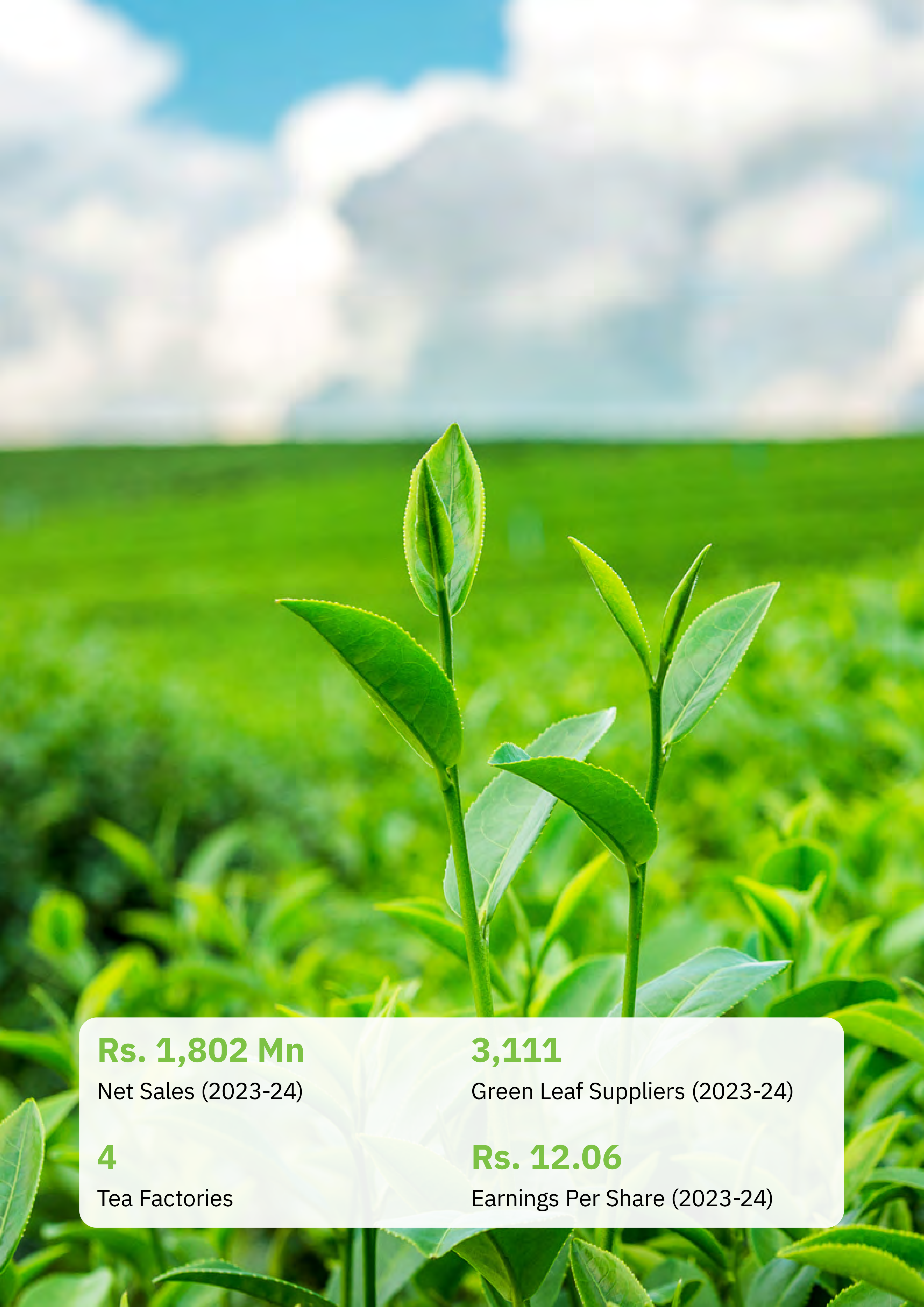
ANNUAL REPORT 2023-24

Kalubowitiyana Tea Factory Limited

Ministry of Plantation and Community Infrastructure



Rs. 1,802 Mn
Net Sales (2023-24)

3,111
Green Leaf Suppliers (2023-24)

4
Tea Factories

Rs. 12.06
Earnings Per Share (2023-24)

TASTE THE SUCCESS

Tasting success in our context involves a meticulous evaluation of our tea manufacturing factories' achievements, with a spotlight on attaining the highest profit in its financial history. This accomplishment reflects not only efficient production processes but also strategic market positioning, quality excellence, and adept management.

Adding to this triumph is the celebration of our factory's 31st anniversary, a remarkable milestone that encapsulates three decades of dedication, growth, and resilience. Our journey in tea manufacturing has been marked by innovation, commitment to quality, and responsiveness to changing consumer preferences.

As we commemorate this 31st anniversary, we not only celebrate our past achievements but also set the stage for future endeavours, embracing new opportunities and advancements in the dynamic world of tea production. This anniversary is a testament to our enduring commitment to excellence and a moment to express gratitude to our team, government, and customers who have been integral to our success.

This Annual Report is also available on our website:
www.kalubowitiyanatea.lk

Contents

Preamble

04 Financial Highlights
05 Non-Financial Highlights
06 About the Report
07 Vision and Mission
08 Corporate Profile
09 About Us
10 Chairman's Review
12 Board of Directors
14 Corporate Management
15 Our Products
18 Organizational Structure
20 Our Journey

Management Discussion and Analysis

23 Our Transformation
24 Value Creation Model
25 Financial Review
26 Stakeholder Relationship
27 Risk Management
28 Operational Information
30 Factory-wise Profit/(Loss)
31 Monthly Production of Tea
32 Annual Production of Tea
33 Monthly Green Leaf Intakes
34 Annual Green Leaf Intakes
35 Comparison Details – Production
37 Comparison of Sales Averages with Elevation
39 Awards and Recognition
40 Top Prices – Year 2023-24
42 CSR Activities
43 Director's Report
45 Audit Committee Report

Financial Reports

48 Independent Auditor's Report

52 Statement of Profit/(Loss) and Other Comprehensive Income

53 Statement of Financial Position

54 Statement of Changes in Equity

55 Statement of Cash Flows

56 Notes to the Financial Statements

74 Ten-Year Summary

Financial Highlights

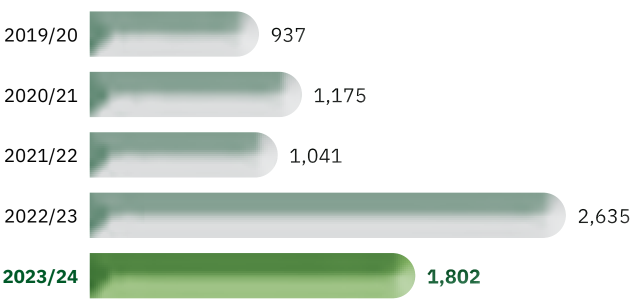
Table – 01

For the year ended 31st March	2023/24 (Rs.)	2022/23 (Rs.)
Net Sales	1,802,165,017.30	2,635,413,672.26
Cost of Sales	(1,747,661,088.10)	(2,285,165,802.89)
Gross Profit	**54,503,929.21**	**350,247,869.37**
Other Operating Income	49,849,950.33	60,406,356.64
Profit/(Loss) Before Operating Expenses	**104,353,879.54**	**410,654,226.01**
Administration Expenses	(63,425,440.50)	(72,369,962.37)
Selling & Distribution & Other Expenses	(4,031,338.74)	(1,237,181.17)
Profit/(Loss) From Operating Activities	**36,897,100.30**	**337,047,082.47**
Finance Income	32,494,111.89	19,694,964.91
Finance Expenses	-	(9,754,534.21)
Net Finance Income	**32,494,111.89**	**9,940,430.70**
Net Profit/(Loss) Before Taxation	**69,391,212.19**	**346,987,513.17**
Taxation	(13,816,704.98)	(126,186,737.83)
Net Profit After Taxation	**55,574,507.21**	**220,800,775.34**
Earnings Per Share	12.06	47.92

Graph – 01

Net Sales

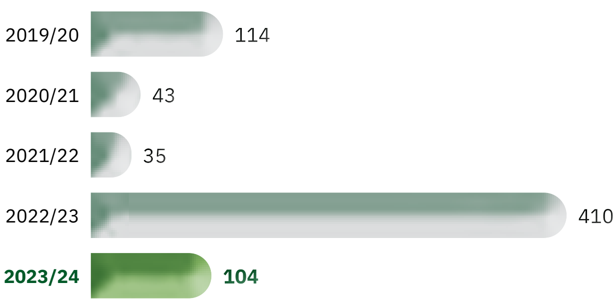
(Rs. Mn.)



Graph – 02

Profit/(loss) before operating expenses

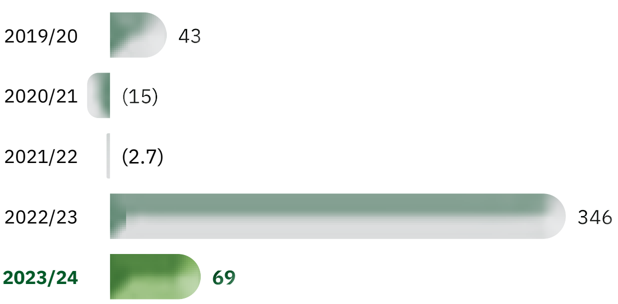
(Rs. Mn.)



Graph – 03

Net profit/(loss) before taxation

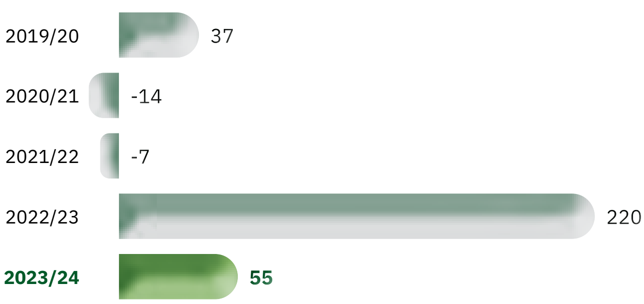
(Rs. Mn.)



Graph – 04

Net Profit After taxation

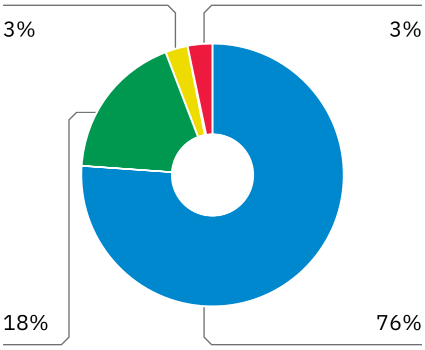
(Rs.)



Non-Financial Highlights

Graph – 05

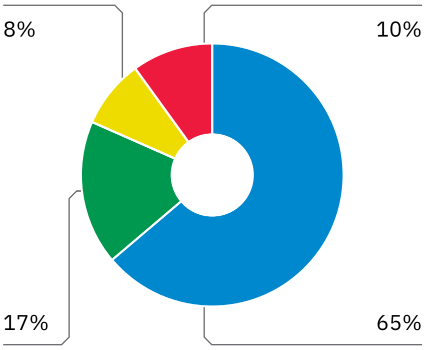
Green Leaf Suppliers



Total
3,111 Suppliers

Graph – 06

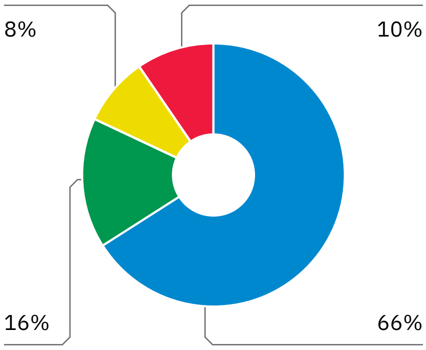
Green Leaf Intakes



Total
6,332,676 Kg

Graph – 07

Tea Production



Total
1,301,737 Kg

Table – 02

Factory	Green leaf suppliers (Nos.)	Green leaf intakes (Kg)	Tea production (Kg)
– Kalubowitiyana Tea Factory	2,375	4,041,473	858,881
– Derangala Tea Factory	559	1,042,914	208,325
– Hiniduma Hills Tea Factory	86	533,677	109,986
– Manikdewela Tea Factory	91	631,698	124,545

Importers of Sri Lankan tea in 2023/24

About the Report

About Kalubowitiyana Tea Factory Limited

The Kalubowitiyana Tea Factory Ltd looks to play its part in steering the country to a resilient recovery. We are pleased to present our annual report – 2023/2024 for the financial year ending 31st March 2024. This report aims to provide a concise, holistic, and balanced review of the Company's financial, social, environmental and governance performance while providing a fair account of how we directed strategy in the context of our operating environment to create value for our stakeholders.

Scope and Boundary

The annual report covers the operations of the Kalubowitiyana Tea Factory Limited. The company adopts an annual reporting cycle, and this report is an extension to the previous report published for the financial year ending 31st March 2023. Both the financial and non-financial information obtained from the financial accounting systems and management information systems are provided as required by the Companies Act No. 07 of 2007, the Sri Lanka Accounting Standards and Circulars and Guidelines issued by the General Treasury. Financial Statements are audited by the National Audit Office of Sri Lanka to express an independent opinion on the Financial Statement.

Reporting Framework

We adhere to the following list of globally recognized reporting frameworks along with the requirements of the government of Sri Lanka and are dedicated to coordinating our reporting with the best practices in corporate reporting guidelines issued by the General treasury.

Table – 03

Reporting Frameworks, Standards and Guidelines	Internal Assurance	External Assurance
Financial Reporting		
Sri Lanka Financial Reporting Standards/Sri Lanka Accounting Standards Companies Act No. 7 of 2007	Internal controls established by the management and evaluated by the Audit committee and Internal Audit Division.	National Audit Office
Narrative Reporting		
Guidelines for Preparation of Annual Reports by the Department of Public Enterprises	Reviewed by the Management and evaluated by the Board	National Audit Office
Corporate Governance		
Code of Best Practice on Corporate Governance Sri Lanka Guidelines on Corporate Governance for State-Owned Enterprises	Reviewed by the Management and evaluated by the Board	National Audit Office

Reporting Improvements

- Inclusion of Sustainability Reporting, Board profile, and Risk management practices
- Increased focus on transformation strategy and stakeholder relationships.

Board Responsibility on Corporate Reporting

The Board of Directors acknowledges its obligation to protect the accuracy of this report. We hereby attest that the 2023/24 Report correctly portrays the Company's integrated performance and covers all pertinent material issues. We further affirm that the Report was prepared in accordance with the instructions given by the General Treasury of Sri Lanka.

Feedback

We value your thoughts and comments and are dedicated to continuously enhancing the standard and readability of our annual report.

Kindly provide any feedback to,

The Managing Director,
Kalubowitiyana Tea Factory Ltd,
No. 53, Rathnayaka Road, Pelawatta,
Battaramulla, Sri Lanka.

Vision & Mission

Vision

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

Mission

Manufacturing superior quality, tasty and consumer friendly Sri Lankan Tea aiming at Internal and External markets.

Corporate Profile

Kalubowitiya Tea Factory Limited (KTFL) is a limited liability company incorporated under the Companies Act No; 17 of 1982 and re-registered under the new Companies Act No; 07 of 2007.The Company was established to produce Cut, Tear and Curl (CTC) Tea and commenced commercial operations on 1st August 1994, with an initial capital of Rs. 50 million consisting of five million shares valued Rs.10 per share. The initial capital was provided under the Indian line of Credit. Our second tea factory at Derangala was established under the same line of credit and commenced its operations in March 2000. Our third tea factory is the Hiniduma Hills Tea Factory, which was previously under the Tea Shakthi Fund and has been transferred to KTFL through a profit- sharing agreement. The Company re-established this factory using its own funds and the Hiniduma Tea Factory commenced operations in 2012.

The latest addition to the company is the Manikdiwela Factory, which previously belonged to the Tea Shakthi Fund. It is located in Manikdiwela Village,Yatinuwara Electorate in the Kandy District. The Company used its own funds to re- establish this factory as well.

The Company produces approximately 1.5 Mn Kgs of quality teas annually, using the selected green leaf purchased from the smallholders.

The Kalubowitiyana Factory produces CTC Teas using the CUT, TEAR and CURL process, whilst Derangala, Hiniduma and Manikdiwela adopt the conventional orthodox process to produce a range of leafy and small grades.

KTFL owns and operates four ISO 22000:2018 certified factories, which produce the highest-quality Pure Ceylon Tea for the global market. This significantly adds to KTFL's credentials as the leading CTC Tea manufacturer in the country, reinforcing our commitment to becoming a world-class tea manufacturer. KTFL has also adopted internationally-accepted best practices, including the Global Gap framework, RA/UTZ standards and guidelines, and Good Manufacturing Practices.

Around 90% of the Company's Tea production is sold at the Colombo Tea Auction through Brokers, whilst a small proportion is destined for the local market through Sales Centers located islandwide, through Factories and the Head Office.

The mandate of the company as per the Articles of Association is as follows:

- To carry on the business of tearing, curing, preparing, processing and manufacturing tea leaf purchased from growers.
- To cultivate, grow, manage and superintend tea plantations.

About Us

Our tea factories are situated in the Low Grown and Western Medium regions of the country and produce 1.5 million kilograms of premium quality tea, accounting for 0.63% of the national tea production.

Our factories produced premium quality tea, achieving 69 top price rankings during the year. We are the industry leader in premium quality CTC tea prices among other competitive tea manufacturing factories. We have consistently held the top position for low-grown elevations at the Colombo tea auction for over 30 years. Our factories are home to 3,500 people, and we support the socio-economic progress of over 15,000 people by purchasing their leaves at the most attractive rates.

Plucking

The green leaf is harvested on a regular basis at intervals ranging from 5 days to 8 days from each field.

Withering

No sooner than it is received at the estate, the leaf is weighed and spread on troughs.

Drying

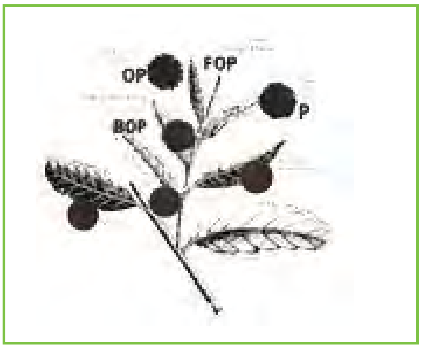
The primary objective of drying is the extraction of moisture and the arresting of fermentation. The fermented leaf contains between 45% to 50% moisture.

Rolling

Is the process by which the leaf is twisted and the leaf cell walls are ruptured to bring the juices to the surface of the leaf.

Fermentation

Of the tea juices is an essential process in the manufacture of black tea.



Grading (Sifting)

After cooling, the fired teas are graded/ sifted according to size and shape, as the trade demands.

Chairman's Review

"When the Going Gets Tough, the Tough Get Going"

\- Billy Ocean -

Dear Stakeholder,

It is with great anticipation that I address you as the newly appointed Chairman of Kalubowitiyana Tea Factory Limited. Having assumed my duties in December 2024, I am pleased to present this review, albeit retrospectively, for the financial year 2023/24.

Although I wasn't directly at the helm during this period, I've closely followed the company's journey, and I must say, Kalubowitiyana Tea Factory has truly showcased its remarkable resilience. Even in the face of a challenging economic landscape, it has thrived, turning adversity into opportunity and achieving impressive results. The strength and tenacity displayed by the factory are nothing short of inspiring, a testament to its enduring excellence and unwavering commitment.

The CTC tea is deeply rooted in its dedication to enhancing the quality of tea, expanding its promotion and sales efforts, and maintaining its benchmark status in the industry. The impressive financial results, with a revenue of Rs. 1,802 million and a net profit of Rs. 55 million,

I am particularly proud of the company's contribution to the national economy, especially during a time of need, by generating valuable foreign exchange.

Indeed, reflecting on past missteps and learning from them is crucial for growth, allowing challenges to become stepping stones in our pursuit of excellence. Looking ahead to 2025/26, I am confident that Kalubowitiyana Tea Factory Limited will continue its upward trajectory. We will focus on further developing our promotion and sales strategies, both locally and internationally, to enhance our market share and brand reputation

The company's commitment to automation, digital transformation, and the adoption of advanced technology will be crucial in achieving our goal of becoming a model company by 2025/26. We will invest in restructuring, new strategies, upskilling our human capital, and fostering a vibrant corporate culture to gain a competitive advantage and thrive in the digital age.

Furthermore, we will continue to uphold our commitment to sustainable and ethical business practices, supporting our Tea Small Holders and contributing to the welfare of the community through various CSR initiatives.

I am excited to lead Kalubowitiyana Tea Factory Limited into this new era of growth and success. With the continued support of our dedicated team and the fresh perspectives brought by our new management team, I am confident that we will not only overcome past challenges but will soar to even greater heights in the years to come. Together, we will build on our strong foundation and drive the company forward, ensuring a future of sustained excellence and prosperity.

Building upon the strong foundation of the 2023/24 performance, our focus extends beyond financial achievements to encompass the very source of our success: the tea leaves and the communities that cultivate them. Recognizing the vital role played by our leaf suppliers, primarily the smallholder farmers within the surrounding villages, a key priority for the upcoming year is to further strengthen our relationships with them and enhance their social well-being.

Our commitment to quality begins at the source. We understand that the dedication and hard work of our leaf suppliers are integral to the exceptional tea produced by Kalubowitiyana Tea Factory Limited. Therefore, we are actively exploring and implementing strategies to ensure a fair and sustainable partnership. This includes a thorough review of our procurement processes to ensure equitable pricing and transparent dealings. We aim to move beyond a purely transactional relationship and foster a collaborative environment where the growth and prosperity of our suppliers are intrinsically linked to our own success.

To this end, we are committed to implementing several initiatives aimed at enhancing our engagement with the leaf suppliers:

- We plan to establish more direct channels of communication with our farmers. This will involve regular meetings, workshops, and on-site visits by our field officers to provide guidance on best agricultural practices, quality control measures, and sustainable farming techniques. By fostering open dialogue, we can better understand their challenges and work collaboratively to find solutions.
- We believe in empowering our suppliers through knowledge and skill enhancement. We will organize training programs on modern agricultural techniques, pest and disease management, soil health improvement, and sustainable farming practices. These initiatives will not only improve the quality and yield of their tea leaves but also contribute to the long-term sustainability of their livelihoods and the environment.
- Our commitment extends beyond the farm gate. We recognize that the well-being of our suppliers is intertwined with the overall health and prosperity of their communities. Therefore, we are actively exploring avenues to enhance our social support initiatives. This may include:
  - Supporting the development of essential infrastructure within the tea-growing communities, such as access roads, clean water facilities, and sanitation.
  - Facilitating access to basic healthcare services and organizing health awareness programs for the farmers and their families.
  - Providing educational assistance to the children of our tea smallholders through scholarships or support for local schools.
  - Supporting initiatives that promote entrepreneurship, skill development, and alternative income-generating opportunities within the communities.

By actively engaging with our leaf suppliers and investing in their social and economic well-being, we aim to create a mutually beneficial ecosystem. We believe that a thriving community of tea smallholders will not only ensure a consistent supply of high-quality tea leaves but also strengthen the social fabric of the region and enhance our reputation as a responsible and ethical corporate citizen.

Our commitment to these initiatives underscores our belief that sustainable growth is not solely about financial success but also about creating positive impact within the communities we operate in. We look forward to working closely with our leaf suppliers in the coming year to build stronger relationships, enhance their livelihoods, and collectively contribute to the continued success of Kalubowitiyana Tea Factory Limited.

Mr. Shaminda Samarasinghe
Chairman

Board of Directors

As at 31st of March 2024

Mr. B. K. A. U. Rodrigo – **Chairman** – Since 01st May 2020

He serves as the Group Director of the Rohan Rodrigo Group. Prior to his appointment, Mr. Rodrigo was the Chairman of the Chamber of Young Lankan Entrepreneurs (COYLE) in Sri Lanka. He also held positions in the past including that of Country Director of Sri Lanka for a US based NGO and served as the Second Secretary at the Embassy of Sri Lanka in Washington DC, USA.

Mr. Rodrigo holds a BSc (Hons) degree from the University of Leeds.

Mr. B. A. T. Rodrigo – **Member** – Since 17th August 2023

Mr. Rodrigo is a seasoned public finance professional with over three decades of experience. He currently serves as the Additional Director General of the Department of Public Enterprises.

His career spans various roles, including Auditor General's Department, Divisional Secretariat, Ministry of Foreign Affairs, and the Local Loan & Development Fund.

Mr. Rodrigo holds a Bachelor of Commerce and a Master of Public Management. He is a Fellow Member of the Association of Public Finance Accountants of Sri Lanka and a Chartered Public Finance Accountant.

He currently holds Directorships in several government institutions and serves as chairman of Audit & Management Committees.

Ms. D. M. M. Dissanayake – **Member** – Since 31st March 2021

Ms. Dissanayake is an officer of Sri Lanka Accountant Service (SLACS) since 2008.

She has served as a board member of the Kithul Development Board and Currently, Ms. Dissanayaka is the Chief Accountant of the Ministry of Plantation Industries.

She obtained a BSc (Business Administration) Special degree from the University of Sri Jayawardhenapura, Master's in arts (Economic) from the University of Kelaniya and Higher National Diploma in Public Procurement and Contract Administration from SLIDA.

Mr. S. A. B. Herath – **Member** – Since 02nd December 2022

He has experience in diverse industries and held the various positions in the past for 9 institutes including Chairman of Southern Development Board, Chairman of Council of Youth Crops, Director at National Wealth Corporation, and Director at Hambanthota International Port Group. Currently, he is the Director General at Chief of Staff Office, Presidential office.

Mr. Herath holds a Bsc (Economics) Hons Degree from the University of Wales, Aberystwyth.

Board of Directors

Mr. R. C. D. Jayawardane – **Member** – Since 22nd January 2021

He has more than 19 years of experience as a legal professional and has served as panel lawyer for 13 institutions including leading banks and insurance companies in the Kegalle District. Prior to his appointment to the Kalubowitiyana Tea Factory Limited, he held the Chairman position of The Passenger Transport Authority Sabaragamuwa Province, Corporative Employees Commission and Development & Construction Machinery Authority.

Mr. R. H. S. T. Samarathunga – **Member** – Since 28th February 2024

Mr. Samaratunga serves at the National Agency for Public Private Partnership, leading Public Private Partnership (PPP) projects. He has experience in the hospitality, automobile, and LPG industries. He holds a BA in International Business Management from Staffordshire University, UK, a Postgraduate Diploma in Marketing from The Chartered Institute of Marketing (CIM), UK, and is pursuing a Master's in Economics at the University of Colombo. Mr. Samaratunga has been involved in government project committees for PPP initiatives and is a Member of the Chartered Institute of Marketing (MCIM).

Mr. W. G. R. D. Wimalarathne – **Member** – Since 25th February 2023

He brings extensive experience in engineering and management, having served as Factory Manager at Diesel and Motor Engineering PLC. He is also a Director at Aisel Trends Pvt Ltd.

Mr. Wimalarathne holds a National Diploma in Technology (NDT) from the University of Moratuwa.

Mr. D. M. S. Jayasekara – **Member** – Since 25th February 2023

Mr. D. M. S. Jayasekara brings a diverse background encompassing education and extensive experience in public service.

He holds a High National Diploma in Accountancy from Technical College Kurunegala, a Diploma in Mass Media & Public Relations from the University of Kelaniya, and is in the final year of a Science & Technology Degree at the Open University.

Mr. Jayasekara has four years of experience as a Management Assistant at the Ministry of Agriculture (Sabaragamuwa Provincial). He has also served as a Personal Assistant to Hon. Minister H. R. Mithrapala, Hon. Minister Ranjith Siyambalapitiya, and as Coordination Secretary to Hon. Minister Ranjith Siyambalapitiya, gaining significant experience in government administration and ministerial support.

Corporate Management

Mr. T. A. D. J. C. Thilakarathne

Head of Operations, Manager, Kalubowitiyana CTC Tea Factory

Mr. P. Dehiwalage

Finance Manger (Acting)

Mr. Ganindu Palihena

Assistant Manager Admin

Ms. Sewwandi Walakuluge

Assistant Manager Marketing

Our Products

Garden Marks and Types of Teas

Kalubowitiyana, known for its premium grade CTC and its PF1 variety that provides a convenient way to experience the true flavors of tea through easy-to-use tea bags, is becoming increasingly popular among local consumers. It has also established itself as a leader in CTC tea manufacturing in the country.

Derangala and Hiniduma marks have a reputation for the appearance of their dark tea leaves of various shapes. When brewed, they materialize as a rich, red liquid that is full-flavored, strong, and robust, creating a liquor that is distinctively unique from the teas of the other six regions.

The Manikdiwela mark produces a typical range of low-grown tea grades, known for their distinctive bright, intensely full-bodied taste.

CTC Products

Orthodox Products

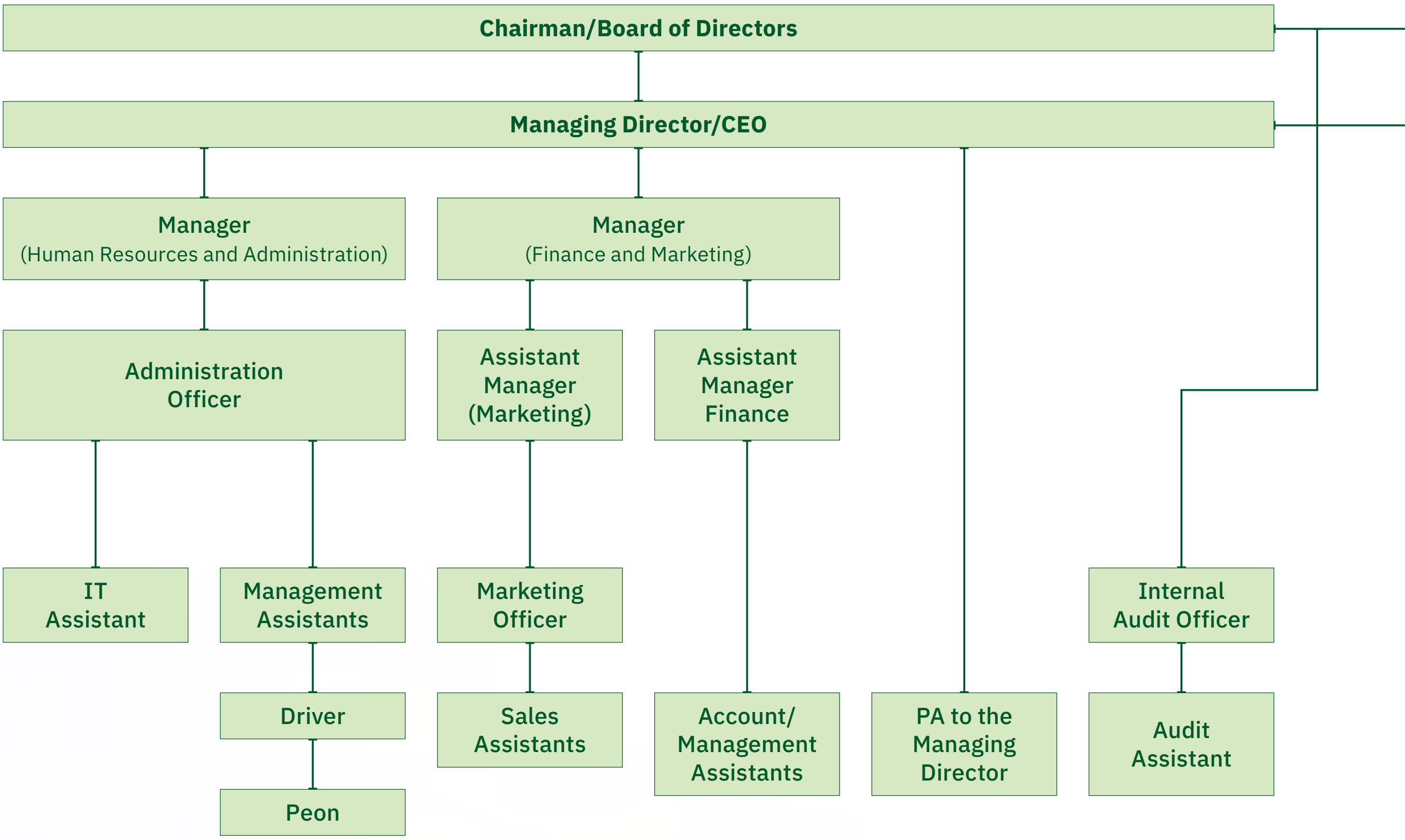
Standard

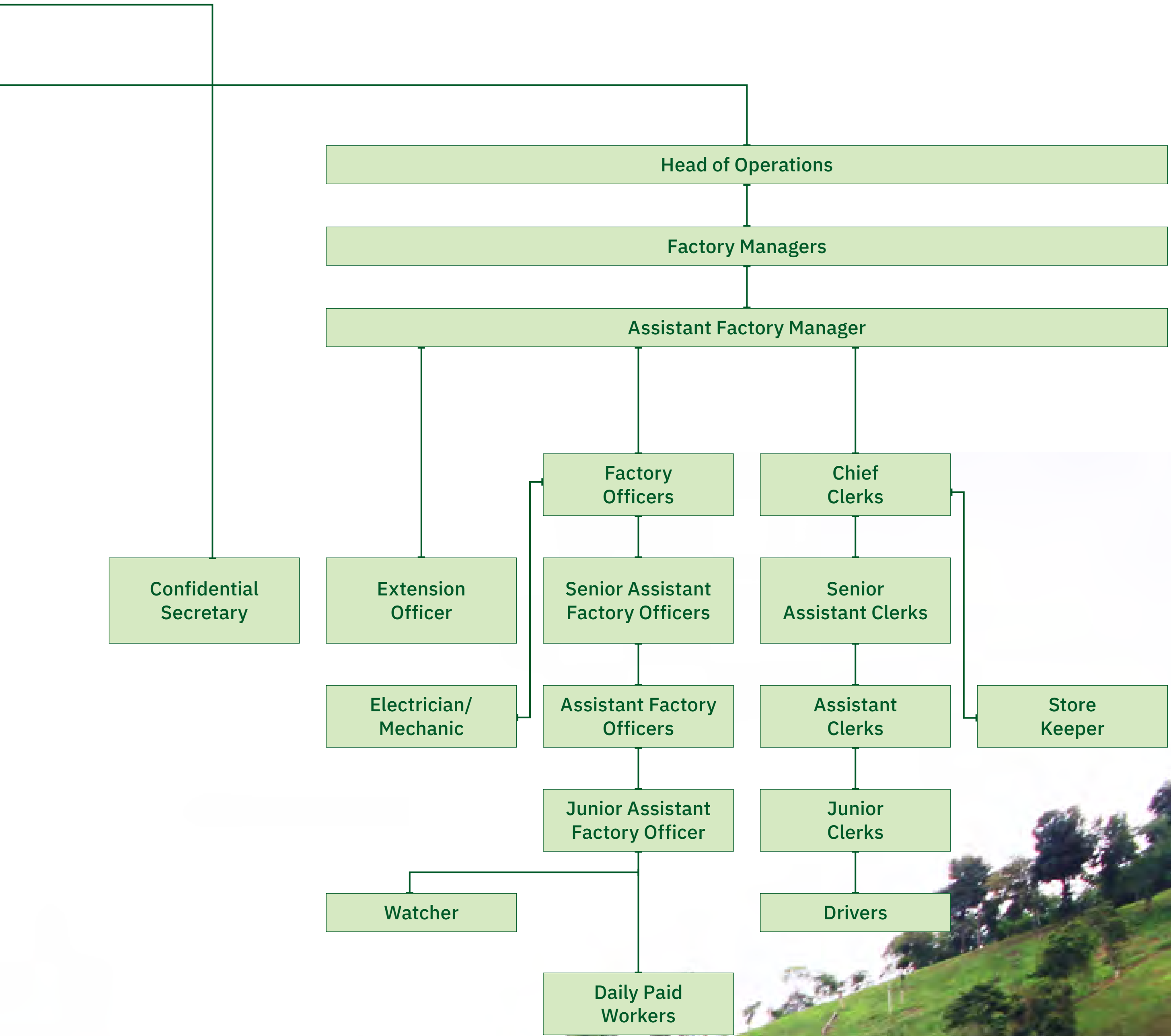
Our Teas are renowned for their excellent quality, having been certified for accepted quality certifications, product responsibility, and customer health & safety. All products and processes are fully compliant with ISO 22000:2018 and HACCP certification issued by the Sri Lanka Accreditation Board. Additionally, all the factories have received GMP certification. Implementing and maintaining a Food Safety Management System (ISO 22000:2018 and HACCP) in all our black tea manufacturing facilities reinforces our commitment to product responsibility and ensures the maintenance of food safety and quality standards from end to end. Tea quality is tested annually for heavy metals, microbiological criteria, and agrochemical residues in accordance with the requirements of the ISO 3720 standard.


PREMIUM QUALITY
KALUBOWITIYANA
CEYLON
BLACK TEA
200g
PREMIUM QUALITY
DERANGALA
GINGER
DERANGALA
PURE
CEYLON
TEA
CEYLON
BLACK
TEA
PF1
Black Pearl
KALUBOWIT


PREMIUM QUALITY
DERANGALA
CINNAMON
TEA
FBOPF1
DERANGALA
PURE
CEYLON
TEA
BOPF
DERANGALA
PURE
CEYLON
TEA
100g
DERANGALA
PURE
CEYLON
TEA
PURE
CEYLON
TEA
CEYLON
BLACK
TEA

Organisational Structure




Head of Operations
Factory Managers
Assistant Factory Manager
Factory Officers
Chief Clerks
Confidential Secretary
Extension Officer
Senior Assistant Factory Officers
Senior Assistant Clerks
Electrician/ Mechanic
Assistant Factory Officers
Assistant Clerks
Store Keeper
Junior Assistant Factory Officer
Junior Clerks
Watcher
Drivers
Daily Paid Workers

Our Journey

1994-95
Kalubowitiyana Tea Factory commenced manufacture operations

1998/99
Trans World Star Award Institute of Economics Studies – India

2000-01
Derangala Tea Factory commenced operations

2010-11
Ceylon Specialty Estate Tea of the Year – Russia

2009-10
Second Runners Up Most no. of Top Prices Golden Cup Award

2013-14
National Plantation Award Best Large Scale Tea Factory

2012-13
Hiniduma Hills Tea Factory commenced operations

2011-12
All island most no. of Top Prices CTC Low Category F&W

2005-06
CTC Low Grown Category Highest Sale Average F&W

2006-07
All Island Most no. of Top Prices CTC Low Category F&W

2014-15
Ceylon Specialty Estate Tea of the year – Dubai
(Gold Winner & Silver Winner)

2015-16
The Latest Addition to the company is
Manikdewela Tea Factory

2016-17
Ceylon Specialty Estates
Tea of the year – China

2017-18
We launched Our New Tea Pack

2015-19
We received Rainforest Alliance Sustainable
Certificate in this year

2019-20
We launched Our New Web Site
with New Tea Pack

2020-21
We re-opened sales outlet in new place

2021-22
Ceylon Specialty Estate Tea of the Year – Russia

2022-23
Paid All-time Highest
Bought Leaf Rate Rs. 437.82 for July 2022,
Ever Highest Profit after tax Rs. 220.80 Mn.

Management Discussion and Analysis

23 Our Transformation
24 Value Creation Model
25 Financial Review
26 Stakeholder Relationship
27 Risk Management
28 Operational Information
30 Factory-wise Profit/(Loss)
31 Monthly Production of Tea
32 Annual Production of Tea
33 Monthly Green Leaf Intakes
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42 CSR Activities
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Our Transformation

During the first financial year in which all the four factories were in operation, the financial performance was extremely precarious, as the loss recorded by three factories namely Derangala, Hiniduma and Menikdiwela were covered by the profit made by Kalubowitiyana Factory. In 2015-16 the total loss of the three factories was Rs. 35.34 Mn and the profit of Kalubowitiyana Factory was Rs. 42.46 Mn. The 2023-24 financial year was a remarkable milestone, following the significant management decisions on strategic orientation, factory development, market diversification and sustainability initiatives which added value to shareholders, employees, outgrowers, suppliers and the country's tea sector.

Table – 04

2015-16	Management Intervention	2023-24
Rs. 775.73 Mn	Revenue • Improving product quality	Rs. 1,802.1 Mn
Rs. 9.81 Mn	Profit After Tax • Efficient management of costs and resources	Rs. 55.57 Mn
8.62 Kg Mn	Annual Green Leaf Intake • Aligned supply chain	6.33 Kg Mn
1.79 Kg Mn	Annual Production • Sustainability policies • Product quality standards	1.30 Kg Mn
Rs. 1.14 Mn	Employees' Bonus and Welfare • Training and development • Health Insurance policy	Rs. 1.9 Mn

Value Creation Model

The following graphic illustrates the Company's value creation model, which shows how essential capital inputs as defined by the Integrated Reporting Framework are transformed to produce outputs and outcomes for stakeholders in addition to more significant socioeconomic and environmental effects.

Support Activities

Financial Capital, Manufactured Capital, Relationship Capital, Human Capital, Intellectual Capital

Tea Smallholders

Government extension programs

Research and Development

Cooperation with industry regulators

Primary Activities

Inbound Logistics

Collecting transporting and storing green leaves procured from tea smallholders

Operations

Sorting cleaning, rolling, curling, tearing, fermenting, drying, grading, packing, blending, and quality sampling.

Outbound Logistics

- Exports through broker firms
- Local sales via agents, institutions and modern trades

Marketing and Sales

- Social media marketing
- Institutional promotions
- Industry exhibitions

Service

- Educating consumers about health benefits of tea
- Capacity building of distributors

Outcomes

Profit after tax Rs. 55.57 Mn

To employees as remunerations and bonus Rs. 57.91 Mn

To tea smallholders as payment for green leaves Rs. 1,290 Mn

Brand value enhanced by recording all time high price

Financial Review

1. Revenue and Profitability Decline

The most striking feature of the financial statements is the sharp drop in revenue, from Rs. 2,635,413,672 in 2023 to Rs. 1,802,165,017.30 in 2024. This 31.6% decline has had a cascading effect on profitability, with net profit after taxation plummeting by 74.7% to Rs. 55,574,507.21. This decline can be attributed to several factors, including potentially lower sales volume, reduced tea prices, or a shift towards lower-value products.

2. Concerning Liquidity Position

Despite the reduction in liabilities, the company's liquidity position has weakened. The most alarming sign is the negative cash and cash equivalents balance. While the current ratio has improved from 3.65 to 5.23 due to a significant decrease in current liabilities, the negative cash balance raises serious concerns about the company's ability to meet its short-term obligations. This situation warrants immediate investigation and corrective action.

3. Operational Efficiency and Cost Management

While the company has managed to reduce administration expenses, the cost of sales has not decreased in proportion to the decline in revenue. This suggests potential inefficiencies in cost management and production processes. Moreover, the increase in selling and distribution expenses despite lower revenue raises questions about the effectiveness of marketing and distribution strategies. The company needs to critically evaluate its cost structure and identify areas for improvement.

4. Inventory Management

The significant decrease in inventories could be interpreted in several ways. It could indicate efficient inventory management, but it could also signal lower production or decreased sales. Further investigation is needed to determine the underlying reasons for this change and its implications for the company's operations.

5. Investment Strategy

The substantial increase in short-term investments suggests that the company has opted to invest excess cash in liquid assets. While this strategy can generate finance income, as evidenced by the increase in finance income, it also raises questions about why this cash is not being used to address the negative cash balance or invested in long-term growth opportunities.

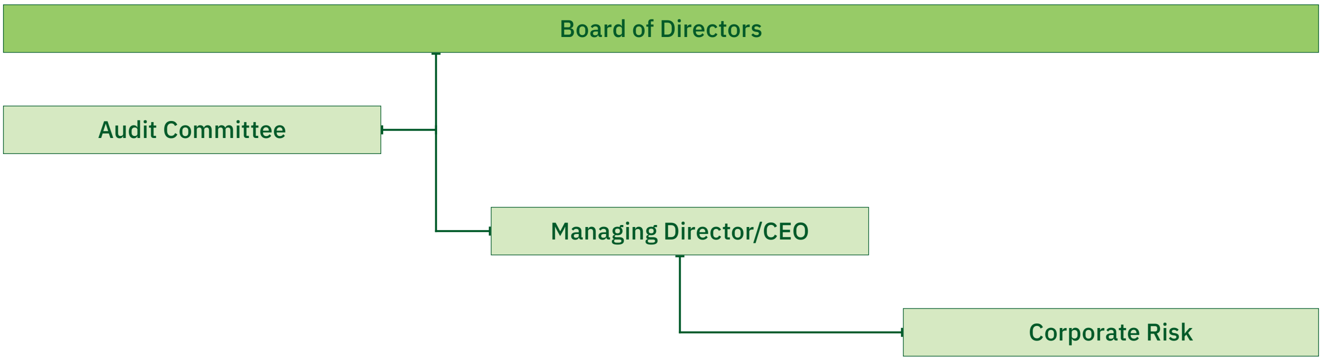
Stakeholder Relationship

KTFL is aware of how critical it is to recognize and address the issues of our stakeholders. Key stakeholders are identified and given a priority ranking. Depending on how much each group may influence or be influenced by our decisions, As a state-owned enterprise, we have enormous responsibility towards the government and the communities. The company's method for choosing involves stakeholders and includes the following list of priorities.

Table – 05

Stakeholder Group	Strategic Plan	Our Response
Shareholders	• Quarterly and annual financial statements • Annual report • Annual general meeting • Earnings per share • Growth & stability	• Ongoing communication with the current development status
Employees	• Job descriptions, targets & KPIs • Circular instructions & review meetings • Performance appraisals • Welfare management • Annual bonus	• Rewards and coherence management • Training & development • Career development
Suppliers	• Awareness programme • Supplying fertilizers • Supplying foodstuffs • Loan schemes • Attractive rates • On time delivery	• On time payments • Supplier care
Out growers	• Quality leaf 50% or High • On time delivery • Compliance with the Tea board requirements • Attractive leaf rate • Welfare facilities	• On time payment • Appreciations and incentives
Transports	• Adhere to the Tea board regulations • Adhere to Agreement • Welfare scheme	• On time payment • Incentive management
Brokers	• Compliance with the Tea board regulation • Quantity base on rate	• Continuous supply • Recognition

Risk Management



As a fully government owned company, Kalubowitiyana Tea Factory Limited has given due consideration to its risk management process in order to progress towards achievements of goals and objectives. The ultimate responsibility to manage the risk exposure is held by the Board of Directors. Risk Management is regularly reviewed under two forms of risk, namely, Strategic and Operational risks to ensure that required actions have being taken to minimize the impact where the complete elimination is not possible. Irrespective of the ownership of the business, the nature and the size of the risk is inevitable to manage. Such risk factors can be systematic or unsystematic. Systematic risk cannot be diversified away or avoided. On the other hand, unsystematic risk can be mitigated or avoided with proper risk management activities as it is unique to the respective business operation.

Operational Information

Head Office

Address No. 53, Rathnayaka Mawatha, Pelawatta, Thalangama South, Battaramulla, Sri Lanka.

Human Resources

Managing Director	– 1	Internal Audit Officer	– 1
Manager/Administration & HR	– 1	Accounts Assistant	– 2
Manager Finance	– 1	Management Assistant	– 5
Assistant Manager Finance	– 1	Peon/Office Aid	– 2
Assistant Manager Marketing	– 1	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	Factory Staff – 15	
	Office Staff – 6		

Derangala Tea Factory

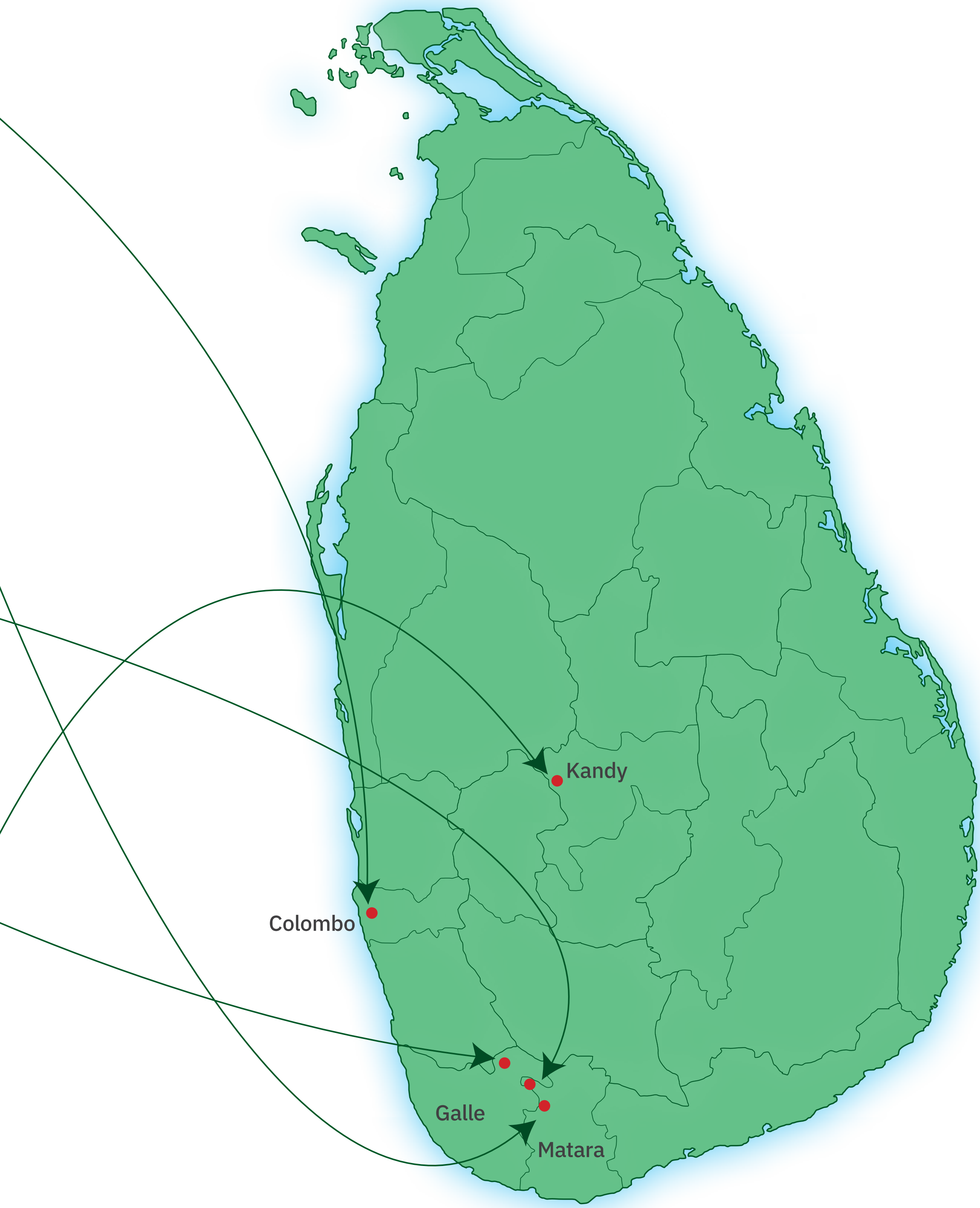
District	Matara	**Sub District**	Morawaka
Village	Kiriwelkelle	**Elevation**	Low Country
Trade Mark	Derangala/ Kiriwelkelle	**Type of Production**	Orthodox Teas
Human Resources	Factory Manager – 1	Factory Staff – 10	
	Office Staff – 4		

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	Factory Manager – 1	Factory Staff – 13	
	Office Staff – 4		

Manikdewela Tea Factory

District	Kandy	**Sub District**	Yatinuwara
Village	Manikdewela	**Elevation**	Western Medium
Trade Mark	Manikdewela	**Type of Production**	Orthodox Teas
Human Resources	Factory Manager – 1	Factory Staff – 8	
	Office Staff – 5		


Kandy
Colombo
Galle
Matara

Factory-wise Profit/(Loss)

Sales

Table – 06

As at 31st March Kalubowitiyana Tea Factory Limited	Kalubowitiyana Factory Rs.	Derangala Factory Rs.	Hiniduma Hills Factory Rs.	Manikdiwela Factory Rs.	Sales Centre Rs.	Total Rs.
Gross Sales	1,234,264,276.28	271,881,329.20	152,309,252.52	113,547,500.00	-	1,772,002,358.00
Less: Brokerage & Sales Expenses	(15,227,157.57)	(3,874,547.80)	(2,201,639.36)	(1,850,452.54)	-	(23,153,797.27)
	1,219,037,118.71	**268,006,781.40**	**150,107,613.16**	**111,697,047.46**	**-**	**1,748,848,560.73**
Add/Less - Inter Factory Transaction						
Add: Local Sales	23,270,749.79	7,309,512.74	642,082.18	3,938,563.41	18,155,548.45	53,316,456.57
Total	**1,242,307,868.50**	**275,316,294.14**	**150,749,695.34**	**115,635,610.87**	**18,155,548.45**	**1,802,165,017.30**

Cost of Sales

Table – 07

As at 31st March Kalubowitiyana Tea Factory Limited	Kalubowitiyana Factory Rs.	Derangala Factory Rs.	Hiniduma Hills Factory Rs.	Manikdiwela Factory Rs.	Sales Centre Rs.	Total Rs.
Bought Leaf	845,295,247.22	232,967,648.25	111,430,353.68	100,943,864.93	-	1,290,637,114.08
Manufacturing Cost						
Production Cost	143,468,426.17	54,477,682.18	33,069,809.78	32,740,915.92	20,097,865.00	283,854,699.05
General Charges	49,676,070.02	31,593,130.30	21,595,347.26	16,273,644.96	-	119,138,192.54
	1,038,439,743.41	**319,038,460.73**	**166,095,510.72**	**149,958,425.81**	**20,097,865.00**	**1,693,630,005.67**
Add: Opening Stock	139,008,586.57	50,844,175.72	38,636,411.41	22,692,403.09	894,153.64	252,075,730.43
Less: Closing Stock	(81,191,587.93)	(70,408,656.36)	(23,086,556.02)	(21,794,359.51)	(1,563,488.18)	(198,044,648.00)
Total	**1,096,256,742.05**	**299,473,980.09**	**181,645,366.11**	**150,856,469.39**	**19,428,530.46**	**1,747,661,088.10**
Profit/(Loss)	146,051,126.45	(24,157,685.95)	(30,895,670.77)	(35,220,858.52)	(1,272,982.01)	54,503,929.21

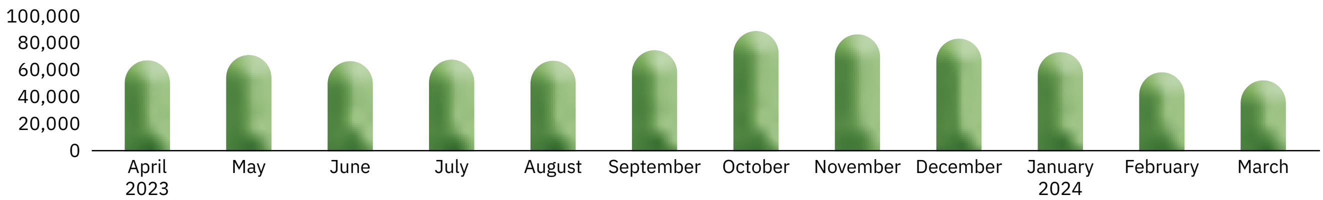
Monthly Production of Tea

Table – 08

Month	KalubowitiyanaTea Factory (Kg)	Derangala Tea Factory (Kg)	Hiniduma Hills Tea Factory (Kg)	Manikdewela Tea Factory (Kg)	Total (Kg)
April 2023	67,347	19,179	13,178.8	16,133	115,838
May	71,287	22,164	14,717.2	15,572	123,740
June	66,761	22,467	12,514.5	12,167	113,910
July	67,858.3	23,368	11,148.5	5,951	108,326
August	67,059	16,689	8,792.0	3,655	96,195
September	74,882.2	15,740	11,378.0	10,674	112,674
October	89,082	19,496	8,534.0	19,457	136,569
November	86,622.5	7,045	2,279.5	15,202	111,149
December	83,432.6	4,526	5,062.0	9,425	102,446
January 2024	73,467	21,771	8,672.8	4,071	107,982
February	58,533.5	19,282	7,201.5	5,457	90,474
March	52,549	16,598	6,507.0	6,781	82,435
Total	**858,881**	**208,325**	**109,986**	**124,545**	**1,301,737**

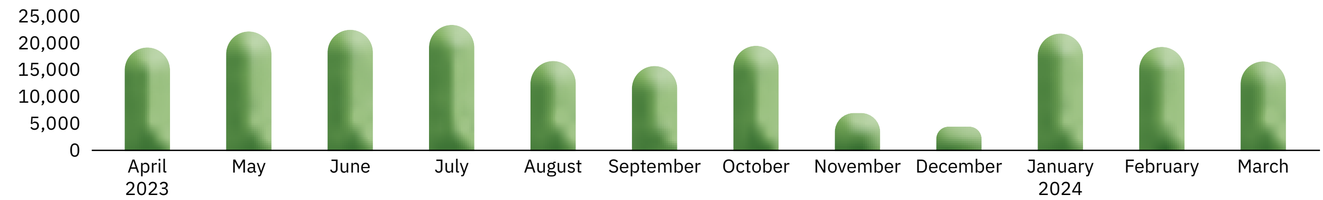
Graph – 08

Kalubowitiyana Tea Factory (Kg)



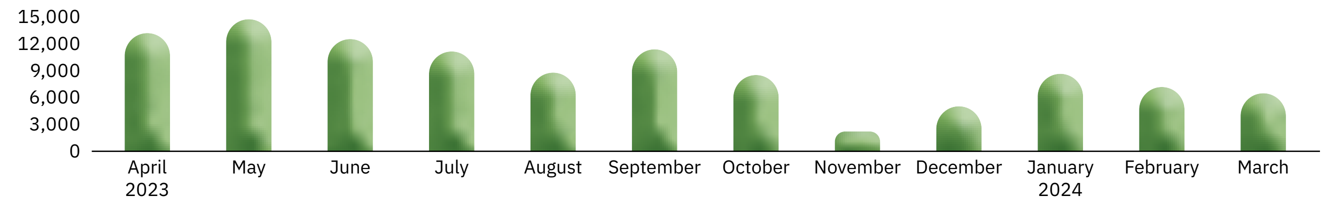
Graph – 09

Derangala Tea Factory (Kg)



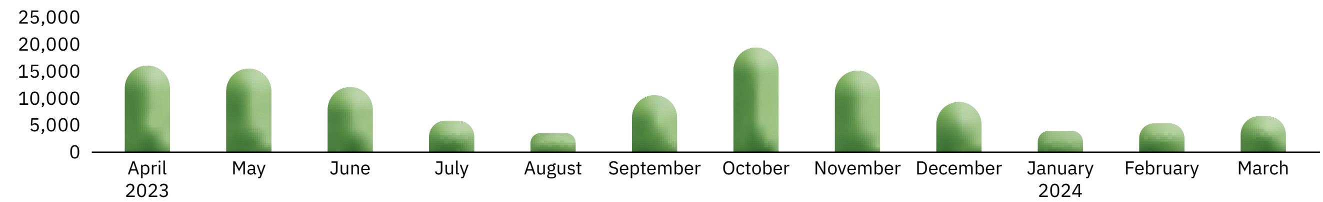
Graph – 10

Hiniduma Hills Tea Factory (Kg)



Graph – 11

Manikdewela Tea Factory (Kg)



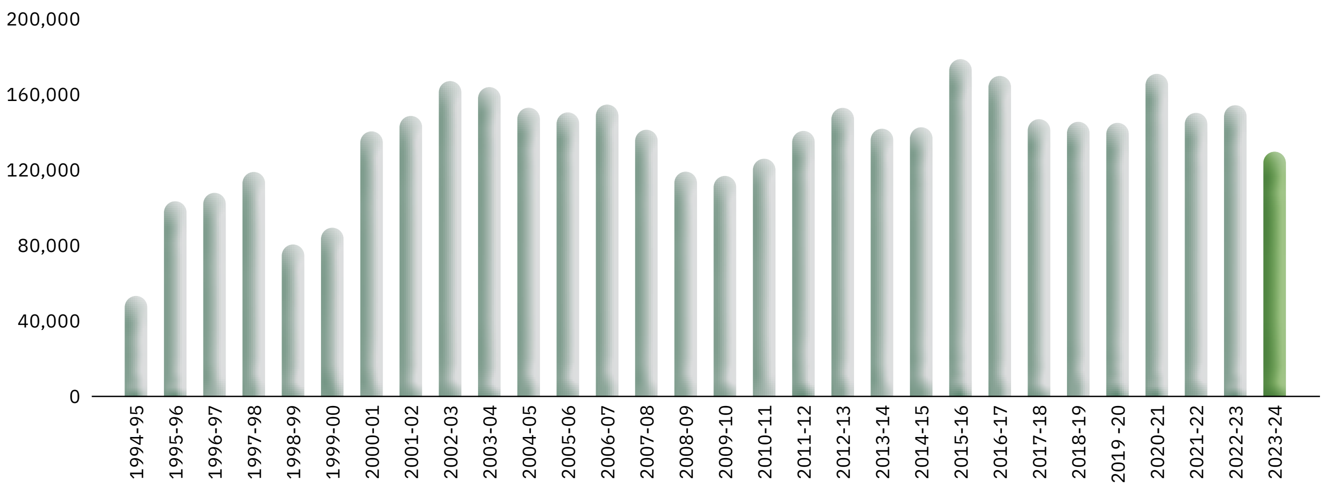
Annual Production of Tea

Table – 09

Year	Kalubowitiyana Tea Factory (Kg)	Derangala Tea Factory (Kg)	Hiniduma Hills Tea Factory (Kg)	Manikdewela 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
2015-16	994,541	460,860	219,765	117,017	1,792,183
2016-17	811,708	429,382	253,157	209,464	1,703,711
2017-18	731,750	289,634	242,955	210,107	1,474,446
2018-19	807,843	276,186	174,272	202,120	1,460,421
2019-20	900,125	290,262	138,805	125,078	1,454,270
2020-21	916,577	314,349	320,290	163,508	1,714,724
2021-22	815,525	290,193	209,053	193,272	1,508,043
2022-23	1,004,572	234,603	148,406	161,034	1,548,615
2023-24	858,881	208,325	109,986	124,545	1,301,737
Total	**29,291,551**	**8,087,577**	**2,302,895**	**1,506,145**	**41,188,168**

Graph – 12

Annual Production of the Company (Kg)



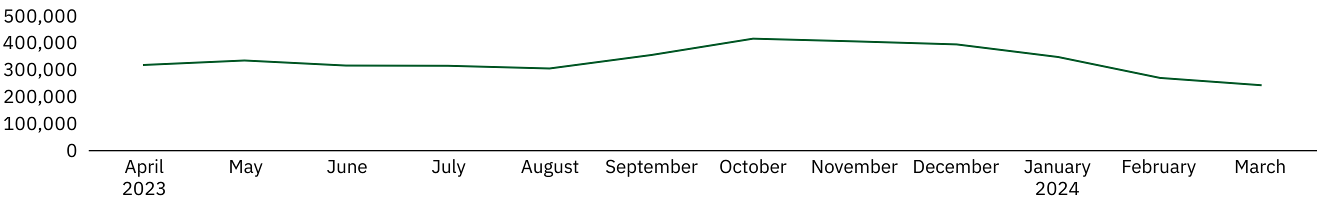
Monthly Green Leaf Intakes

Table – 10

Month	Kalubowitiyana Tea Factory		Derangala Tea Factory		Hiniduma Hills Tea Factory		Manikdewela Tea Factory		Total	
	No. of Suppliers	Supplied (Kg)	No. of Suppliers	Supplied (Kg)	No. of Suppliers	Supplied (Kg)	No. of Suppliers	Supplied (Kg)	No. of Suppliers	Supplied (Kg)
April 2023	2,412	318,178	672	92,162	74	62,706	125	74,767	3,283	547,813
May	2,371	336,385	661	105,531	76	72,887	118	73,736	3,226	588,539
June	2,363	315,798	656	109,535	69	59,536	117	56,786	3,205	541,655
July	2,340	315,001	651	111,280	70	55,342	114	29,747	3,175	511,370
August	2,357	304,245	637	78,352	61	41,229	111	17,043	3,166	440,869
September	2,369	358,905	637	80,785	55	55,229	97	51,813	3,158	546,732
October	2,379	425,216	632	102,444	47	41,568	103	100,579	3,161	669,807
November	2,331	414,006	612	78,479	43	11,323	97	75,403	3,083	579,211
December	2,337	401,646	597	63,445	52	24,524	95	52,090	3,081	541,705
January 2024	2,358	350,414	594	116,745	57	43,123	95	19,827	3,104	530,109
February	2,355	265,738	560	100,951	46	35,192	95	26,360	3,056	428,241
March	2,375	235,941	559	86,119	43	31,018	91	53,547	3,068	406,625
Total		**4,041,473**		**1,125,828**		**533,677**		**631,698**		**6,332,676**

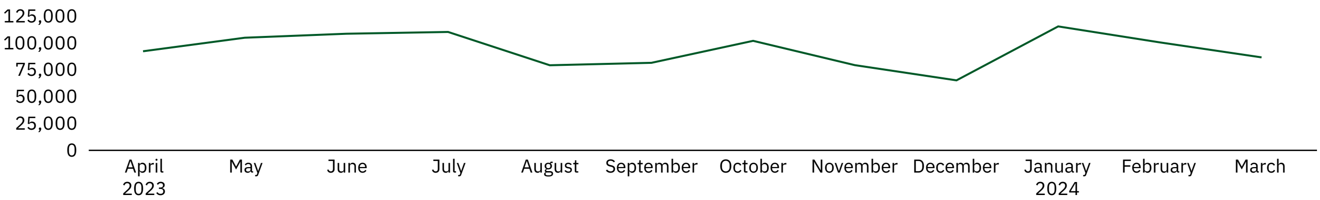
Graph – 13

Kalubowitiyana Tea Factory (Kg)



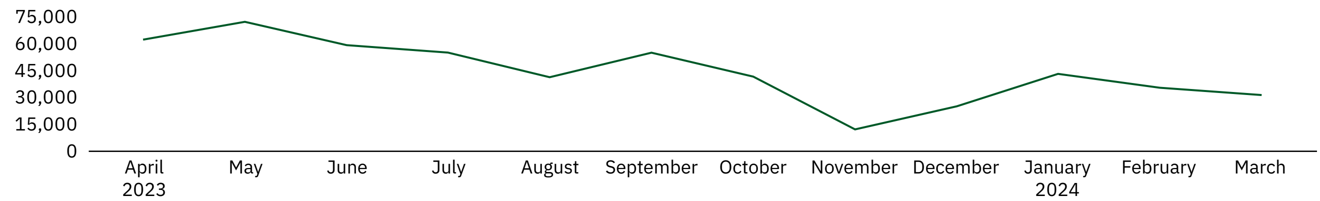
Graph – 14

Derangala Tea Factory (Kg)



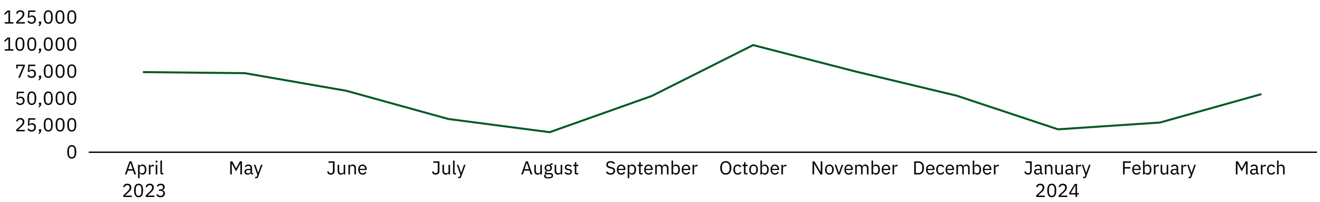
Graph – 15

Hiniduma Hills Tea Factory (Kg)



Graph – 16

Manikdewela Tea Factory (Kg)



Annual Green Leaf Intakes

Table – 11

Year	Kalubowitiyana Tea Factory (Kg)	Derangala Tea Factory (Kg)	Hiniduma Hills Tea Factory (Kg)	Manikdewela Tea Factory (Kg)
1994/95	2,539,978	-	-	-
1995/96	4,758,850	-	-	-
1996/97	5,011,298	-	-	-
1997/98	5,619,161	-	-	-
1998/99	3,764,498	-	-	-
1999/00	4,092,958	68,377	-	-
2000/01	4,225,019	2,283,999	-	-
2001/02	4,406,549	2,452,187	-	-
2002/03	4,779,581	3,042,878	-	-
2003/04	5,316,428	2,274,012	-	-
2004/05	5,464,753	1,727,312	-	-
2005/06	5,362,732	1,688,298	-	-
2006/07	5,859,734	1,339,562	-	-
2007/08	5,061,084	1,559,138	-	-
2008/09	4,455,756	1,129,629	-	-
2009/10	4,406,749	1,114,004	-	-
2010/11	4,634,137	1,359,341	-	-
2011/12	5,421,437	1,136,937	-	-
2012/13	5,161,301	1,243,421	838,887	-
2013/14	4,638,578	1,386,298	731,251	-
2014/15	4,446,200	1,539,561	834,380	-
2015/16	4,774,872	2,249,785	1,095,511	542,106
2016/17	3,941,813	2,113,499	1,235,080	1,033,573
2017/18	3,499,414	1,474,475	1,224,781	1,097,625
2018/19	3,855,520	1,342,705	875,077	1,023,085
2019/20	4,237,689	1,399,915	683,988	625,482
2020/21	4,375,283	1,517,906	1,577,904	800,398
2021/22	3,864,328	1,415,917	1,065,152	901,435
2022/23	4,738,165	1,140,314	721,877	746,857
2023/24	4,041,473	1,125,828	533,677	631,698

Comparison Details – Production

Contribution to Low Grown CTC Production & National CTC Production

Table – 12

Month	CTC Low Grown (Kg '000)	CTC National (Kg '000)	Production of KTF* (Kg '000)	Contribution to the production Low Grown (%)	Contribution to the production National (%)
April 2023	14,290,453	25,237,807	58,269.50	0.41	0.23
May	14,760,035	26,825,090	92,874.90	0.63	0.35
June	13,403,471	23,088,476	74,246.00	0.55	0.32
July	13,733,747	21,567,438	78,626.00	0.57	0.36
August	11,152,655	18,358,092	78,762.00	0.71	0.43
September	11,567,172	18,903,445	58,429.00	0.51	0.31
October	14,829,023	23,000,259	87,977.00	0.59	0.38
November	11,704,128	19,784,674	81,234.00	0.69	0.41
December	12,257,920	19,808,997	50,825.50	0.41	0.26
January 2024	12,566,699	18,729,459	88,097.50	0.70	0.47
February	11,826,047	19,996,014	67,773.00	0.57	0.34
March	11,826,047	19,996,014	64,269.50	0.54	0.32
Total	**153,917,397**	**255,295,765**	**881,383.90**	**0.57**	**0.35**

* Kalubowitiyana Tea Factory

Contribution to Low Grown Orthodox Production & National Orthodox Production

Table – 13

Month	Orthodox Production Low Grown (Kg '000)	Orthodox Production Medium (Kg '000)	Orthodox Production National (Kg '000)	Production DTF, HHTF (Kg '000)	Production MTF (Kg '000)	Contribution to the production Low Grown (%)	Contribution to the production Medium (%)	Contribution to the production National (%)
April 2023	13,207,255	3,571,683	22,197,966	21,185	15,517	0.16	0.43	0.16
May	13,730,752	3,721,782	23,732,689	37,386	12,017	0.27	0.32	0.20
June	12,496,555	3,211,796	20,755,797	34,306	16,561	0.27	0.51	0.24
July	12,861,871	2,753,202	19,471,738	29,161	9,029	0.22	0.32	0.19
August	10,332,067	2,450,310	16,432,864	39,832	10,355	0.38	0.42	0.30
September	10,578,350	2,529,329	16,894,196	22,289	2,318	0.21	0.09	0.14
October	13,873,338	3,284,932	20,787,810	28,715	8,406	0.26	0.25	0.17
November	10,877,816	2,809,018	17,673,329	29,583	9,003	0.27	0.32	0.21
December	11,403,940	2,384,438	17,790,508	19,610	10,004	0.17	0.41	0.16
January 2024	11,666,144	2,052,868	16,869,288	12,877	13,970	0.11	0.68	0.15
February	11,012,669	3,009,117	18,024,710	26,391	10,615	0.23	0.35	0.20
March	9,953,218	3,216,158	17,495,739	24,830	8,885	0.24	0.27	0.19
Total	**141,993,975**	**34,994,633**	**228,126,634**	**326,162**	**126,677**			

* Derangala, Hiniduma Hills & Manikdewela Tea Factory

Comparison Details – Production

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

Table – 14

Month	Total Production			Total Production	Contribution to the production		
	Low Grown (Kg '000)	Medium (Kg '000)	National (Kg '000)	Company (Kg '000)	Low Grown (%)	Medium (%)	National (%)
April 2023	14,290,453	-	25,237,807	74,421.7	0.52		0.29
May	14,760,035	-	26,825,090	108,469.1	0.73		0.40
June	13,403,471	-	23,088,476	86,435.5	0.64		0.37
July	13,733,747	-	21,567,438	84,600.4	0.62		0.39
August	11,152,655	-	18,358,092	82,433.7	0.74		0.45
September	11,567,172	-	18,903,445	69,118.7	0.60		0.37
October	14,829,023	-	23,000,259	107,453.5	0.72		0.47
November	11,704,128	-	19,784,674	96,443.0	0.82		0.49
December	12,257,920	-	19,808,997	60,255.0	0.49		0.30
January 2024	12,566,699	-	18,729,459	92,190.3	0.73		0.49
February	11,826,047	-	19,996,014	73,249.3	0.62		0.37
March	11,826,047	-	19,996,014	71,067.1	0.60		0.36
Total	**153,917,397**	**-**	**255,295,765**	**1,006,137.2**	**0.65**		**0.39**

Comparison of Sales Averages with Elevation

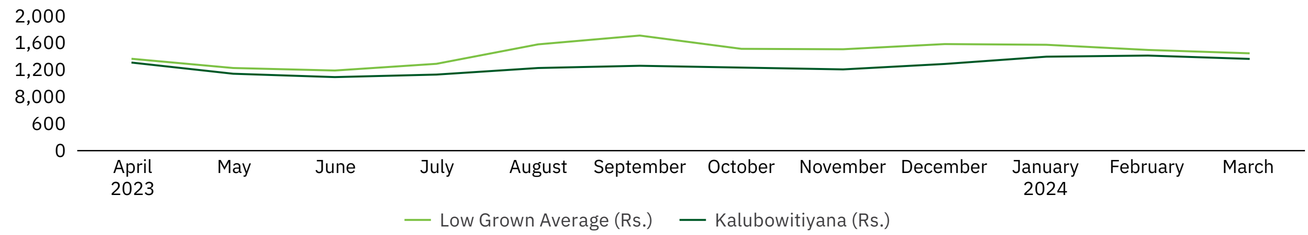
Comparison with Low Grown Elevation Average

Table – 15

Month	Low Grown Average (Rs.)	Monthly Average					
		Kalubowitiyana Tea Factory (Rs.)	Variance	Derangala Tea Factory (Rs.)	Variance	Hiniduma Tea Factory (Rs.)	Variance
April 2023	1,299.43	1,359.82	60.39	1,585.76	286.33	1,317.92	18.49
May	1,120.52	1,211.58	91.06	1,607.90	487.38	1,575.37	454.85
June	1,067.85	1,171.44	103.59	1,545.40	477.55	1,609.10	541.25
July	1,108.03	1,280.19	172.16	1,659.11	551.08	1,669.00	560.97
August	1,211.48	1,589.52	378.04	1,641.52	430.04	1,611.26	399.78
September	1,249.15	1,728.93	479.78	1,837.79	588.64	1,791.93	542.78
October	1,219.10	1,517.60	298.50	1,707.44	488.34	1,628.33	409.23
November	1,190.90	1,510.77	319.87	1,575.55	384.65	1,557.59	366.69
December	1,278.08	1,593.44	315.36	1,634.79	356.71	1,609.45	331.37
January 2024	1,391.99	1,582.55	190.56	1,621.41	229.42	1,561.91	169.92
February	1,409.78	1,499.25	89.47	1,538.62	128.84	1,518.69	108.91
March	1,357.32	1,446.92	89.60	1,038.53	(318.79)	1,259.45	(97.87)

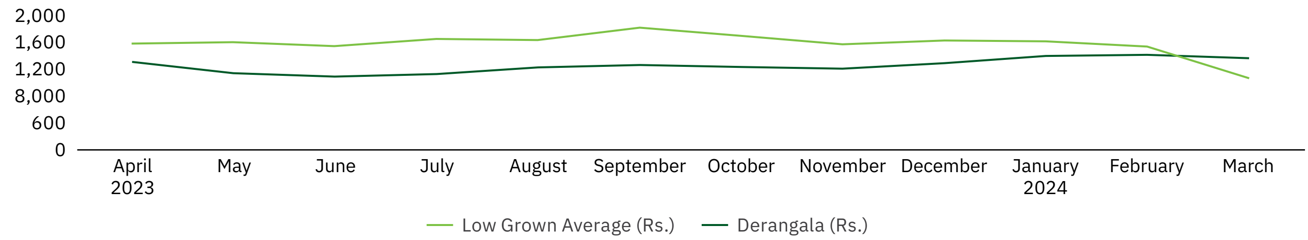
Graph – 17

Kalubowitiyana Tea Factory (Rs.)



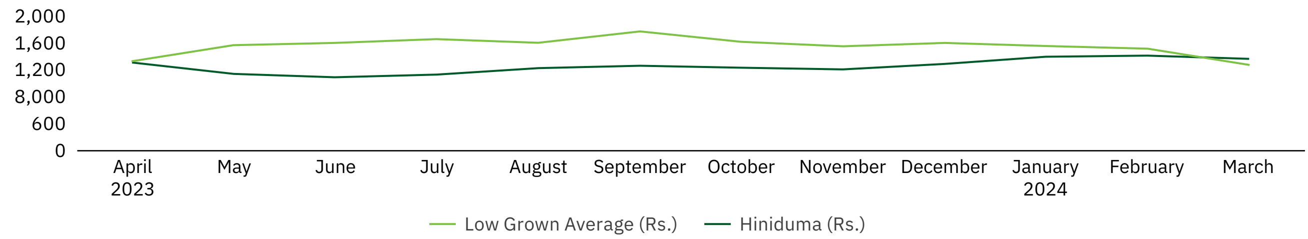
Graph – 18

Derangala Tea Factory (Rs.)



Graph – 19

Hiniduma Hills Tea Factory (Rs.)



Comparison of Sales Averages with Elevation

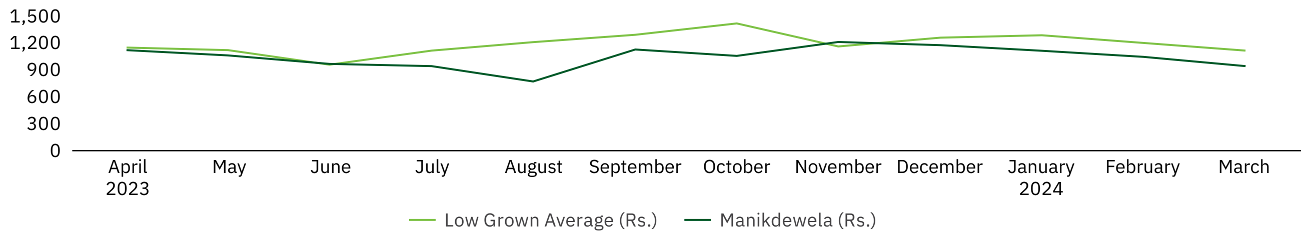
Comparison with Medium Grown Elevation Average

Table – 16

Month	Medium Grown Average (Rs.)	Monthly Average	
		Manikdewela (Rs.)	Variance
April 2023	1,148.10	1,118.86	(29.24)
May	1,119.62	1,057.82	(61.80)
June	950.31	959.79	9.48
July	1,113.79	932.42	(181.37)
August	1,211.51	753.84	(457.67)
September	1,298.39	1,126.44	(171.95)
October	1,430.59	1,051.31	(379.28)
November	1,161.33	1,214.86	53.53
December	1,263.64	1,177.34	(86.30)
January 2024	1,291.31	1,111.64	(179.67)
February	1,203.16	1,040.45	(162.71)
March	1,113.98	932.92	(181.06)

Graph – 20

Manikdewela Tea Factory (Rs.)



Awards and Recognition

2004

Trans World Gold Star Award
Institute of Economic Studies

2005

All Island Highest Sale Average
For the Year F&W

2009

Highest Number of Top Price In the CTC Low - Grown Category From the Year LCBL

Valued Partner In Progress LCBL

2011

All Island Most Number of Top Prices For the Year F&W

Highest Sale Average For the Year CTC Low Category F&W

All Island Highest Sale Average For the Year Black Tea Category F&W

Most Number of Top Prices For the Year (Off Grade) F&W

Most Number of Top Prices For the Year (PD Category) F&W

Highest Net Sale Average of 434.14 During the 2nd Quarter Asia Siyaka

2012

All Island Highest Sale Average
For the Year F&W

Most Number of Top Prices For the Year (PD Category) F&W

2014

Highest Sale Average For the Year CTC Low Category F&W

2015

Ceylon Specialty Estate Tea of The Year Award Winner at the Competition Held in Dubai (Grade - PF1) Sri Lanka Tea Board

Ceylon Specialty Estate Tea of The Year Award Winner at the Competition Held in Dubai (Grade - BP1) Sri Lanka Tea Board

2017

Best Tea Factory Regional Level
Sri Lanka Tea Board

Best Tea Factory Regional Level
National Tea Awards

Ceylon Specialty Estate Tea of The Year Finalist at the Competition Held at China
Sri Lanka Tea Board

2022

All Time Record Price John Keells

Successful Public enterprises that adhere to financial regulations Buyer – Uniworld Teas

Top Prices – Year 2023-24

Table – 17

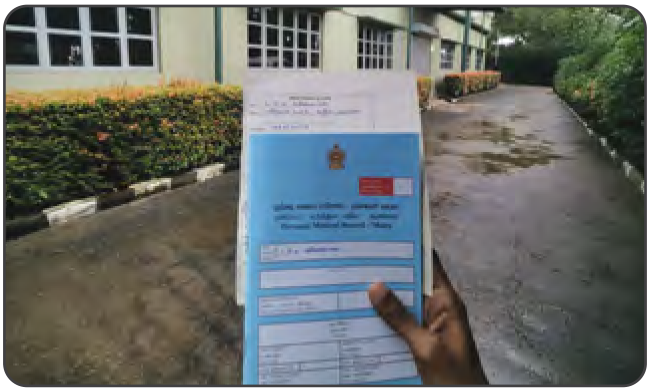
	Sale Date	Sale No.	PF1			P-Dust			BP1		
			Broker	Invoice No.	Price (Rs.)	Broker	Invoice No	Price (Rs.)	Broker	Invoice No.	Price (Rs.)
1.	2023.04.03	14	CTB	711	1,400.00	-	-	-	-	-	-
2.	2023.04.18	15	JK	734	1,420.00	-	-	-	-	-	-
3.	2023.04.18	15	-	-	-	MRC	735	1,400.00	-	-	-
4.	2023.05.16	19	F&W	783	1,200.00	-	-	-	-	-	-
5.	2023.05.30	21	CTB	22	1,180.00	-	-	-	-	-	-
6.	2023.05.30	21	ASIA	40	1,180.00	-	-	-	-	-	-
7.	2023.05.30	21	MRC	29	1,180.00	-	-	-	-	-	-
8.	2023.05.30	21	LCBL	32	1,180.00	-	-	-	-	-	-
9.	2023.06.06	22	-	-	-	-	-	-	CTB	61	1,000.00
10.	2023.06.23	24	FW	69	1,220.00	-	-	-	-	-	-
11.	2023.06.23	24	MRC	80	1,220.00	-	-	-	-	-	-
12.	2023.06.23	24	ASIA	82	1,220.00	-	-	-	-	-	-
13.	2023.07.04	26	FW	99	1,240.00	-	-	-	-	-	-
14.	2023.07.04	26	FW	111	1,240.00	-	-	-	-	-	-
15.	2023.07.04	26	CTB	109	1,240.00	-	-	-	-	-	-
16.	2023.07.04	26	BL	103	1,240.00	-	-	-	-	-	-
17.	2023.07.04	26	BL	108	1,240.00	-	-	-	-	-	-
18.	2023.07.04	26	MRC	105	1,240.00	-	-	-	-	-	-
19.	2023.07.11	27	-	-	-	-	-	-	FW	127	1,180.00
20.	2023.07.31	30	-	-	-	MRC	175	1,260.00	-	-	-
21.	2023.08.22	33	-	-	-	MRC	203	1,500.00	-	-	-
22.	2023.08.28	34	-	-	-	MRC	216	1,380.00	-	-	-
23.	2023.09.05	35	-	-	-	MRC	242	1,360.00	-	-	-
24.	2023.09.13	36	-	-	-	MRC	256	1,380.00	-	-	-
25.	2023.09.13	36	-	-	-	-	-	-	ASIA	241	1,420.00
26.	2023.10.17	41	ASIA	323	1,650.00	-	-	-	-	-	-
27.	2023.11.08	44	-	-	-	BL	368	1,380.00	-	-	-
28.	2023.11.14	45	JK	369	1,550.00	-	-	-	-	-	-
29.	2023.11.14	45	ASIA	370	1,550.00	-	-	-	-	-	-
30.	2023.11.14	45	FW	371	1,550.00	-	-	-	-	-	-
31.	2023.11.14	45	BL	372	1,550.00	-	-	-	-	-	-
32.	2023.11.21	46	ASIA	386	1,550.00	-	-	-	-	-	-

Top Prices – Year 2023-24

Table – 17

Sale Date	Sale No.	PF1			P-Dust			BP1		
		Broker	Invoice No.	Price (Rs.)	Broker	Invoice No	Price (Rs.)	Broker	Invoice No.	Price (Rs.)
33. 2023.11.21	46	ASIA	398	1,550.00	-	-	-	-	-	-
34. 2023.11.21	46	FW	387	1,550.00	-	-	-	-	-	-
35. 2023.11.21	46	BL	394	1,550.00	-	-	-	-	-	-
36. 2023.11.21	46	MRC	391	1,550.00	-	-	-	-	-	-
37. 2023.11.21	46	MRC	397	1,550.00	-	-	-	-	-	-
38. 2023.11.21	46	CTB	390	1,550.00	-	-	-	-	-	-
39. 2023.11.21	46	CTB	396	1,550.00	-	-	-	-	-	-
40. 2023.11.21	46	JK	392	1,550.00	-	-	-	-	-	-
41. 2023.11.21	46	-	-	-	MRC	384	1,320.00	-	-	-
42. 2023.12.05	48	JK	424	1,650.00	-	-	-	-	-	-
43. 2023.12.05	48	ASIA	432	1,650.00	-	-	-	-	-	-
44. 2023.12.13	49	CTB	436	1,650.00	-	-	-	-	-	-
45. 2023.12.13	49	CTB	443	1,650.00	-	-	-	-	-	-
46. 2023.12.13	49	JK	438	1,650.00	-	-	-	-	-	-
47. 2023.12.13	49	JK	447	1,650.00	-	-	-	-	-	-
48. 2023.12.13	49	ASIA	439	1,650.00	-	-	-	-	-	-
49. 2023.12.13	49	ASIA	445	1,650.00	-	-	-	-	-	-
50. 2023.12.13	49	BL	441	1,650.00	-	-	-	-	-	-
51. 2023.12.13	49	BL	437	1,650.00	-	-	-	-	-	-
52. 2024.01.10	2	ASIA	480	1,650.00	-	-	-	-	-	-
53. 2024.01.10	2	ASIA	485	1,650.00	-	-	-	-	-	-
54. 2024.01.10	2	FW	481	1,650.00	-	-	-	-	-	-
55. 2024.01.10	2	JK	482	1,650.00	-	-	-	-	-	-
56. 2024.01.10	2	LCBL	487	1,650.00	-	-	-	-	-	-
57. 2024.01.16	3	ASIA	496	1,700.00	-	-	-	-	-	-
58. 2024.01.22	4	ASIA	515	1,650.00	-	-	-	-	-	-
59. 2024.02.07	6	FW	539	1,600.00	-	-	-	-	-	-
60. 2024.02.07	6	FW	549	1,600.00	-	-	-	-	-	-
61. 2024.02.07	6	-	-	-	BL	528	1,360.00	-	-	-
62. 2024.02.20	8	FW	570	1,500.00	-	-	-	-	-	-
63. 2024.02.20	8	FW	576	1,500.00	-	-	-	-	-	-
64. 2024.02.28	9	-	-	-	JK	598	1,420.00	-	-	-
65. 2024.03.12	11	FW	610	1,500.00	-	-	-	-	-	-
66. 2024.03.12	11	FW	621	1,500.00	-	-	-	-	-	-

CSR Activities



Director's Report

Report of the Directors of Kalubowitiyana Tea Factory Ltd

The Directors present herewith their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2024 under review.

The Audited Financial Statements of the Company for the year ended 31st March 2024 and the Report of the Auditor have not been provided due to pending finalization by the Auditor General's Department. Upon finalization the Audited Financial Statements for the year ended 31st March 2024 and the Report of the Auditor will be circulated among the shareholders for adoption by convening an Extraordinary General Meeting.

Summarised Financial Position:

The summarized financial position is as follows:

Table – 18

For the Year Ended 31st March	2024 Rs.	2023 Rs.
Revenue	1,802,165,017	2,635,413,672.26
Cost of Sales	1,747,661,088.10	(2,285,165,803)
Gross Profit	**154,503,929.21**	**350,247,869**
Other Operating Income	49,849:950.33	60.406,357
Profit Before Operating Expenses	**104,353,879.54**	**410,654,226**
Administration Expenses	(63,425,440.50)	(72,369,962)
Selling & Distribution Expenses	(4,031,338.74)	(1,237,181)
Profit from Opera ting Activities	**36,897,100.30**	**337,047,082**
Finance Income	32,494,111.89	19,694,965
Finance Expenses		(9,754,534)
Net Finance Income	**32,494,111.89**	**9,940,431**
Net Profit Before Taxation	**69,391,212.19**	**346,987,513**
Taxation	(13,816,704.98)	(126,186,738)
Net Profit After Taxation	**55,574,507.21**	**220,800,775**
Earnings Per Share	12.06	48
Statement of other Comprehensive Income		
Net Profit After Taxation	55,574,507.21	220,800,775
Revaluation of Property plant & Equipment	34,400,000.00	32,052,654
Actuarial Gain/(Losses) on Retirement Benefits	1,427,352.00	725,235
Deferred Tax Gain/ (Loss)	(10,748,205.60)	(9,833,367)
Total Comprehensive Income for the year	**80,653,653,61**	**243,745,298**

Director's Report

Financial Statements

The Financial Statements of the Company are given in pages 52 to 73.

Accounting Policies

The accounting Policies adopted in the preparation of Financial Statements are given on pages 56 to 59. There were no material changes in the Accounting Policies adopted.

Directors' Remuneration and Other Benefits

Directors' remuneration for the financial year ended 31st March 2024 is given in the Notes to the financial statements.

Audit Committee Members who Tendered Resignation after the Financial Year

Ms. J. A. T. D.S. Kumara – Chairperson
(Resigned w.e.f. 17th July 2023)

Mr. J. Wijesinghe
(Resigned w.e.f. 01st March 2024)

Ms. D. M. M. Dissanayake

Mr. B. A. T. Rodrigo
(Appointed w.e.f. 07th August 2023)

Present Audit Committee Members

Mr. R. A. S. K. Ranasinghe

Mrs. D. M. M. Dissanayaka

Mr. A. A. Wilson

Directors who Tendered Resignation within the Financial Year

Ms. J. A. T. D.S. Kumara
(Resigned w.e.f. 07th August 2023)

Mr. W. A. K. B. T. K. Alwis
(Resigned with effect from 01st March 2024)

Mr. D. U. Abeysundara
(Resigned with effect from 01st March 2024)

Mr. J. Wijesinghe
(Resigned with effect from 01st March 2024)

Directors Appointed within the Financial Year

Mr. B. A. T. Rodrigo
(Appointed to the Board on 07th August 2023)

Mr. W. G. R. D. Wimalarathne
(Appointed to the Board on 01st March 2024)

Mr. D. S. M. Jayasekera
(Appointed to the Board on 01st March 2024)

Mr. R. H. S. T. Samaratunga
(Appointed to the Board on 01st March 20240

Present Directors

Mr. S. S. Samarasinghe – Chairman

Mr. R. A. S. K. Ranasinghe

Mrs. D. M. M. Dissanayaka

Mr. L. K. Kodippili

Mr. K. K. S. Malwaththa

Mr. A. A. Wilson

Mr. P. D. S. A.Gunasekara

Mr. W. G. R. D. Wimalarathne

Auditors

The accounts for the year under review were·audited by the Auditor General who have offered themselves for re-appointment. In accordance with the Companies Act No. 7 of 2007 a resolution relating to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

The Auditors were paid Rs. 700,000.00 as audit fees by the Company.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

By Order of the Board

Director Director Secretaries

Colombo, 11th April 2025

Audit Committee Report

In accordance with Guideline on Corporate Governance for State Owned Enterprises issued by the Department of Public Enterprises, Audit Committee consists of three non-executive directors and chaired by the treasury representative.

As per the guideline, the Audit Committee should assist the Board of Directors in ensuring that financial reporting complies with relevant Sri Lanka Accounting Standards and other applicable legal requirements by continuously reviewing and monitoring compliance with all relevant rules, regulations, and government circulars. Also, Audit Committee is responsible to make recommendations to the Board by reviewing the internal control system and the reports from internal and external audits, and COPE recommendations; enabling the Board in taking corrective actions.

Committee Meetings

The Committee convened four times in the year under review, with all members present, and examined the procedure for evaluating the efficacy of the internal control system in providing an acceptable level of assurance for the safeguard of assets.

Table – 19

Name of the Committee Member	10th July 2023	17th October 2023	13th December 2023
Mr. B. A. T. Rodrigo (Alternate Member to Ms. J. A. T. D. S. Kumara)	×	×	✓
Ms. J. A. T. D. S. Kumara	✓	✓	×
Ms. D. M. M. Dissanayake	✓	✓	✓
Mr. J. Wijesinghe	✓	✓	✓

Attendance by Invitation

Chairman, Managing Director, Finance Manager, and Internal Audit officer attended the meetings by invitation. The Assistant Auditor General representing the National Audit office, Internal Auditor of the Ministry of Plantation Industries participated for the meetings as observers.

Activities of the Committee During the Year

Examined the annual financial statements of the company.

Reviewed the internal audit reports, along with the corresponding responses of relevant parties.

Reviewed the answers prepared to submit for the Audit Queries raised by the National Audit Office relevant to the year and made suitable recommendations.

Reviewed and discussed the reports relating to disciplinary actions, factory operations, and information system.

Recommended necessary risk mitigation strategies, necessary controls, and internal control monitoring mechanisms to improve the business operations.

The Audit Committee concludes that terms of reference of the Committee covered the subjects in all material aspects.

Audit Committee Members

B. A. T. Rodrigo: Chairman – Director, Kalubowitiyana Tea Factory Limited/Additional Director General, Department of Public Enterprises

J. A. T. D. S. Kumara: Director, Kalubowitiyana Tea Factory Limited/ Assistant Director, Department of Public Enterprises

D. M. M. Dissanayake: Member – Director, Kalubowitiyana Tea Factory Limited/Chief Accountant, Ministry of Plantations Industries

J. Wijesinghe: Member – Director, Kalubowitiyana Tea Factory Limited

Financial Reports

48 Independent Auditor’s Report

52 Statement of Profit/(Loss) and Other Comprehensive Income

53 Statement of Financial Position

54 Statement of Changes in Equity

55 Statement of Cash Flows

56 Notes to the Financial Statements

74 Ten-Year Summary

Auditor's Report

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No.	PAL/D/KTFL/FS/01/2023/2024/04	ඔබේ අංකය உமது இல. Your No.		දිනය திகதி Date	20th March 2025

Chairman
Kalubovitiyana Tea Factory Limited

Auditor General's report in terms of Section 12 of the National Audit Act No. 19 of 2018 on the financial statements and other legal and regulatory requirements for the year ended 31st March 2024 of Kalubovitiyana Tea Factory Limited.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statement of Kalubovitiyana Tea Factory Limited ("Company") for the year ended 31st March 2024 comprising the statement of financial position as at 31st March 2024 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007. This report will be tabled in Parliament in pursuance of provisions in Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the section on the basis for the qualified opinion in my report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2024, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Qualified Opinion

(a) In terms of paragraph 32 of Sri Lanka Accounting Standard 01, though an entity shall not offset assets and liabilities or income and expenses unless required or permitted by a Standard, the Company had offset payable expenditure and advances and pre-payments against each other and accounted Rs. 22,488,718 as a receivable balance under current assets in the financial statement.

(b) Since the returned stocks and stock shortages totaling Rs. 1,490,504 at the end of the year under review had been included in the trade debtor balance of the Company, the debtors had been overstated by that amount.

(c) Since Rs. 2,833,151 incurred on finished tea packing material printing design had been accounted as expenditure in advance without being identified as an asset under the property, plant and equipment, the current assets had been overestimated and the value of property, plant and equipment had been underestimated by that amount.

(d) Having identified 5,228 kilograms of tea to the value of approximately Rs. 8,243,040 included in the finished tea stock of Derangala Tea Factory as refuse tea, action had been taken to remove it from the fished tea stock in December 2024 and since it was observed as per the audit evidence existed that this stock of refuse tea was included in the finished tea stock ended on 31st March 2024, the accuracy of the finished tea stock of Derangala Tea Factory to the value of Rs. 31,593,130 reported in financial statements remained doubtful.

(e) Though the Company did not have an accounting policy on the allocation of bad and doubtful debt, allocations for bad and doubtful debt of Rs. 1,846,032 had been disclosed in the financial statements and the balance of that account had remained unchanged for a period of over 02 years.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.
No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 | +94 11 2 88 72 23 | ag@auditorgeneral.gov.lk | www.auditorgeneral.gov.lk

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE
NAOSL

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information contained in the Annual Report 2023-24 of the Company

Other information means information, though included in the Annual Report 2023-24 of the Company which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion on it.

My responsibility in relation to my audit on financial statements is to read other information whenever available and to consider whether there are material inconsistencies between the financial statements or my knowledge gained otherwise and other information in doing so.

In reading the annual report 2023-24 of the Company, if I concluded that there are material misstatements, such matters shall be communicated to those charged with management. If there still are misstatements which have not been corrected, they will be included in the report to be tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

1.5 Auditor's Responsibility in Auditing Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Auditor's Report

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause to cease to continue as a going concern.
- Evaluate the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

2. Report on other legal and regulatory requirements

2.1 Special provisions are included in respect of the following requirements in the National Audit Act No. 19 of 2018 and the Companies Act No. 7 of 2007.

2.1.1 In terms of the requirements of section 162(2) (d) of the Companies Act No. 7 of 2007 and section 12 (a) of the National Audit Act No. 19 of 2018, except for the effects of the matters described in the section on the 'Basis for the Qualified Opinion' of this report, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Company had maintained proper financial reports.

2.1.2 'The financial statements of the Company are in compliance with the requirements indicated in section 151 of the Companies Act No. 7 of 2007.

2.1.3 In terms of the requirement indicated in Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements presented by the Company are consistent with the preceding year.

2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements did not come to my attention.

2.2.4 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Company has any interest, direct or otherwise, outside normal business status in any contract entered into by the Company.

2.2.5 In terms of the requirement of section 12 (f) of the National Audit Act No. 19 of 2018, other than the following observations, whether the Company has not complied with any applicable written law, or other general or special directions issued by the governing body of the Company;

Table – 20

Reference to Laws, Rules, Regulations, etc.	Observations
(a) Paragraph 3 of Public Enterprises Circular 01/2021 dated 16 November 2021	Approval had not been secured for an operational manual on the operational process and controls including human resources management of the Company.
(b) Circular No.257/2022 dated 13 June 2022	Though action had been taken to designate 4,460 kilograms of tea to the value of Rs. 5,358,333 as refuse tea which had not reached the required standard to be released to the tea auction or local market and had been included in the finished tea stock of the factory after the year-end physical tea stock verification of Manikdiwela Tea Factory and remove same from the final finished tea stock, action had not been taken to report it to the audit committee and the Board of Directors and obtain the required approvals.
(C) Paragraph (i) of Circular No.239/2022 dated 18 February 2022	Though Assistant Manager (Marketing) and Manager (Finance) are responsible for the speedy recovery of unpaid money for sales of over 30, 60 and 90 days carried out by the tea sales outlet, Rs. 1,837, 152 receivable from the sale of tea packets exceeding one year had not been recovered even by the date of the audit.

Auditor's Report

1.1.1 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the Company has not performed according to its powers, functions and duties, except for the following observations.

1.1.2 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

2.3 Other Matters

(a) Though 15 illegal occupants have been residing at a 0.802 hectare extent of the 4.075 hectare land on which the Kalubowitiyana Tea Factory is located during the period from 1989 and 1996, the Company had failed to evict them and settle the land even by the end of the year under review.

(b) Hiniduma Hills and Menikdiwela tea factories founded under the Tea Shakthi Fund were transferred to the Kalubovitiyana Tea Factory Limited for operational activities in the years 2012 an 2015 respectively and Company had also granted a loan of Rs. 50 million to the Tea Shakthi Fund on 19 March 2019. Though approval had been granted in terms of Cabinet decision No: CP/19/0743/117/024 and dated 19th March 2019 for the lawful acquisition of the ownership of these two factories to the company in lieu of the said capital sum and the interest thereon, the lawful ownership of the said factories had not been acquired even by the end of the year under review.

(c) Though the Company received Rs. 18,204,900 as government grants in the year 2021 for the adoption of new technology in factories, since the introduction of new technology for the sharpening of CTC cutters and the purchase and installation of 02 machines for grading CTC tea, out of the approved procurement activities, had not been completed even by 31st March 2024, grants amounting to Rs. 7,620,900 remained unspent at the company.

(d) Kalubowitiyana Tea Factory had posted a profit of Rs. 146.05 million during the year under review, which was a decline of 60% when compared with the profit of Rs. 360.73 million recorded last year. Hiniduma Hills Tea Factory too had recorded losses amounting to Rs. 39.89 million as against the profitability of Rs. 1.33 million last year and Derangala and Manikdiwela factories and Battaramulla sales outlet too had recorded losses of Rs. 24.15 million, Rs. 35.22 million and Rs. 1.27 million respectively. This decline was occasioned by the drop in selling prices of tea, increase in the production cost and the decrease in finished tea due to falling standards of green leaf.

(e) Though the production capacity of Kalubowitiyana, Derangala, Hinduma Hills and Manikdiwela tea factories is 1,440,000 kgs, 576,000 kgs, 516,000 kgs and 300,000 kgs respectively, as a result of the finished tea production respectively being 858,881 kgs, 208,325 kgs, 109,986 kgs and 174,545 kgs during the year under review, the underutilization of capacity of those factories had been as high as 40 to 79 percent.

W.P.C. Wickremaratne
Auditor General

Kalubowitiyana Tea Factory Limited Statement of Profit/(Loss) and Other Comprehensive Income

Table – 21

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
Revenue	03	1,802,165,017.30	2,635,413,672
Cost of Sales	04	(1,747,661,088.10)	(2,285,165,803)
Gross Profit		**54,503,929.21**	**350,247,869**
Other Operating Income	05	49,849,950.33	60,406,357
Profit Before Operating Expenses		**104,353,879.54**	**410,654,226**
Administration Expenses	06	(63,425,440.50)	(72,369,962)
Selling & Distribution Expenses	07	(4,031,338.74)	(1,237,181)
Profit From Operating Activities		**36,897,100.30**	**337,047,082**
Finance Income	08.1	32,494,111.89	19,694,965
Finance Expenses	08.2	-	(9,754,534)
Net Finance Income		32,494,111.89	9,940,431
Net Profit Before Taxation		**69,391,212.19**	**346,987,513**
Taxation	09	(13,816,704.98)	(126,186,738)
Net Profit After Taxation		**55,574,507.21**	**220,800,775**
Earnings Per Share	10.1	12.06	48
Net Profit After Taxation		55,574,507.21	220,800,775
Revaluation of Property plant & Equipment		34,400,000.00	32,052,654
Actuarial Gain/(Losses) on Retirement Benefits		1,427,352.00	725,235
Deferred Tax Gain/(Loss)		(10,748,205.60)	(9,833,367)
Total Comprehensive Income for the year		**80,653,653.61**	**243,745,298**

Notes on pages 56 to 73 form an integral part of these Financial Statements.

Kalubowitiyana Tea Factory Limited
Statement of Financial Position

Table – 22

As at 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
ASSETS			
Non Current Assets			
Property Plant & Equipment	11	468,143,152.61	455,278,832
Biological Assets	12	11,898,705.50	9,496,407
Receivable From BCC Lanka Limited		-	51,574,327
Total Non Current Assets		**480,041,858.11**	**516,349,566**
Current Assets			
Inventories	13	252,295,140.14	329,654,978
Trade & other Receivables	14	104,382,529.98	84,256,245
Short Term Investment	15	322,783,887.06	106,603,104
Cash & Cash Equivalents	16	(5,539,275.65)	167,631,145
Total Current Assets		**691,268,902.22**	**688,145,471**
TOTAL ASSETS		**1,171,310,760.33**	**1,204,495,037**
Equity & Liabilities			
Equity			
Stated Capital	17	46,375,070.00	46,375,070
Grant – General Treasury	18	15,558,800.00	16,881,850
Reserves	18	839,423,507.31	821,703,707
Total Equity		**901,357,377.31**	**884,960,627**
Non Current Liabilities			
Retirement Benefit Obligation	19	26,036,956.17	24,165,506
Deferred Tax Liability	21	97,825,882.81	106,580,129
Total Non Current Liabilities		**123,862,838.98**	**130,745,635**
Current Liabilities			
Trade and Other Payables	20	117,897,943.68	114,449,764
Income Tax Payable	22	28,192,600.36	74,339,010
Total Current Liabilities		**146,090,544.04**	**188,788,774**
TOTAL EQUITY & LIABILITIES		**1,171,310,760.33**	**1,204,495,037**

Notes on pages 56 to 73 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.

Managing Director **Manager Finance**

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

Signed on behalf of the Board of Directors.

Chairman **Director**

31st May 2024

Kalubowitiyana Tea Factory Limited
Statement of Changes in Equity

Table – 23

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Stated Capital Rs.	General Treasury Rs.	Capital Reserves Rs.	Retained Profit Rs.	Total Rs.
Balance As At 31st March 2022	**46,375,070.00**	**18,204,900.00**	**600,000.00**	**578,359,685.85**	**643,539,655.85**
Net Profit for The Year	-	-	-	220,800,775.34	220,800,775.34
Write off – ISO expenditure of year 2017				(559,009.00)	(559,009.00)
Interest income of Saving accounts of year 2021/22				500,725.00	500,725.00
Opening Stock adjustment				(942,992.00)	(942,992.00)
Other Comprehensive Income				22,944,522.26	22,944,522.26
Amortization of Grant		- 1,323,050.00			(1,323,050.00)
Balance As At 31st March 2023	**46,375,070.00**	**16,881,850.00**	**600,000.00**	**821,103,707.45**	**884,960,627.45**
Net Profit for The Year				55,574,507.21	55,574,507.21
Other Comprehensive Income				25,079,146.40	25,079,146.40
Amortization of Grant		(1,323,050.00)			(1,323,050.00)
Dividend Paid				(30,000,000.00)	(30,000,000.00)
Write off receivable interest from BCC Lanka				(31,574,327.25)	(31,574,327.25)
Recognized receivable rent advance as expenditure				(320,126.50)	(320,126.50)
Recognized payable rent for previous years				(1,039,400.00)	(1,039,400.00)
Balance As At 31st March 2024	**46,375,070.00**	**15,558,800.00**	**600,000.00**	**838,823,507.31**	**901,357,377.31**

Notes on pages 56 to 73 form an integral part of these Financial Statements.

Kalubowitiyana Tea Factory Limited
Statement of Cash Flows

Table – 24

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
Cash From Operating Activities			
Net Profit/(Loss) Before Taxation		69,391,212	346,987,513
Adjustments For:			
Payable written back			(3,749,122)
Depreciation		52,419,731	49,632,166
Provision For Retirement Benefit Costs		5,007,227	5,866,198
ESC Written Off			6,687,095
Interest Income		(32,494,112)	(19,694,965)
Depreciation of biological Assets		213,238	213,238
Bad and Doubtful Debts			2,159,572
Interest expenses			9,754,534
Grant Amortization		(1,323,050)	(1,323,050)
Prior year adjustment		(1,359,527)	(1,001,276)
Operating Profit/(Loss) Before Working Capital Changes		**91,854,720**	**395,531,904**
(Increase)/Decrease in Inventory		77,359,838	(155,622,737)
(Increase)/Decrease in Receivable From BCC Lanka Limited		20,000,000	9,544,015
(Increase)/Decrease in Trade & other receivables		(23,942,527)	23,411,453
Increase/(Decrease) in Trade & Other Payables		(13,898,441)	(7,855,604)
Cash Generated From/(Used in) Operations		**151,373,590**	**265,009,035**
Gratuity Paid		3,135,759	(4,813,216)
Tax Paid		77,600,346	(11,962)
Interest paid			(9,754,534)
Net Cash From/(Used in) Operating Activities		**70,637,484**	**236,574,294**
Cash Flows From/(Used in) Investing Activities			
Acquisition of Property, Plant & Equipment		28,166,158	(15,756,697)
Investment in capital work in progress			1,830,667
Acquisition of Biological assets		(2,615,536)	(2,194,569)
Interest Received		36,338,358	19,739,705
Net Changes In Financial Assets		(216,180,784)	3,785,549
Net Cash From/(Used in) Investing Activities		**213,342,014**	**7,404,656**
Net Cash From/(Used in) Finance Activities			
Repayment of loans & borrowings			(6,027,778)
Dividend paid to Treasury		(30,000,000)	
Net Cash Flows From/(Used in) Finance Activities		**(30,000,000)**	**(6,027,778)**
Net Increase/(Decrease) in Cash & Cash Equivalents		172,704,530	237,951,171
Cash & Cash Equivalents at the beginning of the Year		167,165,254	(70,785,917)
Cash & Cash Equivalents at the end of the Year	16	**5,539,275**	**167,165,254**

Notes to the Financial Statements – Accounting Policies

For the year ended 31st March 2024

01. Reporting Entity

1.1 Corporate Information

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

The registered office of the Company is located at No. 53, Rathnayaka Mawatha, 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 31st March 2024. The Directors are responsible for preparing and presenting these financial statements.

The Directors of the Company as at 31st March 2024 were,

Mr. B. K. Aminda Umesh Rodrigo – (Chairman)

Mrs. B. A. Thushara Rodrigo

Mrs. D. M. M. Dissanayake

Mr . S. A. B. Herath

Mr. R. C. D. Jayawardena

Mr. W. G. Rakitha Dayan Wimalarathna

Mr. D. S. M. Jayasekara

Mr. R. H. Sadun Tissa Samarathunga

1.4 Company Secretaries

P R Secretarial Services (Pvt) Ltd
59, Gregory's Road,
Colombo 07.

1.5 Registered Office

No. 53,
Rathnayaka Mawatha,
Pelawatta,
Battaramulla.

1.6 Auditors

Auditor General
National Audit Office
No. 306/72,
Polduwa Road,
Battaramulla.

1.7 Date of Authorization for Issuing Financial Statements.

The financial statements of Kalubowitiyana Tea Factory Ltd, for the year ended 31st March 2024 were authorized for issue by the directors on 07th February 2025.

02. 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 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.

2.4 Valuation of Assets & Their Bases of Measurement

2.4.1 Property, Plant & Equipment

Property, plant and equipment are stated at cost or fair value less 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.

(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:

Table – 25

Asset Category	Years
Buildings	20
Water & Electricity	20
Motor Vehicles	4
Plant & Machinery	8
Equipment	8
Furniture & Fittings	8
Computer Equipment	8
Roads	10
Others	8
Biological Assets (Tea)	30

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.

2.4.2 Biological Assets

The entity recognizes the biological assets, on cost basis. Biological asset of the company comprise of the tea bushes in Kalubowitiyana & Derangala Factories. The Company recognizes Plants up to 3 years as immature and Tea bushes more than 3 years as matured.

2.4.3 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.

For the purpose of classification of financial assets the assessment of the company's financial asset was made as of the date of initial application, 1 April 2020, and then applied retrospectively to those financial assets that were not derecognized before 1 April 2020. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of SLFRS 9 did not have a material impact on the company's results and financial position, therefore the company has not restated comparative information for prior periods.

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

- Loans and receivables
- Cash and cash equivalents

Notes to the Financial Statements – Accounting Policies

For the year ended 31st March 2024

(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.

(c) 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.

2.4.4 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.

2.4.5 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.

2.5 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.

2.5.1 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 actuarial valuation.

The key assumptions used in determining the retirement benefit obligations include the followings:

Disability: 10% of the Mortality Table

Staff Turnover Rates: 1.00% across the board up to age 54 and thereafter zero

Normal Retirement Age: 60 years (The employee who are aged over the specified retirement age have been assumed to retire on their respective next birthday)

Rate of Discount: 18.00% p.a.

Salary Escalation Rates: Basic Salary: Staff: 13.00% p.a.; Increments are due every year in the Month specified in the data.

Basic Salary: Daily paid workers: 13.00% p.a.; with next increment due in April 2021.

Allowances: N/A

Retiring Gratuity Formula: Staff: Half month's Salary plus Allowances for each completed year of service for those with at least 5 years' service.

Daily paid workers: 14 days wages for each completed year of service for those with at least 5 years' service.

(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.

2.6 Statement of Comprehensive Income

2.6.1 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.

(c) Interest Income

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

(d) Other Income

Other income is recognized on an accrual basis.

2.6.2 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.

2.7 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.

2.8 Comparatives 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.

2.9 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.

Notes to the Financial Statements

For the year ended 31st March 2024

3. Revenue

Table – 26

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
Revenue	29.1		
Gross Sales		1,772,002,358.00	2,617,924,910
Less: Brokerage & Sales Expenses		(23,153,797.27)	(32,323,841)
		1,748,848,560.73	**2,585,601,069**
Add: Local Sales		53,316,456.57	49,812,603
Total		**1,802,165,017.30**	**2,635,413,672**

4. Cost of Sales

Table – 27

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
Cost of sales	29.2		
Green Leaf Purchases		1,290,637,114.08	2,004,613,541
Production Cost		283,854,699.05	277,928,669
Production Overheads		119,138,192.54	118,693,162
Cost of Manufacturing		**1,693,630,005.67**	**2,401,235,372**
Movement In Finished Goods			
Balance as at The Beginning of The Year		252,075,730.43	136,006,161
Balance as at The End of The Year		(198,044,648.00)	(252,075,730)
Cost of Sales		**1,747,661,088.10**	**2,285,165,803**

5. Other Income

Table – 28

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Refuse Tea Sales Income	13,744,592.61	32,279,293
Welfare Shops Profit/Loss	27,433,545.00	14,083,386
Tea Fields/Nurseries Profit/Loss	2,263,136.66	2,354,964
Other Sundry Incomes	5,085,626.06	6,616,542
Amortization of Grant	1,323,050.00	1,323,050
Written Back	-	3,749,122
Total	**49,849,950.33**	**60,406,357**

6. Administration Expenses

Table – 29

For the year ended 31st March Kalubowitiyana Tea Factory Limited	Note	2024 Rs.	2023 Rs.
Staff Cost	6.1	25,428,153.29	27,502,840
Traveling , Subsistence & Vehicle Hire	6.2	5,200,006.09	4,338,898
Maintenance Expenses – Equipment & Vehicles	6.3	8,375,290.21	9,404,063
Professional Fees	6.4	2,905,099.00	2,020,848
Insurance & License Fees	6.5	2,688,760.83	2,072,226
Printing Stationery & Postage	6.6	2,312,748.08	2,283,513
Other Administration Expenses	6.7	16,515,383.00	24,747,574
Total		**63,425,440.50**	**72,369,962**

Notes to the Financial Statements

For the year ended 31st March 2024

6.1 Staff Cost

Table – 30

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Staff Salaries	10,695,493.84	10,127,175
Gratuity	1,015,969.00	1,005,375
Allowances	6,181,574.78	5,395,310
Overtime & Holiday Payments	1,305,851.19	772,224
Employee's Provident Fund Contributions	2,324,694.98	3,876,534
Employee's Trust Fund Contributions	503,485.89	351,521
Bonus	1,677,800.00	1,575,250
Board Member Fees	737,500.00	910,430
Staff Welfare	883,783.61	1,319,944
Other Staff Cost	102,000.00	2,169,076
Total	**25,428,153.29**	**27,502,840**

6.2 Traveling, Subsistence and Vehicle Hire

Table – 31

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Traveling & Subsistence	1,585,038.80	1,455,373
Hire Charges	3,614,967.29	2,883,525
Total	**5,200,006.09**	**4,338,898**

6.3 Maintenance of Office Building, Equipment and Vehicles

Table – 32

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Office Building Maintenance	409,480.97	642,354
Office Equipment Maintenance	1,997,938.91	1,391,227
Motor Vehicles Maintenance	2,571,901.03	3,488,276
Vehicle Fuel Cost	3,395,969.30	3,882,206
Total	**8,375,290.21**	**9,404,063**

6.4 Professional Fees

Table – 33

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Audit Fee	700,000.00	700,000
Other Professional Fees	1,727,329.00	934,223
Secretarial Fees	477,770.00	386,625
Total	**2,905,099.00**	**2,020,848**

6.5 Insurance and Licence Fees

Table – 34

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Insurance & License Fees	161,906.57	62,416
Staff Insurance	2,526,854.26	2,009,810
Total	**2,688,760.83**	**2,072,226**

Notes to the Financial Statements

For the year ended 31st March 2024

6.6 Printing, Stationery & Postage

Table – 35

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Printing	428,890.00	418,875
Postage	113,442.90	74,352
Stationery	1,770,415.18	1,790,286
Total	**2,312,748.08**	**2,283,513**

6.7 Other Administration Expenses

Table – 36

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Legal Fees	1,148,790.00	814,658
Depreciation	4,200,716.10	3,832,106
Telephone	1,381,679.62	1,028,365
Newspapers & Periodicals	31,450.00	22,380
Rent	1,961,500.00	1,573,663
Electricity	2,613,520.80	1,789,376
News Paper Advertisements	1,211,465.78	456,733
Other Utilities & Services	1,857,166.29	1,048,718
Supplies & Requisitions - Others	957,235.56	551,700
Staff Training	548,941.74	127,975
Stamp Duty	16,150.00	16,570
MIS fee	300,000.00	300,000
Bank Charges	286,767.11	1,091,834
Written off WHT/ESC (Please see the foot note)	-	6,687,095
Doubtful Debts & Inventories (Please see the foot note)	-	2,159,572
Surcharge (Please see the foot note)	-	1,110,830
Factory Lease Rental (Please see the foot note)	-	2,136,000
Total	**16,515,383.00**	**24,747,574**

7. Selling & Distribution Expenses

Table – 37

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Trade Fair & Exhibition	2,696,479.73	-
Meeting Expenses	951,519.01	835,736
Registration Fees	58,340.00	33,150
Promotional Expenses	325,000.00	368,295
Total	**4,031,338.74**	**1,237,181**

8. Net Finance Income

8.1 Finance Income

Table – 38

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Fixed Deposit Interest	21,205,820.50	18,658,485
Treasury Bill Interest	28,841.50	-
Staff Loan Interest	314,193.50	21,451
Savings Account Interest	10,945,256.39	559,044
BCC Lanka Limited Loan Interest	-	455,985
Total	**32,494,111.89**	**19,694,965**

Notes to the Financial Statements

For the year ended 31st March 2024

8.2 Finance Expenses

Table – 39

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Overdraft Interest	-	4,409,414
Bank Loan Interest	-	119,270
Short Term Loan Interest	-	5,225,851
Total	**-**	**9,754,534**
Net Finance Income	**32,494,111.89**	**9,940,431**

9. Taxation

The Company in terms of section 48 (A) of the Inland Revenue Act No 10 of 2006 as amended by the amendment Act No. 22 of 2011, profits & Income from agricultural undertaking referred to in section 16 of the Inland Revenue Act is liable at the rate of 14% and 30% as per the first schedule to this Act. Other profits are liable at normal rates.

9.1 Current Tax Expenses

Table – 40

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Current Year	-	-
Under/(Over) provisions of Income tax in previous year	-	-
	-	**-**

9.2 Reconciliation between Accounting profit to Income Tax

Table – 41

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Accounting Profit/(loss) before Taxation	69,391,212.19	346,987,513
Income from other sources & exempt Income	(21,234,662.00)	62,449,856
Aggregate Disallowable Items	31,360,059.00	(74,690,643)
Adjusted Profit/Loss) from the Business	**79,516,609.19**	**334,746,726**
Income from other sources	44,098,560.81	-
Total Statutory Income	**123,615,170.00**	
Sec 32 Deductions	-	-
Qualifying payments		
Taxable Income	**123,615,170.00**	**-**
Tax on Agricultural Activities 14%		23,432,271
Tax on Agricultural Activities 30%	33,319,156.58	50,212,009
Tax on Other Income 30%	-	-
Deemed Dividend Tax	-	-
Deferred Tax Expenses		
Deferred Tax Charged/(Reversal)	(19,502,451.60)	51,835,765
Total Tax Expense	**13,816,704.98**	**125,480,045**

Notes to the Financial Statements

For the year ended 31st March 2024

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:

Table – 42

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Net Profit For The Year	55,574,507.21	220,800,775
Weighted Average Number Of Shares	4,637,507.00	4,637,507
Basic Earnings Per Share	11.98	47.61

10.2 Dividend Per Share

Table – 43

For the year ended 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Dividend For The Year	30,000,000.00	-
Number of Shares	4,637,507.00	4,637,507
Dividend Per Share	6.47	-

11. Property, Plant & Equipment

	Free Hold Land Rs.	Buildings Rs.	Plant & Machinery Rs.	Factory Equipment Rs.
Cost				
Cost As At 01st April 2023	**23,600,000.00**	**265,944,471.84**	**156,931,849.38**	**8,803,035.14**
Additions	34,400,000.00	5,439,191.76	15,859,900.02	54,078.75
Surplus on revaluation				
Disposals	-	-	-	-
Transfer	-	-		-
Cost As At 31st March 2024	**58,000,000.00**	**271,383,663.60**	**172,791,749.40**	**8,857,113.89**
Accumulated Depreciation				
Accumulated Depreciation As At 01st April 2023	**-**	**17,708,857.81**	**20,601,770.64**	**1,859,117.14**
Current Year Depreciation		17,835,093.59	21,955,587.30	1,859,680.46
Disposals	-	-	-	-
Accumulated Depreciation As At 31st March 2024	-	35,543,951.40	42,557,357.94	3,718,797.60
Net Book Value As At 31st March 2024	**58,000,000.00**	**235,839,712.20**	**130,234,391.46**	**5,138,316.29**

Notes to the Financial Statements

For the year ended 31st March 2024

Table – 44

	Computer Equipment Rs.	Office Equipment Rs.	Furniture & Fittings Rs.	Tools Rs.	Motor Vehicles Rs.	Other Rs.	Total Rs.
	7,068,317.82	**754,132.62**	**4,458,383.53**	**321,548.49**	**21,770,000.20**	**12,982,853.66**	**502,634,592.68**
	1,956,550.00	230,440.50	1,044,929.51		-	3,581,067.15	62,566,157.69
							-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	9,024,867.82	**984,573.12**	**5,503,313.04**	**321,548.49**	**21,770,000.20**	**16,563,920.81**	**565,200,750.37**
	1,112,750.69	**188,156.43**	**942,850.23**	**76,262.12**	**5,442,500.08**	**1,699,901.00**	**49,632,166.14**
	1,444,037.41	215,765.19	1,072,316.35	78,324.62	5,442,500.08	2,516,426.28	52,419,731.28
	-	-	-		-	-	-
	2,556,788.10	403,921.62	2,015,166.58	154,586.74	10,885,000.16	4,216,327.28	102,051,897.42
	6,468,079.72	**580,651.50**	**3,488,146.46**	**166,961.75**	**10,885,000.04**	**12,347,593.53**	**463,148,852.95**

Notes to the Financial Statements

For the year ended 31st March 2024

12. Biological Assets

Table – 45

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
At The Beginning of the Year (Note 12.1)	9,496,407.44	7,515,076
Additions During The Year	2,615,535.62	2,194,569
Current Year Depreciation	-213,237.56	(213,238)
At the end of the Year	**11,898,705.5**	**9,496,407**

12.1 Biological Asset

Table – 46

	Immature Plantation	Mature Plantation	Total
Cost			
Cost As At 01st April 2023	**3,716,041.07**	**6,397,126.79**	**10,113,167.86**
Additions	2,615,535.62		2,615,535.62
Disposals			-
Transfer		-	-
Cost As At 31st March 2024	**6,331,576.69**	**6,397,126.79**	**12,728,703.48**
Accumulated Depreciation			
Accumulated Depreciation As At 01st April 2023		**616,760.42**	**616,760.42**
Current Year Depreciation		213,237.56	213,237.56
Disposals	-	-	-
Accumulated Depreciation As At 31st March 2024	**-**	**829,997.98**	**829,997.98**
Net Book Value As At 31st March 2024	**6,331,576.69**	**5,567,128.81**	**11,898,705.50**

NOTE: During the year the company revalued its land. The revaluation was conducted by government professional valuer base on market price. The increase in the revalued amount of assets has been credited to the revaluation reserve under equity. The carrying amount of land before revaluation was Rs. 23,600,000.00. After the revaluation, the carrying amount increased to Rs. 58,000,000.00. The revaluation resulted in a surplus of Rs. 34,400,000.00 which has been recognized in other comprehensive income.

13. Inventories

Table – 47

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Food & Beverages	12,031,371.65	27,750,771
Finished Goods	199,425,359.65	256,508,740
Consumables Stocks	673,531.95	944,082
General & Other	40,164,876.89	44,451,384
Total	**252,295,140.14**	**329,654,978**

14. Trade & Other Receivables

Table – 48

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Trade Debtors	44,584,438.32	51,077,392
Staff Debtors	10,832,429.26	1,587,022
Deposits	2,726,500.00	4,608,124
Pre payments & Other Receivables	46,611,085.46	28,802,480
Non Moving Balances	1,474,108.70	27,259
	123,575,182.43	**86,102,277**
Less: Provision For Bad Debts	(1,846,031.76)	(1,846,032)
Total	**104,382,529.98**	**84,256,245**

Notes to the Financial Statements

For the year ended 31st March 2024

15. Short Term Investment

Table – 49

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Treasury Bills	269,187.00	269,187
Fixed Deposits – People's Bank	124,360,820.60	98,144,794
Fixed Deposits (Gratuity Investment) – People's Bank	7,364,122.91	7,364,123
Short Term Investments – Money Market	189,664,756.55	
Short Term Investments – ISA	1,125,000.00	825,000
Total	**322,783,887.06**	**106,603,104**

16. Cash & Cash Equivalents

Table – 50

As at 31st March Kalubowitiyana Tea Factory Limited		2024 Rs.	2023 Rs.
People's Bank	Account No. 204100140084885 – Headquarters	-	23,000
People's Bank	Account No. 204100130084961 – Headquarters	-	25,000
People's Bank	Account No. 204100140084911 – Headquarters	32,475.00	2,080,178
People's Bank	Account No. 060100110000681 – Morawaka	2,200.00	38,400
People's Bank	Account No. 060100100000592 – Morawaka	15,000.00	15,000
Bank of Ceylon	Account No. 0006065711 – Neluwa	15,591.55	92
Bank of Ceylon	Account No. 75958665 – Pelawatta	24,000.00	25,000
Bank of Ceylon	Account No. 205604 – Thawalama	15,000.00	15,000
People's Bank	Account No. 256100110021039 – Pilimathalawa	-	-
People's Bank	Account No. 208100100084885 – Battaramulla	(6,900,431.65)	155,351,001
Savings Accounts – People's Bank		-	9,542,597
Cash In Hand		-	-
Cash In Transit		1,256,889.45	515,877
Total		**(5,539,275.65)**	**167,631,145**

17. Stated Capital

Table – 51

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Issued & Fully Paid		
4,637,507 Numbers Ordinary Shares	46,375,070.00	46,375,070
Total	**46,375,070.00**	**46,375,070**

18. Reserves

Table – 52

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Grant – General Treasury	-	-
Capital Reserves	600,000.00	600,000
Profit & Loss Account	838,823,507.3	821,103,707
Total	**839,423,507.31**	**821,703,707**

Notes to the Financial Statements

For the year ended 31st March 2024

19. Retirement Benefit Obligation

Table – 53

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Movement In The Present Value of Defined Benefit Obligation		
At The Beginning of The Year	24,165,506.17	23,837,759
Current Service cost	2,084,788.25	2,290,535
Interest Cost	4,349,791.18	3,575,664
Actuarial Gain/Loss	1,427,352.00	(725,235)
Prior Year Adjustments		
Payments During the Year – In Cash	3,135,759.00	(4,813,216)
– Payable		
At the End of the Year	**26,036,956.17**	**24,165,506**

20. Creditors & Accrued Charges

Table – 54

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Bought Leaf Suppliers	48,738,298.11	57,843,653
Trade Creditors	15,495,748.06	16,086,151
Service Contractors	2,721,069.60	4,515,986
Staff Creditors	3,572,449.66	4,779,769
Accrued Expenses	26,133,376.55	30,332,725
Unclaimed Balances	184,290.49	891,481
Other Credit Balances	3,706,090.54	-
Total	**100,551,322.99**	**114,449,764**

21. Deferred Tax Liability/(Asset)

Table – 55

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
At the Beginning of the Year	106,580,129.29	44,910,997
Transferred To/(from) Income Statement	-	51,835,765
Transferred To/(from) P&L	(8,754,246.48)	9,833,367
At the end of the Year	**97,825,882.81**	**106,580,129**

22. Income Tax Payable/Receivable

Table – 56

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Balance As At The Beginning of The Year	74,339,010.40	(6,687,095)
Provision For The Year	33,319,157.07	74,350,973
	107,658,167.47	**67,663,877**
Payments For The Previous Year	(74,327,048.12)	
Payments For The Year	(3,273,298.00)	
Gross		
	30,057,821.35	**67,663,877**
Tax Credits		
Economic Service Charge/WHT	-	6,687,095
With Holding Tax	(1,865,220.99)	(11,962)
Net Payable/(Receivable)	**28,192,600.36**	**74,339,010**

Notes to the Financial Statements

For the year ended 31st March 2024

23. Capital Commitments

There is no Capital expenditure commitment at the balance sheet date.

24. Contingencies

Pending Legal Cases

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

(ii) The Company has filed a appeal case at High Court Matara (HC/AP/232/19) against the decision of Mr. L. S. Wijayamanna's Case no. LT/KP/34/19/07 given by the Kotapola Labour Tribunal

(iii) The Company has filed a appeal case at High Court Matara (HC/72/23/APPL) against the decision of Mr. H. C. L. P. Heendeniya's Case No. LT/KP/34/06/2018 Decision given the Kotapola Labour Tribunal

(iv) A case has been filled (Case No. 5186/M) by Mr. H. P. S. Jeewaka Perera at District Court, Kaduwela against the Company for not paying the balance payment for the construction carried out at Manikdewela Tea Factory.

(v) A case has been filled (Case No. 5187/M) by Mr. Tamaring Tree (Pvt) Ltd at District Court, Kaduwela against the Company for not paying the balance payment for the construction carried out at Manikdewela Tea Factory.

(vi) A labour case has been filed (Case No. 01/Add/15/2022) by Mrs. H. N. I. Malkanthi at Baththaramulla Labour Tribunal against the Company pleading the courts her dismissal of service is unfair.

(vii) A labour case has been filed (Case No. 02/1205/2023) by Mr. T. W. M. S. P. Bandara at Borella Labour Tribunal against the Company pleading the courts his termination of service is unfair.

(viii) A labour case has been filed (Case No. LT/01/64/2022) by Mr. B. G. Nishantha (Hiniduma Hills Tea Factory) at Galle Labour Tribunal against the Company pleading the courts his dismissal of service is unfair.

(ix) A labour case has been filed (Case No. LT/06/03/2023) by Mrs. W. Gamini (Hiniduma Hills Tea Factory) at Galle Labour Tribunal against the Company pleading the courts her termination of service is unfair.

(x) A labour case has been filed (Case No. LT/KP/34/05/2022) by Mrs. Karawitage Vishad Kumara (Derangala Tea Factory) at Kotapola Labour Tribunal against the Company pleading the courts his dismissal of service is unfair.

(xi) Company has filed a case no. 8258/M at Kaduwela District Court against Dr. Samudra Tharangani Kathriarachchi for unsettlement of rent advance deposit which company has rented building at No. 556, Nagahamulla, Baththaramulla.

25. Events After The Reporting Date

None

Going Concern

Explanation Transition to SLFRS/LKAS

26. Related Party Disclosures

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

26.1 Transactions With Key Management Personnel (KMP)

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

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

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

26.1.2 No loans were given to KMPs during the Year.

26.1.3 The shareholdings of the KMPs together with their close family members

None

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

None

26.2 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.

26.3 Dealing with Subsidiaries, Associates & Joint Ventures

None

Notes to the Financial Statements

For the year ended 31st March 2024

27. Factory Segments

27.1 Sales

Table – 57

As at 31st March Kalubowitiyana Tea Factory Limited	Kalubowitiyana Factory Rs.	Derangala Factory Rs.	Hiniduma Hills Factory Rs.	Manikdiwela Factory Rs.	Sales Centre Rs.	Total Rs.
Gross Sales	1,234,264,276.28	271,881,329.20	152,309,252.52	113,547,500.00	-	1,772,002,358.00
Less: Brokerage & Sales Expenses	(15,227,157.57)	(3,874,547.80)	(2,201,639.36)	(1,850,452.54)	-	(23,153,797.27)
	1,219,037,118.71	**268,006,781.40**	**150,107,613.16**	**111,697,047.46**	**-**	**1,748,848,560.73**
Add/Less - Inter Factory Transaction						
Add: Local Sales	23,270,749.79	7,309,512.74	642,082.18	3,938,563.41	18,155,548.45	53,316,456.57
Total	**1,242,307,868.50**	**275,316,294.14**	**150,749,695.34**	**115,635,610.87**	**18,155,548.45**	**1,802,165,017.30**

27.2 Cost of Sales

Table – 58

As at 31st March Kalubowitiyana Tea Factory Limited	Kalubowitiyana Factory Rs.	Derangala Factory Rs.	Hiniduma Hills Factory Rs.	Manikdiwela Factory Rs.	Sales Centre Rs.	Total Rs.
Bought Leaf	845,295,247.22	232,967,648.25	111,430,353.68	100,943,864.93	-	1,290,637,114.08
Manufacturing Cost						
Production Cost	143,468,426.17	54,477,682.18	33,069,809.78	32,740,915.92	20,097,865.00	283,854,699.05
General Charges	49,676,070.02	31,593,130.30	21,595,347.26	16,273,644.96	-	119,138,192.54
	1,038,439,743.41	**319,038,460.73**	**166,095,510.72**	**149,958,425.81**	**20,097,865.00**	**1,693,630,005.67**
Add: Opening Stock	139,008,586.57	50,844,175.72	38,636,411.41	22,692,403.09	894,153.64	252,075,730.43
Less: Closing Stock	(81,191,587.93)	(70,408,656.36)	(23,086,556.02)	(21,794,359.51)	(1,563,488.18)	(198,044,648.00)
Total	**1,096,256,742.05**	**299,473,980.09**	**181,645,366.11**	**150,856,469.39**	**19,428,530.46**	**1,747,661,088.10**
Profit/(Loss)	146,051,126.45	(24,157,685.95)	(30,895,670.77)	(35,220,858.52)	(1,272,982.01)	54,503,929.21

Detailed Schedules to the Financial Statements

As at 31st March 2024

1. Trade & Other Receivables

1.1 Trade Debtors

Table – 59

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Bought Leaf Supplier Debts	1,158,856.44	1,167,768
Bought Leaf Transport Debts	456,539.05	174,771
Fertilizer Debtors	50,875.00	38,833
Accounts Payable	-	4,248,725
Trade Debtors	42,918,167.83	45,447,295
Sub Total	**44,584,438.32**	**51,077,392**

1 .2 Staff Debtors

Table – 60

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Checkroll Debts	3,189.25	16,080
Distress Loans	10,568,070.55	681,978
Festival Advances	7,000.00	613,000
Staff Debtors	251,769.46	273,564
Payee tax Receivable	2,400.00	2,400
Sub Total	**10,832,429.26**	**1,587,022**

1.3 Deposits

Table – 61

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Deposits Receivable	2,726,500.00	4,608,124
Sub Total	**2,726,500.00**	**4,608,124**

1.4 Prepayments & Other Receivables

Table – 62

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Accounts Receivable	22,488,718.27	-
FD Interest Receivable	13,375,202.61	17,191,445
Local Sale Receivable	45,561.00	-
Tea Packet Production	-	2,207,821
Tea Sales Centre	208,073.00	-
Sundry Abetment/Bank Remittance	-	145,152
Other Advances	-	370,180
Pre payments	5,938,490.44	4,173,405
Peper Planting Project	-	15,900
Ginger Planting Project	-	70,320
Banana Planting Project	-	92,820
Stamps	4,745.50	2,781
Sundry Debtors	3,889,961.04	3,300,904
Refuse Tea Suppliers	660,333.60	1,231,750
Sub Total	**46,611,085.46**	**28,802,478**

1.5 Non Moving Balances

Table – 63

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
T. G. Hemachandra	27,258.70	27,259
CIC Fertilizer	1,446,850.00	-
Sub Total	**1,474,108.70**	**27,259**

Detailed Schedules to the Financial Statements

As at 31st March 2024

1.6 Other Debit Balances

Table – 64

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Sundry Abetment/Bank Remittance	-	-
Sub Total	-	-
Grand Total	106,228,561.74	86,102,276
Provision For Bad & Doubtful Debts	- 1,846,031.76	(1,846,032)
Net Total	**104,382,529.98**	**84,256,245**

2. Creditors & Accrued Charges

2.1 Bought Leaf Creditors

Table – 65

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Bought Leaf Suppliers	48,738,298.11	57,843,653
Sub Total	**48,738,298.11**	**57,843,653**

2.2 Trade Creditors

Table – 66

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Bank Loan	1,000.00	1,000
Firewood Contractors	-	41,400
Helix Engineering	40,871.68	40,872
Jayasinghe & Company	- 34,000.00	106,000
Leaf Bags Spreading Contractor	86,345.72	
Rent Payable To BCC Lanka	750,000.00	750,000
Unpaid B'Leaf Suppliers	56,353.14	53,707
Retention Payable	70,000.04	70,000
Sundry Creditors	1,540,537.87	1,677,593
Other Suppliers	12,145,864.05	13,109,022
Trade Creditors	838,775.56	236,556
Thanuja Hardware	-	-
Sub Total	**15,495,748.06**	**16,086,150**

2.3 Service Contractor Payments

Table – 67

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Green Leaf Transport	2,721,069.60	4,515,986
Sub Total	**2,721,069.60**	**4,515,986**

2.4 Staff Creditors

Table – 68

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Check Roll/Casual Work	2,059,179.99	2,769,994
Provision For Holiday Wages	-	615,130
Salary Payable	776,679.59	313,092
Staff Overtime/Traveling	736,590.08	598,680
Provision for incentive bonus	-	-
Gratuity Payable	-	482,872
Sub Total	**3,572,449.66**	**4,779,768**

Detailed Schedules to the Financial Statements

As at 31st March 2024

2.5 Accrued Expenses

Table – 69

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Audit fee Payable	1,400,000.00	700,000
B'Leaf Supplier Deposits Payable	3,399,136.20	5,008,148
ACEW Union	600.00	1,100
CESU	20,906.00	18,406
Co. Operative Yatinuwara	84,099.53	84,100
Deposit Payable	373,650.00	241,650
Employees' Provident Fund	2,664,215.15	4,894,150
Employees' Trust Fund	403,793.84	239,385
CPPS	30,071.72	70,183
Holiday Payments	583,492.02	145,398
Tea Packet Production	-	210,311
Insurance	51,027.23	51,027
Laudgh Petrolium	76,230.00	169,851
Other Accrued Expenses	8,501,561.18	9,309,805
PAYE Surcharge	59,344.00	59,344
B/F Coins	-	(1,265)
Return Cheque	3,282,498.48	3,293,677
Stamp Duty Payeble	48,382.74	74,707
Ranmeer Holding	61,566.39	61,566
Tea Shakthi Fund	2,200.00	-
Other Staff Cost Payable	-	2,169,076
Land Reform Commission	3,659,250.00	1,888,000
Divisional Secretariat Yatinuwara	960,000.00	960,000
Paye Tax Payable	79,132.20	85,492
WHT Payable	35,400.00	35,400
Welfare Society	43,500.00	20,000
Randalu Welfare Society	297,919.87	271,270
Factory Welfare Society	15,400.00	271,941
Sub Total	**26,133,376.55**	**30,332,725**

2.6 Other Credits

Table – 70

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Balance Coins	(1,179.02)	
Provision for Incentive Bonus	923,000.00	
Gratuity Payable	1,224,902.80	
VAT Control	1,559,366.76	
Sub Total	**3,706,090.54**	**-**

2.7 Unclaimed Balances

Table – 71

As at 31st March Kalubowitiyana Tea Factory Limited	2024 Rs.	2023 Rs.
Checkroll Wages	125,556.94	144,171
Salaries & Wages	19,731.64	358,934
Staff Salaries	12,041.60	361,417
Bonus	26,960.31	26,960
Sub Total	**184,290.49**	**891,481**
Grand Total	**100,551,323.01**	**114,449,763**

Financial Highlights of Preceding Ten Years

	2023-24	2022-23	2021-22	2020-21
Net Sales	1,802,165,017.30	2,635,413,672.26	1,041,133,241.45	1,175,716,247.36
Cost of Sales	(1,747,661,088.10)	(2,285,165,803.52)	(1,026,129,751.47)	(1,158,860,303.57)
Gross Profit	**54,503,929.20**	**350,247,868.74**	**15,003,489.98**	**16,855,943.79**
Other Income	49,849,950.33	60,406,357.00	20,003,552.09	26,749,129.73
Profit Before Operating Expenses	**104,353,879.53**	**410,654,225.74**	**35,007,042.07**	**43,605,073.52**
Administration Expenses				
Selling & Distribution & Other Expenses	(67,456,779)	(73,607,143)	(37,159,299)	(44,560,549)
Profit From Operating Activities	**36,897,100**	**337,047,083**	**(2,152,257)**	**(955,476)**
Net Finance Income	32,494,112	9,940,431	(612,515)	(14,189,484)
Net Profit Before Taxation	**69,391,212**	**346,987,514**	**(2,764,772)**	**(15,144,959)**
Income Tax	(13,816,705)	(126,186,738)	(4,533,980)	1,001,557
Net Profit After Taxation	**55,574,507**	**220,800,776**	**(7,298,752)**	**(14,143,403)**

Table – 72

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	937,789,275.06	971,792,179.69	1,004,319,623.10	935,591,884.34	775,730,199.81	751,044,477.30
	(845,680,912.52)	(985,257,848.93)	(983,007,160.69)	(881,617,227.76)	(767,358,579.26)	(737,909,957.50)
	92,108,362.54	**(13,465,669.24)**	**21,312,462.41**	**53,974,656.58**	**8,371,620.55**	**13,134,519.80**
	21,925,980.98	24,262,802.24	26,091,300.53	19,676,356.10	43,465,176.11	42,923,956.86
	114,034,343.52	**10,797,133.00**	**47,403,762.94**	**73,651,012.68**	**51,836,796.66**	**56,058,476.66**
	(51,113,072)	(45,165,514)	(41,116,894)	(33,262,579)	(31,413,580)	(36,183,738)
	62,921,272	**(34,368,381)**	**6,286,868**	**40,388,433**	**20,423,217**	**19,874,739**
	(19,653,695)	(18,579,650)	(13,219,530)	(9,164,034)	(8,428,981)	(2,885,464)
	43,267,577	**(52,948,031)**	**(6,932,661)**	**31,224,400**	**11,994,236**	**16,989,274**
	(5,535,371)	4,167,928	(654,698)	(1,723,391)	(2,178,708)	(3,851,962)
	37,732,205	**(48,780,102)**	**(7,587,359)**	**29,501,009**	**9,815,528**	**13,137,312**

Note

Corporate Information

Name of the Company
Kalubowitiyana Tea Factory Limited

Company Registration No.
PB 1020

Shifted Office
No. 53, Rathnayaka Road, Pelawatta

Legal Firm
A Public Company with Limited Liability
Incorporated in Sri Lanka on 30th September 1992.

Telephone No.
0112786734 / 0112786469 / 0112786713

Fax No.
0114645279

E-mail Address
Office.gen@kalubowitiyanatea.lk

Auditors
National Audit Office
No. 306/72,
Polduwa Road,
Battaramulla.

Secretaries
RNH Holdings (Pvt) Ltd.
RNH House, No. 622 B, Kotte Road, Kotte

Lawyers
F J & G De Saram
Attorney-at-Law & Notaries Public
216, De Saram Place,
Colombo 10.

Bankers
People's Bank

Board of Directors
Mr. Shaminda Samarasinghe – Chairman

Mr. R. A. S. K. Ranasinghe

Mrs. D. M. M. Dissanayake

Mr. A. A. Wilson

Mr. K. K. S. Malwatta

Mr. L. K. Kodippili

Management
Mr. T. A. D. J. C. Thilakarathne – Head of operations, Manager, Kalubowitiyana CTC Tea Factory

Mr. P. Dehiwalage – Finance Manager (Acting)

Mr. Ganindu Palihena – Assistant Manager Admin

Ms. Sewwandi Walakuluge – Assistant Manager Marketing

Factories

Kalubowitiyana CTC Factory
Abeywila, Kalubowitiyana
Tel/Fax : 0913 783020
E-Mail : Ktf.gen@kalubowitiyanatea.lk

Hiniduma Hills Tea Factory
Jesmin Velly Junction, Thawalama
Tel/Fax : 041-7201222
E-Mail : Htf.gen@kalubowitiyanatea.lk

Derangala Tea Factory
Kiriwelkelle, Pitabeddara
Tel/Fax : 0913 783621
E-Mail : Dtf.gen@kalubowitiyanatea.lk

Manikdewela Tea Factory
Thismada Road, Manikdewela
Tel/Fax : 081-2069620/21
E-Mail : Mtf.gen@kalubowitiyanatea.lk

Kalubowitiyana Tea Factory Limited

No. 53, Rathnayaka Road, Pelawatta, Battaramulla, Sri Lanka.
Telephone No. : +94 11 278 6734/6469/6713
Email: office.gen@kalubowitiyanatea.lk