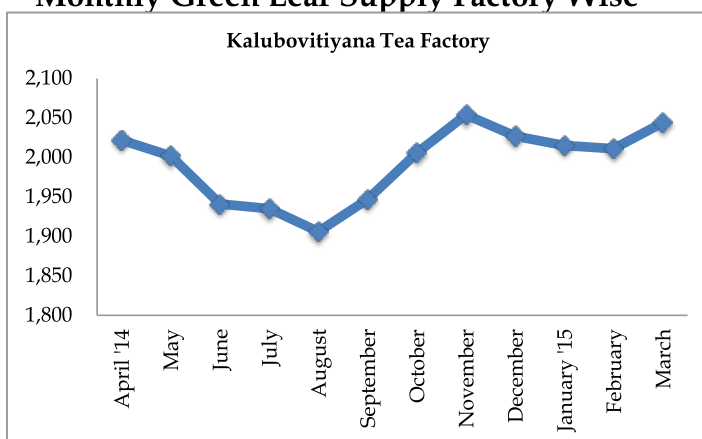
Year	Kalubowitiyana Tea Factory Kg	Derangala Tea Factory Kg	Hiniduma Hills Tea Factory Kg	Total Kg
1994/'95	536,780	-	-	536,780
1995/'96	1,038,739	-	-	1,038,739
1996/'97	1,082,973	-	-	1,082,973
1997/'98	1,194,418	-	-	1,194,418
1998/'99	809,741	-	-	809,741
1999/'00	884,197	14,584	-	898,781
2000/'01	914,433	494,894	-	1,409,327
2001/'02	954,905	536,601	-	1,491,506
2002/'03	1,039,447	636,762	-	1,676,209
2003/'04	1,154,969	488,915	-	1,643,884
2004/'05	1,173,659	361,154	-	1,534,813
2005/'06	1,161,031	348,651	-	1,509,682
2006/'07	1,272,903	278,828	-	1,551,731
2007/'08	1,097,681	320,512	-	1,418,193
2008/'09	967,631	227,617	-	1,195,248
2009/'10	950,347	222,824	-	1,173,171
2010 /'11	994,746	269,314	-	1,264,060
2011 /'12	1,170,972	240,901	-	1,411,873
2012 /'13	1,110,907	254,706	168,425	1,534,038
2013 /'14	995,844	281,666	146,031	1,423,541
2014 /'15	943,706	315,854	171,751	1,431,311
<b>Total</b>	<b>19,510,479</b>	<b>4,696,263</b>	<b>168,425</b>	<b>27,230,019</b>



## DETAILS OF MONTHLY GREEN LEAF INTAKES 2014/'15

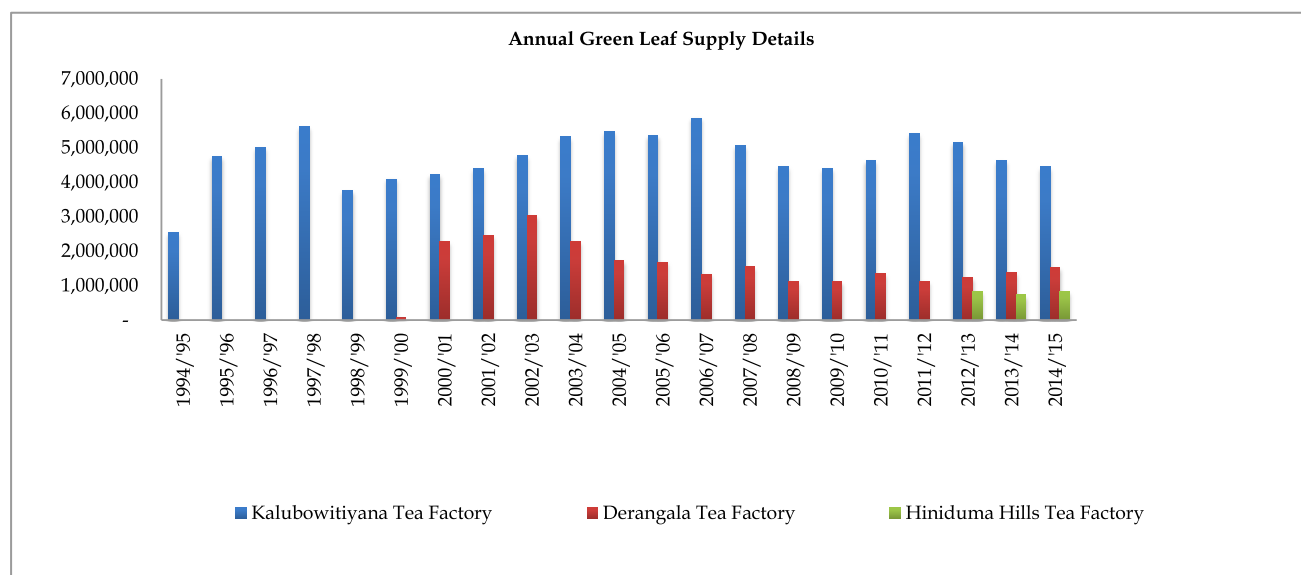
Month	Kalubowitiyana Tea Factory		Derangala Tea Factory		Hiniduma Hills Tea Factory		Total	
	No. of Suppliers	Qty - supplied kg	No. of Suppliers	Qty - supplied kg	No. of Suppliers	Qty - supplied kg	No. of Suppliers	Qty - supplied kg
April '14	2,022	411,037	555	116,117	152	39,462	2,729	566,616
May	2,002	439,581	551	131,187	160	49,453	2,713	620,221
June	1,941	318,706	567	115,958	161	59,969	2,669	494,633
July	1,935	358,258	566	130,737	176	76,857	2,677	565,852
August	1,906	318,827	570	127,012	184	79,275	2,660	525,114
September	1,947	384,559	584	155,585	191	109,358	2,722	649,502
October	2,006	409,471	567	128,404	177	81,080	2,750	618,955
November	2,054	437,287	583	144,443	162	82,547	2,799	664,277
December	2,027	375,138	573	130,033	148	72,158	2,748	577,329
January '15	2,015	332,896	571	122,165	138	70,703	2,724	525,764
February	2,011	307,835	576	121,140	131	56,716	2,718	485,691
March	2,044	352,605	578	116,780	126	56,802	2,748	526,187
<b>Total</b>		<b>4,446,200</b>		<b>1,539,561</b>		<b>834,380</b>		<b>6,820,141</b>

### Monthly Green Leaf Supply Factory Wise



## DETAILS OF ANNUAL GREEN LEAF INTAKES

Year	Kalubowitiyana Tea Factory			Derangala Tea Factory			Hiniduma Hills Tea Factory		
	Quantity kg	Rate Rs.	Amount Paid Rs.	Quantity kg	Rate Rs.	Amount Paid Rs.	Quantity kg	Rate Rs.	Amount Paid Rs.
1994/'95	2,539,978	11.65	29,587,982.13	-	-	-	-	-	-
1995/'96	4,758,850	13.50	64,251,776.63	-	-	-	-	-	-
1996/'97	5,011,298	16.76	83,946,849.41	-	-	-	-	-	-
1997/'98	5,619,161	21.49	120,746,103.55	-	-	-	-	-	-
1998/'99	3,764,498	20.99	79,009,251.87	-	-	-	-	-	-
1999/'00	4,092,958	20.54	84,059,716.54	68,377	21.00	1,435,917.00	-	-	-
2000/'01	4,225,019	24.73	104,493,119.37	2,283,999	23.21	53,001,315.79	-	-	-
2001/'02	4,406,549	25.76	113,531,489.13	2,452,187	23.33	57,224,296.34	-	-	-
2002/'03	4,779,581	27.06	129,321,153.69	3,042,878	22.67	68,985,911.36	-	-	-
2003/'04	5,316,428	29.28	155,642,831.99	2,274,012	23.82	54,158,850.23	-	-	-
2004/'05	5,464,753	34.08	186,241,089.52	1,727,312	27.70	47,847,765.77	-	-	-
2005/'06	5,362,732	36.30	194,683,064.10	1,688,298	29.11	49,302,770.60	-	-	-
2006/'07	5,859,734	38.43	225,182,103.24	1,339,562	32.28	43,239,914.14	-	-	-
2007/'08	5,061,084	51.08	258,498,237.53	1,559,138	46.93	73,165,311.51	-	-	-
2008/'09	4,455,756	53.57	238,716,305.27	1,129,629	46.22	52,214,017.57	-	-	-
2009/'10	4,406,749	62.57	275,722,181.37	1,114,004	57.22	63,746,050.83	-	-	-
2010/'11	4,634,137	66.28	307,172,293.98	1,359,341	59.29	80,593,192.05	-	-	-
2011/'12	5,421,437	69.59	377,269,886.08	1,136,937	58.20	64,713,552.59	-	-	-
2012/'13	5,161,301	71.16	367,260,153.59	1,243,421	64.55	80,264,641.77	838,887	65.05	54,569,118.77
2013/'14	4,638,578	80.13	374,733,726.05	1,386,298	74.78	103,673,719.50	731,251	75.77	55,409,906.20
2014/'15	4,446,200	76.98	342,285,327.53	1,539,561	72.58	111,742,927.78	834,380	72.16	60,205,968.18



## COMPARISON DETAILS - PRODUCTION

### Contribution to Low Grown CTC Production & National CTC Production

Month	CTC		Production of KTF *	Contribution to the production of	
	Low Grown	National		Low Grown	National
	kg 000,	kg 000,	kg 000,	%	%
April '14	443	1,499	88.58	20.01	5.91
May	496	2,181	94.95	19.14	4.35
June	628	1,787	67.13	10.70	3.76
July	706	1,583	77.03	10.91	4.87
August	488	1,152	66.96	13.72	5.81
September	780	1,704	80.84	10.37	4.74
October	701	1,800	83.94	11.98	4.66
November	617	1,833	90.30	14.63	4.93
December	684	1,581	78.97	11.54	5.00
January '15	751	1,596	71.64	9.54	4.49
February	646	1,494	66.34	10.27	4.44
March	941	1,726	77.04	8.19	4.46
<b>Total</b>	<b>7,881</b>	<b>19,935</b>	<b>943.71</b>	<b>150.98</b>	<b>57.42</b>

\* Kalubowitiyana Tea Factory

### Contribution to Low Grown Orthodox Production & National Orthodox Production

Month	Orthodox Production of		Production of DTF & HHT*	Contribution to the production of	
	Low Grown	National		Low Grown	National
	kg 000,	kg 000,	kg 000,	%	%
April '14	16,909	27,141	32.61	0.19	0.12
May	21,899	36,468	37.70	0.17	0.10
June	17,312	28,599	36.35	0.21	0.13
July	18,433	26,999	42.95	0.23	0.16
August	16,297	23,493	40.95	0.25	0.17
September	18,489	26,934	54.86	0.30	0.20
October	16,676	25,971	42.45	0.25	0.16
November	17,427	27,569	46.54	0.27	0.17
December	14,694	22,476	41.33	0.28	0.18
January '15	14,461	21,421	39.64	0.27	0.19
February	14,160	23,688	36.71	0.26	0.15
March	17,658	28,247	35.52	0.20	0.13
<b>Total</b>	<b>204,416</b>	<b>319,007</b>	<b>487.61</b>	<b>2.89</b>	<b>1.87</b>

\* Derangala Tea Factory \*Hiniduma Hills Tea Factory

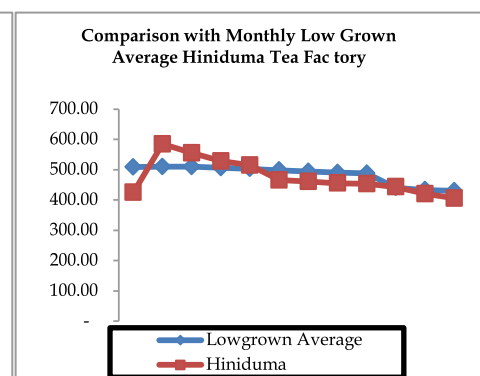
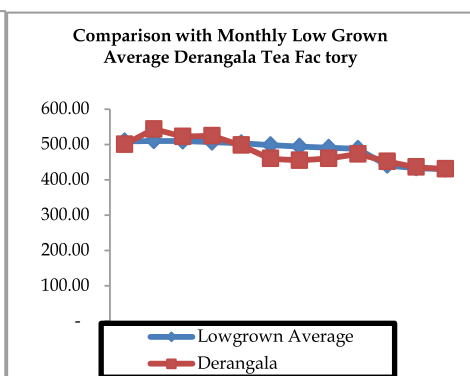
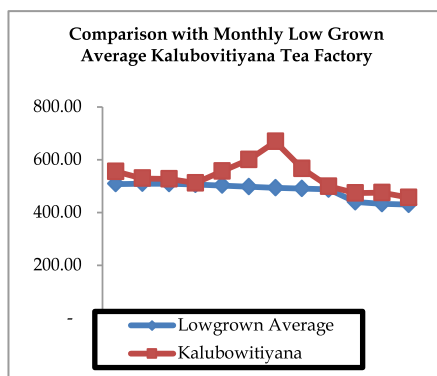
### Contribution to Low Grown Tea Production & National Tea Production by the Company

Month	Total Production of		Total Production Company	Contribution to the production of	
	Low Grown	National		Low Grown	National
	kg 000,	kg 000,	kg 000,	%	%
April '14	17,352	28,640	121.19	0.70	0.42
May	22,395	38,648	132.65	0.59	0.34
June	17,940	30,386	103.48	0.58	0.34
July	19,139	28,582	119.97	0.63	0.42
August	16,785	24,645	107.91	0.64	0.44
September	19,269	28,639	135.70	0.70	0.47
October	17,376	27,772	126.39	0.73	0.46
November	18,045	29,402	136.84	0.76	0.47
December	15,379	24,056	120.30	0.78	0.50
January '15	15,212	23,018	111.28	0.73	0.48
February	14,806	25,182	103.05	0.70	0.41
March	18,599	29,973	112.57	0.61	0.38
<b>Total</b>	<b>212,296</b>	<b>338,942</b>	<b>1,431.31</b>	<b>0.67</b>	<b>0.42</b>

## COMPARISONS DETAILS - SALES AVERAGE

### Comparison with low grown Average

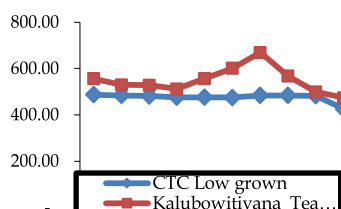
Month	Lowgrown Average Rs.	Monthly Average		
		Kalubowitiyana Rs.	Derangala Rs.	Hiniduma Rs.
April '14	508.61	556.14	499.71	424.37
May	510.05	529.52	543.14	584.56
June	509.41	527.75	522.11	554.98
July	506.21	512.52	523.95	527.75
August	503.06	557.00	497.46	514.46
September	497.99	600.95	459.44	465.74
October	493.69	669.23	454.84	461.01
November	490.42	567.31	460.10	455.18
December	487.71	499.55	472.81	453.62
January '15	440.55	473.59	451.94	442.85
February	433.18	475.39	435.26	420.03
March	430.19	456.60	430.60	405.86



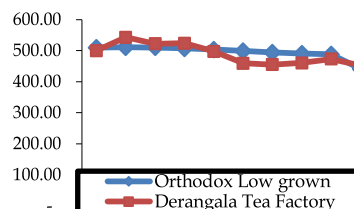
### Comparison with low grown CTC & Orthodox Average

Month	CTC Low grown Rs.	Kalubowitiyana Tea Factory Rs.	Orthodox Low grown Rs.	Derangala Tea Factory Rs.	Hiniduma Hills Tea Factory Rs.
April '14	487.21	556.14	509.26	499.71	424.37
May	483.88	529.52	510.84	543.14	584.56
June	481.40	527.75	510.24	522.11	554.98
July	475.90	512.52	507.07	523.95	527.75
August	476.28	557.00	503.81	497.46	514.46
September	475.28	600.95	498.60	459.44	465.74
October	483.95	669.23	493.95	454.84	461.01
November	483.89	567.31	490.60	460.10	455.18
December	482.51	499.55	487.85	472.81	453.62
January '15	425.27	473.59	440.99	451.94	442.85
February	426.80	475.39	433.37	435.26	420.03
March	422.20	456.60	430.42	430.60	405.86

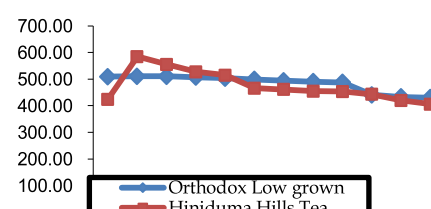
Comparison with Low grown Orthodox Average Kalubovitiyana Tea Factory



Comparison with Low grown Orthodox Average Derangala Tea Factory



Comparison with Low grown Orthodox Average Hiniduma Hills Tea Factory



## TOP PRICES 2014/'15

Date	Grade				DTF/ HHTF RS.	Broker
	KTF					
	BP1 RS.	PF1 RS.	P.DUST	PFGS RS.		
2014.04.23		580.00				CTB
2014.06.09			490.00			ASIA
2014.09.23		650.00				CTB
2014.09.23			530.00			CTB
2014.09.30		740.00				
2014.10.01		740.00				ASIA

ASIA : Asia Siyaka Commodities (Pvt) Ltd

FW : Forbes & Workers Tea Brokers (Pvt) Limited

CTB : Ceylon Tea Brokers Ltd