NAMUNUKULA PLANTATIONS PLC

ANNUAL REPORT 2024/25











Sustainability Sparks Change

'Despite our constant dedication and bravery in expanding our perspectives, we plant the seeds of sustainable change and economic success, garnering the advantages of our varied pursuits'

Namunukula Plantations PLC has shown remarkable determination and tenacity in its quest for sustained success and profit, even in the face of numerous obstacles in the plantation sector. Investing in a wide range of agricultural commodities allows us to continuously modify our approach in response to shifting market prices, environmental concerns and regulatory requirements. We are aware of the industry's intricacies and have improved operational efficiency and diversification to reduce risks. Our tireless dedication to prudent resource management and our progressive mind-set underscore our enduring presence and contribution to the global economy, proving that sustainability and profitability can co-exist in the plantation industry.



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About the Report

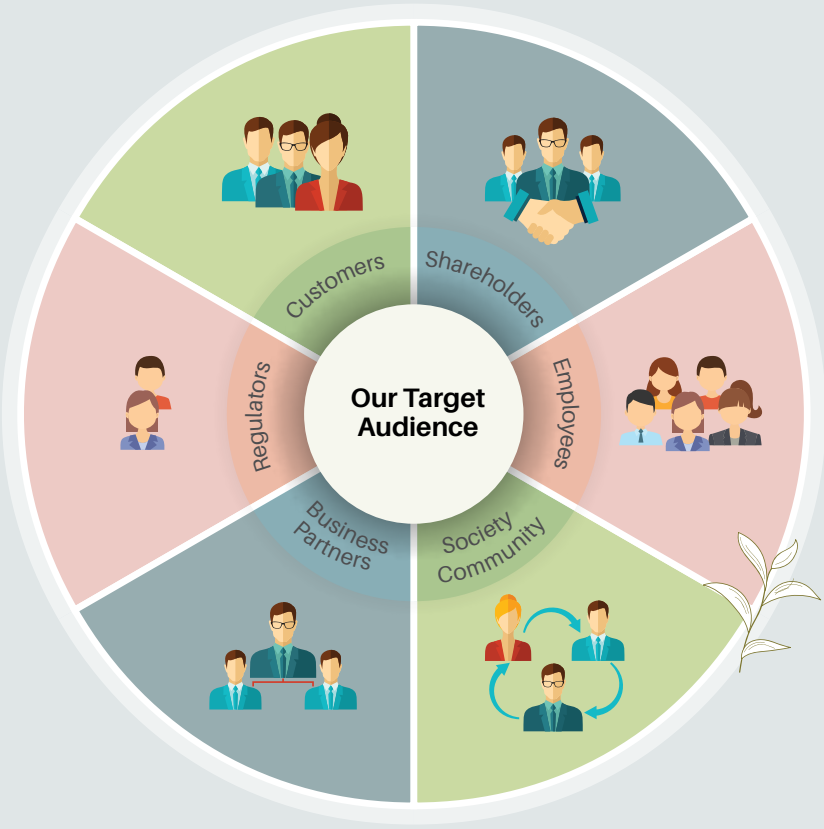


In the Annual Report for the year 2024/2025 of Namunukula Plantations PLC (NPPLC), we reaffirm our dedication to creating value for our stakeholders through exceptional financial results and comprehensive reporting. Our commitment to sustainability is exemplified by our adherence to SLFRS S1 and SLFRS S2 standards for environmental management, ensuring that we prioritize people, protect the planet, and drive profit.

This report outlines our business strategies, operational framework, and external influences, ensuring we meet stakeholder expectations. Our strong governance structure reinforces our pledge to ethical conduct and transparency. By prioritizing sustainable practices, NPPLC seeks to reduce our environmental impact while enhancing our social contributions. We are committed to continuous improvement, ensuring our operations are advantageous to stakeholders, as well as the communities and ecosystems we serve.

To whom...

By disclosing the company's economic, environmental, and social performance over the period, this report seeks to satisfy the informational needs of stakeholders. Through a comprehensive analysis of the data immediately related to business operations and the provision of appropriate explanations, we made sure that all disclosable material themes pertinent to the company's stakeholders were covered and that readers understood the information.



The report is themed around our chosen key stakeholder partnerships that maximize our ability to generate competitive sustainable value, while also demonstrating our commitment to the well-being of people, the health of the planet, and the pursuit of profit. Namunukula Plantations PLC acknowledges its dependency on the availability of capital resources and sustainable utilization thereof in the conduct of its plans. The Report draws upon the perspective of various stakeholders to describe NPPLC's vision to leverage its ingenuity to create new business models and generate value for societies in order to further achieve sustainable growth.

Integrated thinking is intrinsic to how we manage our business and to our internal strategy and reporting practices. Our strategy development process included a review of NPPLC's business model and our interaction and our interdependency with the external societal context. The resulting strategic priorities, goal and targets have been developed to ensure that we manage the resources and relationships needed to create value over time.

Navigating Our Report

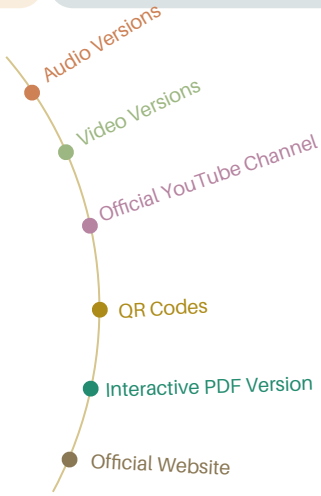
OUR CAPITALS	CAPITAL INPUTS	VALUE DELIVERED
Financial Capital *(See page 116)*	**Shareholder Funds** *Rs. 10.6 bn* **Total Revenue** *Rs. 4.2 bn*	**PAT** *Rs. 1.5 bn* **ROE** *14%*
Human Capital *(See page 137)*	**Employee Retention Rate** *92%* **Female Representation** *51%*	**Average Training Hours per employee** *3.4*
Manufactured Capital *(See page 129)*	**Investment in Immature Plantation** *Rs. 334 mn* **Spent on Property, Plant and Equipment** *Rs. 56 mn*	**ROA** *11%*
Social and Relationship Capital *(See page 154)*	**Investment in community Engagement initiatives** *Rs. 28 mn* **Spent Rs. 1 mn in Education**	**Enhanced quality of life**
Intellectual Capital *(See page 148)*	**Investing in marketing and branding of our own product named 'Kinnelan'**	**Gain Certifications Market expansion**
Natural Capital *(See page 165)*	**New planting extent** *76.78 Ha*	**Reduction in GHG emission**

Empowering Growth through Digitalization

The Digital Evolution of Our 7th Integrated Annual Report and Organizational Presences

Our 7th Integrated Annual Report's Digital Evolution represents our dedication to openness and stakeholder participation. We've turned standard reporting into an interactive digital experience that highlights our sustainability efforts and community impact in addition to our financial performance and strategic ambitions by utilizing cutting-edge technology and creative design. As a result of our commitment to keeping up with contemporary communication trends, our varied audience may now more easily and effectively access and engage with important information. We invite stakeholders to review this dynamic report, which is a monument to our continuous pursuit of quality and responsibility, as we work to strengthen our organizational footprint in the digital sphere.





Audio Versions Major Sections convert in to MP3 audio file and Present as QR Codes.

QR Codes Annual Report PDF Document
Documentary Videos
Annual Report section Audios
Annual Report section Videos

Video Versions Our Documentary Videos which outlines our Overall process, our Natural Capital and Process of our main Crops.
Annual Report Summary Videos

Interactive PDF Version A digital document with interactive features, including multimedia content, clickable links, and navigation, provides a lively and captivating reading experience for users

Official YouTube Channel
https://youtube.com/@namunukulaplantation plc? si=Idp8KBSMYL2V8-ei

Official Website https://www.arpico.com/contents/our_expertise_plantations.php

(Refer to the NPPLC's Digital Presence Chapter [23 to 25 pages] to get the Comprehensive insight)

About the Report

Embracing Diversity Through Enhancing Accessibility and Inclusivity



Braille formatting our 7th Integrated Annual Report to fulfill our social responsibility,

We are proud to announce that our 7th integrated annual report is now available in Braille, marking a significant step towards promoting social responsibility and supporting the intellectual well being of the blind community. By providing this important information in a format accessible to all, we are prioritizing inclusivity and ensuring that everyone has the opportunity to engage with our report.

This commitment to supporting diversity and inclusion is at one of our core value, and we are dedicated to continuing to find new ways to make our information accessible to all individuals, regardless of their abilities.

(Refer to the social capital chapter [156-157 pages] for more details about Braille Version of our Annual Report.)

QUICK LINKS

Readers in search of more details are welcome to read the annual report from cover to cover or pick and choose the clearly identified section of their choice to obtain a more comprehensive understanding of the company's progress during the year and its future potential. Quick readers who desire to read the report at a glance may wish to turn to the below pages or use the quick links for a brief overview of company performance in key areas.

Overview

Provide a brief introduction to Namunukula Plantations PLC, including its history, key business segments (such as tea, rubber, oil palm, coconut and cinnamon) any significant developments during the reporting period.

Pages 09 to 12

Governance

This chapter outlines the corporate governance structure, policies, and practices of NPPLC. Further, you can have a comprehensive understanding over the information on the board of directors, board committees, executive compensation, shareholder engagement, risk management, ethical business practices, board diversity, and sustainability. The chapter aims to provide transparency and accountability to stakeholders by providing an overview of how the company is managed and governed.

Pages 27 to 76

Operational Highlights

Highlights of the operational performance of the company, including production volumes, sales volumes, and average selling prices for tea, rubber, and oil palm, and the factors that influenced production or sales, such as weather conditions, market demand, or regulatory changes, are discussed in this chapter.

Pages 78 to 89

Financial Performance

Summary of the financial performance of the company for the fiscal year 2024/2025, including key financial indicators such as revenue, net profit, earnings per share, and changes in equity. Further, significant trends, challenges, and opportunities that impacted the financial results are discussed here.

Pages 218 to 263

Human Capital

An evaluation of our people, who are the key resource and the strategic differentiators of the company. Also the value creation process as a responsible employer to create a greater and safer work environment by ensuring the growth and potential enhancement of the employee to enable innovative and competitive strategies within.

Pages 137 to 147

Natural Capital

A detailed review of the optimum utilization of natural environmental resources for the period to ensure the sustainability of the business operations over time.

Pages 165 to 177

Question	What you will find?	Location
1. What is the formation of the governing structure, and who governs the Company?	⊙ Chairman's Review ⊙ Board of Directors ⊙ Corporate Governance	13 28 32
2. What are the identified or potential risks during the period, and how does the Company proactively deal with each of them?	⊙ Risk Management	54
3. What process does the Company adopt in the transformation process and how value is created from the processes of the Company?	⊙ Value Creation Model	114
4. What is the overview of the business operations, operating environment, controlling mechanisms and the challenges faced during the period?	⊙ Review of Operations ⊙ Economic and Industry Overview	77 90
5. How do the financial position, profitability, and growth potentiality of the Company reshape during the period?	⊙ Statement of Profit or Loss ⊙ Statement of Comprehensive Income ⊙ Statement of Financial Position ⊙ Statement of Changes in Equity ⊙ Statement of Cash Flow ⊙ Notes to the Financial Statements	219 220 221 222 223 224
6. How do we ensure compliance with environmental regulations and standards, and what challenges have we faced?	⊙ Sustainability Management	46

Financial Reporting	The Companies Act, No: 07 of 2007. Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CASL).
Governance Reporting	The Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and The Institute of Chartered Accountants of Sri Lanka (CASL). CSE Listing Rules.
Sustainability Reporting	Adoption of SLFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2- Climate-related Disclosures standard. Global Reporting Initiative (GRI) Standards - "Core", published by Global Reporting Initiative. The United Nations Sustainability Development Goals (SDGs)published by Institute of Chartered Accountants of Sri Lanka (CASL).
Integrated Reporting	The International Integrated Reporting Framework <IR> issued by International Integrated Reporting Council (IIRC). The Preparer's Guide to Integrated Corporate Reporting published by Institute of Chartered Accountants of Sri Lanka (CASL).

Basis of Preparation

GRI 2-2

In preparing this report, the Company was guided by the International integrated reporting <IR> Framework issued by the international integrated reporting council (IIRC) and also by the preparer's guide to integrate corporate reporting, issued by CA Sri Lanka. We will continue to embrace the guiding principles and fundamental concepts contained in the IIRC framework to best serve the information needs of our stakeholders.

Since the sustainability measures are an integral part of the operations, Company attempts to integrate financial and non-financial performance adding value to the reporting initiatives. It also comments on NPPLC's contribution towards the UN Sustainable Development Goals. Integrated Annual Report has been prepared with the following guidelines / frameworks/rules & regulations etc.

Reporting Scope and Boundaries

GRI 2-3

This Annual Report covers the entirety of the Company's operations from its 18 Estates located in Kalutara, Galle, Matara & Badulla districts and registered office located at No.310, High level Road, Navinna, Maharagama and covers the

About the Report

12-month period from 01 April 2024 to 31 March 2025. For the convenience of the user, a suitable comparison is made with the prior year, with respect to the information relating to the business activities.

The contents of this report have been drafted with due consideration to the topics that are held to be of material importance for the Company as well as its stakeholders. A detailed materiality assessment is accessible on pages 106 and 112 of this Annual Report. Further, this report also covers risks, opportunities and outcomes that could materially affect the organizations ability to create value.

The financial and non-financial information content of the report covers the economic, social and environmental impacts resulting from the value creation activities of the Company operates mainly in 04 regions and includes a reasonable assessment of potential impacts that substantively influence stakeholder decisions. The information contained in this report has been reviewed for reliability and accuracy by the board of Directors, audit committee, independent auditors and the management committee of the group.

GRI 2-4

This report has been prepared in accordance with the GRI Standards - "Core" option. There were no significant changes in reporting from the previous reporting period in the list of material topics and topic boundaries, further there were no any material changes of the organization type, size of organization, structure, ownership and supply chain during the year, and there has been no restatement of information from the previous report.

Non - Financial Information

The Company is well aware that information needs of stakeholders are changing in keeping with the dynamic environment we operate in. Investors in particular are increasingly becoming interested in the future potential of the Company than its past performance and non- financial information is becoming more and more relevant for ascertaining the future potential. Accordingly, the Namunukula Plantations PLC has enhanced its disclosures of non-financial information in this Annual Report which will provide clarity on the Company future outlook.

Quality Assurance

Through this Report, we set out to provide you with a complete and meaningful picture of our business model, strategy, governance, performance, and future prospects. We are also seeking to illustrate the value created by the Company in terms of financial and non- financial resources. We have taken every effort to provide credible information with the aid of visual elements such as figures, graphs and tables in a consistent manner facilitating clarity and comparability.

Financial statements and External Assurance

GRI 2-5

The Company recognized the importance of obtaining an independent assurance from a competent professional firm. The Financial Statements and Notes to the Financial Statements audited by Messrs Ernst & Young have been prepared in accordance with Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) and Sri Lanka Accounting Standards (LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka. The corresponding report of the Auditors' is given on pages 215-218 of this report.

Availability of the Report

To cater to the information needs of the NPPLC's diverse stakeholder groups, this Integrated Annual Report is made available in multiple mediums. Printed Report, Online Report in CSE website & Company website as well as the Digital version via QR code would be available to the users of the Annual Report.

Reporting Improvements

The implementation of Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2, which we are pleased to announce in our annual report, highlights our commitment to sustainability and openness in our financial reporting. While SLFRS S1 focuses on sustainability disclosure requirements and offers a framework for reporting on sustainability performance and impacts, SLFRS S2 highlights the necessity for businesses to disclose information about climate-related risks and opportunities. By integrating these standards, we aim to enhance decision-making, increase stakeholder accountability, and promote sustainable development.

Our enhanced Risk Management Report now includes comprehensive disclosures on sustainability-related risks and opportunities (SRRO), reflecting our commitment to transparency and proactive risk assessment in the face of evolving Environmental, Social, and Governance (ESG) challenges. Additionally, we provide a distinct disclosure that outlines our approach to climate-related risk management and our assessment of Climate-Related Risks and Opportunities (CRRO). This comprehensive approach ensures that stakeholders are informed about our proactive strategies and our resilience in the face of climate challenges.

Forward - Looking Statements

This report may contain certain forward looking statements with respect to certain plans and current goals and expectations of the Company relating to future financial and operational performance. Such statements and forecasts involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. The Company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events. Our Company is dedicated to pioneering innovative solutions that promote sustainability and protect the planet for future generations.

Your Comments

GRI 2-3

Questions and inquiries on this Integrated Annual Report 2024/25 and information presented therein are to be directed to;

Sector Financial Controller

Namunukula Plantations PLC
No.310, High Level Road, Nawinna,
Maharagama, Sri Lanka.

Tel : +94 11 4310500
Fax : +94 11 2801400
Internet : www.arpico.com
E-mail : npl.rpk@arpico.com

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About Us

GRI 2-1

COMPANY AT A GLANCE

Namunukula Plantations PLC, one of the leading companies in Sri Lanka's plantation sector, has a long history dating back to the 1800s and focuses on the production, processing, and distribution of tea, rubber, coconut, oil palm, and cinnamon. Listed on the Colombo Stock Exchange under the "Food, Beverage and Tobacco" Sector in accordance with the GICS Classification, the company was established as a Public Limited Liability Company under the Companies Act No. 17 of 1982 (re-registered under the Companies Act, No. 07 of 2007). Operating under the management of RPC Plantations Management Services (Private) Limited, a division of RPC Group, the company is a subsidiary of Richard Pieris & Company PLC.

Vision

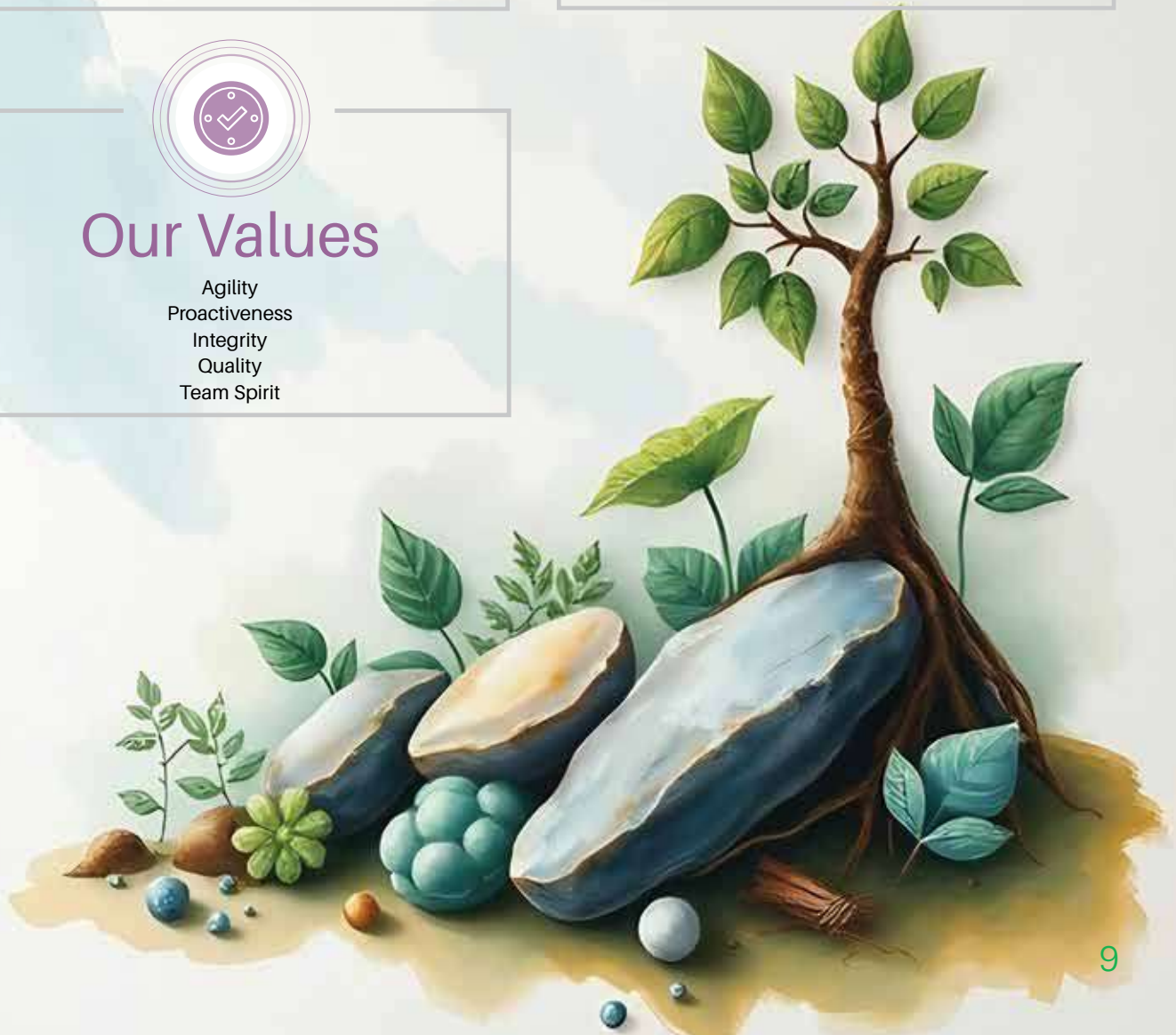
To be a diversified agri - business Company with an international reputation for excellence in Quality, Innovation & Land use.

Mission

To maximize returns to the stakeholder, by optimizing productivity of available resources through sound dynamic management practices, production of excellent quality products.

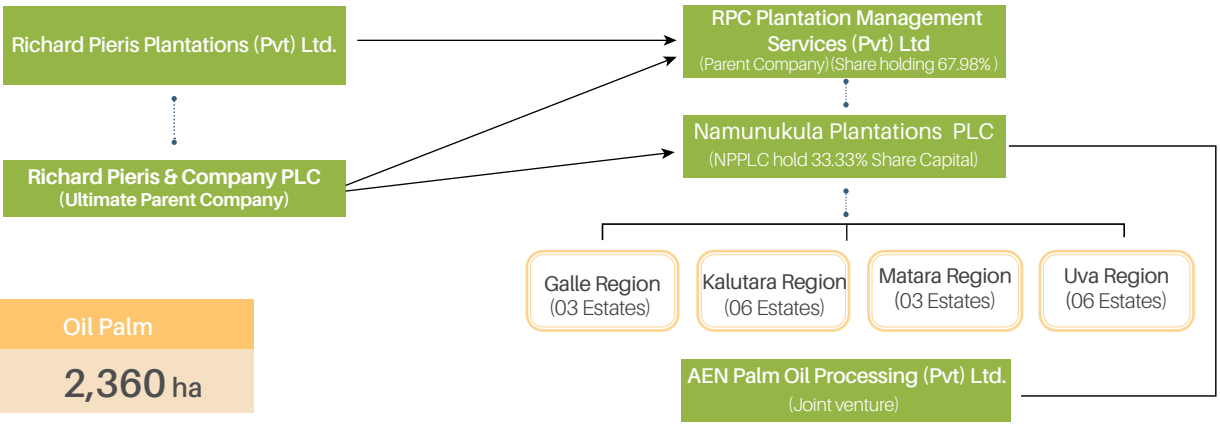
Our Values

Agility
Proactiveness
Integrity
Quality
Team Spirit



About Us

OUR ORGANIZATIONAL STRUCTURE



Oil Palm	2,360 ha
Tea	1,852 ha
Rubber	658 ha
Coconut	235 ha
Cinnamon	79 ha

Namunukula Plantations PLC owns and manages 18 estates in both high grown; Uva and Low grown areas of Sri Lanka, which are known for their high-quality Tea, Rubber, Coconut, Oil palm and Cinnamon production. These estates are spread across picturesque landscapes and are known for their scenic beauty and lush green fields with rich crop portfolio.

In addition to Tea, Namunukula Plantations PLC also has Rubber, Coconut, Oil palm and Cinnamon plantations in its portfolio. The Company employs modern agricultural practices and technologies to ensure sustainable cultivation and processing of its crops. This includes practices such as integrated pest management, soil conservation, and water management, among others, to minimize the impact on the environment.

Namunukula Plantations PLC also places a strong emphasis on social responsibility and community development. The Company invests in social welfare projects, including providing housing, healthcare, education, and other amenities to its workers and their families. It also actively engages in environmental conservation efforts, such as reforestation programmes and wildlife conservation initiatives.

As a publicly listed company, Namunukula Plantations PLC is subject to the regulatory requirements of the Securities and Exchange Commission of Sri Lanka (SEC) and other relevant authorities. The company's shares are traded on the Colombo Stock Exchange (CSE), providing opportunities for investors to participate in Sri Lanka's plantation industry.

The registered office and principle place of business of the Company is located at No. 310, High level Road, Nawinna, Maharagama, Sri Lanka.



Historical Background

The plantation industry which was established by British Planters was owned and operated by the private sector until early seventies when the Government of Sri Lanka (GOSL) nationalized most of large plantations of Tea and Rubber leaving only the smallholdings in the hands of the private sector. On nationalization, the ownership and management was vested into two state corporations: The Sri Lanka State Plantations Corporation (SLSPC) and the Janatha Estate Development Board (JEDB).

In the early nineties, the GOSL began a process of privatising a large number of Government Owned Business Undertaking (GOBU) which had been nationalized over a period of time. Included among these were the plantations owned and managed by the SLSPC and the JEDB.

As a preliminary step in the process of privatization, the majority of the estates of the SLSPC and JEDB were formed into twenty-two (22) Regional Plantations Companies (RPCs). Under this process, Namunukula Plantations PLC (NPPLC) was formed on 22 June 1992 under the Companies Act, No. 17 of 1982 with the registration No: of N (PBS/CGB) 139 (Re-registration No: PQ 136 under the Companies Act, no: 07 of 2007), in terms of the provisions of the conversion of corporations and Government owned business undertaking into public Companies Act No. 23 of 1987, to take over 24 estates held by the JEDB and the SLSPC.

Subsequently, the management of these 22 RPCs together with a twenty third Company which was formed later, were contracted out to private companies through a competitive tender process. The management contract for NPL was secured by BC Plantation Services (Private) Limited, a joint venture between Bartleet & Company Limited and BC Computers Limited.

Namunukula Plantations begins with the net assets value of Rs. 418 Mn and 500,000 No. of Ordinary Shares under 99 years Lease in 1992. As a result of the above, Namunukula Plantations comprise 19 SLSPC manage Estates & 5 JEDB manage Estates at the time of Incorporation. In 1995, Lease hold rights of the estates were reduced to 53 years. The ownership of Company was changed in June 1997 with the sale of 51% of the issued share capital to Keells Plantations Management Service (Pvt) Ltd.

On the 10th of March 1999 Namunukula Plantations Ltd, registered as a Listed Quoted Company in the CSE of Sri Lanka. In 1999 the Company recognized Oil palm as a potentially lucrative third crop and initially diversified over 750 Ha of land into Oil palm.

RPC Plantations Management Services (Pvt) Ltd acquired 58.74 % shares held by Keells Plantations Management Service (Pvt) Ltd on 13 September 2005 which is under current Management of Richard Pieris Group of Companies, The largest plantation Group in Sri Lanka (Current holding – 67.98%).

The Company at the present comprises of 18 combined estates with a total area of 11,779 Ha, growing of Tea, Rubber, Oil palm, Cinnamon, Coconut and Other Minor Crops including Timber plantations. The balance hecterage comprises buildings, roads and uncultivated marginal land which include forest reserves.

The original 24 estates assigned to the Company have been re-grouped subsequently, into 18 units by amalgamating Pingarawa and Tonacombe Estates, Kandahena and Wevekelle Estates, Baddegama, Ellakanda and Puwakgahahena, Walpita and Monrovia Estates, and Akuressa and Hallala Estates.

The Company brings economic prosperity to its workforce of over 2977 people and a dependent population of over 20000 who are part of the larger resident community of NPPLC's estates.

Climate & Topography

The Plantations in Namunukula Uva region depend upon the North-East monsoon with a decennial average rainfall of approx. 3272.58 mm over 135 wet days. The main dry period extends between June to mid-September and a second dry period between February to mid-March. Plantations in the Matugama, Galle and Matara regions receive both monsoons with about 4229.98 mm of rain over 246 wet days, with a dry period extending between mid- January to end February. The soil in the Namunukula region are red and yellow podsols with that of Matugama, Galle and Matara being red and yellow podsols with a prominent A1 horizon or strongly mottled subsoil. The terrain in the former area is steeply dissected, hilly and rolling while that in the latter is rolling to undulating.

NPPLC - Context

Backed by the dynamic & sustainable management practices and product excellence over 33- years, at present NPPLC remain as the leading and the most diversified Regional Plantation Company of the country. Despite facing the inherent issues relating to the Plantations Industry in Sri Lanka, NPPLC was able to secure their shareholders wealth and maximum return to the stakeholders by diversifying the crop portfolio responding to market opportunities which are consistent with our continued commitment to the long-term growth.

We are a local business entity, substance and our operations are confined inside Sri Lanka. Namunukula has always been inspired with the vision of "Diversified Agri-Business Company".

Namunukula Plantations has identified crop diversification is also bracing to sustain in the Plantation industry. Therefore, the Company has been more focused on diversifying its operations from traditional crop into more effective and profitable crops. As a long-term strategy, the Company has diversified most of uneconomical land into high yielding crops with a crop portfolio of Tea, Rubber, Oil palm, Coconut and Cinnamon.

The Company has diversified mainly into five crops including Oil palm, Tea, Rubber, Coconut & Cinnamon in our 18 estates, out of which 4 estates are in to all 5 crops, 1 estate diversified to 4 crops, 5 estates have 3 crops, 2 estate has 2 crops and other 6 estate have a single crop.

Further the Company has 5 black Tea processing factories in Low Grown Range and 5 black Tea processing factories in Uva range, in addition 3 crepe Rubber factories and 4 RSS factories in Kalutara, Galle and Matara districts.

The Company produces high quality "Uva" & "Ruhuna" Tea, Natural Rubber, Oil palm, Coconut & Cinnamon in its estates which located in Kalutara, Galle, Matara & Badulla Districts situated in Low Grown & Uva agro climatic areas in Sri Lanka. A strong relationship is created with external growers through purchasing their green leaf; this relationship adds value to small Tea growers in Sri Lanka.

Market Position

Namunukula Plantations PLC is one of the Leading Company among the Regional Plantations Companies in Sri Lanka. In the

About Us

past 33 years since 1992, Company immensely contributed to the economic growth of the Country and to enhance the standard of life style of millions of Sri Lankans.

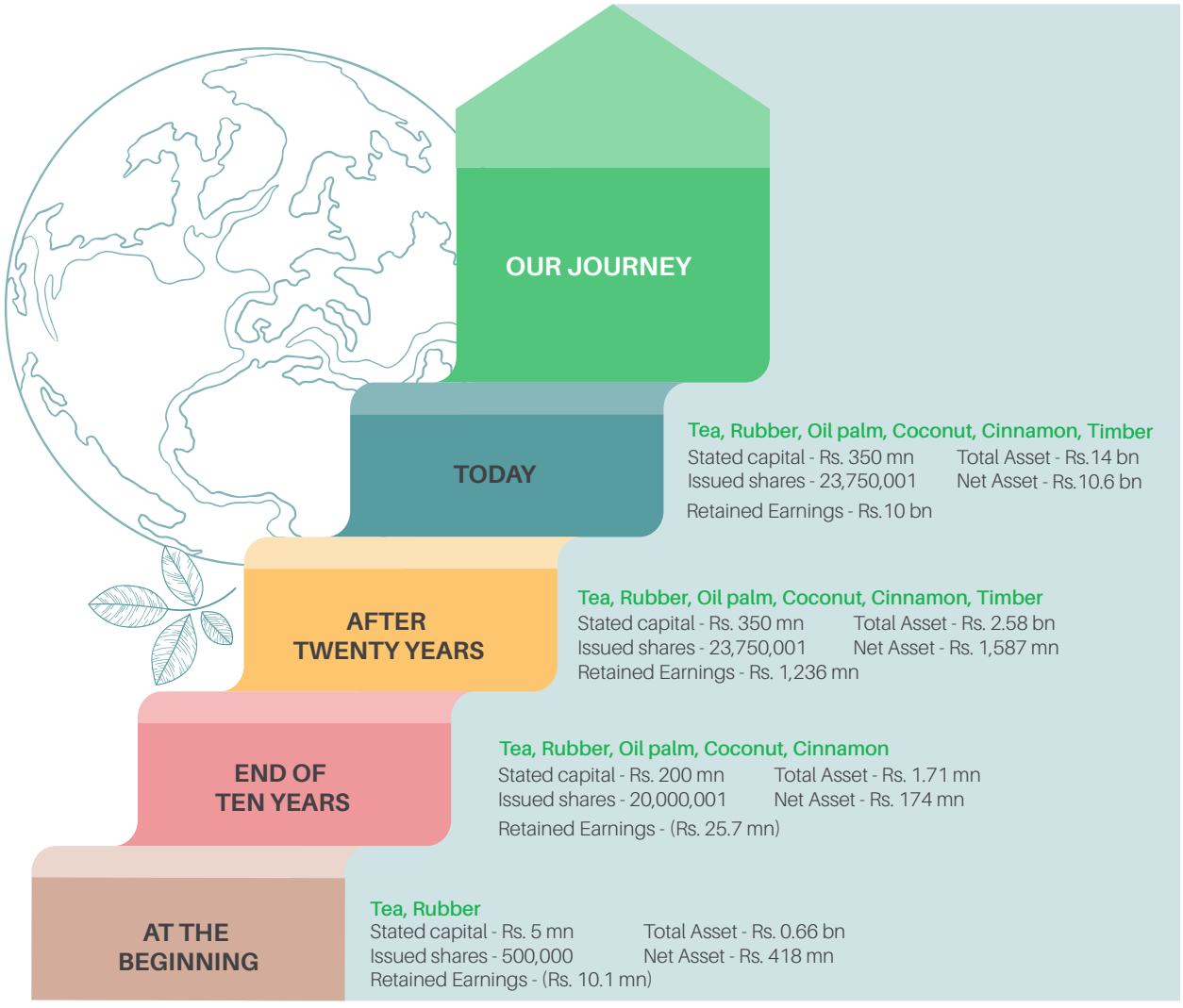
NPPLC can proudly claim as the 2nd highest Oil palm producer in Sri Lanka and maintaining significant market share from our golden crop. In addition to the cultivated areas of Oil palm, we have strategic investment with two other Joint Venture associates which is processing Oil palm namely AEN Palm Oil Processing (Pvt) Ltd. As a result of our forward integration envision, this investment leads to ensure the reasonable price for Oil palm crop and assurance of a buyer by eliminating of market monopoly, at the time existed.

The Company's assets base is over Rs.14 Billion and net assets have increased to Rs.10.6 Billion thus demonstrating the strength of its financial position. Notwithstanding the unfavorable weather condition and reduced crop of Tea and Rubber, favorable prices prevailed during the financial year under review. With this the Company was able to record Rs. 1.5 Billion of PAT.

In addition, Namunukula Plantations recorded the highest Share price at Colombo Stock Exchange Main board among the Regional Plantation Companies at the end of the year.

While we are working hard to preserve the prosperity in the industry, our top priorities are; zero accident & incidents, minimization of negative environmental impacts. At the same time, we invest in our employees & add value to our people.

Scan & Access the Audio



Chairman's Review



Dear Shareholders,

It is with great pleasure that I present the Annual Report and Audited Financial Statements of Namunukula Plantations PLC for the year ended 31st March 2025.

Sri Lanka's economy rebounded strongly in 2024, recording a 5.0% GDP growth supported by reforms and IMF-led efforts. Improved domestic production, renewed investor confidence, and successful external debt restructuring fostered macroeconomic stability. Inflation declined sharply, entering deflationary territory, enabling a more accommodative monetary policy.

Agricultural growth slowed to 1.2% in 2024 due to climate issues and structural challenges. Fruit and livestock sectors remained resilient, while rice, cereals, and fisheries declined amid adverse weather. The tea industry saw a modest recovery, with production reaching 262 million kg, driven by medium-grown teas. Rubber production increased by 7%, despite rising costs, though output declined in early 2025. Coconut production fell 12%, with higher costs and reduced exports, though value-added

Chairman's Review

products grew. January 2025 exports surged, especially in tea, spices, and coconut products, driven by strong demand. Long-term growth depends on reforms, climate resilience, and support for smallholders.

Namunukula Plantations PLC is one of the few plantations in Sri Lanka with a diversified portfolio comprising Oil Palm, Tea, Rubber, and Coconut. As a responsible corporate citizen, we are committed to creating positive social and environmental impacts while ensuring long-term profitability.

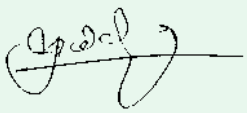
Guided by the Triple Bottom Line - People, Planet, and Profit - we strive to integrate sustainability into every aspect of our business. This approach has enabled us to deliver measurable social and environmental benefits, alongside consistent financial performance.

The Company recorded a revenue of Rs. 4.2 billion for the financial year 2024/2025. Oil Palm was the leading contributor, accounting for represents 59% of total revenue, amounting to Rs. 2.49 billion. The Tea segment followed as the second-largest contributor, generating Rs. 1.4 billion, which represents 34% of the total revenue. Although there was a decline in crop volumes compared to the previous year, the net sales average saw a notable increase. This factor played a significant role in the overall revenue fluctuations observed during the year.

Company's profit before tax (PBT) has experienced a reduction; however, despite this decline, net asset per share increased to Rs. 444 from Rs. 399. Additionally, your company distributed Rs. 356 million in dividends, with a dividend per share of Rs. 15.00 for the 2024/2025 period. Ever thought PBT has decreased, shareholder returns have strengthened, reflecting our commitment to delivering value to our stakeholders.

To strengthen our future revenue- generating capacity, capital expenditure amounting to Rs. 391 million was incurred in 2024/2025. A major part went towards investment on immature plantations and on plant & machinery with new technology which enhances the operational capabilities of the organization.

I extend my sincere appreciation to the Board of Directors and the Management Team for their guidance and support throughout year. I am grateful to our dedicated employees whose resilience and unwavering commitment have been central to the Company's continued progress. I also thank our shareholders, customers, the business partners, suppliers, service providers, regulatory authorities, and local communities for their continued trust and collaboration. The Company remains committed to advancing with clarity, discipline, and a long-term vision that delivers enduring value to all stakeholders.



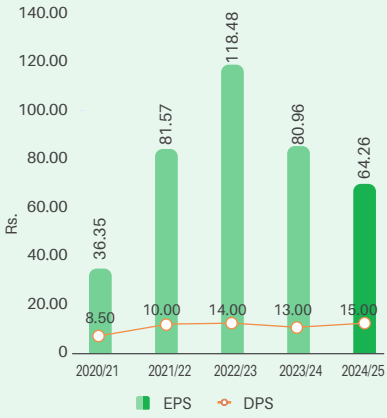
Dr. Sena Yaddehige
Chairman
28th August 2025, Colombo.

Company Highlights

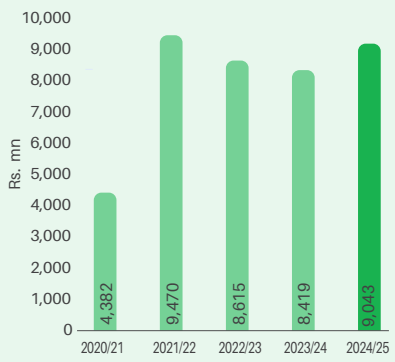
Turnover (Rs.Mn)



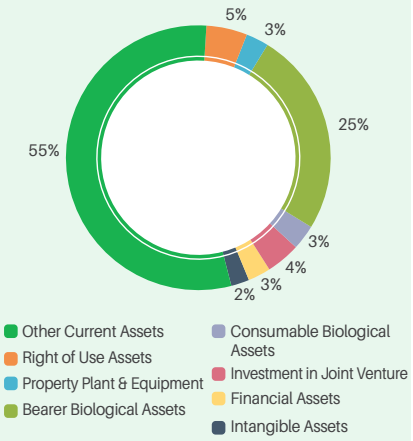
EPS vs DPS



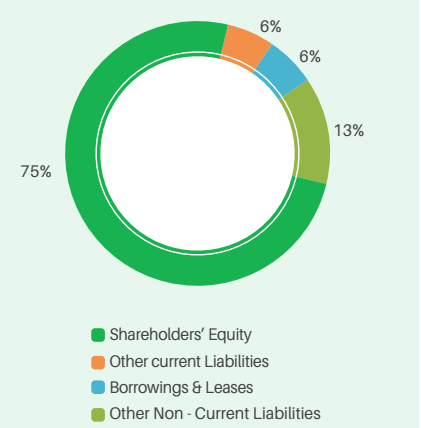
Market Capitalization (Rs.Mn)



Total Assets



Total Liabilities & Equity



Turnover
Rs. 4.2 bn
23/24 - Rs. 4.5 bn

Profit Before Tax
Rs. 2.15 bn
23/24 - Rs. 2.2 bn

EPS
Rs. 64.26
23/24 - Rs. 80.96

Total Assets
Rs. 14 bn
23/24 - Rs. 12.6 bn

Current Ratio
8.56 Times
23/24 - 7.83 Time

Net Asset Per Share
Rs. 444.43
23/24 - Rs. 398.58

Market Capitalization
Rs. 9 bn
23/24 - Rs. 8.4 bn

DPS
Rs. 15.00
23/24 - Rs. 13.00

Shareholders' Equity
Rs. 10.56 bn
23/24 - Rs. 9.47 bn

Gross Profit
Rs. 1.8 bn
23/24 - Rs. 1.8 bn

Finance Income
Rs. 556 mn
23/24 - Rs. 735 mn



Property Plant & Equipment
Rs. 440 mn
23/24 - Rs. 480 mn



Biological Assets
Rs. 3.9 bn
23/24 - Rs. 3.7 bn



Workforce
2,977
23/24 - 3,244

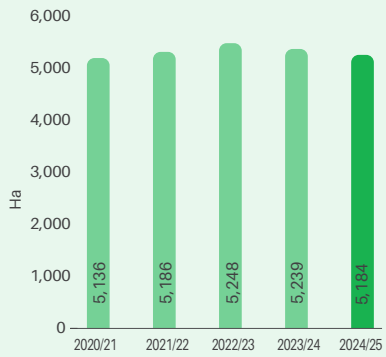


Environmental Investment
Rs. 334 mn
23/24 - Rs. 318 mn

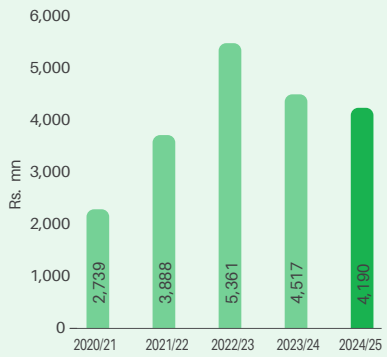
Company Highlights

For the Year ended 31 March	Unit	2024/25	2023/24	2022/23	2021/22	2020/21
Results of operations						
Revenue	Rs'000	4,190,311	4,517,433	5,360,825	3,888,486	2,739,070
Cost of Sales	Rs'000	(2,390,050)	(2,709,286)	(2,355,008)	(1,990,412)	(1,988,072)
Other operating income	Rs'000	205,779	196,923	161,705	185,989	206,964
Earnings before interest, JV profit and tax	Rs'000	1,578,213	1,481,724	2,559,040	1,739,621	818,562
Finance Income	Rs'000	556,297	735,460	844,714	98,910	43,140
Finance cost	Rs'000	(104,228)	(90,159)	(63,850)	(57,776)	(58,971)
Profit After Tax (PAT)	Rs'000	1,526,069	1,922,833	2,813,817	1,937,332	863,243
Earnings Per Share (EPS)	Rs.	64	81	118	82	36
Interest cover	No. of times	22	26	57	36	16
Gross Profit margin	%	43%	40%	56%	49%	27%
Net Profit ratio	%	36%	43%	52%	50%	32%
Return on Equity (ROE)	%	14%	20%	36%	36%	23%
Return on Capital Employed (ROCE)	%	12%	17%	29%	29%	18%
Return on Assets	%	11%	15%	27%	26%	15%
Capital expenditure	Rs'000	390,632	375,794	600,660	277,202	268,069
Financial Position						
Total assets	Rs'000	14,041,578	12,648,118	10,423,076	7,569,307	5,784,137
Total debt	Rs'000	-	-	-	25,137	39,906
Current ratio	No. of times	9	8	9	3	2
Acid test ratio	No. of times	8	7	9	3	1
Total shareholder's fund	Rs'000	10,555,179	9,466,345	7,877,863	5,449,137	3,742,397
Net asset per share	Rs.	444	399	332	229	158
Gearing ratio	%	0%	0%	0%	0%	1%
Debt/Total assets	%	-	-	-	-	1%
Cash ratio	No. of times	7	6	7	3	1
Net cash flow from operating activities	Rs.mn	2,331	2,052	2,689	1,806	1,118
Shareholder Information						
Market price of share as at 31st March	Rs.	381	355	363	399	185
Dividend per Share	Rs.	15.00	13.00	14.00	10.00	8.50
Market capitalization	Rs.mn	9,043	8,419	8,615	9,470	4,382
Price earnings ratio	No. of times	6	4	3	5	5
Earnings yield	%	17%	23%	33%	20%	20%

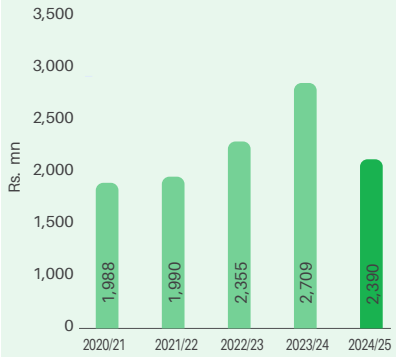
Revenue Extent



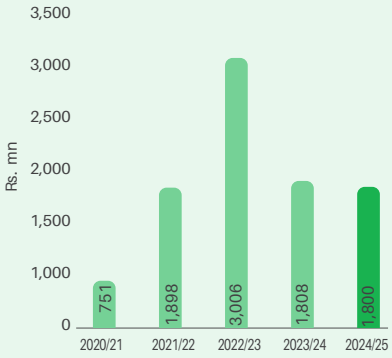
Total Revenue



Cost of Sales



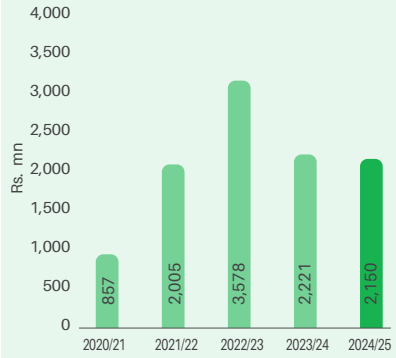
Gross Profit



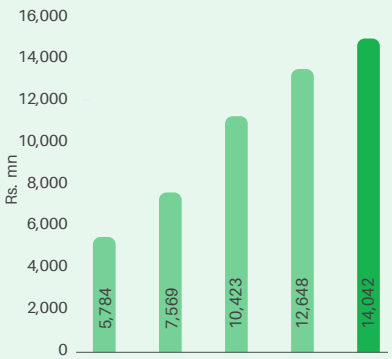
Finance Cost



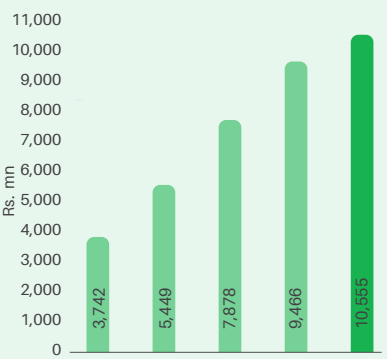
Profit/(Loss) before taxation



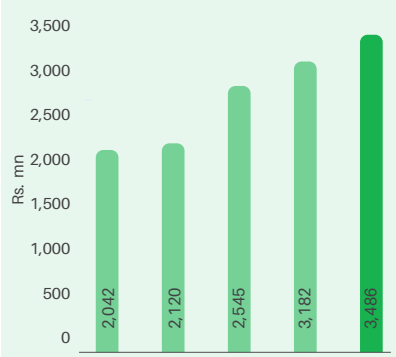
Total Asset



Shareholder's Equity

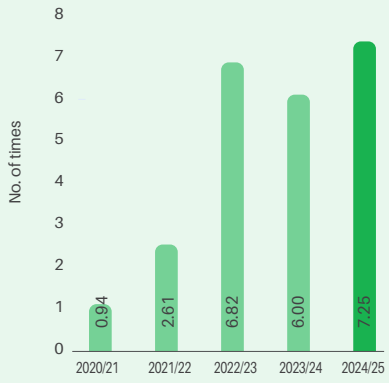


Total Liabilities

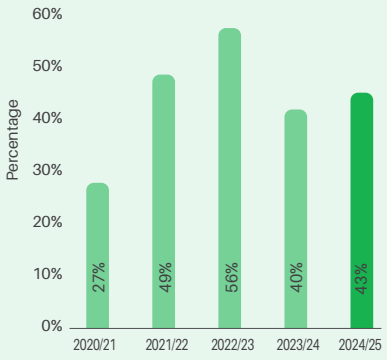


Company Highlights

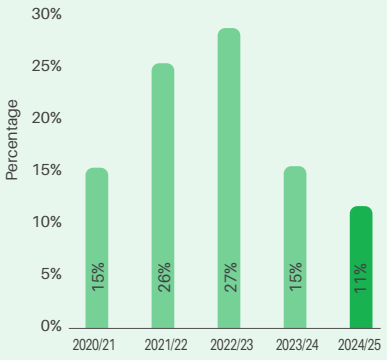
Cash Ratio



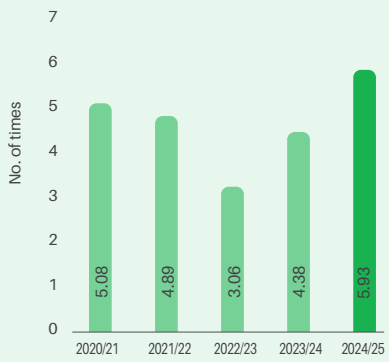
Gross Margin Ratio



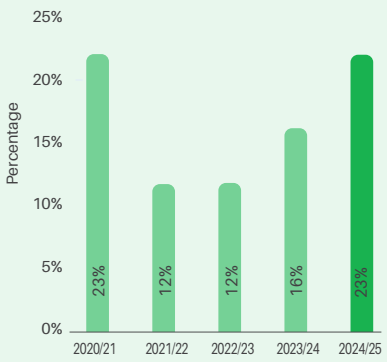
Return on Assets Ratio



Price-Earnings Ratio



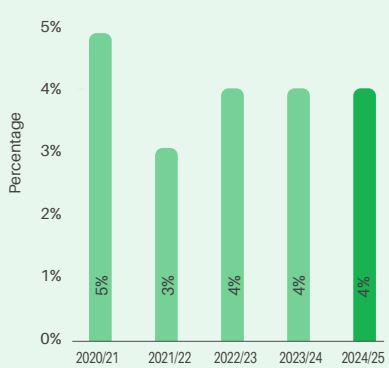
Dividend Payout Ratio



Inventory Turnover Ratio



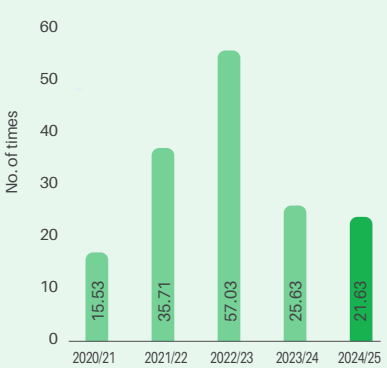
Dividend Yeild Ratio



Current Ratio



Interest Coverage Ratio



Segment Highlights

TEA

Amidst unfavorable weather patterns and fertilizer shortages during the financial crisis, operations are conducted with a strategic focus on improving productivity through process automation and technological adaption.

Revenue (Rs.) - 1,443,546,899
Gross Profit (Rs.) - 129,901,561

RUBBER

Notwithstanding adverse climate shifts and scarcity of fertilizer, the company has sustained at a favorable revenue through the execution of cost-cutting and process-optimization tactics.

Revenue (Rs.) – 193,811,072
Gross Profit (Rs.) - (7,435,383)

COCONUT

The industry's success has also been attributed to its capacity to adjust to shifting consumer demands and market conditions. This tenacity in the face of difficulties emphasizes how crucial agility and vision are to maintaining development and profitability in a competitive marketplace.

Revenue (Rs.) – 52,641,219
Gross Profit (Rs.) - 22,332,954

OIL PALM

Through a strategic focus on enhancing efficiency and optimizing operations, NPPLC has successfully offset the impact of external variables and preserved its competitive advantage. This illustrates the Oil Palm segment's adaptability and resilience and emphasizes the value of taking proactive steps to maintain growth and profitability in a difficult economic environment.

Revenue (Rs.) – 2,490,253,470
Gross Profit (Rs.) - 1,658,686,504

CINNAMON

Despite facing challenges such as unfavorable weather conditions, financial crises, global market disruptions, and fertilizer shortages that have led to a decreased revenue, we remain committed to sustain at the market through strategic planning, innovative solutions, and efficient resource management.

Revenue (Rs.) – 10,058,572
Gross Profit(Rs.)- (3,224,078)

" The remarkable success of our company's financial performance serves as evidence of our steadfast dedication to sustainable solutions, driving the advancement of our business towards improved efficiencies....."

Triple Bottom Line Highlights



People

Total employees	2977
Female representation	51%
Investment in training	Rs. 0.9 mn

Planet

Carbon footprint 4239 tonnes of CO_2 equivalent
15 Megaliters Total water withdrawal
Total energy consumed 12127.18 GJ



Profit

Total assets	Rs. 14 bn
EBIT	Rs. 2.15 bn
Earnings per share	Rs. 64.26

Estate Profile

UVA REGION

Gonakelle



	Extent (Ha)	Crop(Kg)
Tea	320.25	322,632
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	441.88	

Location	Passara
No of Factories	1 - Tea
Factory Registration No	Tea - MF00234
Elevation from Sea Level (m)	1062
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo(km)	232
Latitide	6.926781
Longitude	81.14184
Management Contact	057-4926256 055-2288550

Canavarella



	Extent (Ha)	Crop(Kg)
Tea	350.50	221,050
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	449.2	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea - MF00105
Elevation from Sea Level (m)	1312
Elevation Range of Tea	
Production	Uva High
Distance from Colombo	225
Latitide	6.8967168
Longitude	81.118667
Management Contact	057-4926257

Kandahena



	Extent (Ha)	Crop(Kg)
Tea	238.50	135,738
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	507.83	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea-MF932
Elevation from Sea Level (m)	1234
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	221
Latitide	6.87951157
Longitude	81.13343197
Management Contact	057-4926258

Pingarawa



	Extent (Ha)	Crop(Kg)
Tea	363.24	266,513
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	340.31	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea - MF00327
Elevation from Sea Level (m)	1200
Elevation Range of Tea	
Production	Uva High
Distance from Colombo	*220*
Latitide	6.875363
Longitude	81.11941
Management Contact	057-4926259

Hindagala



	Extent (Ha)	Crop(Kg)
Tea	375.56	265,830
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	754.49	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea - MF00668
Elevation from Sea Level (m)	1400
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	216
Latitide	6.86784
Longitude	81.097025
Management	
Contact	057-4926260

Kinellan



	Extent (Ha)	Crop(Kg)
Tea	82.31	112,756
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	72.57	

Location	Ella
No of Factories	1 - Tea
Factory Registration No	Tea - MF01283
Elevation from Sea Level (m)	1052
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	205
Latitide	6.875557
Longitude	81.0419289
Management Contact	057-4926261

KALUTARA REGION

Eladuwa



	Extent (Ha)	Crop(Kg)
Tea		
Rubber	54.88	30,513
Coconut		
Oil Palm	328.86	4,782,070
Cinnamon		
Other	291.26	

Location	Matugama
No of Factories	1 - Crepe
Factory Registration No	Rubber-KR-20
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	67.8
Latitide	6.506055
Longitude	80.046544
Management Contact	034-2245362 034-4924414

Miriswatte



	Extent (Ha)	Crop(Kg)
Tea	9.15	6,712
Rubber	75.95	24,242
Coconut		
Oil Palm	173.75	1,804,580
Cinnamon		
Other	292.15	

Location	Welipenna
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	68
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	77.9
Latitide	6.4319745
Longitude	80.097488
Management Contact	034-2274202 034-4924413

Pallegoda



	Extent (Ha)	Crop(Kg)
Tea		
Rubber	113.83	45,610
Coconut	8.00	37,309
Oil Palm	450.52	5,888,210
Cinnamon		
Other	370.65	

Location	Dharga Town
No of Factories	1 - Crepe
Factory Registration No	Rubber - KR -18
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	75.6
Latitide	6.4663744
Longitude	80.0654162
Management Contact	034-2274417 034-4924412

Sirikandura



	Extent (Ha)	Crop(Kg)
Tea		
Rubber	49.50	18,151
Coconut		
Oil Palm	108.97	1,111,440
Cinnamon		
Other	475.53	

Location	Matugama
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	79.6
Latitide	6.492832
Longitude	80.140943
Management Contact	034-2247370 034-4924411

Yatadola



	Extent (Ha)	Crop(Kg)
Tea		
Rubber	86.32	28,047
Coconut		
Oil Palm	137.91	1,486,610
Cinnamon	4.00	441.00
Other	420.36	

Location	Matugama
No of Factories	1 - Crepe
Factory Registration No	Rubber - KR -19
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	65.4
Latitide	6.505888
Longitude	80.066494
Management Contact	034-2245449

Pelawatte



	Extent (Ha)	Crop(Kg)
Tea	10.95	19,896
Rubber		
Coconut		
Oil Palm	196.16	2,219,500
Cinnamon		
Other	248.39	

Location	Matugama
No of Factories	1 - Tea
Factory Registration No	Tea - MF01283
Elevation from Sea Level (m)	166
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	103
Latitide	6.38454
Longitude	80.26997
Management Contact	034-3303833

Estate Profile

GALLE REGION

Baddegama



	Extent (Ha)	Crop(Kg)
Tea	21.42	44,078
Rubber	81.07	25,793
Coconut	39.26	95,982
Oil Palm	126.76	1,776,760
Cinnamon	21.41	803
Other	361.34	

Location	Baddegama
No of Factories	1 - Tea
Factory Registration No	Tea - MF00655
Elevation from Sea Level (m)	30
Elevation Range of Tea Production	Low Grown
Distance from Colombo	107 Km
Latitide	6.170725
Longitude	80.183125
Management Contact	091-2292228 091-4925997

Citrus



	Extent (Ha)	Crop(Kg)
Tea	3.30	3,881
Rubber	57.23	38,615
Coconut	2.08	21,491
Oil Palm	198.80	2,844,730
Cinnamon	5.00	865
Other	241.43	

Location	Poddala
No of Factories	1 - Tea
Factory Registration No	Tea - MF00955
Elevation from Sea Level (m)	32
Elevation Range of Tea Production	Low Grown
Distance from Colombo	107 Km
Latitide	6.106574
Longitude	80.232774
Management Contact	091-4926001 091-2234105

Walpita/Monrovia



	Extent (Ha)	Crop(Kg)
Tea	15.38	10,844
Rubber	27.11	16,348
Coconut	141.84	365,544
Oil Palm	17.34	92,300
Cinnamon	35.37	440
Other	102.29	

Location	Poddala
No of Factories	2- Tea/ 1 - RSS
Factory Registration No	Tea - MF00951 Tea - MF00338
Elevation from Sea Level (m)	30/32
Elevation Range of Tea Production	Low Grown
Distance from Colombo	116 Km
Latitide	6.11938
Longitude	80.20458
Management Contact	091-4926000 091-2292294

MATARA REGION

Akuressa



	Extent (Ha)	Crop(Kg)
Tea	2.86	972
Rubber	59.02	31,464
Coconut	43.94	43,857
Oil Palm	144.08	1,563,340
Cinnamon	11.35	545
Other	546.29	

Location	Telijjawila
No of Factories	1 - Tea
Factory Registration No	Tea-MF01079
Elevation from Sea Level (m)	90
Elevation Range of Tea Production	Low Grown
Distance from Colombo	151
Latitide	6.033725
Longitude	80.484991
Management Contact	041-2240223 091-4925999

Hulandawa



	Extent (Ha)	Crop(Kg)
Tea	41.73	42,822
Rubber	26.17	21,100
Coconut	-	-
Oil Palm	225.40	2,750,890
Cinnamon	-	-
Other	382.94	

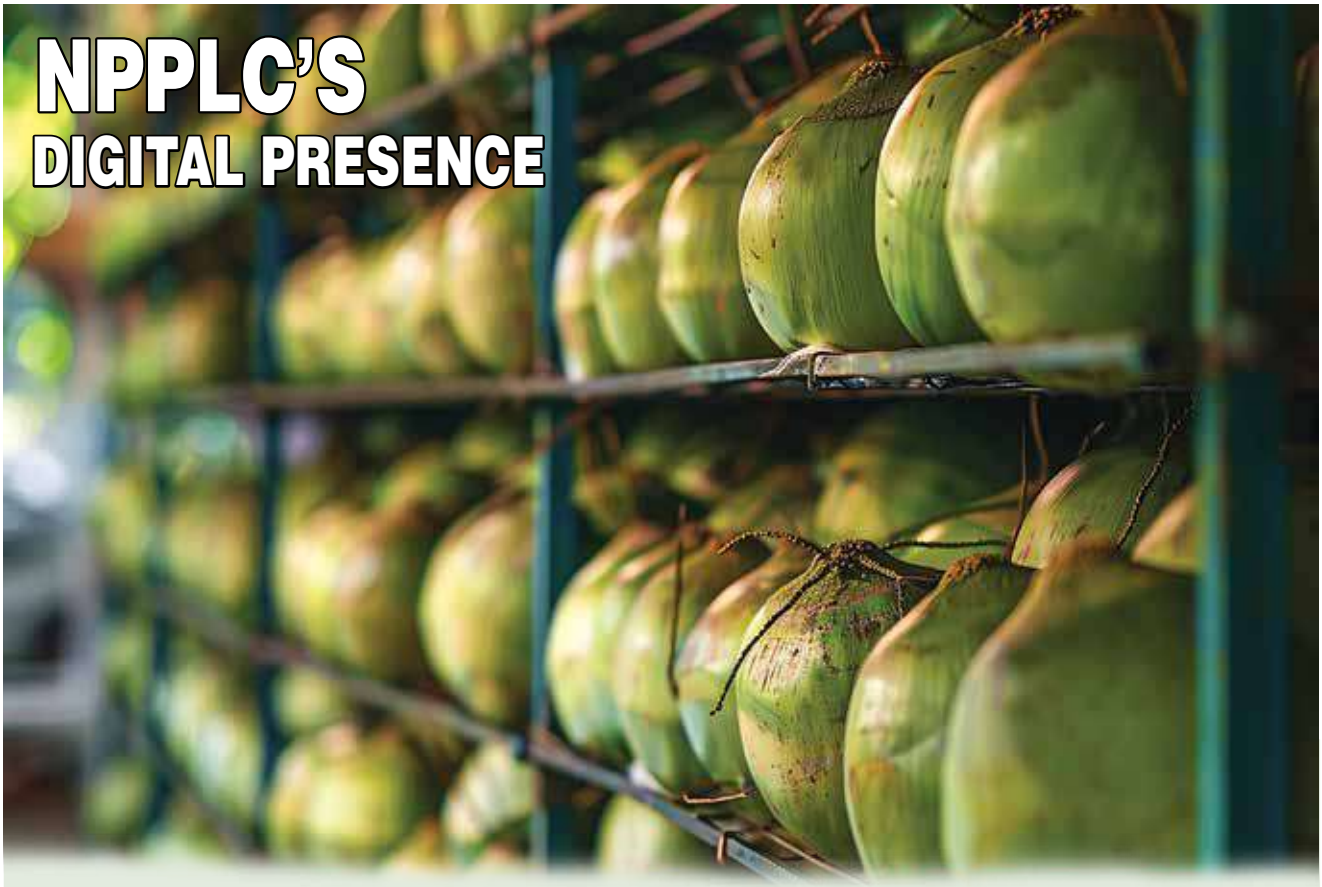
Location	Akuressa
No of Factories	2- Tea
Factory Registration No	Tea - MF00736
Elevation from Sea Level (m)	122
Elevation Range of Tea Production	Low Grown
Distance from Colombo	162 Km
Latitide	6.1758548
Longitude	80.468817
Management Contact	041-4922713

Tennahena



	Extent (Ha)	Crop(Kg)
Tea	16.67	5,580
Rubber	27.24	15,542
Coconut		
Oil Palm	251.33	2,713,330
Cinnamon	2.25	308
Other	295.62	

Location	Pitabeddera
No of Factories	1 - Tea
Factory Registration No	Tea - MF00378
Elevation from Sea Level (m)	123
Elevation Range of Tea Production	Low Grown
Distance from Colombo	169
Latitide	6.216121738
Longitude	80.47448077
Management Contact	041-2281202



NPPLC'S DIGITAL PRESENCE

'In the current digital era, our company's online presence is just as important as its physical presence, because it has the power to make or break our success in the marketplace'

In the fiercely competitive business world of today, a company's success depends on its internet presence. A business's internet presence acts as its virtual shop, enabling prospective clients to easily learn about its goods and services, interact with the brand, and make purchases. A company's visibility, trustworthiness, and financial performance can all be greatly impacted by a well-developed digital presence, as most consumers use the internet to study and make judgments about what to buy. Any business hoping to prosper in the digital era needs a strong online presence for a variety of reasons, from increasing sales and generating leads to developing customer relationships and brand awareness. By investing in digital marketing strategies, optimizing their website for search engines, and engaging with customers on social media, companies can effectively connect with their target audience and stay ahead of the competition in today's increasingly digital world.







Our Documentary Series



Since our business is centered on the plantation industry, it is also crucial to have a strong online presence. Even though we don't do internet marketing directly, we can still gain a lot from having a strong web presence. Through the use of virtual platforms, upkeep of the organization's official websites, and the production of documentaries that describe our agricultural areas, operational procedures, and natural resources, we strengthen our online presence.

Further we can showcase our products and processes to a wider audience by enhancing our digital presence. Also this helps to build brand awareness, establish credibility, and attract potential customers. Additionally, having a digital presence allows us to engage with our audience, receive feedback, and stay connected with industry trends. Overall, a solid digital presence can greatly benefit us by increasing visibility and helping to drive business growth.

Moreover, our annual report does not only consist of written text. Instead of that, anyone can listen to the content of our annual report by scanning the relevant QR codes of the sections and QR code for the PDF version of our Annual Report also available as it is. Moreover, videos which consists with content of some major sections were published separately in same YouTube channel under the name of NPPLC 2024/2025 Annual Report. This all initiatives helps us establish the visual as well as audible digital presence of the NPPLC.

Aren't you willing to refer the report

Video Clips | Voice Overs | PDF Version | QR Code

Our 2024/2025 Annual Report

Are you busy...
Don't you have a time to read the report....

Talking Annual Reporting In Next Level



Embark on a Thrilling Virtual Journey

Immerse yourself in our Captivating Documentary Series using below QR Code:

- Our Overall Operations
  https://youtu.be/XMCB6Uwawvw
- Our Natural Wealth
  https://youtu.be/wNqvA6GGnso
- Our Oil Palm Production Process
  https://youtu.be/RcNXMjSA0W8
- Our Tea Cultivation and Manufacturing Process
  https://youtu.be/fQ8SvtQuiCA
- Our Rubber Cultivation and Manufacturing Process
  https://youtu.be/Xbhn9u2098E
- Our Coconut Cultivation Process
  https://youtu.be/BAqcEQ3n39U
- Our Cinnamon Production Process
  https://youtu.be/d7xVlUg80e8

Enhancing Annual Report Engagement

Access The QR Codes to watch Videos on Key Sections of 2024/2025 Annual Report:

- Introducing our 7th Integrated Annual Report
  https://drive.google.com/file/d/1drzORHtphZPDErPNHnv3FtvBq3zao6_A/view?usp=sharing
- Our Company At a Glance
  https://youtu.be/MdV62UyRAC8
- Review of our Oil Palm Production
  https://youtu.be/2iSuiOirVx4
- Review of our Tea Production
  https://youtu.be/EadJ6qUVGGY
- Review of our Rubber Production
  https://youtu.be/jjJAmVBcdeE
- Review of our Coconut Production
  https://youtu.be/TKc7X-cUWFg
- Review of our Cinnamon Production
  https://youtu.be/cub5xEInN48





Access the QR Codes for View the PDF version of our 2024-2025 Annual Report

Access the QR Codes to listen the audios of sections that have been pasted in the relevant section of the 2024-2025 Annual Report.

Governance

"Establishing a path of transparency and trust; clearly and steadfastly defining leadership, values, and accountability"



Board of Directors



Dr. Sena Yaddehige
Chairman



Mr. N.C. Peiris
Independent Non-Executive Director
(Retired from the directorate W.E.F. 15th July 2025)



Mr. Shaminda Yaddehige
Non-Executive Director



Mr. Gerard Amerasinghe
Independent Non-Executive Director



Mr. Ranil Goonetilleke
Independent Non-Executive Director



Mrs. C.S. Perera
Independent Non-Executive Director



Mr. Bandara Rekogama
Independent Non-Executive Director

DR. SENA YADDEHIGE
Chairman

The business legacy of Dr. Sena Yaddehige spans not only time but also the depth of multiple industries and sectors. Renowned as a pioneer in the field of engineering and as a revered global business icon, Dr. Yaddehige is also a Swiss-based industrialist, with numerous ventures in multiple countries.

Under the leadership of Dr. Yaddehige, Richard Pieris Group has evolved into one of the leading diversified business conglomerates in Sri Lanka with the footprint extending from manufacturing, to exports, to retail, to plantations, to financial services, creating value across the national economy in multiple sectors. Dr. Yaddehige also served as a Director on the Board of the National Development Bank PLC (NDB) from 2007 to 2010.

As a businessman and industrialist with wide global recognition, his companies are established in the USA, UK, Germany, and Singapore. In addition, Dr. Yaddehige is also the founding Managing Director of a European manufacturing firm, which develops and exports automotive components and systems, which are based on his innovations and conceptions.

His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for lithium batteries in Sri Lanka.

Apart from his professional and scientific accolades, he was awarded with three doctorates, one of which is a Doctor of Science (D.Sc.), awarded as a high commendation for his original findings and research in radiation, radiation processing, Electromechanical sensor technology, Non-contact sensor technology, and automotive pedal systems, and as recognition of his patents in these respective arenas.

MR. N.C. PEIRIS
Independent Non-Executive Director

(Retired from the directorate W.E.F. 15th July 2025)

Mr. Neville Peiris is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, counting 53 years' experience in Finance & Management both locally and internationally. He has also followed several overseas Management Programmes in Singapore and Japan.

He functioned as the Finance Director and Company Secretary of Singer (Sri Lanka) Ltd., from 1985 to 2001 and thereafter functioned as a Regional Controller of the Singer Corporate Management overlooking the Financial and other controllership functions of Singer Jamaica, Philippines, Bangladesh, Pakistan, Sri Lanka and the Middle East until he retired in the year 2006. During the period he functioned as the Finance Director of Singer Sri Lanka Ltd., he contributed immensely to the continuous growth of the Company, he also served as Non-Executive Director of Several Public Quoted and Private Limited Liability companies in Sri Lanka, including Regnis Lanka Ltd., Commercial Leasing Co Ltd., Commercial Fund Management (Pvt) Ltd., Equity Lanka (Pvt) Ltd., Commercial Insurance Brokers (Pvt) Ltd., and First Capital Ltd. Presently in addition to being a Non- Executive Director of Namunukula Plantations PLC, Mr. Peiris is an independent Non-executive director of Hunter & Company PLC and Lanka Canneries (Pvt) Ltd. He is also the Chairman of the Audit Committees of Hunter & Company PLC and Lanka Canneries Ltd.

MR. SHAMINDA YADDEHIGE
Non-Executive Director

Mr. Shaminda Yaddehige is a Non-Executive Director of the Company.

Mr. Yaddehige was educated at Charter House-United Kingdom and graduated in Chemical Engineering from University College London. In addition, he also possesses a Masters Degree in Business Administration from IE Business School which is ranked amongst the top 10 business schools in the World.

Mr. Yaddehige worked as a Management Consultant at Price Waterhouse Coopers- United Kingdom and also at world renowned international ultra-high net worth banking giant, Credit Suisse of Switzerland. He has an extensive experience in international marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige is an Executive Director and also the Chief Operating Officer of the Richard Pieris & Company PLC. Further he is in the Directorates of Richard Pieris Exports PLC, Richard Pieris Natural Foams Limited, Richard Pieris Distributors Limited and also in several other Companies within the Richard Pieris Group.

MR. GERARD AMERASINGHE
Independent Non-Executive Director

Mr. Amerasinghe had his education at St. Anthony's College Kandy and joined the aviation industry at the age of 21 and worked with various airlines, including a sting in Saudi Arabia with British Caledonian Airlines.

In the year 1991 he ventured out his own Travel Company, Worldlink Travels (Private) Limited being a family business Enterprise. Today, Worldlink Travels has become one of the most successful companies in the travel industry by setting up a number of companies in the travel and tourism industry during the past 33 years, under its umbrella. All of them are operating in a niche segment including the newly opened Ammara Brand Hotel Chain.

Mr. Amerasinghe has held various positions in the industry, which includes the Chairman of Sri Lanka Association of Airline Representatives (SLAAR) and president of the Sri Lanka Interline Club.

His expertise in the Service Sector un-Interruptedly for more than 33 years has obviously guided him to take correct business decisions towards success.

Board of Directors

MR. RANIL GOONETILLEKE
Non-Executive Independent Director

Mr Ranil Goonetilleke is a FCMA of the Chartered Institute of Management Accountants UK (CIMA). He has behind him over 40 years of professional working experience. He currently serves as a Non-Executive Director of Lion Brewery Ceylon PLC, Pegasus Hotels of Ceylon PLC and a Non-Executive Independent Director and Audit Committee Chairman of Ceylinco Holdings PLC. He was formerly the Director Finance Lion Brewery Ceylon PLC and served as the Chairman of the Exporters Association of Sri Lanka of the Ceylon Chamber of Commerce. Consequent to undergoing training at KPMG (formerly Ford, Rhodes Thornton & Company), Mr. Goonetilleke started his career at Haycarb PLC serving in the middle and senior managerial roles and subsequently at Ceylon Brewery PLC and Lion Brewery Ceylon PLC where he served for 25 years. He has participated in several training and Executive Development programmes in Sri Lanka, INSEAD France, Wharton University, Philadelphia amongst many others both locally and overseas.

MRS. C.S. PERERA
Independent Non-Executive Director

Mrs. C.S. Perera is a public sector professional with over 30 years of experience in planning and development. She joined the Sri Lanka Planning Service in 1994 starting her career as an Assistant Director in the Department of National Planning. Mrs. Perera has worked in several key departments, including the Department of National Budget, the Department of Development Finance, and the Department of Project Management and Monitoring.

She is currently holding the position of Additional Director General at the Department of National Planning, making contributions for national development initiatives.

Mrs. Perera holds a B.A. (Hons) in Geography from the University of Kelaniya, a Postgraduate Diploma in Economic Development from the University of Colombo and an M. Com in Economics from the University of Sydney, Australia. She is an Attorney-at-Law, enrolled to the profession in 1993.

Mr. BANDARA REKOGAMA
Independent Non-Executive Director

Mr. K. M. D. B. Rekogama brings a wealth of experience, with over 33 years in the fields of engineering and banking. He is a former banker, MSME consultant, engineer, and a lecturer at the Institute of Bankers of Sri Lanka. Mr. Rekogama holds a Master of Business Administration (MBA) from Sikkim Manipal University, National Diploma in Technology from the University of Moratuwa, Postgraduate Executive Diploma in Banking & Finance (IBSL) and Member in the Institute of Incorporated Engineers, Sri Lanka (IIESL), Incorporated Member of Engineering Council of Sri Lanka (ECSL), Member – Engineers' Guild of Sri Lanka (MEGSL), Fellow member of the Institute of Chartered Professional Managers of Sri Lanka (CPM).

Mr. Rekogama is currently serving as a Non-Executive Independent Director of PMF finance PLC and also a Director at Rekobiz Private Limited. Further, he is also a MSME sector expert, freelance consultant for Banking & finance, Entrepreneur development, youth & women financial services. Currently, he serves as a visiting lecture for Institute of Bankers Sri Lanka (IBSL) and few private Universities. He also provides consultancy services to national and multinational agencies for the MSME sectors and represents currently represents as committee member of the CMA Sri Lanka SME Development committee.

Mr. Rekogama previously served as the Head of Microfinance and Head of Refinance & Special Lending Products at Hatton National Bank. Before joining HNB, he held various positions in few private sector as a engineer for engineering organizations specializing in project management, Sales & Marketing of Industrial Machinery & Equipment & procurement management.

Our Management Team

Corporate Management

Mr. Prins Gunasekara	Chief Executive Officer
Mr. Dhammika Laksiri	Sector Financial Controller
Mr. T.T. Christy	General Manager Uva Range Estates

Senior Management

Mr. D. Sivaraj	Senior Manager
Mr. M. Teshan Mendis	Senior Accountant
Mr. L.P. Tennakoon	Manager Plantations
Mr. R.M.S.S. Herath	Manager Information Systems
Mr. S.P.Wijedasa	Engineer - Plantations Sector
Mr. Priyantha Bandara	Manager – Forestry
Mr. Janaka Gallappaththi	Manager Coffee Planting
Ms.J.W.C. Jayawickrama	Legal Officer

Head Office Management Team

Ms. N.P. Karunarathna	Assistant Accountant
Ms. Madurangi Wickramarachchi	Assistant Manager
Ms. Hashani Handapangoda	Secretary
Mr. Gihan Moramudali	Accounts Executive
Ms. Ireshika Ranasinghe	Accounts Executive
Ms. Ama Muhandiramge	Accounts Executive
Mr. Nisath Wijerathne	Accounts Executive
Mr. J. Fernando	Executive
Mr. S.R. Dhanapala	Administrative Executive
Ms.W.A.A.T.J. Weerasooriya	IT Executive
Ms. Umesha Rathnayaka	Executive
Mr. W.M.S.J. Wijesinghe	IT Executive

Estate Management Team

Galle Range

Baddegama Estate	Mr. W.P Rupasingha Superintendent	Mr. V.S Weragoda Mr. N.E De Silva Asst. Superintendent
Citrus Estate	Mr. M.M.S Jayasekara Superintendent	Mr. D.B.C Jayawardena Asst. Superintendent
Walpita/Monorovia Olympus Estate	Mr. S.S Gunasekara Superintendent	Mr. A.U.S Bandara Asst. Superintendent

Estate Management Team

Kalutara Range

Eladuwa Estate	Mr. R.M Ranasinghe Superintendent	Mr. C.H Ranasinghe Asst. Superintendent
Pallegoda Estate	Mr. J.B Weerasekara Superintendent	Mr. W.P.B Vitharana Mr. P.M.B Wellangiriya Asst. Superintendent
Miriswatte Estate	Mr. K.P.N kalugalla Superintendent	
Yatadola Estate	Mr. L.K.S Karunathilaka Superintendent	Mr. T.S Panduwawala Asst. Superintendent
Pelawatte Estate	Mr. Wageesh Kularathne Superintendent	Mr. D.J Tennekoon Mr. U.M.N.B Senarathne Asst. Superintendent
Sirikandura Estate	Mr. U.U.K.N.S.A Udunuwara Superintendent	

Estate Management Team

UVA Range

Gonakelle Estate	Mr. R. Madugalla Superintendent	Mr.Cavin Samuvel Mr. Charitha Madushan Asst. Superintendent
Cannavarella Estate	Mr. Hiran Rajapaksha Superintendent	Mr. Eranda Jayalath Mr. H.M.D Udayanga Asst. Superintendent
Kandahena Estate	Mr. H.M.W Sajith Hellarawa Superintendent	
Pingarawa Estate	Mr. T. Athukorala Superintendent	
Hindagala Estate	Mr. J.S Kalansuriya Superintendent	Mr. M.G.K.I Gamage Mr. D.M.J.K Dissanayake Asst. Superintendent
Kinellan Estate	Mr. S.L Gunasekara Superintendent	

Estate Management Team

Matara Range

Akuressa Estate	Mr. K.D.R Dayan Superintendent	Mr. D.R.A Fernando Asst. Superintendent
Hulandawa/ Belomont Estate	Mr. G.S.U De Silva Superintendent	Mr. P.C.M De Silva Mr. D.U Maddekandage Asst. Superintendent
Tennahena Estate	Mr. D.S Dalpethado Superintendent	Mr. A.D Amarasinghe Asst. Superintendent

Corporate Governance

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

The Board of Directors of Namunukula Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance whilst give concerns to major external & internal steering instruments on governance as mentioned below:

Major External Steering Instruments on Governance		Major Internal Steering Instruments on Governance
Mandatory	Voluntary	
Companies Act No. 07 of 2007.		Articles of Association of the Company
Listing Rules of the Colombo Stock Exchange		Operational policies, Guidelines and Manuals
Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and amendments thereto.		Integrated risk management procedures
Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.		Internal control, procedures, and processes.
	Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.	Board of Directors' working procedure
	Global Reporting Initiatives(GRI) standards published by Global Reporting initiatives	
	SLFRS S1 and SLFRS S2	

This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board of Directors

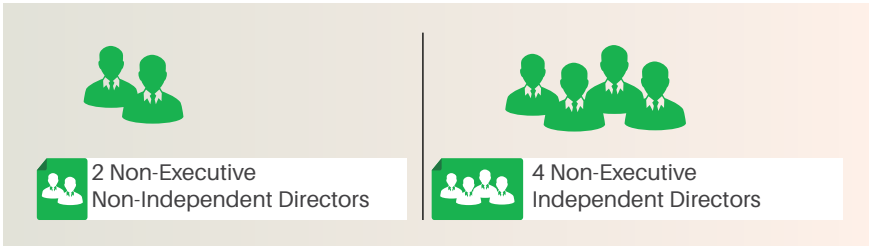
GRI 2-9/17

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

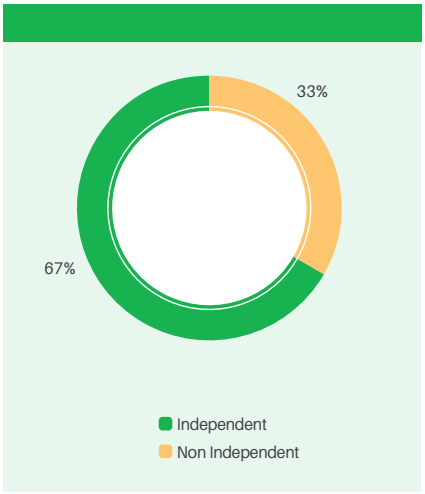
The Board comprises six Directors, and all of them are Non-Executive Directors. Out of six Non- Executive Directors, four are Independent, ensuring an Independent outlook to temper the expediency of the experts and also two Directors is Non-Independent. The Board has assessed the independence of the Non-Executive Directors.

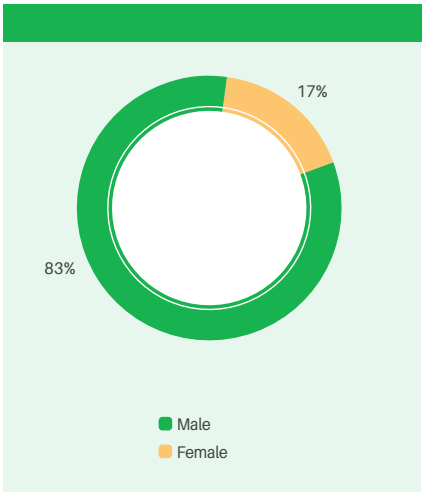
Senior Managers (Management) are involved with the day to day running of the Company with the management. Following diagram and table depicted the composition of the Board and the senior management.

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



Name of Director	Non-Executive	Independent	Non-Independent
Dr. S. Yaddehige	✓		✓
Mr. N.C.Peiris (Retired from the directorate W.E.F. 15th July 2025)	✓	✓	
Mr. Shaminda Yaddehige	✓		✓
Mr. Gerard Amerasinghe	✓	✓	
Ms. D.N.S.Welikala (Ceased to be a director W.E.F. 17th February 2025)	✓	✓	
Mr. Ranil Goonetilleke (Appointed on 30th September 2024)	✓	✓	
Mrs. Christine Sriyani Perera (Appointed on 17th February 2025)	✓	✓	
Mr. Bandara Rekogama (Appointed on 16th July 2025)	✓	✓	
		✓ Chairman	✓ Directors





Role of the Chairman in overseeing the management of impacts

GRI 2-11/12/13

The Chairman and the Chief Executive Officer of the Company are two different personnel where power and authority are clearly distinguished.

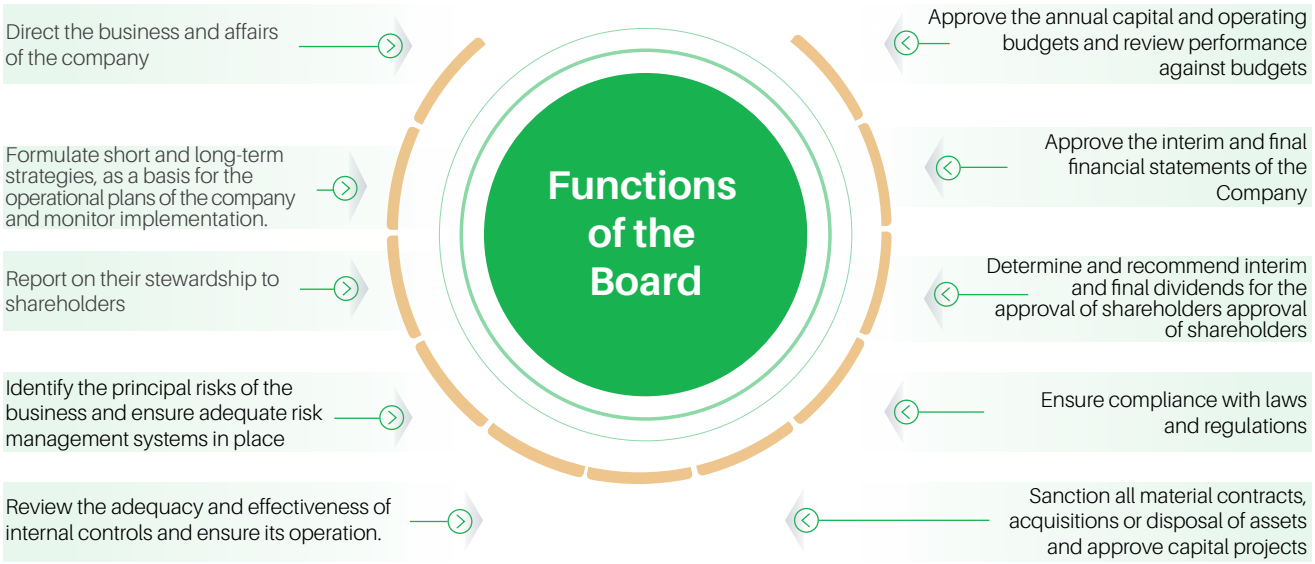
The separation of officers with executive powers in the Company ensures a balance of power and authority.

The Chairman is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the company. He is responsible for Company's overall commercial, operational and strategic development and assisted by the Corporate Management of the Company. The finance function devolves on the Head of Finance and Sector Financial Controller who is present by invitation at board meetings when financial matters are discussed. The Board of Directors have access to Independent professional advice as and when deemed necessary for decision making.

Board secretary

Richard Pieris Group Services (Pvt) Ltd served as the group Company secretary of NPPLC. Secretaries and the Board apprise of all laws and regulations and compliance thereof. The secretaries maintain Minutes of Board meetings which is open for inspection by the Board Directors at any time. The Board Secretaries are available to shareholders for any questions or clarifications.

Corporate Governance



Sub Committees of the Board

GRI 2-15

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to four Board sub committees which operate within clearly defined terms of reference. Information on Four Board Committees is given in Pages 37 to 41.

Audit Committee

The Committee consisted of three Independent Non-Executive Directors namely Mr. Bandara Rekogama, Mr. S G D Amerasinghe and the Chairman of the Committee, Mr. Ranil Goonetilleke. Audit Committee Chairman is a Fellow of the Institute of Chartered Management Accountants – UK. The Company Secretary functions as Secretary to the Audit Committee.

The Audit Committee Report on pages 37 & 38 describes the activities carried out by the Committee during the financial year.

Remuneration Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors consist of three Independent Non-Executive Directors of Namunukula Plantations PLC, Mr. S G D Amerasinghe, Mr. Bandara Rekogama and Mr. Ranil Goonetilleke.

The Report of the Remuneration Committee on page 39 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee consisted of three Independent Non-Executive Directors namely its' Chairman Mr. Ranil Goonetilleke, Mr. S G D Amerasinghe (Independent Non-Executive Director) and Mr. Bandara Rekogama. (Independent Non-Executive Director).

The Report of the Related Party Transactions Review Committee on page 40 highlights its main activities.

Nominations and Governance Committee

The Nominations and Governance Committee consisted of three Independent Non-executive Directors namely its' Chairman Mr. S G D Amerasinghe, Mr. Ranil Goonetilleke (Independent Non-Executive Director) and Mr. Bandara Rekogama. (Independent Non-Executive Director).

The Report of the Nominations and Governance Committee on page 41 highlights its main activities.

Sub Committee		Audit Committee	Remuneration Committee	Related party Transactions Review Committee	Nominations and Governance Committee
Committee Members	Mr. Ranil Goonetilleke	©	0	©	
	Mr. S G D Amerasinghe	0	©	0	©
	Mr. Bandara Rekogama	0	0	0	0
				© - Chairman	0 - Member

Meetings of the Board of Directors

The Chairman, with the assistance of the Company Secretaries, establishes the agenda for each Board Meeting and together with this Board papers are submitted in advance on Company performance, new investments, capital projects and other issues which require specific Board approval. Prior to each Board meeting, the Directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions and separate information memorandum is provided on statutory payment at each Board meeting.

Every Director therefore gives sufficient time and effort to Board matters. The Directors who are also members of the Board Sub-Committees make a strong commitment to discharge their duties. Directors exercise Independent judgment in the effective discharge of their duties and responsibilities in matters relating to the Board including strategy, performance, resource allocation, risk management, compliance and standard of business conduct.

During the year there were 01 board meeting held,

• 21st February 2025

Name of the Member	Number of meetings eligible to attend	Number of Meetings attended
Dr. S Yaddehige	1	-
Mr. N C Peiris (Retired from the directorate W.E.F. 15th July 2025)	1	1
Mr. Shaminda Yaddehige	1	-
Mr. Gerard Amerasinghe	1	-
Ms. D.N.S.Welikala (Ceased to be a director W.E.F. 17th February 2025)	-	-
Mr. Ranil Goonetilleke (Appointed on 30th September 2024)	1	1
Ms. C.S. Perera (Appointed on 17th February 2025)	1	1
Mr. Bandara Rekogama (Appointed on 16th July 2025)	-	-

Internal Controls

The Board is responsible for instituting an effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 54 to 76.

Apart from the Strategic Plans, a comprehensive budgetary process is in place. The objectives of the Company are determined and the Critical Success Factors and the Key Performance Indicators to monitor the objectives are identified to be included in the budget. The performance is monitored monthly, through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

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

Relationship with Shareholders

The Board maintains healthy relationships with its shareholders (Individual and Institutional) while maintaining a dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Its principal methods of communication include the corporate website, the annual report, quarterly Financial Statements and press releases. Apart from that, the board is dedicated to upholding the highest standards of professional and ethical behaviour, and Directors disclose their outside business interests upon appointment.

Relationship with Other Stakeholders

GRI 2-16

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

The Board also ensures that the Company policies and practices are in line with the Company's values and its social responsibilities. The Company promotes protection of the environment, health and safety standards of its employees and others within the organization.

The relevant measures taken are given in detail in the Materiality Assessment on pages 106 to 112.

Compliance

The Board places significant emphasis on strong internal compliance procedures. The financial statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations.

Financial statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their

Corporate Governance

knowledge and belief, are satisfied that all statutory payments have been made to date.

Going Concern

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

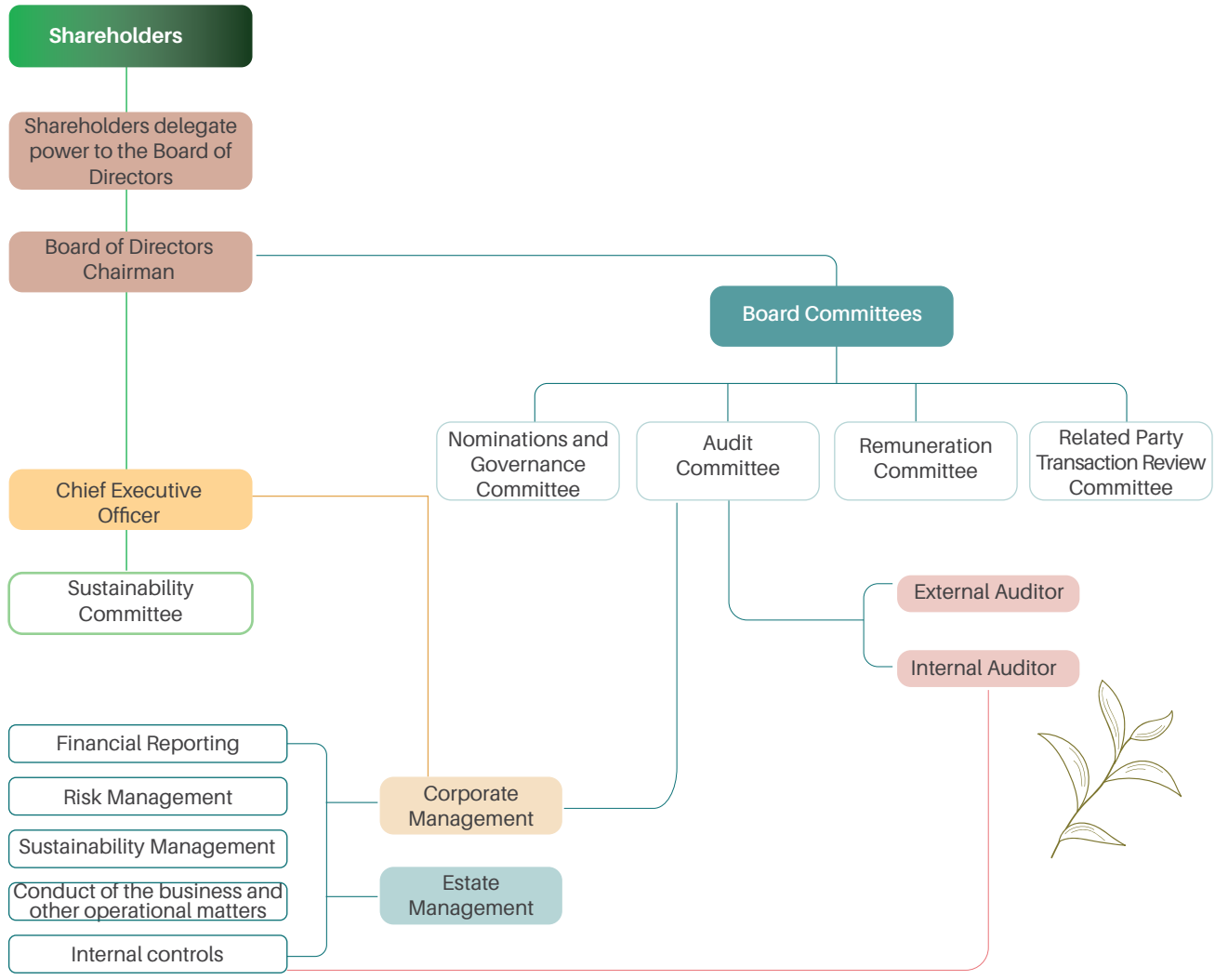
Corporate Governance Requirements under Section 7 of the Listing Rules issued by the Colombo Stock Exchange.

Colombo Stock Exchange	Status of Namunukula Plantation PLC
Non-Executive Directors	In Compliance
Independent Directors	In Compliance
Disclosures relating to Directors	In Compliance
Remuneration Committee	In Compliance
Audit Committee	In Compliance
Related Party Transactions Committee	In Compliance
Nominations and Governance Committee	In Compliance

The corporate governance requirements applicable to listed entities were revised during the FY 2024/25 with effect from 01st October 2023. The compliance report for this is provided on pages 192 to 196.

Corporate Governance Structure

GRI 2-9



Audit Committee Report

Composition of the Committee

The Committee consisted of three Independent Non-Executive Directors namely Mr. Bandara Rekogama, Mr. S G D Amerasinghe and the Chairman of the Committee, Mr. Ranil Goonetilleke, a Fellow of the Institute of Chartered Management Accountants – UK. The Company Secretary functions as Secretary to the Audit Committee.

The committee comprises the following members and their attendance at meetings are as follows:.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended	
Mr. Ranil Goonetilleke (Appointed as Chairman on 01st October 2024)	Chairman	2	2	
Mr. S G D Amerasinghe (Appointed w.e.f. 01st October 2024)	Member	2	2	
Mr. Bandara Rekogama (Appointed w.e.f. 16th July 2025)	Member	-	-	
Mr. Neville Peiris (Retired w.e.f. 15th July 2025)	Member	2	2	
Mr. J. F. Fernandopulle (Ceased to be Chairman w.e.f. 01st October 2024)	Member	3	3	
Mr. Prasanna Fernando (Resigned w.e.f 01st October 2024)	Member	3	3	
Dr. Jayatissa De Costa P.C (Resigned w.e.f 01st October 2024)	Member	3	3	

Independent Non- Executive Director

Charter of the Committee

The Audit Committee Charter, defines the purpose, authority, composition and responsibilities of the Committee.

The purpose of the Audit Committee is to:

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

The principal activities of the Committee are detailed below:

Internal Audit and Risk Management

The Internal Audit programme was reviewed by the Committee to ensure that it covered the major business areas.

The Group Internal Audit Manager was invited to be present at all Audit Committee deliberations. A summary of the salient findings of all internal audits and details of the investigations carried out by the Internal Audit Department for the period was presented. The responses from Management with respect to the internal audit findings were reviewed and noted and where necessary corrective actions were recommended.

Internal Controls

During meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Group's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of the quarterly and annual statements. The Audit Committee reviews the financial statements taking into consideration the key performance impacts highlighted by Management in the operations of the Company.

Financial Statements

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

Audit Committee Report

External Auditors

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

The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken when necessary. Meetings were held with the external auditors regarding the scope and the conduct of the annual audits.

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31st March, 2025 subject to the approval of the shareholders at the next Annual General Meeting.

Meetings

The Audit Committee held 05 meetings during the year under review.

- 30th May 2024
- 30th July 2024
- 27th August 2024
- 05th November 2024
- 07th February 2025

The Head of Finance, Group Internal Audit Manager and Chief Executive Officer attended for audit committee meetings.

Conclusion

The Committee received confirmation from the chief executive officer and group financial controller on the Company operational and financial status. It was satisfied that the financial records are properly maintained and that the financial statements accurately reflect the Company operations and financial position. Further, the Committee obtained regular updates regarding compliance matters.

The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the Company, the assets are safeguarded and the Listing Rules of the Colombo Stock Exchange have been complied with. Any non-compliances are intimated to the Board for corrective action.



Ranil Goonetilleke
Chairman of the Audit Committee
28th August 2025

Remuneration Committee Report

Composition of the Committee

The Remuneration Committee, appointed by and responsible to the Board of Directors consist of three Independent Non-Executive Directors of Namunukula Plantations PLC, Mr. S G D Amerasinghe, Mr. Bandara Rekogama and Mr. Ranil Goonetilleke.

The following changes took place during the financial year in compliance with the Governance Rules stipulated in Section 9 of the Listing rules of the Colombo Stock Exchange.

The members who served on the Committee during the financial year are as follows:

Mr. S G D Amerasinghe (Appointed as Chairman on 01st October 2024)	Chairman	
Mr. Ranil Goonetilleke (Appointed w.e.f. 01st October 2024)	Member	
Mr. Bandara Rekogama (Appointed w.e.f. 16th July 2025)	Member	
Mr. Neville Peiris (Retired w.e.f. 15th July 2025)	Member	
Dr. Jayatissa De Costa P.C (Ceased to be Chairman w.e.f. 01st October 2024)	Member	
Mr. Prasanna Fernando (Resigned w.e.f 01st October 2024)	Member	
Mr. J. F. Fernandopulle (Resigned w.e.f 01st October 2024)	Member	

Independent Non- Executive Director

Meetings

The Committee met on several occasions during the financial year.

Remuneration Policy

The Committee is proposed to the Board for reviewing the remuneration of the Executive Director/Chief Executive Officer and to recommend appropriate remuneration benefits and other payments.

The Remuneration policy of the Company is formulated to attract and retain high caliber personnel and motivate them to develop and implement the business strategy in order to optimize long-term shareholder value. The Committee took into account, competition, market information and business performance in deciding the overall remuneration policy.

Further information on the policies adopted by the Company can be accessed using the link or QR code provided. They have been uploaded to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange.

S G D Amerasinghe
Chairman - Remuneration Committee
28th August 2025

https://www.arpico.com/contents/financial_policies_npl.php

Related Party Transactions Review Committee Report

Composition of the Committee

The Related Party Transactions Review Committee consisted of three Independent Non-Executive Directors namely its' Chairman Mr. Ranil Goonetilleke, Mr. S G D Amerasinghe (Independent Non-Executive Director) and Mr. Bandara Rekogama. (Independent Non-Executive Director)

The committee comprises the following members.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended	
Mr. Ranil Goonetilleke (Appointed as Chairman on 01st October 2024)	Chairman	3	3	
Mr. S G D Amerasinghe (Appointed w.e.f. 01st October 2024)	Member	3	3	
Mr. Bandara Rekogama (Appointed w.e.f. 16th July 2025)	Member	-	-	
Mr. Neville Peiris (Retired w.e.f. 15th July 2025)	Member	3	2	
Mr. J. F. Fernandopulle (Ceased to be Chairman w.e.f. 01st October 2024)	Member	5	5	
Mr. Prasanna Fernando (Resigned w.e.f 01st October 2024)	Member	5	5	
Dr. Jayatissa De Costa P.C (Resigned w.e.f 01st October 2024)	Member	5	5	

Independent Non- Executive Director

The Group Head of Finance attended meetings by invitation. The Company Secretary functions as Secretary to the Related Party Transactions Review Committee.

The Objectives of the Committee,

1. To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of the Company, its parent Richard Pieris & Company PLC and all listed subsidiaries withing the Richard Peiris Group are carried out and disclosed in a manner consistent with the CSE listing rules.
2. To advise and update the Board of Directors on the related party transactions of each of the listed companies on a quarterly basis.
3. To ensure compliance with the CSE listing rules on the Related Party Transactions.
4. To review policies and procedures of Related Party Transactions of the Group.
5. To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee reviewed the policy framework for adoption on Related Party Transactions for Richard Pieris & Company and all the listed subsidiaries in the group. In such process the committee considered and reviewed Related Party Transactions which require approval of the Board of Directors, based on the various thresholds set out by the Colombo Stock Exchange listing rules and disclosure requirements, etc. The monitoring system in place to capture the information pertaining to Related Party Transactions and to determine that the transactions comply with statutory and regulatory requirements were also reviewed.

The Committee has held 08 meetings during the period. The activities and views of the Committee have been communicated to the Board of Directors where appropriate.

- 30th May 2024
- 13th June 2024
- 10th July 2024
- 30th July 2024
- 30th August 2024
- 05th November 2024
- 31st December 2024
- 07th February 2025

Related Party Transactions during the year 2024/25

Details of the related party transactions entered into by the Group/Company are disclosed on pages 258 to 260.

Declaration

Annual Report of the Board of Directors on the Affairs of the Company, Pages 209 to 213 for the declaration by the Board of Directors that no related party transaction falling within the ambit of the Listing Rules was entered into by the Company during 2024/25, except what was disclosed in the note no. 32.

Disclosures

A detailed disclosure of all the related party transactions, including recurrent and non-recurrent related party transactions, that are required to be disclosed under Section 9.3.2 of the Listing Rules of the CSE has been made in Note 32 to the financial statements given from pages 258 to 260 in the report

Ranil Goonetilleke
Chairman
28th August 2025

Nominations and Governance Committee Report

GRI 2-10

Composition of the Committee

The Committee is comprised of Three Independent Non-Executive Directors. The Company Secretary serves as the Secretary to the Nomination & Governance Committee.

The committee comprises the following members.

Mr. S G D Amerasinghe (Appointed as Chairman on 01st October 2024)	Chairman	
Mr. Ranil Goonetilleke (Appointed w.e.f. 01st October 2024)	Member	
Mr. Bandara Rekogama (Appointed w.e.f. 16th July 2025)	Member	
Mr. Neville Peiris (Retired w.e.f. 15th July 2025)	Member	

Independent Non- Executive Director

Meetings and Attendance

The Nomination and governance Committee held one meeting during the year under review.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended
Mr. S G D Amerasinghe (Appointed as Chairman on 01st October 2024)	Chairman	1	1
Mr. Ranil Goonetilleke (Appointed w.e.f. 01st October 2024)	Member	1	1
Mr. Bandara Rekogama (Appointed w.e.f. 16th July 2025)	Member	-	-
Mr. Neville Peiris (Retired w.e.f. 15th July 2025)	Member	1	1

The meetings were conducted to review matters relating to Board composition, governance frameworks, and succession planning.

The Committee operates under the guidelines established in its Charter, which is approved by the Board of Directors. The Charter outlines the purpose, authority, composition, and responsibilities of the Committee in line with the Corporate Governance rules.

Purpose of the Committee

The primary purpose of the Nomination & Governance Committee is to:

1. Ensure the Board comprises an appropriate mix of skills, experience, and diversity to effectively discharge its responsibilities.
2. Recommend the appointment and re-election of Directors to the Board, ensuring adherence to established Corporate Governance principles.
3. Oversee the development and implementation of sound governance policies and practices across the Company.
4. Evaluate the independence of Non-Executive Directors annually and ensure compliance with regulatory requirements.

Governance and Oversight

The Committee reviewed the Group's compliance with the Corporate Governance Code prescribed by the Colombo Stock Exchange and other applicable regulations. The framework for governance policies, including Board performance evaluations and training initiatives for Directors, was strengthened to align with emerging best practices.

Director Nominations and Succession Planning

During the year, the Committee:

- Recommended the appointment of one Directors to fill vacancies arose from retirements. The nominations were based on a structured assessment of the candidates' qualifications, experience, and alignment with the Group's strategic objectives.
- Develop succession plan for board of Directors and key management roles across of the company.

Board Effectiveness and Independence

The Committee conducted an annual review of the Board's composition, independence, and performance. Feedback was collected from Directors to identify areas for improvement. The independence of all Non-Executive Directors was assessed, ensuring adherence to governance standards.

Training and Development
The Committee facilitated training sessions for Directors on key topics, including sustainability, risk management, and regulatory updates. Continuous development programmes were designed to enhance Directors' capabilities in fulfilling their roles effectively.

Conclusion

The Nomination & Governance Committee is satisfied that its activities during the year have supported the Group's governance framework and strategic direction. The Committee remains committed to uphold the highest standards of governance, ensuring the Board's effectiveness, and facilitating sustainable long-term growth for the Company.

S G D Amerasinghe
Chairman - Nominations and Governance Committee
Colombo.
28th August 2025

Our ESG Framework



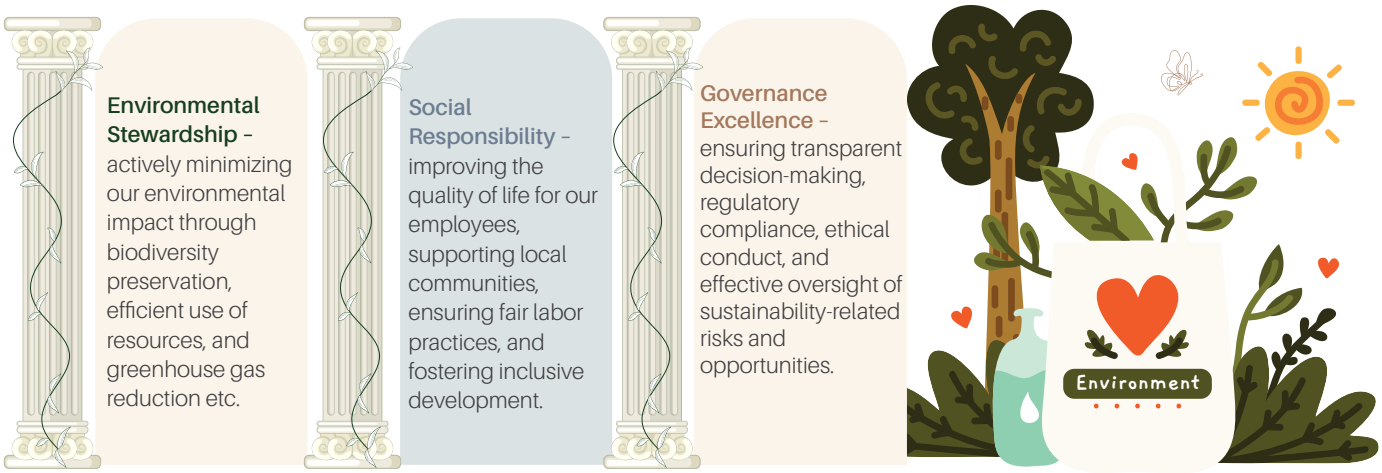
"The strength of our roots lies in how we respect nature, uplift communities, and govern with purpose."

At Namunukula Plantations PLC, sustainability is a fundamental principle that directs our business operations and decision-making. This principle is reflected in our ESG framework, which highlights our commitment to economic viability of our operations, community well-being, and responsible management of natural resources. We are committed to advancing a sustainable future for our world because we understand that our success is correlated with the well-being of the environment and the communities we serve.

ESG Strategy

Our ESG strategy is a foundational part of our business model. It is designed to guide how we grow, operate, and create value, ethically, sustainably, and inclusively. Our strategy is rooted in the understanding that long-term business success depends not only on financial performance but also on how we manage our environmental footprint, empower the people and communities we serve, and maintain strong, transparent governance.

Our ESG framework reflects this commitment through three interconnected pillars:



This strategy is not implemented in isolation. It is carefully aligned with our business goals, ensuring that every ESG initiative we undertake supports our operational resilience, brand integrity, and stakeholder trust. It is equally aligned with the expectations of our stakeholders, including employees, regulatory bodies, communities, and customers, each of whom has an interest in how we perform not only financially but also ethically and sustainably.

Alignment with Global Frameworks

Our ESG approach is also framed by global sustainability standards and frameworks, ensuring international best practice and comparability. We align our reporting and actions with:

- The UN Sustainable Development Goals (SDGs) – Supporting global priorities like clean energy, quality education, gender equality, decent work, and climate action.
- The Global Reporting Initiative (GRI) – To provide transparent, consistent, and credible disclosures on our sustainability impacts and outcomes.
- The Sri Lanka Sustainability Reporting Standards (SLFRS S1 and S2) – In alignment with the International Sustainability Standards Board (ISSB), these standards help us disclose material sustainability-related risks and opportunities, particularly those related to climate, in a manner that meets the expectations of regulators and financial stakeholders.
- ISO 14064-1:2018 – This international standard provides guidance for quantifying and reporting greenhouse gas (GHG) emissions and removals at the organizational level. It enhances the transparency, consistency, and accuracy of our GHG accounting and supports our efforts toward verified emissions reduction and climate-related disclosures.

Accountability & Reporting

GRI 2-13/2-14

To ensure effective implementation and continuous improvement of our ESG strategy, we have established a dedicated sustainability committee tasked with overseeing all aspects of environmental, social, and governance performance. This team is responsible for monitoring, managing, and mitigating sustainability-related risks and identifying opportunities that align with our long-term business goals. We believe that transparent reporting and accountability are critical to building stakeholder trust.

Management Structure of the Sustainability Committee



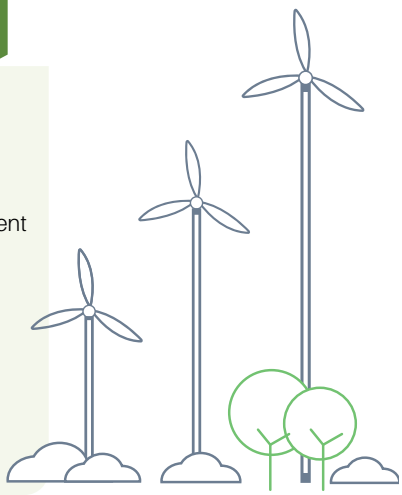
Our ESG Framework

Material ESG Topics

Environmental Topics
- Climate change and Carbon Emissions
- Water and soil management
- Waste management
- Biodiversity and habitat preservation
- Energy Consumption and Efficiency

Social Topics
- Labor welfare and housing
- Labor Welfare and Living Conditions
- Gender equity and inclusion
- Training and Capacity Building
- Occupational Health and Safety (OHS)
- Employee Engagement and Retention

Governance Topics
- Transparency and Reporting
- Stakeholder Engagement
- Business Ethics and Anti-Corruption
- Data Privacy
- Risk Management



ESG PERFORMANCE

Environmental performance

Resource Consumption

Metric	2024/25
Total Energy Consumption	12127.18 GJ
Renewable Energy Consumption	5197.227 GJ
Non-renewable Energy Consumption	6929.95 GJ
Water Withdrawal	15 ML
Total Water Consumption	2.06 ML
Total Water Discharge	2.15 ML

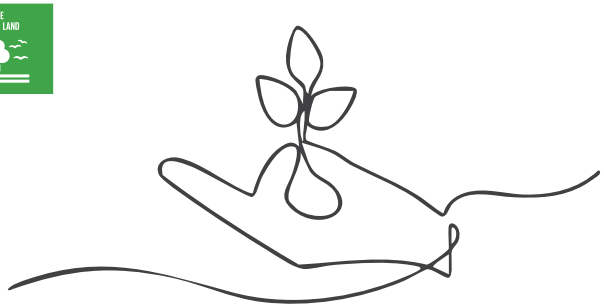
Emissions and Waste

Metric	2024/25
Scope 1 Emissions	3,283 tCO_2e
Scope 2 Emissions	580 tCO_2e
Scope 3 Emissions	376 tCO_2e
Waste Generated	16,059 kg

Investments & Initiatives

Metric	2024/25
New Planting and Replanting Cost	Rs. 334 Mn
New Planting Extent	76.78 Ha
Sustainable Certifications	Obtained GHG verification Certification





Social Performance

Employees

Metric	2024/25
Total Workforce	2977
Women in Workforce (%)	51
New Hires(%)	5.9
Average Training Hours per Employee	3.40
Employee Retention Rate(%)	92
Fatalities	0



Community

Initiative	Description	2024/25 Investment (Rs.Mn)
Housing Programme	Lines built for plantation workers and families	2
Education Support	Scholarships and investment for creches	17
Healthcare Access	Mobile health camps, dental camps	10.5
Skill Development	Technical and skill development programmes for employees	0.9
Worker Welfare	Investment in community engagement initiatives	28

Governance Performance

Management

Metric	2024/25
Directors on Board (Independent: Non-Independent)	4:2
Female Board Members (%)	17
Board Meetings Held	1
Whistle-blower Reports Resolved (%)	0
Regulatory Fines / Penalties	0



Investments & Initiatives

Initiative	Current Progress
Anti-Corruption & Ethics Training	Established 'Whistle blowing Policy' and 'Anti-Bribery and Corruption Policy'
Data Privacy	At our Tea centre, we safeguard customer privacy and provide separate boxes for suggestions and complaints.
Stakeholder Engagement Policy	Structured engagement with shareholders, communities, and other organisations on governance matters

Looking Ahead

As a plantation Company deeply connected to nature and community, we recognize that sustainability is not a destination but an ongoing journey one that is both essential and enduring. Guided by our Environmental, Social, and Governance (ESG) framework, we strive to align every aspect of our operations with our core values, ensuring that profitability is pursued alongside purpose, and progress is tempered with responsibility.

Our commitment to sustainable growth extends across all dimensions of our business. From inclusive community engagement and climate-smart agricultural practices to ethical leadership and strong governance, we are continually evolving to meet the demands of a changing world. We believe that resilience is built through action, collaboration, and long-term thinking.

We view sustainability as a continuous path one that strengthens our operations, enhances stakeholder trust, and prepares us to thrive amid global challenges. Together with our people, partners, and communities, we are shaping a future defined by responsible innovation, shared prosperity, and a legacy of stewardship that future generations can inherit with pride.

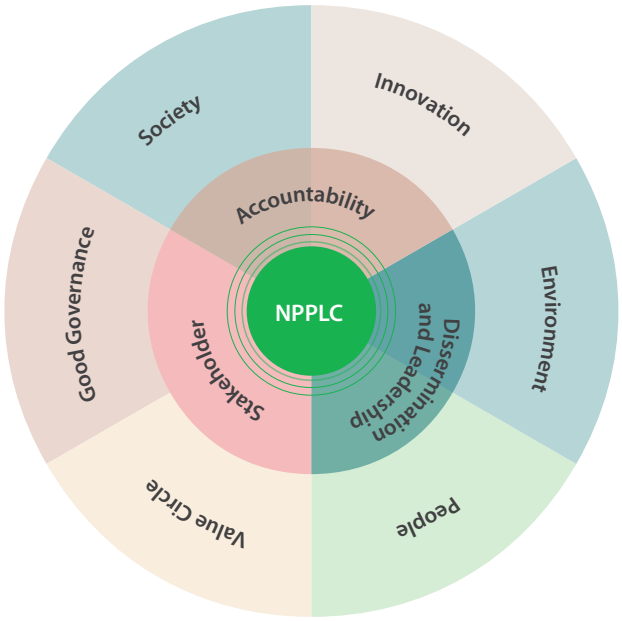
Sustainability Management

Commitment to sustainability : Our journey towards a resilient and greener future.....

At Namunukula Plantations PLC, sustainability is not just a concept; it is a core principle that guides our operations and decision-making processes. Our commitment to this principle is reflected in our comprehensive ESG policy, which underscores our dedication to responsible management of natural resources, the well-being of our communities, and the economic viability of our practices. We recognize that our success is intertwined with the health of the environment and the prosperity of the communities we serve, and we are steadfast in our efforts to promote a sustainable future for our planet.

As a responsible company, we are committed to fostering a sustainable future through innovative agricultural practices, ethical labor standards, and proactive environmental stewardship.

GRI 2-13/2-14



Leadership and Commitment

Our ESG policy applies to all directors, executives, employees, and third-party contractors, covering every aspect of our operations. This policy focuses on managing our environmental impact, promoting social welfare, and upholding high governance standards, ensuring that our sustainability efforts align with local laws, international standards, and stakeholder expectations.

Similarly, we have established a leadership team who are dedicated to control , monitor, manage and oversee sustainability-related risks and opportunities and promoting sustainability by integrating environmental stewardship, social responsibility, and economic viability into its operations. This collaborative approach aims to enhance long-term resilience while minimizing ecological footprints, reflecting a shared commitment to sustainable practices across our organizations. Together, we strive to create a positive impact on the environment and society, reinforcing our dedication to responsible business practices. Collaboration with stakeholders, including employees and environmental organizations, is crucial for integrating sustainability principles into the company's culture and operational strategies.

GRI 2-16



Leader's Perspective

'I truly believe that sustainability is not just an initiative, it's a fundamental pillar of our success. By integrating sustainable practices into our core strategy, we pave the way for long-term growth, resilience, and innovation.....''

Mr.Prins Gunasekara
Chief Executive Officer

Business Resilience Pillar Head's Insight

"Sustainability is not just a moral imperative; how I view , it's a strategic advantage. By aligning our resilience initiatives with profitability, we ensure that our organization thrives today while safeguarding our future. It's not just about doing good, it's about doing well....."

Mr. M.Thushara P.Perera
(Group Financial Controller)

Employee Engagement and Social Communities Pillar Head's Insight

"At the heart of our organization, I assume that sustainability is not just an environmental commitment; it's a dedication to fostering social well-being and employee welfare. Every initiative we undertake is designed to empower our people, build vibrant communities, and create a workplace where every voice is valued. Together, we strive to ensure that our growth aligns with the greater good, cultivating an environment where both our employees and the planet can thrive....."

Mr. L.P.Tennakoon
(Manager Plantations)

Environment Sustainability Pillar Head's Insight

" It's a journey we undertake with every step we take towards preserving our natural environment. By integrating eco-friendly practices into our daily operations, we are not only nurturing the planet but also paving the way for a greener future. Each small action contributes to a larger vision, reminding us that together, we can create a sustainable legacy for generations to come....."

Mr.G.S.U.De Silva
(Group Manager)

	Leader	Business Resilience Pillar Head	Employee Engagement and Social Communities Pillar Head	Environmental Sustainability Pillar Head
Scope	Holds a pivotal role in guiding the committee's initiatives and strategies aimed at promoting sustainable practices within the organization. This individual is responsible for providing overall leadership, fostering collaboration among committee members, and ensuring that the committee's goals align with the broader sustainability objectives of the organization.	This pillar head is responsible for integrating sustainability into the organization's profit-making strategies, enhancing resilience and ensuring long-term success in a competitive market.	This pillar head leads initiatives that prioritize people in sustainability efforts. This role focuses on fostering employee engagement and promoting social responsibility, ensuring that committee activities enhance employee well-being while benefiting the broader community..	This Pillar Head leads the Sustainability Committee by promoting environmental stewardship within the organization. This role involves guiding initiatives to enhance sustainability, reduce the organization's environmental impact, and improve resilience to climate change. And ultimately pillar head is key to drive the organization toward a greener future.
Responsibilities	⊙ **Strategic Direction:** Set the overall sustainability vision and objectives for the committee, aligning them with the company's mission and values. ⊙ **Coordination:** Facilitate communication and collaboration among the pillar heads to ensure cohesive efforts and information sharing. ⊙ **Performance Monitoring:** Oversee the performance metrics and progress towards sustainability goals, adjusting strategies as necessary. ⊙ **Stakeholder Engagement:** Serve as the primary point of contact for internal and external stakeholders on sustainability issues, promoting transparency and accountability. ⊙ **Guidance:** Providing overall guidance to the committee toward a sustainable future.	⊙ **Financial Analysis:** Assess the economic viability of sustainability initiatives, ensuring that they contribute positively to the company's financial performance. ⊙ **Cost-Benefit Evaluation:** Analyze the financial implications of sustainable practices and recommend investments that yield long-term profitability. ⊙ **Market Trends:** Monitor market trends and identify opportunities for sustainable products and practices that can enhance profitability. ⊙ **Risk Management:** Evaluate financial risks associated with sustainability efforts and develop strategies to mitigate these risks. ⊙ **Stakeholder Value:** Ensure that sustainability initiatives create value for stakeholders, including investors, customers, and employees	⊙ **Employee Engagement:** Develop and implement programmes that promote employee involvement in sustainability initiatives and foster a culture of responsibility. ⊙ **Community Relations:** Establish and maintain positive relationships with local communities, ensuring that their needs and concerns are addressed. ⊙ **Diversity and Inclusion:** Promote diversity and inclusion within the workforce, ensuring equitable opportunities for all employees. ⊙ **Training and Development:** Oversee training programmes that educate employees about sustainability practices and their importance to the company's success. ⊙ **Social Impact Assessment:** Evaluate the social impact of the company's operations and initiatives, ensuring that they contribute positively to society.	⊙ **Environmental friendly practices implementation:** Create and implement environmental practices that align with best practices and regulatory requirements. ⊙ **Resource Management:** Oversee the sustainable management of natural resources, including land, water, and biodiversity, to minimize environmental impact. ⊙ **Sustainability Reporting:** Track and report on environmental performance metrics, such as carbon emissions, waste management, and energy usage. ⊙ **Sustainable Practices Promotion:** Advocate for and implement sustainable agricultural practices that enhance ecosystem health and resilience. ⊙ **Compliance Monitoring:** Ensure compliance with environmental regulations and standards, conducting regular audits and assessments.

Sustainability Management

Strategic Approach toward Sustainability

In today's rapidly evolving business landscape, organizations are increasingly recognizing the importance of sustainability as a core component of their strategic approach. By integrating sustainable practices into our operational frameworks, we are not only enhancing our environmental stewardship but also driving long-term profitability and resilience. This strategic commitment encompasses a holistic view of sustainability, addressing environmental, social, and economic dimensions. Therefore we are dedicated to transparently reporting our ESG performance by regularly updating stakeholders on its sustainability initiatives, goals, and achievements which aligns with best practices and the Colombo Stock Exchange requirements. Ultimately our Board of Directors will oversee the implementation of this policy to ensure that sustainability efforts are integrated with the company's overall strategy.

As strategies which we utilize to foster Sustainability in people perspective, we believe that it is essential to engage local communities in decision-making processes, ensuring their needs and opinions are integrated into project planning. This can be complemented by implementing fair labor practices that guarantee safe working conditions, fair wages, and career advancement opportunities through training programmes. Supporting local economies by collaborating with regional suppliers and businesses will stimulate our growth while investing in education and capacity building which empower communities with knowledge in sustainable agricultural practices and economic literacy. Additionally, our openness toward health and well-being of the people provide a better foundation to promote a better approach of community welfare.

Under the profit perspective our strategic view emphasize that, it is important to diversify crop production and create additional revenue streams through value-added products, while obtaining sustainable certifications such as Rainforest Alliance or Fair Trade to access premium markets and boost brand value. Building sustainable supply chain relationships can improve our product quality and adaptability to market changes. Finally, establishing clear metrics for sustainability efforts and transparent reporting to stakeholders fosters trust and appeals to ethically-minded investors.

Our Strategic thinking in environmental sustainability as a plantation Company involves integrating ecological principles into every facet of operations, from land management to product development. This approach requires a comprehensive assessment of the environmental impact of planting practices, resource utilization, and community engagement. By adopting sustainable agroforestry techniques, optimizing water usage, and effective energy and waste management can enhance biodiversity and soil health while ensuring our long-term productivity.

Finally we believe this holistic strategy support us to position the Company as a leader in sustainable practices, ultimately enhancing its reputation and market viability in an increasingly eco-conscious consumer landscape.

Our Sustainability Journey

Current Projects	Upcoming Projects
⊙ Brailing Annual Report of the Company ⊙ Scholoship Programme for higher education of the Employees' Children ⊙ Providing mobile service to obtain National Identity cards for estate workers ⊙ Medical Camps and Health and wellbeing awareness programmes ⊙ Construction of child development centers ⊙ House hold cash management programmes ⊙ Housing programmes ⊙ Community involvement and development related activities	⊙ Openning bank accounts for estate workers. ⊙ Increasing child development centers.
⊙ Replanting and New Planting ⊙ Home Gardening awareness programme ⊙ Material Management (Eg: Purchasing zero carbon packing materials) ⊙ Energy Management Initiatives ⊙ Water and Effluent Management ⊙ Forest Management ⊙ Waste management	⊙ Green house gas emission verification process. ⊙ Solar power generating Project
⊙ Coffee Project ⊙ Tea center project - Kinellan	⊙ Factory Automation Process (5 S method Implementation) ⊙ Carbon credit selling project

GRI 2-16

Risks & Opportunities

As a plantation company, we face a range of sustainability-related risks and opportunities that significantly impact our operations and long-term viability. Key risks include climate change, which can affect crop yields and biodiversity; deforestation and land degradation, which may lead to regulatory challenges and reputational damage; and social issues related to labor practices and community engagement. Conversely, we have opportunities to enhance our sustainability practices through the adoption of innovative agricultural techniques, certification programmes, and partnerships aimed at promoting responsible sourcing and biodiversity conservation. By investing in sustainable practices and actively engaging with stakeholders, we can not only mitigate these risks but also leverage them to create value. We are committed to giving our maximum effort to address these challenges and ensure a sustainable future for our operations and the communities we serve.

Moreover, we adopt a comprehensive approach to identify, assess, prioritize, and monitor sustainability-related risks and opportunities, seamlessly integrating these elements into our overall risk management process. We begin by conducting impact assessments, engaging with stakeholders, and utilizing data analytics to pinpoint potential risks. Once identified, we prioritize these risks based on their potential impact and likelihood, aligning them with our strategic objectives. Our dedicated sustainability team under the guidance of sustainability committee collaborates with cross-functional departments to develop risk mitigation strategies and capitalize on opportunities, such as sustainable sourcing and innovation. Regular monitoring and reporting mechanisms are established to track progress, ensuring that sustainability considerations remain at the forefront of our decision-making processes. This integrated approach not only enhances our resilience to external challenges but also drives long-term value creation for our business and stakeholders.

GRI 2-16/2-23/2-24

Sustainability Related Metrics and Expected Targets

	Profit	Planet				People	
	Business	Emission	Water	Waste	Bio Diversity	Diversity & Inclusion	Impact to community
Our Present Performance and Metrics	Tea Center Annual Profit increase 8.2 Mn Coffee Project investment in Rs. 52 Mn	GHG Inventory 2149.3645 tCo2 662.6585 tCH4 109.0859 tN2O	Water Withdrawal 15 ML Water Consumption 2.06 ML Water Discharge 2.15 ML	Waste Disposal 16059 kg	Investment for Tree Planting (Rs.) Tea – 37,783,307.39 Rubber – 92,142,039.61 Oil palm – 132,375,118.51 Timber Planting – 1,373,363.41 Other – 9,112,048.42 Coconut- 61,554,288.95	Workforce Gender Diversity : Male: Female 1:1 Workforce Geographical Diversity : Kalutara – 837 Galle – 399 Matara – 435 UVA – 1283 Colombo -23	Total Investment for Scholarships (Rs.) – 658,000 Total Investment for Staff Welfare (Rs.) – 29,010,247 Total Investment for Staff Medical (Rs.) – 8,869,960 Total Investment for Creche Maintenance (Rs.) – 16,422,675 Total Investment for Housing projects (Rs.) – 1,965,566

Sustainability Management

Short-Term Targets	Increasing the revenue of the Tea center by 10% by Next year.	Reducing emission effect by 8% on next year.	Reducing Water withdrawal, Consumption and water discharge effect by 5% on next year.	Reducing Waste disposal effect by 10% on next year.	Achieving a survival rate of over 5% for the new plants by next year.	Enhance feedback loop for employees to voice concerns about diversity and inclusion next year.	Increasing investments on child development centers by 7 % within next year.
Long-Term Targets	By 2030, we aim to plant 95,900 coffee plants with an expected Crop quantity of 229,371 kg.	Reducing emission effect by 15% by 2030 And achieving carbon credits by becoming carbon neutralized organization.	Reducing Water withdrawal, Consumption and water discharge effect by 7% by 2030.	Reducing Waste disposal effect by 15% by 2030.	Restoring biodiversity and increasing carbon sequestration by 10% by 2030, and enhancing the overall health of the ecosystem.	Achieve nearly 8% on employee engagement surveys related to feelings of inclusion and belonging within five years.	Enhance community engagement by 12% over the next five years through strategic partnerships, educational programmes, and sustainable practices that foster collaboration and support local livelihoods.

GRI 2-16

Our Current Projects

Scholarship Programme for higher education of the Employees' Children

At our company, we believe that sustainability extends beyond environmental stewardship; it encompasses the empowerment of future generations. Our Scholarship Programme for the higher education of our employees' children embodies this commitment by investing in the potential of young minds who will shape a more sustainable world. By providing financial support for education, we aim to cultivate a sense of responsibility and innovation in the next generation, ensuring they are equipped to tackle the challenges of tomorrow. This initiative not only strengthens our workforce but also promotes a culture of sustainability that aligns with our core values and long-term vision for a better future.

Expected Outcome : Education for All



Braille Project of Annual Report

Last year, we proudly launched our annual report Brailing initiative, a commitment to inclusivity that ensures all stakeholders, regardless of visual ability, can access and engage with our vital information. By integrating Braille into our annual reports, we not only enhance transparency but also promote sustainability. This project reflects our dedication to fostering an inclusive environment where everyone is empowered to participate fully, reinforcing our belief that accessibility is key to a sustainable future for all.

Expected Outcome : Ensuring Equality





Providing mobile service to obtain National Identity Cards for estate workers

Implementing mobile services to facilitate the issuance of National Identity Cards for estate workers not only streamlines access to essential identification but also embodies a commitment to sustainability. By leveraging mobile technology, the process reduces the need for workers to travel long distances, minimizing carbon emissions and promoting energy efficiency. Furthermore, ensuring that estate workers have proper identification enhances their access to social services and economic opportunities, fostering a more inclusive and equitable society. This initiative not only supports the workforce but also aligns with sustainable development goals, promoting social equity while protecting the environment.

Expected Outcome : Empowering Identity Recognition



Medical Camps and Health and well being awareness programmes

At our company, we believe that sustainability extends beyond environmental considerations to encompass the health and well-being of our communities. Our medical camps, including eye check-ups, dental camps, and nutrition awareness programs, are designed not only to provide essential health services but also to promote a holistic approach to wellness. By fostering awareness around preventive care and healthy lifestyles, we empower individuals to take control of their health, which in turn supports a more sustainable future. By prioritizing health and well-being, we create resilient communities capable of thriving in harmony with their environment.

Expected Outcome : Better Health for All



Construction of Child Development Centers

At our company, the construction of child development centers is not only a commitment to nurturing the well-being of children but also a significant step towards sustainability. By integrating eco-friendly building materials and energy-efficient designs, we ensure that these centers serve as safe, healthy environments for children while minimizing their carbon footprint. Additionally, our focus on fulfilling the nutritional and health needs of children emphasizes a holistic approach to development, supporting their growth in a sustainable manner. This project embodies our dedication to creating a brighter, healthier future for both the children we serve and the planet we inhabit.

Expected Outcome : Empowering Next Generation



House hold cash management programs

At our company , we recognize that effective household cash management is not just about budgeting and savings; it also plays a crucial role in promoting sustainability. By empowering our community to track their spending and make informed financial decisions, our cash management programmes encourage more mindful consumption and reduce waste. When individuals understand their financial habits, they are more likely to prioritize eco-friendly products and services, supporting sustainable businesses and practices. Ultimately, our commitment to enhancing financial wellness aligns seamlessly with our goal of fostering a more sustainable future for our communities and the planet.

Expected Outcome : Toward Better Economic Growth



Housing programmes

At our company, we believe that sustainability goes beyond just environmental responsibility; it encompasses the well-being of our workers and their communities. Our housing programme is a testament to this commitment, as we strive to provide safe, affordable homes for our employees. By constructing secured houses equipped with essential amenities, we not only ensure that our workers have a secure roof over their heads but also promote a healthier living environment. This initiative not only enhances the quality of life for our workforce but also aligns with our broader goal of fostering sustainable communities that thrive economically and socially.

Expected Outcome : Safe residence for all



Community involvement and development related activities

At our company, we believe that sustainability goes hand in hand with community involvement and development. Our programmes are designed not only to empower local communities but also to promote environmental stewardship. By engaging in initiatives such as community clean-up drives, educational workshops on sustainable practices, and coordinating cultural programmes, we create a positive impact that fosters both social well-being and ecological balance. This holistic approach not only strengthens our ties with the community but also ensures that our growth contributes to a more sustainable future for all.

Expected Outcome :
Enhanced Community Engagement





Sustainability Management

Environmental Sustainability Enhancement Initiatives

Our company is committed to fostering environmental sustainability through a comprehensive project that integrates various eco-friendly initiatives. We are actively engaged in replanting and new planting efforts to restore local ecosystems while promoting home gardening awareness programmes that empower individuals to cultivate their own green spaces. Additionally, we prioritize the use of eco-friendly packaging materials in our operations, ensuring that our products are delivered with minimal environmental impact. Our commitment extends to implementing effective energy, water, waste, and forest management practices, striving to create a sustainable future for our communities. By combining these efforts, we aim to inspire a culture of environmental stewardship and resilience.

Expected Outcome : For a greener future



Green House Gas Emission Verification

As a plantation company committed to sustainability, we have actively engaged in greenhouse gas (GHG) verification projects to enhance our accountability in disclosing emissions, including carbon, nitrogen, and methane. By transparently reporting our GHG outputs, we aim to foster trust and demonstrate our commitment to environmental stewardship. Recognizing the urgent need to combat climate change, we are implementing targeted actions to reduce our GHG emissions, thereby minimizing our ecological footprint. This initiative not only aligns with our sustainability goals but also contributes to a healthier planet for future generations, reinforcing our role as responsible stewards of the environment.

Expected Outcome : Toward carbon neutralized planet



Coffee Planting Project

As a plantation company venturing into coffee cultivation, we recognize that our commitment to sustainability is vital for both profitability and the planet's health. By adopting practices that prioritize environmental stewardship—such as organic farming, biodiversity conservation, and water management—we not only enhance the quality of our coffee but also ensure the long-term viability of our ecosystems. This sustainable approach not only mitigates risks associated with climate change and resource depletion but also appeals to a growing consumer base that values ethically sourced products. Ultimately, by harmonizing profit with planet-friendly practices, we position ourselves not just as a competitive player in the coffee market, but as a responsible steward of the environment, paving the way for a thriving business that supports both economic growth and ecological balance.

Expected Outcome : Enhancing profitability through crop diversification





Tea Center Project

At our newly opened tea center integrated with Kinellan Tea Center in Ella, we are committed to embracing sustainability as a core principle that benefits both profit and the planet. By focusing on pure tea and infused tea sales, we not only cater to the growing demand for high-quality, ethically sourced products but also promote environmentally friendly agricultural practices that preserve the natural beauty of the region. Our initiatives, such as factory and field visits, allow customers to engage with the production process and appreciate the importance of sustainable farming, fostering a deeper connection to the land. The income generated from bungalow bookings and planned entertainment activities like camping not only boosts our revenue but also encourages eco-tourism, ensuring that our business thrives while protecting the local ecosystem. Through this holistic approach, we aim to create a profitable enterprise that respects and nurtures the environment, demonstrating that economic success and ecological responsibility can go hand in hand.

Expected Outcome : Toward diverse revenue stream



Our Upcoming Projects



Opening Bank accounts for estate workers



Increasing child development centers



Factory Automation Process



Solar power generating Project

As a forward-thinking plantation company, we are excited to announce several upcoming projects designed to enhance the livelihoods of our workers and contribute to sustainable development. One of our key initiatives is the establishment of bank accounts for estate workers, allowing them to conveniently receive their wages, thereby promoting financial inclusion and security. Additionally, we are committed to expanding our network of child development centers, which play a crucial role in fostering the growth and education of children within our communities. These efforts align with our social responsibility objectives and are integral to our ongoing collaboration with our sustainability committee, ensuring that we prioritize the well-being of our employees and their families.

In line with our commitment to environmental sustainability, we are also planning to launch a solar power generation project, which will harness renewable energy to reduce our ecological footprint. Furthermore, we are working on automating our Tea factories to enhance efficiency and minimize waste, further contributing to our sustainability goals. By addressing both social and environmental aspects of sustainability, we aim to create a positive impact not only within our Company but also in the broader community and the planet.

Our Policy on Environmental , Social and Governance Sustainability
https://www.arpico.com/contents/pdf/financial_policies/rpc/8.-Policy-on-Enviormental,-Social-and-Governance-Sustainability.pdf

Risk Management

The rigorous execution of strong risk management techniques is critical to achieving our strategic goals, supporting long-term value generation, and serving as a foundation for our business model.

Risk can be defined as being any situation or event that could affect the achievement of Company objectives and effectiveness. Managing risk can mark the fine line between the success or failure of a business. It is therefore paramount that the intelligent and proactive management of risk is essential for the long- term continuity of a Company. Risk management contributes value by creating an early warning system that positions the organization to make adjustments to the strategy and business model that capitalize on market opportunities and emerging risks before they become common knowledge in the industry.

A strong governance framework, risk management process, corporate social responsibility, and internal audit procedures are all crucial for becoming a good corporate citizen in a dynamic business environment. Continuous practice of strong corporate governance always contributes to a sustainable flow of operations as well as a transparent operational structure.

In the process of corporate governance, risk management plays a vital part where risk are proactively identified, evaluated, managed and reported. This is a paramount importance in the plantation sector, due to the known fact that the climate changes have had a significant impact in the past.

Priority is given to risks based on the impact and the likelihood of occurrence. A step going beyond traditional risk management, while taking actions to minimize the downside of the risks. Improved decisions are taken to capitalize on the potential opportunities as well. NPPLC is exposed to a multitude of risks when reaching for its realization of vision, mission and corporate objectives. The Board of Directors therefore places special emphasis on the management of risks and together with the Management Committee, ensures that a sound system of controls including financial, operational and compliance controls are in place, and reviews regularly the effectiveness of such controls, to safeguard shareholder investments.

Governance Level	Function	Area of Focus
Board of Directors	Governance and risk oversight at corporate level	⊙ Set the tone on risk management culture. ⊙ Maintain sound and effective risk management and internal control system.
Audit Committee	Review the process by which the entity's significant risks are identified and ensure that the Board is fully apprised of these risks.	⊙ Review the effectiveness of risk management process, develops and oversees implementation of risk management strategies. ⊙ Review of changes to the risk management programme. ⊙ Oversight of the adequacy and comprehensiveness of risk reporting from management.
Internal Audit Function	Assessing and improving risk management, assessing the system of internal controls and governance processes.	⊙ Define and monitor the risk management process and mitigate the impact using tools and actions. ⊙ Plan and execute assurance activities to ensure there are policies and procedures in place to support the effectiveness of the internal control system.
Functional Managers	Identify and evaluate and mitigate risks related to business functions	⊙ Communicating the Company's desired tax risk profile and approach to tax risk management. ⊙ Identify risk related to each business unit. ⊙ Consult on risk mitigation in the respective unit ⊙ Monitor and control the risks. ⊙ Providing assurance to the Board that the existing tax risk management framework will allow all significant transactions and events to be assessed as part of every commercial decision relating to each transaction.
Estate level managers	Ensure the risk mitigation actions are implemented correctly and timely.	⊙ Responsible for the ongoing management of the risks and ensuring that all of the control activities are adequate. ⊙ Implement risk mitigation actions in estates. ⊙ Evaluate the risk mitigation actions at the estate level. as part of every commercial decision relating to each transaction.

It is essential to maintain a risk management process as it enables the Company to manage risk effectively and efficiently. In response to this, a multi-step Risk Management Process is in operation, where potential threats or risks, whether internal or external to the business, are identified and evaluated.

The Diagram below shows the above steps of risk management in overall context of Namunukula Plantations PLC.



1. Risk Identification

To ensure effective management, Risks and Opportunities identification is precise and specific.

2. Risk Assessment

Quantitative and qualitative assessments are essential for comprehensive risk evaluation, analyzing probability, impact, and financial implications.

3. Risk Treatment

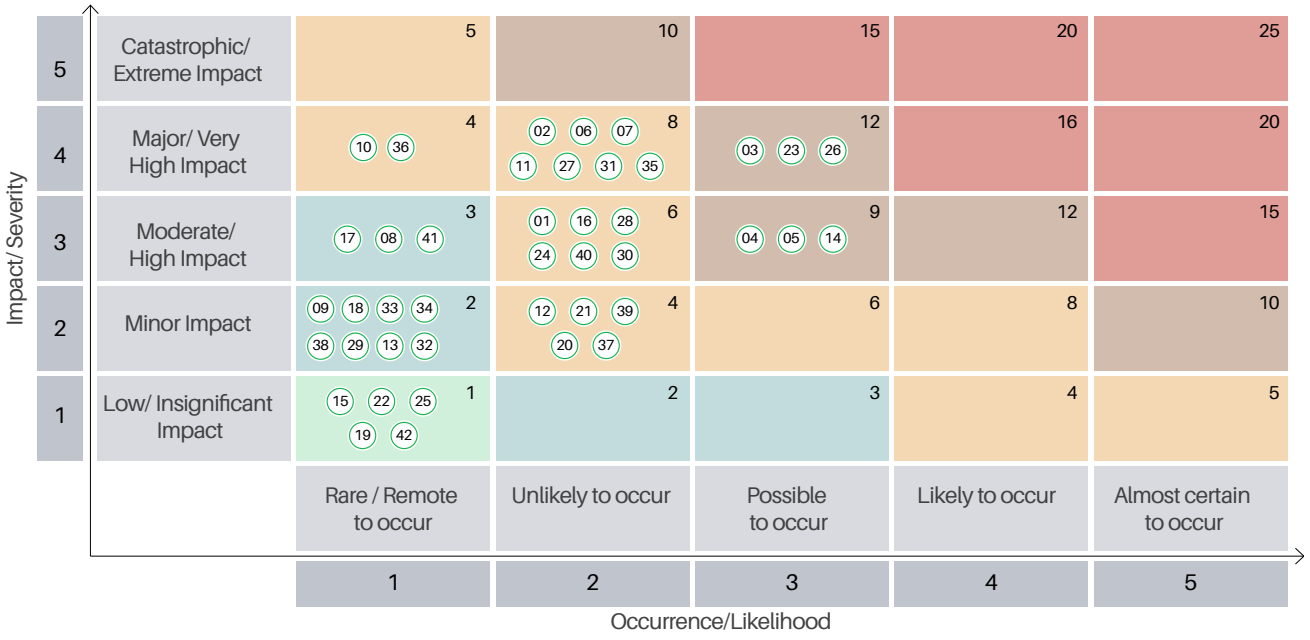
The risk treatment plan aims to minimize the probability and impact of risks through preventive actions.

4. Risk Monitor and Report

Developing a monitoring and reporting structure ensures proper escalation and implementation of risk responses.

Based on the risk level, Company takes appropriate decisions & necessary action to mitigate the risk. If the risk is within the Company`s risk appetite, actions will be taken to minimize the risk or accept the risks. In contrary if it is beyond the risk appetite, actions will be taken to transfer or avoid the risks.

Following graph depicts the linking control activities to the risk response.



NPPLC continuously monitors the effectiveness of actions taken in response to risk minimization strategies implemented to verify the appropriateness of the implemented strategies.

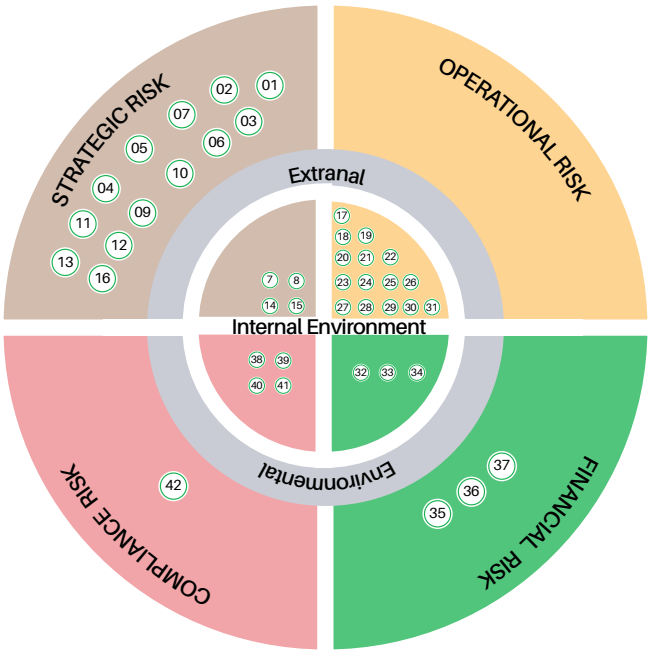
In risk monitoring, the Company is expected to evaluate the effectiveness of the strategies implemented as to whether the strategies have brought the expected results by reducing the respective risks within the year. This monitoring process is carried out at different levels of the Company.

The Company maintains a formal mechanism of risk reporting initially by corporate management. The risks are then presented to the Board of Directors, Audit Committee of the Company and other responsible top management, if required. Finalized and approved risk strategies are communicated to the ground level for implementation.

Ultimately, to review the risk management process, the gross risk (assessment of risk before risk minimization strategies are being implemented) is compared with the net risk (assessment of risk after risk minimization strategies are being implemented) and the impact to continue with the sustainable risk management cycle is documented.

This diagram overleaf summarizes examples of key risks in these areas and shows that some specific risks can have both external and internal drivers and therefore overlap the two areas.

Risk Management



	Strategic Risks
1	Economic Crisis
2	Volatility of Oil palm Prices
3	Auction Prices
4	Social Pressure against Oil palm expansion
5	Government Policy on Oil palm expansion
6	Climate Changes
7	Wage Structure
8	Reputation risk
9	Competitor risk
10	Global Economy impact
11	Social and Community engagement related risks
12	Change in consumer demand behaviour
13	Cultural Sensitivity related risks
14	Talent attraction/ Retention and labour management
15	Brand reputation and impact
16	Ecological Risks

	Operational Risks
17	Production Risk
18	Credit Risk
19	Asset Risk
20	Internal Controls
21	Inventory Risk
22	Procurement Risk
23	Technological Risk
24	Human Capital and Labor Risk
25	Value Chain
26	Information Systems Risk
27	Factory machinery breakdowns and Disruptions
28	High cost of energy
29	Occupational health and safety
30	Aceess to Field for betetr crop Recovery and field Activities
31	Crop Diseases

	Financial Risks
32	Investment Risk
33	Liquidity & Cash management
34	Interest Rate Risk
35	Inflation and Currency Risk
36	Foreign Exchange Risk
37	Interest Rate Fluctuation Risk

	Compliance Risks
38	Compliance with applicable legislation and internal policies
39	Tax compliance risk
40	Fraud and anti-corruption
41	PMMD Compliance Requirements
42	Rainforest Alliance (RA) Certification and Renewal

Company identified above mention risks in accordance with risk impact and risk level.

Risk impact demonstrate the severity of the impacts associated with the risks while the risk level indicates the probability of the occurrence. NPPLC's risk management plan of key risks are presented as follows:

STRATEGIC RISKS			
Risk	Risk Description	Risk Impact	Likelihood
1. Economic Crisis  Profit  People	The Sri Lankan economy is currently facing a significant crisis due to a combination of adverse factors such as policy errors with high inflation, the misalignment of the exchange rate, rising global food and energy prices and debt crisis. This situation poses several risks to businesses operating in the country. Implications / Consequences 01. Revenue losses due to yield losses with unavailability of required resources 02. Unavailability of inputs for continues operation Company Objectives 01. Management of the day to day operations without any interpretations. 02. Minimizing the drop in productivity due to the insufficient inputs. Risk Minimization Strategies 01. Ongoing observation of future economic prospects and movements. 02. Reducing dependency on imported agrochemicals and fertilizer by using organic Fertilizer and Effective and efficient utilization of available fertilizer stocks. 03. Cost reduction and efficiency improvement plans. 04. Identification of alternative suppliers for critical inputs. 05. Emergency cash flow protocols with financial institutions (banks, brokers).	Moderate 3	Low 2
2. Volatility of Oil palm Prices  Profit	Price Volatility arises mainly from global Crude Palm Oil market forces and import duty on Crude Palm Oil. This could potentially impact to Possible Revenue shortfalls against the expected amount and ultimately affect to our market place and competitive advantage. Implications / Consequences 01. Revenue shortfall Company Objectives 01. Minimizing the risk associated with the Oil palm prices. Risk Minimization Strategies 01. Continuous monitoring of global CPO prices. 02. Improve the product quality and increase production quantity. 03. Larger contract volumes during higher prices to advantage from seasonal price changes. 04. Investment in the joint venture AEN, where the entire crop is processed.	High 4	Low 2

Risk Management

Risk	Risk Description	Risk Impact	Likelihood
3. Auction Prices  Profit	The Tea & Rubber market remains volatile due to global factors such as geo political tensions in key import destinations for Sri Lanka Teas & Rubber, economic depression in key world economies, fluctuations in interest rates, exchange rates and world oil prices, etc. influencing demand and the price of Tea & Rubber. Implications / Consequences 01. Impact on profitability and sales forecasting 02. Price competition leading to potential losses Company Objectives 01. Minimizing the risk associated with the auction prices. 02. Ensuring the best price is obtained at the auctions. Risk Minimization Strategies 01. Upgrade the quality level of products to be acceptable to premium market buyers. 02. Spread risk through crop diversification and change grade mix to cater customer requirements. 03. Obtain international standards and quality accreditations to maintain attractive prices. 04. Continuous monitoring of market price trends and predicting future variations.	High 4	Moderate 3
04.Social Pressure against Oil palm expansion GRI 2 - 6  Profit  People  Planet	It was unable to replace the aging palm due to opposition from various groups to Palm Oil expansion and cultivation. It became difficult to sustain the crop yields. To reduce this risk, the Company has to allocate additional resources, which represents an opportunity cost. Implications / Consequences 01. Opportunity cost of maintaining unproductive Rubber and Tea fields 02. Project delays or cancellations Company Objectives 01. Assessing the environmental impact without bias. 02. Maintain best social relationship as responsible corporate citizen Risk Minimization Strategies 01. Organize public awareness campaigns 02. Village integration programmes 03. Engagement with pressure groups 04. Offer employment opportunity to community.	Moderate 3	Moderate 3
05. Government Policy on Oil palm expansion GRI 2 - 6  Profit  Planet	Changes in government policy from current drive to increase import substitution activity for edible oils. Restriction imposed by government on Oil palm cultivation impact to replanting & new planting process of Oil palm and it creates lower yield and crop due to non-replacement of ageing trees. Implications / Consequences 01. Restrictions on land use or expansion 02. Compliance costs and penalties Company Objectives 01. Eliminate the negative perception associated with Oil palm planting. Risk Minimization Strategies 01. Represent the policy direction through the Planters Association & Palm Oil Industry Association (POIA). 02. Rather than planting new Oil palm trees, invest in new and replanted Coconut trees. 03. Engagement with government agencies. 04. Affiliation with industry association 05. Active government relations and policy advocacy programmes. 06. Transparent environmental impact assessments and communication	Moderate 3	Moderate 3

Risk	Risk Description	Risk Impact	Likelihood
06.Climate Changes GRI 201-2  Planet Profit	We operate in a considerably volatile natural conditions. Due to unpredicted weather patterns and natural environmental conditions our production quality and quantity could get affected. Implications / Consequences 01. Lower yields due to unpredictable weather 02. Increased pests and diseases Company Objectives 01. Minimizing adverse effects due to climate changes. 02. Maintain the quality of the crops in spite of climate changes. Risk Minimization Strategies 01. Change fertilizing cycles to go in par with the climate changes. 02. Change the harvesting pattern accordingly. 03. Crop diversification.	High 4	Low 2
07.Wage Structure Profit  People	Maintaining a positive margin with a rising wage structure under collective bargaining of the farmers & laborers have become a challenging task while maintaining the remaining productivity level. Implications / Consequences 01. Rising labor costs impacting profitability 02. Discontent or strikes if perceived as unfair Company Objectives 01. Compliance to the regulatory wage structure. Risk Minimization Strategies 01. Improve labor productivity by better HR practices. 02. Outsourcing or suspending of non - value adding activities. 03. Negotiation with trade unions and stakeholders for a wage structure base on the Productivity and wage negotiations are done with the Employers' Federation of Ceylon. 04. Use technology to fulfill labor deficiencies. 05. Implementation of productivity-linked incentive schemes.	High 4	Low 2
08. Reputation Risk Profit  People	A positive reputation is essential for us to drive the brand value, customer loyalty, and stakeholder trust, which are crucial for long-term success, as even a single reputational misstep in today's digitally interconnected world can lead to significant and wide-ranging consequences. Implications / Consequences 01. Loss of market trust and stakeholder confidence 02. Decreased brand value and partnerships Company Objectives 01. Establishing a positive perception about the organization among stakeholders. Risk Minimization Strategies 01. Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Company's performance is continuously in line with its targets. 02. Ensuring effective communication with various stakeholders such as employees, bankers, regulators customers, suppliers and the shareholders.	Moderate 3	Insignificant 1

Risk Management

Risk	Risk Description	Risk Impact	Likelihood
09.Competitor Risk  Profit  Planet	Competitor risk is paramount to our company's success as it provides crucial insights into market dynamics, threats, and opportunities. By understanding competitor behaviour and strategies, we can anticipate market shifts, identify gaps, and differentiate their offerings effectively. Implications / Consequences 01. Market share loss to more efficient or innovative firms 02. Price undercutting or better-quality offerings Company Objectives 01. Ensuring that our Company remains competitive, resilient, and sustainable in the market. Risk Minimization Strategies 01. Minimization of risks through diversification of crops.	Low 2	Insignificant 1
10. Global economic changes  Profit  People	Understanding and monitoring global economic changes is vital for conducting thorough risk assessments to minimize the risk associated with changes due to global recessions, sanctions on countries, or changes in international markets. Implications / Consequences 01. Export demand fluctuations 02. Currency and trade policy challenges Company Objectives 01. Proactively monitoring and adapting to global economic changes to mitigate associated risks and optimize opportunities, ensuring sustained resilience and long-term growth. Risk Minimization Strategies 01. Maintaining a diversified product range to meet the probable trends. 02. Implementing cost-saving measures and efficiency improvement procedures to enhance profitability by investing in new technologies.	High 4	Insignificant 1
11. Social and Community engagement related risks  People	Social and community engagement-related risks in our plantation Company can arise from negative perceptions, conflicts with local communities. These risks can undermine our reputation, lead to protests, and hinder operational efficiency. To address these concerns, we believe that it is crucial to foster strong relationships with local stakeholders and ensure that our operations align with community interests and sustainable practices. Implications / Consequences 01. Operational disruptions due to protests or conflict 02. Legal challenges or project delays Company Objective: 01. To build and maintain positive relationships with local communities, ensuring that our plantation activities contribute to their social and economic well-being. Mitigation Strategies: 01. Creating platforms and implementing programmes to develop community engagement and understand their needs, address concerns, and involve them in decision-making processes related to plantation activities. 02. Invest in local development projects, such as education, healthcare, and infrastructure, to demonstrate our commitment to the community's welfare.	High 4	Low 2

Risk	Risk Description	Risk Impact	Likelihood
12. Change in consumer demand behaviour  Profit  People	Change in consumer demand behaviour poses a significant risk to our plantation company, which cultivates Tea, Rubber, Oil palm, Cinnamon, and Coconut. Shifts in consumer preferences towards other crops based products, or fluctuations in global market trends, can directly impact the demand for our crops and affect pricing strategies. Implications / Consequences 01. Loss of market if products don't align with trends 02. Shift to sustainable or alternative Company Objective 01. Enhance crop diversification by developing and promoting sustainable and organic crop options to meet changing consumer preferences. Mitigation Strategies 01. Analyzing current market situation to monitor consumer trends and preferences, allowing for timely adjustments for our cultivations. 02. Following sustainable cultivation practices and obtain third party certifications to appeal to environmentally conscious consumer.	Low 2	Low 2
13. Cultural Sensitivity related risks  People	Cultural sensitivity-related risks in our plantation company, which cultivates Tea, Rubber, Oil palm, Cinnamon, and Coconut, can significantly impact community relations, employee morale, and brand reputation. Misunderstanding local customs, traditions, or land rights can lead to conflicts with indigenous populations, negatively affecting our operations and sustainability efforts and also may lead to loss of consumer trust. Implications / Consequences 01. Damage to Company image due to cultural missteps 02. Community resistance Company Objective: 01. Foster strong relationships with local communities by respecting their cultural heritage and promoting inclusive agricultural practices. Mitigation Strategies: 01. Establish ongoing dialogues with local communities to understand their cultural values and practices. 02. Increasing awareness of local customs and cultural issues, ensuring that all staff understand the importance of cultural sensitivity in their interactions with local communities.	Low 2	Insignificant 1
14. Talent attraction/ Retention and labor management  Profit  People	Talent attraction and retention, along with effective labor management, are critical risks for our plantation company, as a skilled and dedicated workforce is essential for maintaining productivity and achieving operational goals. High turnover rates can lead to increased training costs, reduced efficiency, and disruption of work processes, jeopardizing our competitive edge in the industry. Implications / Consequences 01. Skills shortages impacting operations 02. Higher costs for recruitment and training Company Objective: 01. Enhance workforce stability by reducing employee turnover rates significantly within the next year. Mitigation Strategies: 01. Foster a positive work environment through regular feedback, recognition, and professional development opportunities, ensuring employees feel valued and invested in the company's success 02. Benchmark compensation against industry standards and provide attractive benefits to attract and retain top talent	Moderate 3	Moderate 3

Risk Management

Risk	Risk Description	Risk Impact	Likelihood
15. Brand reputation and impact  P Profit	Brand reputation plays a crucial role in the success of our plantation business, as it directly influences customer satisfaction and ensure long-term profitability. Any negative perceptions related to product quality, ethical sourcing, or environmental impact can significantly hinder sales and damage our reputation where we specially involve in sale of tea directly to the customer through our tea center. Implications / Consequences 01. Reduced customer loyalty and trust 02. Negative media affecting business prospects Company Objective: 01. To establish and maintain a strong brand reputation by ensuring the highest quality standards and ethical practices in our production and packaging process. Mitigation Strategies: 01. Share information about our sourcing, production processes, and sustainability efforts through marketing channels to build trust and engage with customers. 02. Implement strict quality control measures and seek third-party certifications to assure customers regarding our commitment to high standards and ethical practices.	**Insignificant** 1	**Insignificant** 1
16. Ecological Risks  P Planet	Ecological risks pose significant challenges to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. These risks include soil degradation, loss of biodiversity, and climate change impacts, which can adversely affect crop yields and sustainability. Implications / Consequences 01. Legal penalties for environmental harm 02. Loss of operating licenses Company Objective: 01. To implement sustainable agricultural practices that minimize environmental harm while maximizing productivity. Mitigation Strategies: 01. Following environment friendly practices that enhance biodiversity and soil health, and systematically reduce chemical usage in cultivation process, thereby protecting the surrounding ecosystem.	Moderate 3	**Low** 2

OPERATIONAL RISKS

Risk	Risk Description	Risk Impact	Risk Level
17. Production Risk  P Profit	Unpredictability in product quality results in reduced demand and leads to a drop in market price, market share, and reputation. Further, this could result in working capital deficiencies. Implications / Consequences 01. Disrupted operations and lower output 02. Increased costs due to inefficiencies Company Objectives 01. Minimizing the inconsistencies in product quality. 02. Centralizing Tea & Rubber processing according to High NSA & obtain selling mark advantage. Risk Minimization Strategies 01. Obtaining regular advice from Industry experts, Tea Research Institute, Rubber Research institute, brokers and customers. 02. Close supervision of plucking, tapping & harvesting operations and manufacturing process. 03. Optimizing of Product portfolio to cater specific market segments and develop revenue streams from other projects such as tourism, minor crops and fruits cultivation. 04. Conduct quality assessments frequently and identify the improvements required in terms of quality. 05. Adhere to quality standards like ISO and HACCP. 06. Use Benchmark of introduced measures within the industry.	Moderate 3	**Insignificant** 1

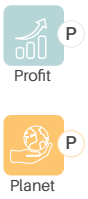
Risk	Risk Description	Risk Impact	Likelihood
18. Credit Risk 	Risk of being defaulted by customers or other debtors. Maintaining a higher level of liquidity is essential to the industry due to the abrupt nature of it. Hence maintaining a lesser debtor collection day ratio would add value in managing the working capital. Implications / Consequences 01. Inability to meet loan obligations 02. Higher interest or stricter borrowing terms Company Objectives 01. Minimizing risks associated with debtor defaults. 02. Working towards obtaining collaterals from major local customers with high outstanding. 03. Follow stringent assessment procedures to ensure credit worthiness of the customers prior to the granting of credit. Risk Minimization Strategies 01. Tea & Rubber Sales are made through auction and brokers assure the settlement. 02. Long-term & Short-term borrowings and Lease payments to government are closely monitored and settled without delay.	**Low** 2	**Insignificant** 1
19. Asset Risk 	Availability of new technological plant and machineries to Tea industry and availability of land to cultivate the suitable crops and efficient use of assets is at the medium level. Implications / Consequences 01. Loss or devaluation of physical and biological assets 02. Insurance and repair costs Company Objectives 01. Minimizing risks from fire, theft and machinery & equipment breakdown. Risk Minimization Strategies 01. Obtaining comprehensive insurance covers for all tangible assets. 02. Adoption of stringent procedures with regard to the moving of assets from one location to another. 03. Carrying out mandatory preventive maintenance programmes. 04. Carrying out frequent employee training programmes in areas such as fire prevention.	**Insignificant** 1	**Insignificant** 1
20. Internal Controls  	By establishing sound internal control systems, we can ensure and safeguard the assets and operational effectiveness and Efficiency. Implications / Consequences 01. Fraud or errors due to weak systems 02. Regulatory breaches and fines Company Objectives 01. Maintaining a sound system of internal control to safeguard shareholders' wealth and Company's assets. Risk Minimization Strategies 01. Carrying out system audits and other control mechanisms such as inventory counts and cash counts in every estate by the Central Internal Audit Department of the main Group.	**Low** 2	**Low** 2

Risk Management

Risk	Risk Description	Risk Impact	Likelihood
21. Inventory Risk Profit	Due to lower demand conditions there is a risk of accumulating produce stocks in the Tea factories, we have to ensure these stocks are disposed at the correct time at the auction. Implications / Consequences 01. Spoilage, theft, or overstock issues 02. Working capital inefficiencies Company Objectives 01. Reducing stock obsolescence and manage stock holding costs. 02. Reducing the risk associated with theft and shrinkage. Risk Minimization Strategies 01. Adopting a monthly declaration policy. 02. Identifying slow moving stocks and effectively laying out a channel for these to be sold off.	Low 2	Low 2
22. Procurement Risk  Profit	Ensuring efficient flow of operations require good relationships with suppliers, which in turn will ensure, discounted prices and quality raw materials to add more value to our products. Implications / Consequences 01. Delay or cost increase in raw materials 02. Disruption in production schedules Company Objectives 01. Minimizing risk associated with price and availability. Risk Minimization Strategies 01. Establishing relationships with more than one supplier to buy leaf in order to reduce over-dependency on a single supplier. 02. Entering into forward contracts for purchases of certain raw material items	Insignificant 1	Insignificant 1
23.Technological Risk Profit  People	To enhance the productivity of the industry that we operate in, we have to consider efficient allocation of technological resources in our plantations. We have to consider new investment in new technological plants, machineries and advanced information technology to ensure a smooth flow of information for control purposes Implications / Consequences 01. Obsolete systems hindering productivity 02. Cybersecurity threats Company Objectives 01. Keeping pace with the current technological developments and safeguard against obsolescence. Risk Minimization Strategies 01. Continuous investments in new Machinery and experiments on new methods. 02. Mechanization of estate functions up to the highest possible extent. 03. Investing in Research & Development activities whenever necessary. 04. Implementation of the new computer system in head office and the estates. 05. Investing in hardware resources with reputed companies.	High 4	Moderate 3

Risk	Risk Description	Risk Impact	Likelihood
24. Human Capital & Labour Risk  Profit  People	Heart of the operations is the people we have employed in our plantations. They are the key to our success and the most valuable assets of the Company. Implications / Consequences 01. Injuries, absenteeism, or low productivity 02. Legal liabilities Company Objectives 01. Ensuring a smooth flow of operations without any undue disruptions. 02. Minimize the risk associated with lack of labour in estates. 03. Minimize the risk associated with labour and talent migration. Risk Minimization Strategies 01. Maintaining healthy relationships with trade unions through regular dialogues. 02. Entering into collective agreements with trade unions 03. Ensure compliance with all regulatory requirements with regard to the benefits applicable to workers at estates. 04. To protect ourselves as an employer being successful in motivating, developing, retaining and attracting the best of human capital. 05. Implement better HR practices to attract retain high skilled and knowledgeable employees.	Moderate 3	Low 2
25. Value Chain Profit	Risk due to loss of confidence and relationship with suppliers of inputs, (fertilizers, chemicals, packing materials, bought leaf suppliers) buyers and end customers and risk of non-maintaining manufacturing standards. Implications / Consequences 01. Bottlenecks or inefficiencies from suppliers to market 02. Quality or delivery delays Company Objectives 01. Minimizing risk of not meeting profit expectations. Risk Minimization Strategies 01. Follow a transparent procedure to evaluate quotations of suppliers through RPC group purchasing division. 02. Ensure on time payments and settlement for bought leaf suppliers and other commodity suppliers. 03. Conducting workshops for bought leaf suppliers to educate to deliver good quality leaf.	Insignificant 1	Insignificant 1
26. Information Systems Risk  Profit	With a decentralized information system and accounting system we operate in, we have to ensure those systems are up to date and operate resourceful to satisfy our dynamic needs. Implications / Consequences 01. Data loss, breaches, or downtime 02. Reduced decision-making capability Company Objectives 01. Minimizing risk associated with security, hardware communication and software 02. Maintaining of spare servers mirroring of hard disks with critical data. Risk Minimization Strategies 01. Maintaining of spare servers mirroring of hard disks with critical data. 02. Introduce sound IT Policy, IS policy and close supervision thereon. 03. Data back-ups stored in off-site locations. 04. Vendor agreements for support service and maintenance. 05. Regular updating of Virus scanners, Firewalls etc. 06. Compliance with statutory requirements for environmental preservations.	High 4	Moderate 3

Risk Management

Risk	Risk Description	Risk Impact	Likelihood
27. Factory Machinery breakdowns and Disruptions related risk  Profit	Machinery breakdowns and disruptions pose a significant risk to our plantation operations, impacting the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Such interruptions can lead to delays in harvesting and processing, resulting in financial losses and diminished product quality. Implications / Consequences 01. Production halts Company Objectives 01. To ensure operational continuity by maintaining a reliable and efficient machinery system. Risk Minimization Strategies 01. Implementing a rigorous preventive maintenance programme to regularly service and inspect equipment, thereby reducing the likelihood of unexpected breakdowns. 02. Planning to invest in new technologies and equipment to minimize downtime during repairs and ensure that production processes remain uninterrupted.	High 4	Low 2
28. High cost of energy  Profit Planet	The high cost of energy-related risk poses a significant challenge to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Rising energy prices can lead to increased operational costs, affecting our overall profitability and ability to compete in the market. Implications / Consequences 01. Increased operational expenses 02. Need for energy-efficient technologies Company Objectives 01. One of our Company objectives is to enhance operational efficiency by reducing energy consumption across all production processes. Risk Minimization Strategies 01. Planning to invest in renewable energy sources, such as solar power, to reduce reliance on conventional energy and lower costs in the long-term. 02. Adopt energy-efficient technologies and practices in our cultivation and processing operations to optimize energy use and minimize waste.	Moderate 3	Low 2
29.Occupational health and safety  People	Occupational health and safety (OHS) is a critical risk in the plantation industry, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Workers in these sectors often face hazards such as exposure to chemicals, heavy machinery, and extreme weather conditions, which can lead to injuries or long-term health issues. Implications / Consequences 01. Legal claims or penalties 02. Productivity loss and worker dissatisfaction Company Objectives 01. Ensure a safe and healthy work environment for all employees, minimizing workplace accidents and promoting overall well-being. Risk Minimization Strategies 01. Providing awareness to employees on safe handling practices and the use of personal protective equipment (PPE), and conducting health assessments to identify and address potential hazards proactively. 02. Appointing Health & Safety Committee at estate level with representation from field, the factory, divisions of the estate and medical staff which is headed by an Executive to address health and safety related issues.	Low 2	Insignificant 1

Risk	Risk Description	Risk Impact	Likelihood
30. Access to Field for betetr crop Recovery and field Activities  People	Limited field access can hinder crop recovery and disrupt key activities like harvesting and maintenance. It may lead to crop loss, worker injuries, reduced morale, and overall inefficiencies that affect productivity and operational continuity. Implications / Consequences 01. Injury or fatality to workers, leading to compensation claims and reputational damage 02. Crop loss due to wild animal intrusion 03. Disruption of field activities (harvesting, maintenance, replanting). 04. Worker dissatisfaction and low morale Company Objectives 01. Employee Health & Safety: Threatens safe working environment standards 02. Operational Efficiency: Disrupts planned field operations and logistics 03. Production Targets: May result in missed harvest targets due to delays or crop damage 04. Cost Management: Unexpected costs from injuries, delays, and wildlife damage Risk Minimization Strategies 01. Conduct regular risk assessments and update field hazard maps 02. Improve field access infrastructure (roads, bridges, drainage) 03. Provide personal protective equipment (PPE) and first-aid facilities in the field 04. Establish clear emergency response procedures and train field staff 05. Conduct staff awareness programmes on identifying and responding to wildlife threats	Moderate 3	Low 2
31. Crop Diseases  Profit	Crop diseases pose an operational risk that can affect plant health, yield, and long-term productivity. If not properly managed, they can lead to significant revenue loss, increased replanting costs, and reduced sustainability of operations. Implications / Consequences 1. Reduction in crop yield and quality, resulting in revenue loss. 2. Tree mortality leading to long-term productivity decline and increased replanting costs. Company Objectives 01. Maintain long-term productivity and ensure sustainable operations. 02. Minimize replanting costs and safeguard yield efficiency and profitability. Controls / Mitigations 01. Implementation of scheduled fungicide applications and use of disease-resistant planting materials. 02. Canopy management and field sanitation practices. 03. Prompt removal of infected plants, soil treatment, and use of tolerant varieties.	High 4	Low 2

Risk Management

FINANCIAL RISKS			
Risk	Risk Description	Risk Impact	Likelihood
32. Investment Risk  Profit	This involves failure in investments/inability to achieve expected objectives and resulted future profitability and sustainability of the Company. Implications / Consequences 01. Poor ROI on new projects 02. Shareholder dissatisfaction Company Objectives 01. Maximizing the return of investment Risk Minimization Strategies 01. Inexcusable evaluation of all investment proposals and getting advice from expertise persons. 02. Adopting a stringent approval procedure for Capital expenditure, based on the level of investment and the expected pay back. 03. Ensure availability and effective utilization of short-term facilities where necessary. Realistic investment is made in capital development i.e. replanting, machinery and upgrading plant. 04. Maintain cash flow and budgetary control systems for effective monitoring. 05. Closely monitor the progress to ensure project deliverables are achieved within the given budgets and timelines.	**Low** 2	**Insignificant** 1
33. Liquidity & Cash management  Profit	Failure to maintain Liquidity and cash management will disrupt the smooth flow of day to day operations and lead to widen the working capital gap of the Company. Implications / Consequences 01. Inability to meet short-term obligations 02. Strain on operations and strategic projects Company Objectives 01. Capitalizing on opportunities to raise funds at lowest possible cost. 02. Maximum utilization of the concessionary funding available to Plantation Companies. 03. Ensuring proper management of working capital. Risk Minimization Strategies 01. Funding of long-term assets through Equity and Long-term Loans. 02. Ensure availability and effective utilization of short-term facilities where necessary. 03. Closely monitoring of cash flow in every day and identify ways and managing funds. 04. Maintain cash flow and budgetary controls systems for effective monitoring. 05. Ensure the Company's ability to repay or refinance is not exceeding.	**Low** 2	**Insignificant** 1
34. Interest Rate Risk  Profit	The risk that borrowing cost and investment's value will change due to a change in the absolute level of interest rates. (AWPLR) Implications / Consequences 01. Rising costs of financing 02. Reduced profitability Company Objectives 01. Ensuring a strong liquidity position. 02. Minimizing adverse effects of interest rate volatility and currency denominated borrowings. 03. To ensuring cost of borrowing is at the optimum level. 04. Maximum utilization of the concessionary funding available to Plantation Companies. Risk Minimization Strategies 01. Negotiation with Financial institutions for fixed debt servicing arrangements. 02. Short-term assets to be financed with the short-term finance arrangements and long-term assets to be financed with the long-term arrangements. 03. Monitor debt levels constantly and maintain a balance between debt and equity. 04. Maintain a better credit rating. 05. Maintain efficient treasury management.	**Low** 2	**Insignificant** 1

Risk	Risk Description	Risk Impact	Likelihood
35. Inflation and Currency Risk  	The risk that arises from the change in price of one currency in reaction to another as well as the changes in real value of the domestic currency. Implications / Consequences 01. Cost escalation and reduced export margins 02. Earnings volatility Company Objectives 01. Minimizing risk associated with the fluctuation in foreign currency rates in relation to proceeds, import payments and foreign currency debt transactions. 02. Ensuring effective utilization by coordinating with treasury operations through various hedging techniques such as forward bookings, forward sales, swaps etc. Risk Minimization Strategies 01. Forward exchange rate agreement with financial institutions. 02. Purchasing time of classes of assets are pre arrange to minimize inflation and currency Risk. 03. Follow internal currency risk management strategies like leading, lagging and external currency risk management strategies.	High 4	Low 2
36. Foreign Exchange Risk  	Foreign exchange risk is the risk arising from fluctuations in currency values, which can negatively impact export earnings and increase the cost of imports. This can affect the company's financial stability, profitability, and cost management if not properly managed. Implications / Consequences 01. Adverse currency movements may reduce export revenues and increase import costs Company Objectives 01. Financial stability, profitability, cost control. Risk Minimization Strategies 01. Natural hedging, forward contracts, foreign currency reserves, currency diversification	High 4	Insignificant 1
37. Interest Rate Fluctuation Risk  	Interest rate fluctuation risk is a financial risk that arises from changes in market interest rates, which can increase borrowing costs and impact cash flow. If unmanaged, it may hinder cost control, investment decisions, and overall financial planning. Implications / Consequences 01. Rising interest rates may increase financing costs, affecting cash flow and profitability. Company Objectives 01. Cost management, investment capacity, financial planning. Controls / Mitigations 01. Fixed interest loans, refinance strategies, interest rate monitoring and forecasts.	Low 2	Low 2

Risk Management

COMPLIANCE RISKS			
Risk	Risk Description	Risk Impact	Likelihood
38. Compliance with applicable legislation and internal  Profit  People	The Company is subject to special regulations and litigation risk will lead to loss of reputation as well as legal costs. Implications / Consequences 01. Legal sanctions or fines 02. Reputational harm Company Objectives 01. Eliminate the non-compliance and reduce the inabilities to understand the legislative and statutory requirements. Risk Minimization Strategies 01. The Company is developing a set of measures and internal controls to ensure its legal compliance, including compliance with laws. 02. Periodically review and monitor compliance status of statutory and other requirements. 03. Seek expert consultant where necessary	Low 2	Insignificant 1
39. Tax compliance risk  People	Non- adherence to the legal requirements and obligations and systematically and preventively safeguarding the Company's internal policies in the field of taxes will lead to reputational damage and additional costs like fines and penalties. Implications / Consequences 01. Penalties or audits 02. Strained financial and legal resources Company Objectives 01. Reduce the reputation damage which will occur due to non-compliances to tax regulation. Risk Minimization Strategies 01. Monitor the legal requirements with regard to tax regularly. 02. Monitor the legal requirements with regard to VAT and SVAT regularly. 03. Implement strong technical support for tax positions, including opinions from external advisors. 04. Maintain strong compliance procedures ensuring accurate and complete tax returns. 05. Maintain good working relationships with tax authorities.	Low 2	Low 2
40. Fraud and anti-corruption Profit  People  Planet	Fraud and anti-corruption pose significant risks to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. These risks can undermine our financial integrity, disrupt supply chains, and reputation with customers and partners. Implications / Consequences 01. Financial losses and criminal liabilities 02. Damage to reputation and trust Company Objectives Maintaining transparency and integrity in all business dealings to foster trust with stakeholders Risk Minimization Strategies 01. Establishment of Policy on Anti-Bribery and Corruption within the company. 02. Providing awareness for employees on ethical practices and compliance with anti-corruption laws. Namunukula Plantations PLC operates with integrity, transparency, and accountability. This policy outlines the company's commitment to preventing bribery, corruption, and any form of unethical conduct.	Moderate 3	Moderate 3

Risk	Risk Description	Risk Impact	Likelihood
41. PMMD Compliance Requirements  Profit  People	The risk of failing to adhere to government-mandated procurement and operational regulations. Non-compliance can lead to legal penalties, delays in project approvals, and damage to the company's reputation, ultimately affecting operational continuity and stakeholder trust. Implications / Consequences 01. Non-compliance could result in regulatory penalties, reputational damage, and delays in project approvals. Company Objectives 01. Legal and regulatory compliance, operational continuity, stakeholder confidence. Risk Minimization Strategies 01. Regular audits, compliance training, dedicated compliance officer.	Moderate 3	**Insignificant** 1
42. Rainforest Alliance (RA) Certification and Renewal  Profit  Planet	Rainforest Alliance (RA) certification risk is a compliance risk related to maintaining sustainability standards required for certification. Implications / Consequences 01. Loss of certification can reduce access to premium markets and affect sustainability credentials. Company Objectives 01. Market access, sustainability leadership, revenue growth. Risk Minimization Strategies 01. Periodic RA gap assessments, staff training, third-party pre-certification audits.	**Insignificant** 1	**Insignificant** 1

Climate Risk Management

In our ongoing commitment to sustainability and responsible governance, Namunukula Plantations PLC is proud to announce the adoption of the *SLFRS S1: General Requirements for disclosure of Sustainability related Financial Information and S2 : Climate related disclosures* standards in this year's annual report. As we navigate the complexities of climate change and its impact on our operations, we recognize that effective climate risk management is crucial for safeguarding our environmental, social, and economic futures.

By aligning our reporting practices with these internationally recognized standards, we aim to enhance transparency, improve stakeholder engagement, and foster resilience against climate-related risks.

Governance and Oversight

At Namunukula Plantations PLC, governance and oversight of climate-related risks and opportunities are integral to our sustainability framework, which is managed by our dedicated Sustainability Committee. This committee is responsible for addressing all sustainability-related matters across the organization, ensuring that our operations align with our environmental commitments and stakeholder expectations. Within this committee, we have appointed a specific individual as the Head of Environmental Sustainability, who oversees the environmental aspects of our initiatives. This role is crucial in identifying, assessing, and mitigating climate-related risks while also capitalizing on opportunities that enhance our environmental stewardship. Through regular reviews and strategic planning, the Sustainability Committee, led by our environmental pillar head, ensures that we remain proactive in addressing climate challenges and advancing our sustainability goals.



Risk Assessment and Identification

At Namunukula Plantations PLC, the Climate-Related Risk Assessment and Identification process is an integral component of our comprehensive risk management framework. This process involves systematically evaluating potential climate-related impacts on our operations, including changes in weather patterns, extreme weather events, and shifts in biodiversity. By identifying vulnerabilities within our plantations and supply chains, we are better equipped to implement adaptive strategies that mitigate risks and enhance resilience. Our climate risk assessment is aligned with our overall risk assessment and identification process, ensuring that environmental factors are seamlessly integrated into our broader risk management strategy.

Climate Risk Measurement, Evaluation and Mitigation Process.

The Climate Risk Measurement and Evaluation process at Namunukula Plantations PLC involves a comprehensive assessment of potential climate-related impacts on its operations and sustainability. This process includes identifying key climate risks such as changing precipitation patterns, temperature fluctuations, and extreme weather events that could affect crop yields and operational efficiency.

Utilizing quantitative and qualitative data analyzing techniques, the Company evaluates the vulnerability of its plantations and supply chains to these risks. By integrating this analysis into its strategic planning, we aim to enhance resilience, implement adaptive management practices, and ensure long-term sustainability.

At our plantation company, we prioritize climate risk mitigation through a multi-faceted approach aimed at enhancing resilience and sustainability. Therefore we implement adaptive measures such as diversifying crop species, improving soil health, and optimizing water management practices and We are planning to invest in innovative technologies to monitor climate patterns and integrate sustainable practices, such as agroforestry and organic farming, to reduce our carbon footprint.

Additionally, we engage with local communities and stakeholders to promote awareness and foster collaboration in climate adaptation efforts, ensuring that our practices not only protect the environment but also support the livelihoods of those who depend on our resources.



Climate Related risks and Opportunities (CRRO)

In the current business landscape, organizations are increasingly recognizing the importance of Sustainability-Related Risks and Opportunities (SRRO) as they face environmental changes and evolving regulations. SRRO includes challenges such as resource scarcity, waste management, social equity, and corporate governance, prompting businesses to adopt proactive strategies for accountability and transparency. A key aspect of SRRO is Climate Related Risks and Opportunities (CRRO), which specifically addresses the effects of climate change on organizations.

CRRO includes physical risks, like those from climate events, and transition risks associated with moving to a low-carbon economy. However, it also presents opportunities for innovation and adaptation, allowing businesses that invest in sustainable practices to gain competitive advantages and enhance their brand reputation.

As a plantation company, we are dedicated to mitigating climate-related risks and aligning our strategies with sustainability goals that benefit both our business and the environment. This chapter will explore effective climate risk management, methodologies for assessing CRRO, and best practices for building resilience while capitalizing on opportunities in the green economy, ultimately demonstrating our commitment to sustainability and strategic navigation of climate challenges.

Climate Related Risks

Physical and transition risks are critical components of risk management, particularly in the context of climate change and sustainability. We believe that proactively identify and manage these risks can enhance our resilience, safeguard our assets, and seize new opportunities for innovation, ultimately ensuring long-term sustainability and competitiveness in an increasingly uncertain environment.

Climate Risk Management

Physical Risk									
Risk Description :	Physical risks encompass the direct impact of climate change-related events—such as extreme weather patterns, rising temperatures, and shifting precipitation—that can adversely affect our crop yields, soil health, and overall agricultural productivity.								
Relevent Risks :		Time Horizon						Proactive Mitigation Responses	Capital Deployment
		Short-Term		Medium-Term		Long-Term			
		Impact	Liklihood	Impact	Liklihood	Impact	Liklihood		
1. Climate Change and Extreme Weather Events	Increased frequency of extreme weather events such as heavy rains, droughts, and storms can damage crops and infrastructure.	High	Low	High	Moderate	High	High	Climate-resilient agricultural practices, Diversifying to drought-resistant crops, Enhancing soil management techniques to improve water retention.	Finance Capital, Natural Capital , Human Capital, Intellectual Capital
2. Soil Erosion and Land Degradation	Erosion caused by heavy rainfall and unsustainable farming practices can lead to loss of topsoil, negatively impacting productivity.	Moderate	High	High	Moderate	High	High	Following contour farming to reduce soil erosion, maintain soil health, and improve land productivity.	Finance Capital , Natural Capital , Human Capital.
3. Pests and Diseases	Changing climatic conditions may lead to the proliferation of pests and diseases that can devastate crops.	High	Low	High	Moderate	High	High	Developing an Integrated Pest Management strategy that includes regular monitoring, biological control methods.	Finance Capital , Natural Capital , Intellectual Capital
4. Flooding	Heavy monsoon rains and poor drainage can cause flooding, leading to crop loss and damage to our infrastructure.	Moderate	Low	Moderate	Low	High	Moderate	Maintainning proper drainage systems and Water disposal management infrastructures.	Finance Capital, Natural Capital , Human Capital, Intellectual Capital

Transition Risk									
Risk Description:	Transition risks arise from the global shift towards sustainable practices and policies aimed at mitigating climate change, which may impose regulatory changes, market volatility, and evolving consumer preferences that could disrupt our cultivation and production process and supply chains.								
Relevent Risks :	Time Horizon							Proactive Mitigation Responses	Capital Deployment
		Short-Term		Medium-Term		Long-Term			
		Impact	Liklihood	Impact	Liklihood	Impact	Liklihood		
1. Regulatory Changes	New environmental regulations may impose stricter standards on land use, pesticide application, and carbon emissions, affecting our operational costs and practices.	High	Low	Moderate	High	High	High	Implementing a compliance and sustainability programme that actively monitors regulatory developments and integrates sustainable practices into operations.	Finance Capital Intellectual Capital
2. Market Demand Shifts	A growing consumer preference for sustainably sourced products may lead to decreased demand for our conventional plantation products, affecting sales and profitability.	Moderate	Low	Moderate	High	High	High	Diversify our offerings by investing in organic and sustainable cultivation practces. Engage in market research to identify and respond to consumer trends, and promote the sustainability credentials.	Finance Capital Intellectual Capital, Human Cpital , Social Capital
3. Technological Advancements	The emergence of advanced agricultural technologies could render our traditional plantation practices obsolete, leading to competitive disadvantage to us.	Low	High	High	Moderate	High	Moderate	Investing in R&D to adopt and integrate new agricultural technologies that enhance productivity and sustainability. Collaborate with local regulatory bodies / institutes or tech firms to stay at the forefront of innovation in plantation management.	Finance Capital , Intellectual Capital, Natural Capital

Climate Related Opportunities

As the global focus on climate change intensifies, businesses are presented with numerous opportunities to adapt and thrive in a sustainable manner. Specially In Sri Lanka, a plantation Company like us can leverage our unique position to contribute positively to environmental goals while enhancing profitability. By embracing innovative practices and technologies, the Company can not only mitigate its carbon footprint but also capitalize on emerging market demands for sustainable products and services.

Climate Risk Management

Opportunities	Our Proactive Response Strategy	Expected Outcome
Sustainable Agro-Product Development	Develop organic and sustainably sourced production process and Invest in certifications .	Attract environmentally conscious consumers by Offering maximum value to them.
Renewable Energy Integration	Planning to Invest in solar panels and wind turbines to power plantation operations.	This reduces reliance on fossil fuels, lowers operational costs, and aligns with national goals for renewable energy. Additionally, consider selling excess energy back to the grid, creating a new revenue stream.
Eco-Tourism Initiatives	Transform parts of the plantation into eco-tourism sites that educate visitors about sustainable practices and biodiversity.	Diversifies income and raises awareness about conservation efforts and the importance of protecting Sri Lanka's unique ecosystems.
Carbon Sequestration	Implement agroforestry practices and Participate in carbon credit markets .	Maximizing carbon capture by quatifying and selling the carbon offsets generated from enhanced tree planting and sustainable land management practices.

Compliance with Regulatory Frameworks

Our climate risk mitigation practices are meticulously aligned with key regulatory frameworks, including The National Climate Change Policy of Sri Lanka, the guidelines for sustainable finance practices issued by the Central Bank of Sri Lanka, and Sri Lanka's Country Planning Framework. By adhering to these established guidelines, we ensure that our strategies not only contribute to environmental sustainability but also meet the legal and regulatory expectations set forth by national authorities. This compliance reinforces our commitment to responsible financial practices while addressing climate-related risks, ultimately fostering a more resilient and sustainable economy for Sri Lanka.

Monitoring and Reporting

Monitoring our climate risks is crucial for understanding the potential impacts of environmental changes on our operations and stakeholders. Regular assessments allow us to identify vulnerabilities and develop strategies to mitigate them effectively. All outcomes from these evaluations are reported to the same Sustainability Committee, ensuring a unified approach to addressing climate-related challenges and promoting transparency in our sustainability initiatives.

Stakeholder Engagement and Communication

Stakeholder engagement and communication are integral components of our climate risk management process at our plantation company. By actively involving stakeholders such as local communities, regulatory bodies, and environmental organization we foster a collaborative approach to identifying and addressing climate-related risks.

Transparent communication ensures that all parties are informed about our sustainability practices and climate adaptation strategies, enabling us to gather valuable insights and feedback. This two-way dialogue not only enhances our decision-making but also strengthens community trust and resilience, ultimately driving our commitment to sustainable plantation management in the face of climate change.

Our Future Direction

As a forward-thinking plantation company, our future direction in climate risk management will focus on enhancing resilience and sustainability across our operations. We plan to implement advanced data analytics and climate modeling tools to assess potential risks associated with climate change, enabling us to make informed decisions about crop selection and land use.

Our commitment to reforestation and biodiversity will be strengthened, promoting ecological balance and carbon sequestration. Furthermore, we aim to engage in collaborative partnerships with local communities, researchers to foster innovative practices and share knowledge on sustainable agriculture. By investing in renewable energy sources and adopting precision farming techniques, we will minimize our carbon footprint and optimize resource use.

Ultimately, our goal is to ensure that our plantation practices not only thrive in the face of climate challenges but also contribute positively to the environment and society.

Management Discussion and Analysis

"Unveiling the essence of productivity and involvement: A comprehensive exploration of operational mastery, synergistic stakeholder collaboration, and visionary industry insights."



Review of Operations

The Financial Year 2024/25 is a very challenging year for the entire Plantation sector in Sri Lanka, having had to absorb cost of another wage increase and also experiencing significant fluctuation in production as a result of extreme weather conditions in most of the plantation districts. As a result of the above reasons, the production cost escalated and revenue generation had an adverse impact due to stagnated sale prices in respect of major plantation commodities.

Despite the above adverse effects, Namunukula Plantations PLC in the financial year 2024/25 continues to record a very satisfactory Profit with a PBT of Rs 2.150 Bn and a Net Profit of Rs 1.526 Bn. This very encouraging performance of NPL was made possible with optimizing outputs in the key result areas, coupled with managing operational costs, despite this year being one of the most challenging for the Plantation industry.

The sustainable growth recorded in the overall performance of the Company reflected at Colombo Stock Exchange where NPL shares traded exceeding Rs 350/- per share as at 31st March 2025. It is also pertinent to place on record that NPL has recorded the highest share price among all listed plantation companies at the year-end justifying the confidence of all stakeholders.

Capital Investment
Rs.391 Mn 2024/25
(Rs. 376 Mn 2023/24)

Gross Profit
Rs.1,800 Mn 2024/25
(Rs. 1,808 Mn 2023/24)

Total Revenue Extent (H.A)
5,184.46 (Ha) 2024/25
(Rs. 5,238,84 (Ha) 2023/24)

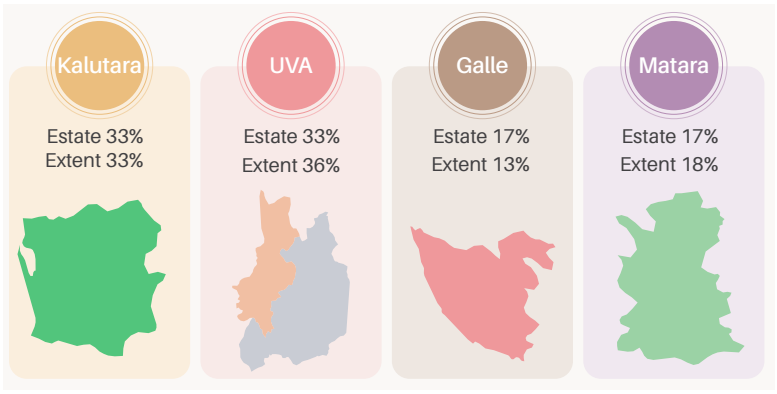
Staff Cost (Workers & Staff)
Rs.1,301 Mn 2024/25
(Rs. 1,275 Mn 2023/24)

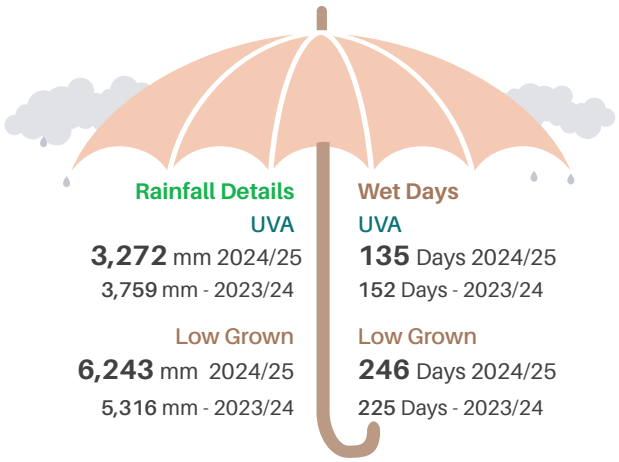
Other Income
Rs. 206 Mn 2024/25
(Rs.197 Mn 2023/24)

Total Workforce (Workers & Staff)
2,977 2024/25
(3,244 2023/24)

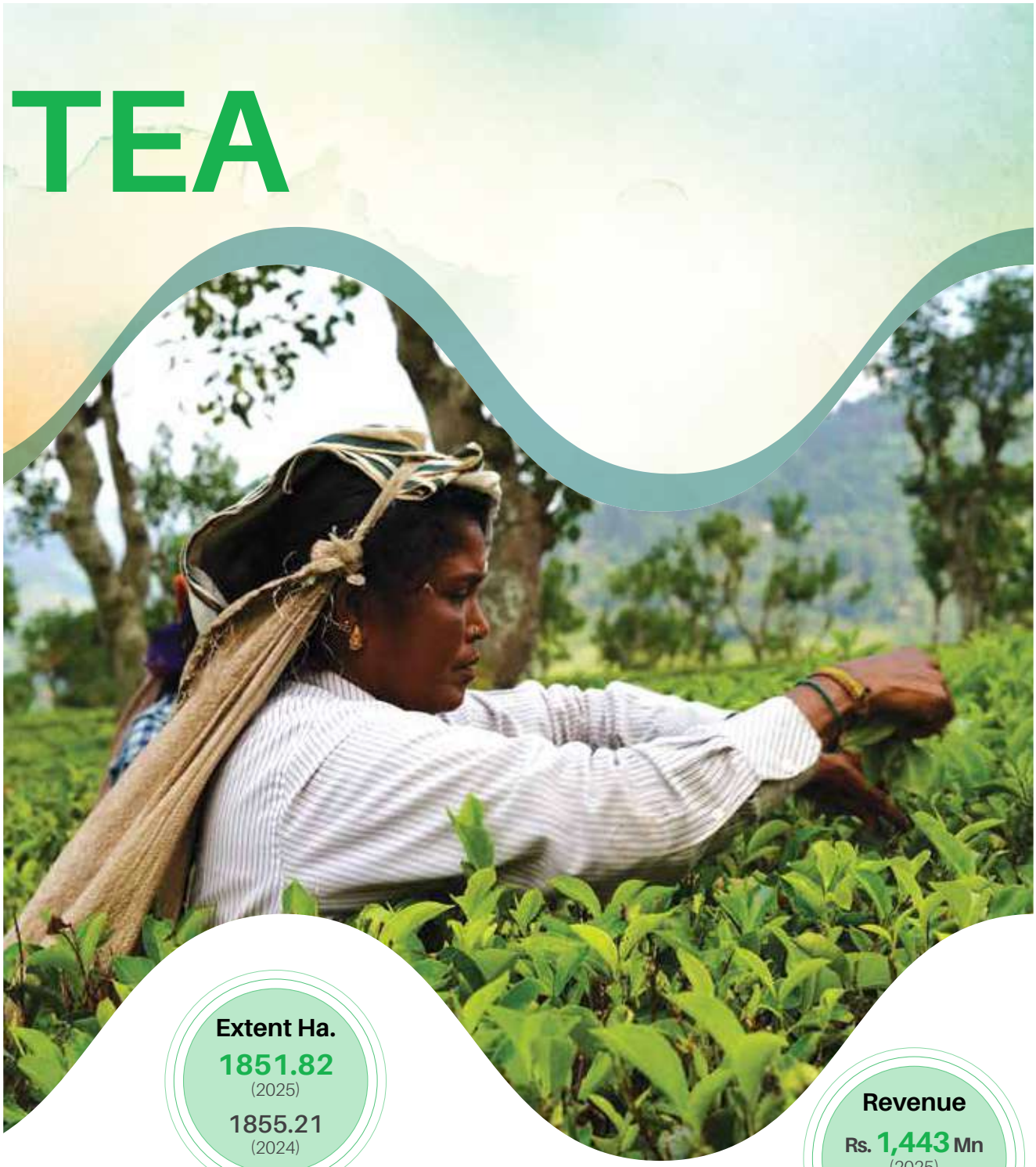
Man Days (Workers)
728,508 2024/25
(820,365 2023/24)

NPPLC Estates Categorized by Region





TEA



Extent Ha.
1851.82
(2025)
1855.21
(2024)

Revenue
Rs. 1,443 Mn
(2025)
Rs. 1,708 Mn
(2024)

COP
Rs. 821.51
(2025)
Rs. 811.82
(2024)

Production
"000"
1,459 Kg
(2025)
1,860 Kg
(2024)

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Review of Operations

Low Grown Tea sector - Estate Leaf Operation

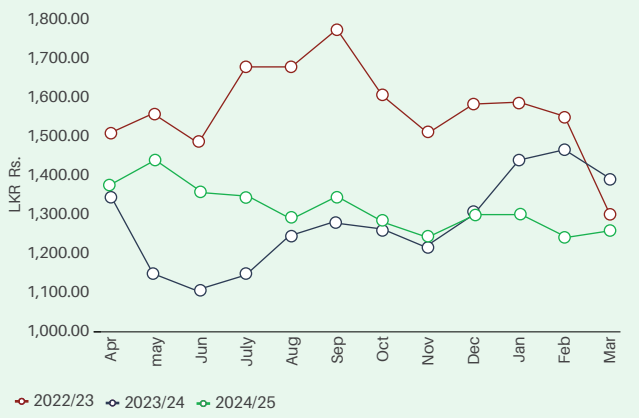
The Sri Lanka total Tea production in the year 2024 remained at 262Mnkg as against 256 Mn kg in the previous year. The Sri Lankan low grown sector has recorded a total Tea production of 158.8 Mn kg that of 155.10 Mn kg in the previous year reflecting an increase of 2.4%.

The NPL Low Grown Tea production has also followed the above increasing trend and the total production recorded by this sector for the FY is 0.113 Mn kg against the Tea crop harvested in the previous year at 0.108 Mn kg thereby recording an increase of 5%. The NPL low grown sector has recorded a yield of 929 kgs which is one of the highest yields recorded in the recent years.

The elevation average for Low Grown orthodox Tea in the Colombo weekly auction remained averaging at Rs. 1304.38 during the year, in comparison to that of Rs. 1252/15 recorded in the previous year resulting in a positive variance of 4%. NPL low grown estates recorded a Tea sale average of Rs. 1150/- for the year 2024 as against 968/- in the previous year thereby recording a positive gain of 19% which is considered as satisfactory achievement.

The following graphical presentation illustrate the movement in the low grown Tea sale average, during the past 03 years that clearly illustrate the current year low grown elevation average remain at almost same level during majority of the months in keeping with the positive growth of the Sri Lankan economy.

Low Grown Elevation Average



Bought Leaf Operations

During the year under review, Namunukula Plantations PLC has manufactured small holder leaf exceeding 0.106 Mn kg in the Tea factory at Baddegama estate. The total volume of small holder leaf processed reflects a decline over the last year mainly due to the strategic decision taken to restrict intake of small holder leaf to minimize the adverse impact on the operational performance due to unfavorable sale averages of the factory. The Company has also taken a decision to canvass and accept good quality small holder leaf and manufacture at the factory aiming to achieve and sustain a sale average above low grown elevation average thereby benefiting both estate leaf as well as bought leaf operations. With the highly competitive environment prevail in the low grown area for small holder leaf with adhoc payments being made by the privately owned factories, NPL has taken a decision that it will concentrate on the quality of leaf, improve the factory sale average above elevation and then gradually increase the intake of small holder leaf.

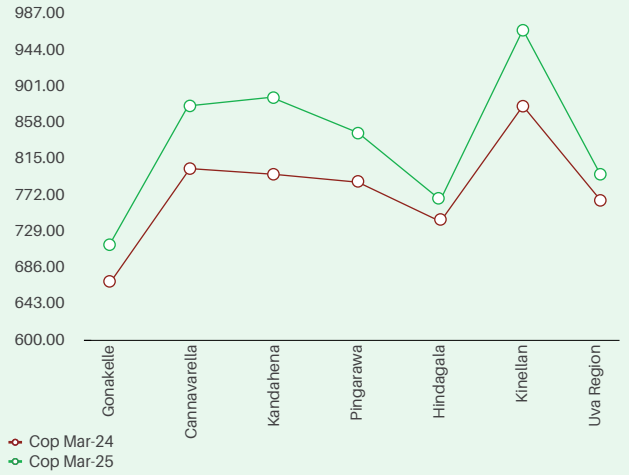
Uva Region Tea sector - Estate Leaf Operation

Total annual production was 1.3 million kgs, which included 0.072 million kgs from out growers,

NPL (Uva) achieved estate crop of 90% against the budget.

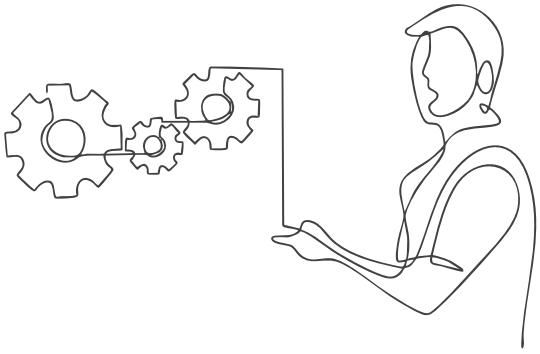
Over all increasing fuel and power, and other material cost with wage hike over 60%, however, we were able to manage our expenditure to maintain the cost of production, to above 05% compared to previous year.

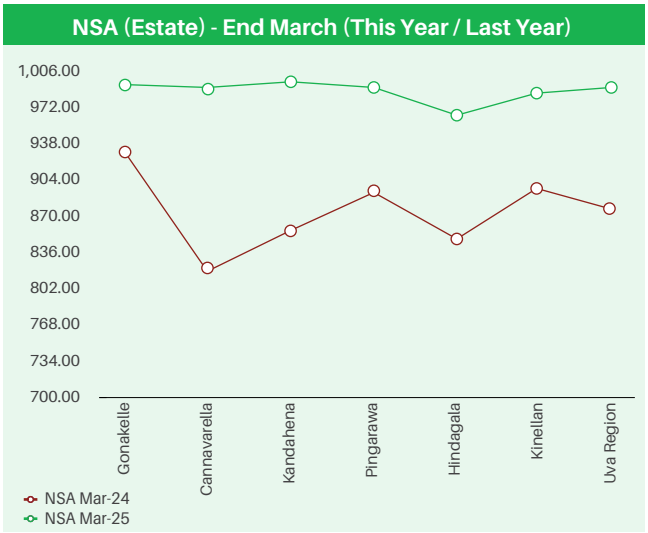
COP (Estate) - End March, (This Year/Last Year)



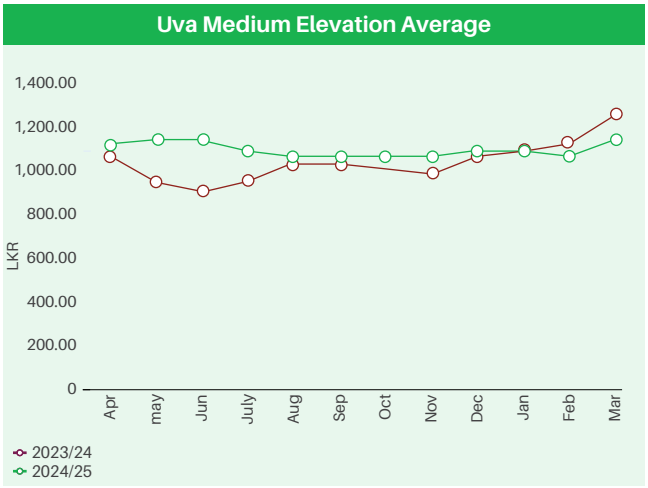
Sales & Marketing

Our factories achieved "TOP" prices for their respective elevation categories, with continuous quality maintained throughout the year.





Our NSA has increased by 13% against same period last season.



We strongly believe that the most valuable resource we have is our employees. Our commitment to improving their overall quality and potential in personal and work life is being continued. We use training and development as the most effective tool in order to improve all the areas that we need to achieve further growth for our employees, which are continuously monitored and evaluated through the internal systems to ensure high productivity and efficiency.

Bought Leaf Operations

The Uva Grown sector of NPL manufactured 72,460 Kg smallholder leaf during the period under review. The crop intake has declined significantly during the year, due to overall reduction of Uva crop in most of the Plantation districts. Lack of fertilizer inputs and chemicals to manage are some of the major contributory factors for the negative performance recorded in the FY. As stated above, the sale average during the year under review recorded a significant increase over that of L/year.







RUBBER



Extent Ha.
658.32
(2025)
784.67
(2024)

COP
Rs. 477.66
(2025)
Rs. 421.48
(2024)

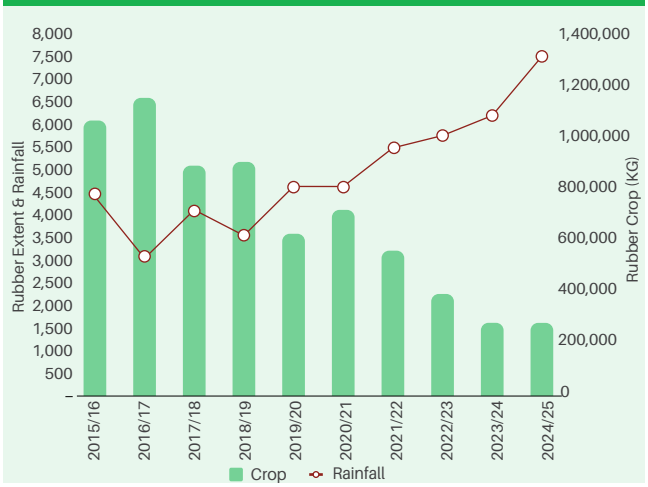
Production
"000"
295 Kg
(2025)
301 Kg
(2024)

Revenue
Rs. 193 Mn
(2025)
Rs. 176 Mn
(2024)

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NPPLC Rubber plantations have secured a total production of 295,428 kgs with a yield of only 447 kgs. The following graphical presentation capture detail of annual Rubber production of the Company in relation to the rainfall recorded during the last 10 years. The movement of Rubber extent in production during the last 10 years has also been captured.

Revenue Extent, Crop & Rainfall - Rubber



The major contributory factors for achieving a comparatively low production levels during the year under review are loss of over 50% of the budgeted tapping days due to excessive rainfall experienced during consecutive months of the year and also reduction of almost 14% (126ha) of the mature extent compared to that of previous year that are uneconomical for further continuation under harvesting.

In keeping with the strategic decision to optimize operational performance of this sector, 35% of the total production is converted into latex crepe and the balance production dispatched to Udapola Centrifuge Latex Factory in the form of field latex. Despite a significant reduction in production, the revenue generated from Rubber sector represents almost 4% of the total NPPLC turnover and we are confident of achieving a contribution of over 10% in the new FY.



OIL PALM



Extent Ha.
2359.82 (2025)
2266.3 (2024)

Revenue
Rs. **2,490** Mn (2025)
Rs. **2,583** Mn (2024)

COP
Rs. **20.12** (2025)
Rs. **16.02** (2024)

Crop "000"
29,034 Kg (2025)
31,375 Kg (2024)

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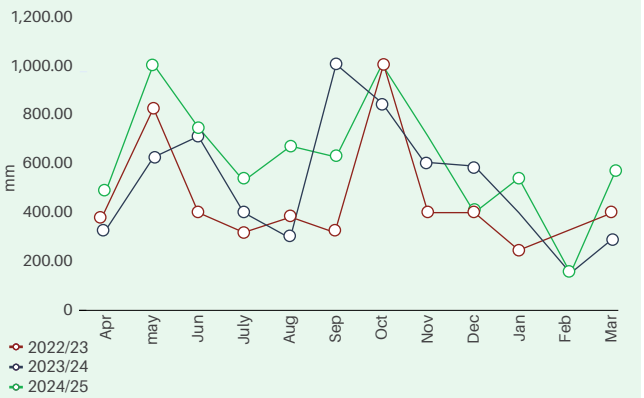
During the year under review NPPLC has recorded a total Fresh Fruit Bunches (FFB) crop of 29.034 Mn kg which is one of the highest crop achieved by the Company. Despite adverse weather condition prevailed with an annual rainfall exceeding 6200mm in the year 2023/24 and 7200mm in the current year, the actual crop harvested denotes a crop shortfall of only 7.5% in the current year that of previous year.

The average purchase price received from AEN Palm Oil Processing (Pvt) Ltd for the fresh fruit bunches supplied by NPPLC estates at Rs. 85/77 per kg is considered very satisfactory against that of the world crude palm oil prices prevailed. The AEN has offered the above prices, taking advantage of the forward contracts negotiated with the local buyers.

The Company is well focused in undertaking minimum 03 rounds of harvesting per month with very close executive supervision to ensure harvesting of only well ripe bunches, which in turn facilitate the AEN factory in achieving a higher oil extraction ratio, as well as increased purchase price for FFB supplied.

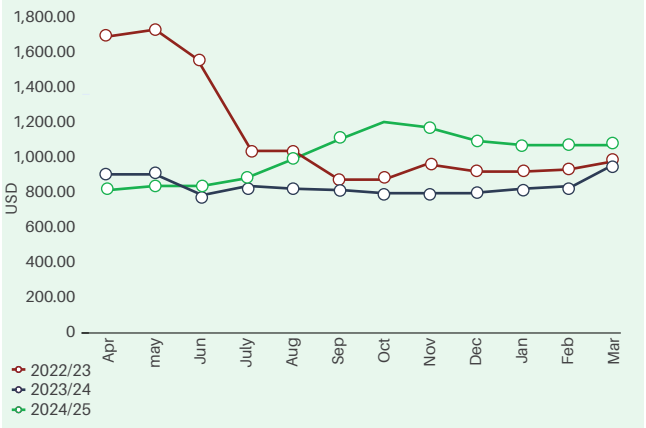
NPPLC is very fortunate with the corporate decision taken a few years back to diversify its uneconomical land extends into Oil palm. The Company has generated a gross profit of Rs. 1.906 Bn during the year under review which is 8% below that of last year. The profit generated from this sector remains very attractive and highest contribution to NPL and we are confident that Oil palm sector will contribute with a gross profit exceeding Rs 2 Bn in the new FY.

Rainfall

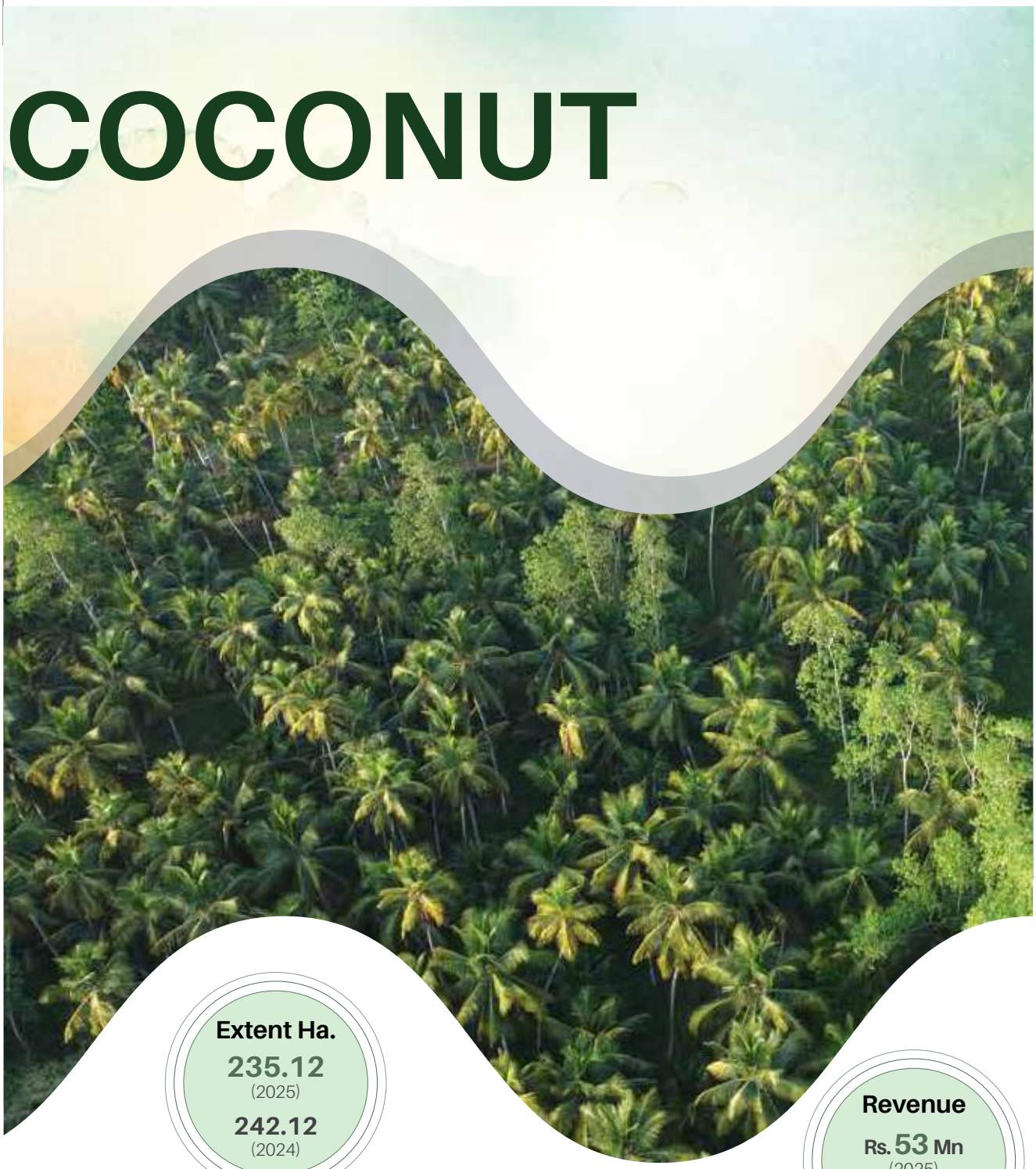




World CPO Price (USD)



COCONUT



Extent Ha.
235.12
(2025)
242.12
(2024)

Revenue
Rs. 53 Mn
(2025)
Rs. 39 Mn
(2024)

COP
Rs. 31.68
(2025)
Rs. 24.03
(2024)

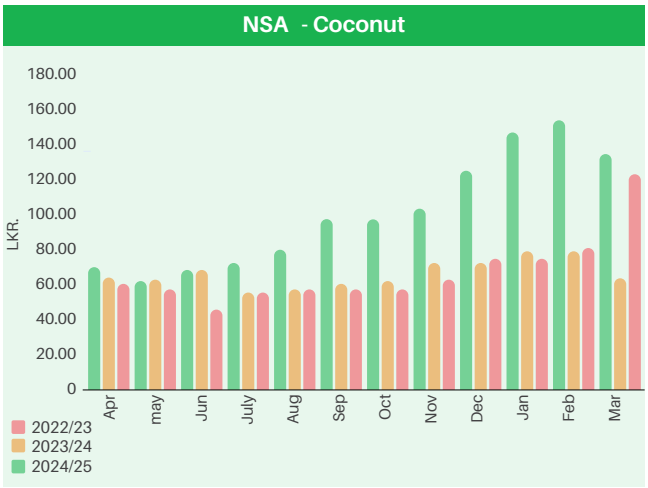
Crop
"000"
564 Nuts
(2025)
604 Nuts
(2024)

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The total extent cultivated in Coconut remains at 338.89 Ha of which 235.12 ha is in production. The Company in the FY 2024/25 harvested 564,183 green nuts which is marginally below that of previous season. The YPH in the current season at 2400 nut/ha which is considered satisfactory taking into account of the average age of Coconut trees in production. Based on the strategic decision taken by the Company to expand Coconut cultivation in approx. 100ha, this extent will be in production during next couple of years, thus increasing the revenue generation from this sector significantly.

The Company has generated a gross profit of Rs 36.47 Mn from Coconut in the FY 2024/25, which is the highest profit generated by this sector during last 10 years. This achievement was made possible taking maximum advantage of the very attractive prices prevailed for green nuts during the year. The sale average for the year exceeds Rs 96/- per green nut. As reported in our previous report, all required steps have been taken to manage operational costs to absolute essential productive items resulting in a saving of cost thereby maintaining the operational cost below budget throughout this season.

The below graphical presentation elaborates the monthly sale price of green nuts exceeding Rs 150/- per green nut in the month of February 2025.



CINNAMON



Extent Ha.
79.38 (2025)
90.54 (2024)

COP
2,105.27 (2025)
1,765.16 (2024)

Production "000"
3 Kg (2025)
4 Kg (2024)

Revenue
Rs.10 Mn (2025)
Rs.10 Mn (2024)

The overall performance of Cinnamon sector in terms of productivity and profitability remain below expectations. The total crop harvested at 3402 kg represents only 90% of the previous year. This significant crop decline is as a result of continued wet weather prevailed throughout this season, averaging an annual rainfall exceeding 7200 mm which is almost 3000 mm above that of the decennial average. The wet weather pattern discourages the peelers to engage them in the peeling process. As a result, a significant decline showed in the production. Despite the crop deficit, the Cinnamon sector has recorded an operational profit of Rs 3.918Mn in the current FY against Rs 3.350Mn last year which is an increase of 17%, taking advantage of the attractive prices prevailed. Overall improvement in the product quality as well as timely disposal of Cinnamon crop have also contributed for achieving above average prices during the period under review.

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Human Resources

Human Resources play a crucial role in the growth, development, and sustainability of any business and for plantation companies in Sri Lanka, Human Resources is no different. Plantation industries in Sri Lanka, which primarily focus on the cultivation of Tea, Rubber, and Oilpalm Coconut etc, rely heavily on the work force for production. As the backbone of these industries, Human Resource management is essential to ensure smooth operations, employee satisfaction, productivity, and overall business success. We give below some key points highlighting the importance of human resources in the context of Namunukula Plantations PLC.

Work Force Management and Development

The NPL estates rely on a large, skilled, and dedicated workforce to maintain their fields and ensure the highest quality of crops. Therefore, utmost care is taken while recruiting, training, and managing this workforce. Plantation workforce is often manual, requiring expertise and experience, especially in the case of Tea plucking, Rubber tapping and Oilpalm harvesting, which has traditional methods. We always ensure that the workforce is adequately skilled, adequately trained, and motivated to enhance productivity. Additionally, the management of seasonal workers is critical, as plantation work often requires the employment of temporary workers during peak harvest seasons.

Health and Safety in Plantation Work

Given the physically demanding nature of plantation work, we ensure the health and safety of workers is a critical responsibility. We always ensure and enforce safety protocols, organize training for workers on safe practices, and maintain a health-conscious environment on the plantations. For example, workers involved in pesticide application must be educated on safe handling practices to avoid exposure to harmful chemicals. NPL management always ensure that the workers have access to necessary healthcare services, minimizing the risk of workplace injuries and illnesses, which can otherwise result in a loss of productivity and increased operational costs.

Sustainability and Corporate Social Responsibility (CSR)

As sustainability becomes more important in global business practices, plantation companies in Sri Lanka are increasingly focusing on ethical and sustainable production practices. Having recognized the importance of these practices we contribute by promoting social responsibility within the workforce. The estate management as well as PHDT etc educates the work force about sustainability initiatives, ethical employee practices, and the environmental impact of plantation activities. By aligning the workforce with the company's sustainability goals, we simultaneously improve the company's public image, which is important in both domestic and international markets, where consumers are more likely to support businesses that align with these values.

In conclusion, Human Resources are more than just the administrative arm of the company; they are essential in carrying out the day today plantation work, improving productivity, ensuring compliance, and promoting sustainability. By focusing on workforce development, welfare, and health and safety, NPL will navigate the challenges of a competitive market and changing global trends. A strong human resources presence ensures that the Company has a capable, motivated, and loyal workforce that is essential for the long-term success and growth of Namunukula Plantations PLC.

Capital Investments

Despite experiencing declined revenue in respect of plantation commodities such as Tea and Oilpalm due to poor sale averages and declined production volumes, the Company invested a sum of Rs. 412.51Mn under capital during the year. This investment is well justified taking into consideration the need for increased land productivity and sustainable growth of the SBU to mitigate the additional cash outflow on increased worker wages. Majority of investments were diverted towards field development of which almost 80% in connection with maintenance of fields already planted. The investment on factory machinery and vehicles were scaled down with the rationalization of factory operations.

The actual capital investment would have been much higher if the government permitted planting Oil palm by RPC's.

Future strategies & Goals

As a well-diversified plantation Company with income streams from Oil palm, Rubber, Tea, Coconut, and Cinnamon, we focus our future strategies on sustainability, value addition, productivity enhancement, and market diversification. The following outlines key strategic priorities for implementation for long-term success.

- Implement sustainable and climate-resilient agricultural practices across all crops to mitigate environmental impact and ensure long-term productivity.
- Shift from raw commodity exports to high-margin, value-added products.
- Adopt precision agriculture, automation, and digital tools to increase efficiency and crop yields.
- Empower estate workers through training, welfare programmes, and inclusive growth models.
- Strengthen financial performance through strategic investments, cost optimization, and public-private partnerships.

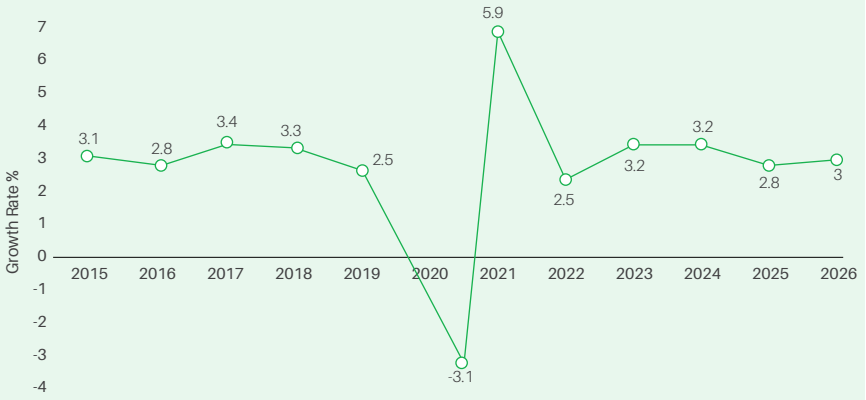
By adopting an integrated, forward-looking strategy focused on sustainability, innovation, and value creation, the Company can position itself as a leader in Sri Lanka's plantation sector. These strategic pillars not only ensure resilience and profitability but also align with global environmental and social governance (ESG) trends, paving the way for long-term growth and international recognition. We are confident that the implementation of the above strategies will further strengthen stake holder confidence and a positive return in the years ahead.

Economic & Industry Overview

World Economic Outlook

The world economy enters 2025 amid considerable turbulence, shaped by a marked escalation in trade tensions and shifting policy priorities among major economies. Following a period of steady but unspectacular global growth in 2024, the international landscape has since been upended by a sweeping series of tariff measures by the United States and retaliatory actions by key trading partners. The resulting spike in trade barriers, reaching effective tariff rates not seen in a century, has injected profound uncertainty into the global economic environment and clouded the outlook.

World Economic Growth Rate

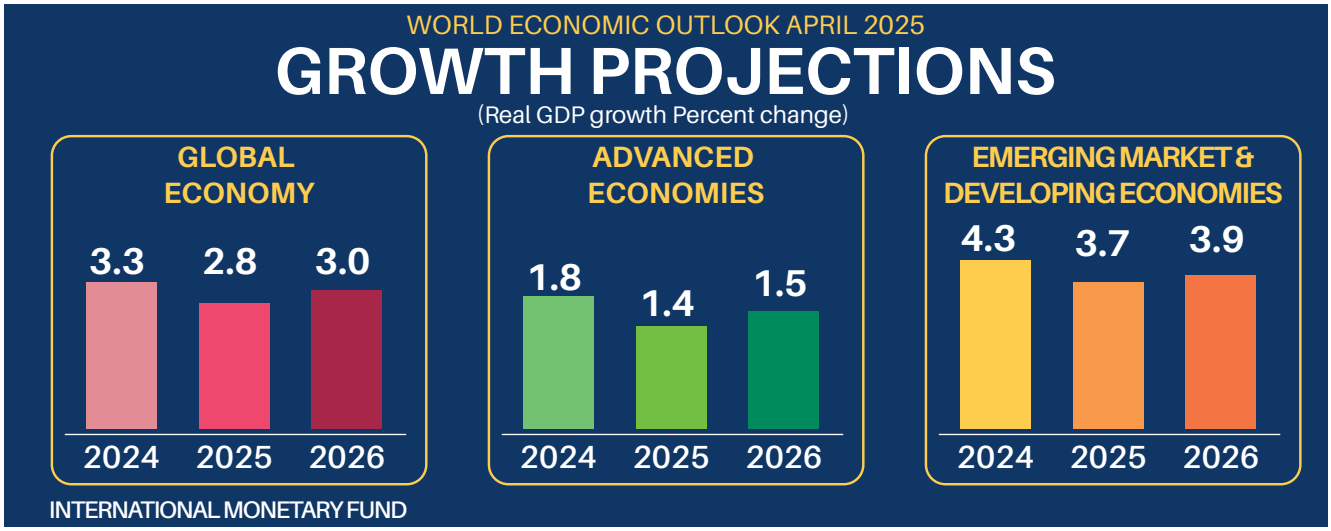


In light of these developments, the IMF presents a reference forecast rather than the traditional baseline. Under this scenario, global growth is projected to decline to 2.8% in 2025 and recover slightly to 3.0 % in 2026, down from prior projections of 3.3 % for both years, and well below the 2000–2019 historical average of 3.7 %. Growth in advanced economies is expected to decelerate to 1.4 %, with the United States slowing to 1.8 % due to heightened uncertainty, reduced demand momentum, and the direct effects of protectionist measures. The euro area at 0.8% is expected to slow by 0.2% point. In emerging market and developing economies, growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures, such as China.

Additionally, global inflation is projected to decline more slowly than anticipated, reaching 4.3% in 2025 and 3.6% in 2026. The deceleration is weaker than previously forecast, with advanced economies seeing upward inflation revisions, while some emerging markets experience slight downward adjustments. Core inflation remains persistent, reflecting stickiness in services inflation and tight labor markets in key economies. These inflation dynamics continue to challenge central banks as they weigh price stability mandates against increasingly fragile growth outlooks and rising financial risks.

Downside risks to the global economy are intensifying. The further escalation of trade tensions and sustained uncertainty could significantly depress both near-term and long-term growth. A major concern is the potential repricing of global financial assets and sharp capital flow adjustments, especially in economies already struggling with high debt. Additional risks stem from deteriorating investor sentiment, currency volatility, and vulnerability in financial systems. Demographic changes, such as shrinking foreign labor forces, could hinder productivity and fiscal sustainability, while the lingering effects of the cost-of-living crisis may reignite social tensions, particularly where policy buffers have been exhausted.

Emerging markets that have shown resilience may face stiffer challenges as they contend with elevated borrowing costs and limited access to international development finance. Many low-income



countries could be pushed further into debt or be forced to undertake sharp fiscal consolidations, with immediate implications for growth and public services. On the upside, a reversal of the recent trade policy actions or the establishment of a new framework for stable and predictable trade relations could lift business confidence and support a recovery in global growth. Such a scenario would require both swift action and multilateral cooperation.

The path forward calls for clarity, coordination, and structural reform. Countries must strengthen collaboration to reduce trade policy uncertainty, promote debt sustainability, and address global challenges such as aging populations, migration, and external imbalances. Domestically, governments should focus on correcting structural inefficiencies while safeguarding macroeconomic stability. This includes reinforcing monetary policy frameworks, deploying macroprudential tools, and restoring fiscal space through credible medium-term plans. Central banks must remain focused on balancing inflation control with financial stability in the face of increasingly difficult trade-offs.

A rejuvenation of medium-term growth depends on revitalizing productivity. Many economies face historically low growth prospects, driven by a slowdown in total factor productivity and the misallocation of capital and labor. Comprehensive structural reforms, especially in labor, product, and financial markets, can facilitate more efficient resource allocation.

The global view, however, masks growing divergence across countries. The U.S. economy has remained relatively robust, but its strong fiscal stance may pose risks to both disinflation efforts and long-term debt sustainability. In contrast, the euro area's growth remains low and fragile, with past energy price shocks and fiscal consolidation weighing on the recovery. The European Central Bank must carefully manage its pivot toward monetary easing to avoid a deeper growth slowdown. Labor market resilience may be overestimated if firms have been holding onto workers in anticipation of a rebound that does not materialize.

China, meanwhile, is still grappling with an entrenched property sector crisis. The recovery remains constrained by weak domestic demand, and without significant reforms, the risk of a public finance crisis looms. Rising external surpluses in this context could further strain global trade relations. Conversely, many other emerging markets are benefiting from shifts in global supply chains and rising geopolitical frictions between major economies. These countries are increasingly influential in global economic trends and will play a critical role in supporting future global growth.

Risks to the global outlook are now broadly balanced but highly conditional on policy responses. On the downside, geopolitical tensions, including those in Ukraine and the Middle East, could drive energy prices higher and reaccelerate inflation. Divergent inflation outcomes across major economies may trigger disruptive currency shifts and financial stress. High interest rates, especially where mortgage resets and household debt are substantial, could cool activity more than expected. In China, the lack of decisive action to address structural weaknesses may depress global trade. A sharp shift toward fiscal austerity in highly indebted economies could further depress growth and delay recovery.

In conclusion, the world economic outlook for 2024/2025 reflects a moment of both disruption and opportunity. Trade frictions, persistent inflation, and structural rigidities pose challenges to stability and growth. Yet, the global economy has also demonstrated resilience and capacity for adaptation. Policymakers must embrace cooperation, transparency, and reform to chart a sustainable path forward. Investing in institutional strength, technological innovation, and human capital development will be key to achieving shared prosperity. As the global community contends with heightened volatility and evolving threats, resilience, adaptability, and multilateral collaboration remain the foundation for securing a stable and thriving global economy.

Source:
IMF Report April 2025 (Executive Summary)
https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

Sri Lankan Economy at a Glance

The Sri Lankan economy continued on its recovery path in 2024, following the most severe economic crisis in its post-independence history. The turnaround has been notably faster than that observed in other debt-distressed countries, driven by a determined reform agenda. Improvements in economic activity, consumer confidence, and purchasing power were evident, supported by the near-completion of external debt restructuring and the country's exit from restricted default status. These developments bolstered investor sentiment and political stability, particularly as election-related uncertainties faded and policy continuity gained credibility.

Growth in 2024 exceeded expectations. Inflation pressures receded significantly, and the country entered a phase of deflation beginning in September 2024, mainly due to lower energy prices. This resulted in inflation falling below target, enabling a supportive monetary policy environment. Eased credit conditions spurred lending to households and businesses, stimulating domestic activity and contributing to the ongoing recovery from earlier economic losses. The external sector performed robustly, with rising foreign exchange inflows and a continued surplus in the current account. The Sri Lanka rupee appreciated under the flexible exchange rate regime, benefiting consumers via reduced import prices, albeit at some cost to foreign exchange earners. Fiscal performance strengthened, with the primary budget balance recording its second consecutive surplus.

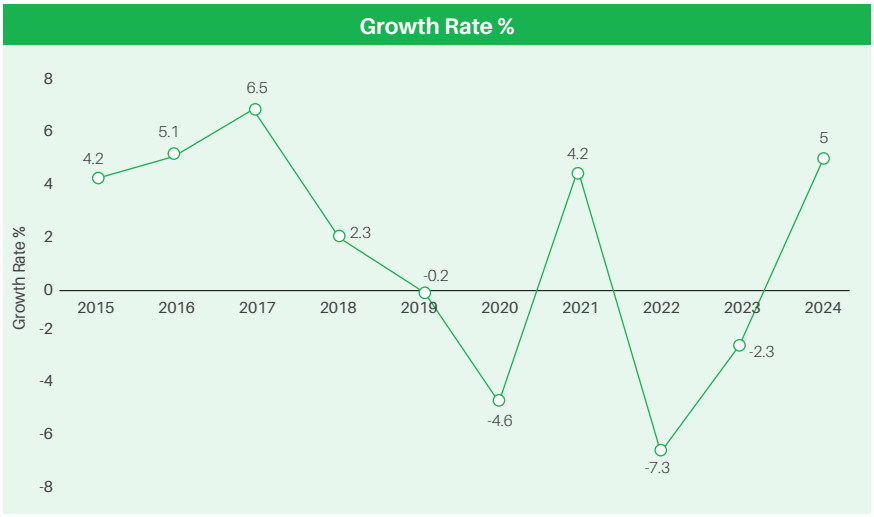
Building on the momentum from 2023, the Central Bank of Sri Lanka focused its policies on ensuring sustained price and financial stability. Under the Flexible Inflation Targeting framework, the accommodative monetary stance supported the recovery amid a benign inflation outlook. As the external position improved, the government, in consultation with the Central Bank, gradually eased remaining restrictions on imports and

Economic & Industry Overview

capital flows. The enactment of the Banking (Amendment) Act enhanced the governance framework for licensed banks, and the overall financial sector continued to improve with better macro-financial conditions. Targeted regulatory measures were introduced to strengthen risk management and governance, while specific support for MSMEs through dedicated business revival units was rolled out.

Following the 2022 crisis, structural reform efforts were critical to address long-standing vulnerabilities. Fiscal consolidation remained a central focus to ensure debt sustainability, complemented by enhanced social safety nets to protect the most vulnerable segments of society. Anti-corruption efforts gained momentum, reinforcing the reform agenda. A low-inflation, low-interest environment combined with financial sector stability has created conducive conditions for sustainable growth. Market confidence and political stability, underpinned by consistent macroeconomic policies, have further anchored the recovery. Nonetheless, rising global geopolitical tensions—particularly trade-related actions such as new U.S. tariffs—pose risks to Sri Lanka's external sector and broader economic outlook, underscoring the need for continued vigilance and policy prudence.

The Government and the Central Bank have implemented bold measures to stabilize and revive the economy. The IMF-supported Extended Fund Facility (EFF) arrangement and a comprehensive debt restructuring programmeme formed the bedrock of the recovery process. Notably, most major stabilisation reforms were frontloaded, laying a solid foundation for macroeconomic adjustment. However, while significant progress has been made, the reform journey is not yet complete. With macroeconomic stability now largely restored, sustained commitment to deeper structural reforms is essential. These reforms will be the key to unlocking long-term, inclusive growth and securing lasting prosperity for the Sri Lankan people.



GDP,GDP per Capita

The Sri Lankan economy rebounded strongly in 2024, recording a real GDP growth rate of 5.0%, marking a significant turnaround after two consecutive years of contraction. This steady recovery was sustained throughout the year, with all four quarters posting positive GDP growth for the first time since 2017. The growth momentum was largely driven by Industry activities, particularly the resurgence in manufacturing and construction sectors. Services activities also made a notable contribution, supported by the continued expansion in accommodation and transport services. Additionally, Agriculture activities contributed positively to overall growth, further strengthening the recovery trajectory.

GDP at current market prices increased by 8.2 % to Rs. 29,898.6 billion in 2024, supported by both real growth and a GDP deflator of 3.8%. Meanwhile, Gross National Income (GNI), calculated by adjusting GDP for net primary income from the rest of the world, rose to Rs. 29,153.9 billion at current prices in 2024. In US dollar terms, GDP climbed to $99.0 billion in 2024 from $83.8 billion in 2023, primarily due to the combined effect of higher nominal output and the appreciation of the Sri Lanka rupee during the year.

With the rise in nominal GDP and a continued decline in the mid-year population, GDP per capita increased to Rs. 1,364,235 in 2024 from Rs. 1,244,262 in 2023. GNI per capita also rose to Rs. 1,330,255 in 2024, up from Rs. 1,206,441 in the previous year. In US dollar terms, GDP per capita improved to $4,516 in 2024 compared to $3,801 in 2023, while GNI per capita increased to $4,404 from $3,685, reflecting both the strengthening of the domestic currency and growth in nominal income.

Inflation

Inflation in Sri Lanka followed a broadly declining trend in 2024, ultimately reaching deflationary levels by the end of the year. After an initial uptick in early 2024, largely driven by the increase in the Value Added Tax (VAT), the removal of several VAT exemptions, and notable food price increases, inflationary pressures began to ease. The rise in prices was moderated by the reduction in electricity tariffs in March 2024 and a favorable statistical base effect. It is also likely that businesses absorbed a portion of the VAT-induced cost increases amid subdued demand conditions, preventing a prolonged surge in consumer prices.

As the year progressed, further tariff reductions in July 2024 contributed to a continued decline in prices. This was reflected in significant month-on-month negative inflation in March and August. The moderation in global commodity prices and the appreciation of the Sri Lanka rupee further aided the disinflationary trend. These developments offered some relief to households facing

Source:
CBSL Annual report (exe summary)
https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-economic-review/annual-economic-review-2024

a prolonged cost-of-living burden. Consequently, year-on-year headline inflation, as measured by the Colombo Consumer Price Index (CCPI), reached a deflationary level of -0.5% in September 2024 and continued to decline thereafter. Throughout 2024, inflation in key categories such as Housing, Water, Electricity, Gas and Other Fuels, and Transport remained subdued or recorded deflation during several months. This was primarily due to sharp reductions in electricity tariffs and cost-reflective downward fuel price revisions in line with normalized global oil prices and currency appreciation. Accordingly, CCPI-based year-on-year headline inflation declined to -1.7% by the end of 2024, compared to 4.0% at the end of 2023. The annual average CCPI inflation also dropped significantly to 1.2% in 2024, down from 17.4% in the previous year.

The National Consumer Price Index (NCPI) followed a similar trajectory, with year-on-year headline inflation falling to -2.0% by the end of 2024 from 4.2% at end-2023. Annual average NCPI-based inflation also decelerated sharply to 1.6% in 2024, compared to 16.5% in 2023. Moving into early 2025, deflation persisted, driven by another downward revision to electricity tariffs in January and the carryover base effects from VAT-related price increases and food inflation in early 2024. By March 2025, CCPI-based year-on-year inflation was recorded at -2.6%, while NCPI-based inflation stood at -3.9% by February 2025, reflecting continued softness in price pressures.

Exchange rate Movement

The Sri Lanka rupee appreciated further in 2024, marking the second consecutive year of currency strengthening under the Central Bank's market-based exchange rate policy, despite some intermittent volatility. Following the appreciation of 12.1 per cent in 2023, the rupee appreciated by an additional 10.7 per cent in 2024, ending the year at Rs. 292.58 per US dollar. The appreciation was supported by continued current account surpluses and sustained net foreign currency inflows into the domestic foreign exchange market, primarily driven by increased workers' remittances, higher tourism earnings, improved services exports, and steady merchandise exports. Meanwhile, import-related outflows and other current account expenditures remained moderate, enabling a favorable net foreign exchange position.

Throughout 2024, the Central Bank intervened in the domestic foreign exchange market primarily through net purchases to strengthen official reserves. On a net basis, the Central Bank absorbed USD 2,846 million during the year—its highest annual net foreign exchange purchase in history. These purchases prevented a further appreciation of the rupee while helping to rebuild external buffers. Interventions on the selling side were limited to instances of excessive intraday volatility, aligning with the Central Bank's commitment to a market-based exchange rate framework. This approach helped preserve stability while promoting reserve accumulation.

Despite the overall appreciation trend, the rupee experienced some volatility during the year due to seasonal factors and shifts in demand for foreign exchange. However, the underlying strength of inflows kept the exchange rate on an appreciating path. Notably, the Sri Lanka rupee also appreciated against a broad range of major currencies during 2024. It appreciated by 17.8 per cent against the euro, 12.3 per cent against the pound sterling, 22.5 per cent against the Japanese yen, 13.9 per cent against both the Chinese yuan and Indian rupee, and 21.7 per cent against the Australian dollar. These movements were largely reflective of the relative strength of the rupee amid global currency pressures and Sri Lanka's improved macroeconomic fundamentals.

Agriculture Industry Overview

Agricultural activities in Sri Lanka grew modestly in 2024, recording a 1.2 % increase in value added, a slight deceleration compared to the 1.6 % growth registered in 2023. This subdued performance reflected both structural and external challenges faced by the sector. The primary drivers of agricultural growth in 2024 were animal production and the cultivation of fruits, while persistent contraction in the Coconut sub-sector and adverse weather conditions dampened the overall expansion. The fourth quarter of the year was particularly impacted by extreme weather events, which disrupted rice cultivation, other cereal production, and fishing activities, thereby curbing potential growth in the sector.

The Sri Lankan agricultural sector continues to hold socio-economic importance, despite its declining share in GDP. now standing at around 8 %. It remains the primary livelihood source for rural households and employs nearly a quarter of the national labour force. The sector is intricately linked to national food security and the country's export earnings. Agricultural exports, including Tea, Rubber, Coconut, and other products, account for approximately 20 per cent of total export revenue. The sector also plays a vital role in import substitution through the cultivation of staple crops such as rice and various subsidiary food crops for domestic consumption, in addition to serving as a key supplier of raw materials for the manufacturing and industrial sectors.

The growth recorded in 2024, though moderate, underscored the continued resilience of certain agricultural segments such as fruit cultivation and livestock production. However, the uneven performance across sub-sectors highlighted the sector's vulnerability to environmental shocks and structural limitations. The prolonged contraction in Coconut cultivation and the disruption of paddy and fisheries production due to adverse weather conditions serve as critical reminders of the sector's exposure to climate variability. These developments emphasize the need for sustained investments in climate adaptation, infrastructure, and input availability to ensure long-term stability and resilience of the sector.

Overall, the performance of the agriculture industry in 2024 reflects a complex interplay of modest demand-side recovery, improved activity in selected areas, and ongoing structural and climatic challenges. Policymakers must continue to prioritize agricultural modernization, climate resilience, and targeted support for smallholder farmers to enhance productivity and ensure the sector remains a pillar of rural livelihoods, food security, and broader economic development.

Source 1 : CBSL Report
Source 2 : https://saea.lk/overview-of-agriculture-sector-in-sri-lanka/

Economic & Industry Overview

Tea

From a Sri Lankan perspective, the continued decline in national Tea crop yields over recent years, coupled with the production shortfall in India during 2024, has likely contributed to a global tightness in the supply of Orthodox Large Leaf Teas.

As we move into the first quarter of 2025, traditionally a lean cropping period across most Tea-producing countries, Sri Lanka enters its Western Quality Season. This seasonal advantage, along with constrained global supplies, is expected to support buoyant Tea prices through Q1 and potentially into the first half of Q2. Beyond this, much will depend on how global supply dynamics evolve over the remainder of the year.

Currency movements, particularly the parity between the Sri Lankan Rupee and the US Dollar, will also play a critical role. As the government begins to ease import restrictions—such as those on vehicles—this could exert further influence on domestic Tea pricing.

Looking at production, a cautious optimism is warranted. Sri Lanka is projected to reach an annual Tea output of approximately 280 million kilograms in 2025. This forecast, however, remains sensitive to various influencing factors, including climate change, rising input costs, mechanization challenges, labour wages, government policy shifts, and the availability and application of fertilizer.

An analysis of recent production data reveals a 2% year-on-year increase, rising from 256 million kg to 262 million kg. This growth was largely driven by a 2% increase from low-grown regions and a notable 12% rise in medium-grown Teas, offset slightly by a 5% decline in high-grown production. Meanwhile, the cost of production rose by 9% compared to the previous year, placing additional pressure on margins.

On the pricing front, Colombo auction prices saw a 5% uptick, although average export prices remained relatively stable.

The Sri Lankan Tea market in 2025 is poised for modest production growth, with compelling opportunities in key markets such as India and China. Nonetheless, economic uncertainties and weather-related disruptions could influence global market dynamics. To remain competitive, an emphasis on quality and sustainability will be paramount.

Rubber

As of 2024/2025, Sri Lanka's Rubber industry continues to be a vital sector for the country's agricultural economy, contributing significantly to export earnings and rural employment. The industry has seen renewed focus on sustainable and high-yield Rubber cultivation practices to enhance productivity and global competitiveness. Advances in value addition, such as the development of Rubber-based products and exports to emerging markets, are expected to bolster growth.

However, challenges such as fluctuating global Rubber prices, climate change impacts, and supply chain disruptions persist. The government and industry stakeholders are increasingly investing in research and infrastructure to modernize the sector and ensure its resilience in the face of these challenges

When analyzing the Rubber production statistics, we observe a 7% increase from the previous year, with production rising from 64 kg million to 69 kg million. Regarding production costs, there was an increase to Rs per kg 386 from Rs per kg 302, representing a 28% rise. Additionally, average prices also experienced an upward trend, with increments ranging between 24% and 28%.

Further domestic Rubber production saw a year-on-year decline in February 2025, according to provisional data from the Rubber Development Department. Natural Rubber prices in global markets experienced an increase in February 2025 due to challenges including adverse weather conditions that hindered output in key cultivation areas.

Coconut

Sri Lanka's Coconut industry remains a vital sector of the country's economy, contributing significantly to rural livelihoods and export revenue. The industry faces challenges such as aging plantations, climate change impacts, and fluctuating global Coconut prices. To address these issues, the government and private sector are investing in modernizing cultivation practices, promoting value-added products like Coconut oil and desiccated Coconut, and expanding export markets. Initiatives such as the Coconut Cultivation and Development Programme aim to enhance productivity and sustainability.

And when we analyse ths industry in statistical perspective production has decreased by 12% which was previously 3169 nuts mn and now 2792 nuts mn. Desiccated Coconut , fresh nuts exports , Coconut cream and milk powder were increased in product while Coconut oil , copra exports and domestic nut consumption decreased. And alternatively cost of production also increased by 22% and average prices were increased by 6%.

Overall, the industry is poised for growth by leveraging technological advancements and expanding global demand for Coconut-based products.

Other Crops

Overview of other crops in Sri Lanka for 2024/2025 reflects a dynamic sector characterized by diversification and resilience amid ongoing challenges. Beyond traditional staples like rice and Tea, the cultivation of crops such as vegetables, fruits, spices, and plantation crops has gained prominence, contributing significantly to both local consumption and export earnings. Advances in

Tea
Source 1 : https://www.dailymirror.lk/business-news/Tea-industry-overview-First-quarter-2025/273-307521#:~:text=For%20the%20first%20quarter%20of,the%20corresponding%20period%20in%202024.
Source 2 : https://Teasrilanka.org/market-reports

Rubber
Source 1: Sri Lanka Rubber Development Department. (2024). Annual Report on Rubber Industry Developments.
International Rubber Study Group. (2024). World Rubber Statistical Data.

Coconut
Source : Central Bank of Sri Lanka, 2024; Sri Lanka Coconut Development Authority, 2024

agricultural technology, government support programmes, and a growing emphasis on sustainable practices are shaping the landscape of these crops, fostering increased productivity and market competitiveness. However, the sector continues to face hurdles including climate variability, fluctuating global prices, and logistical constraints.

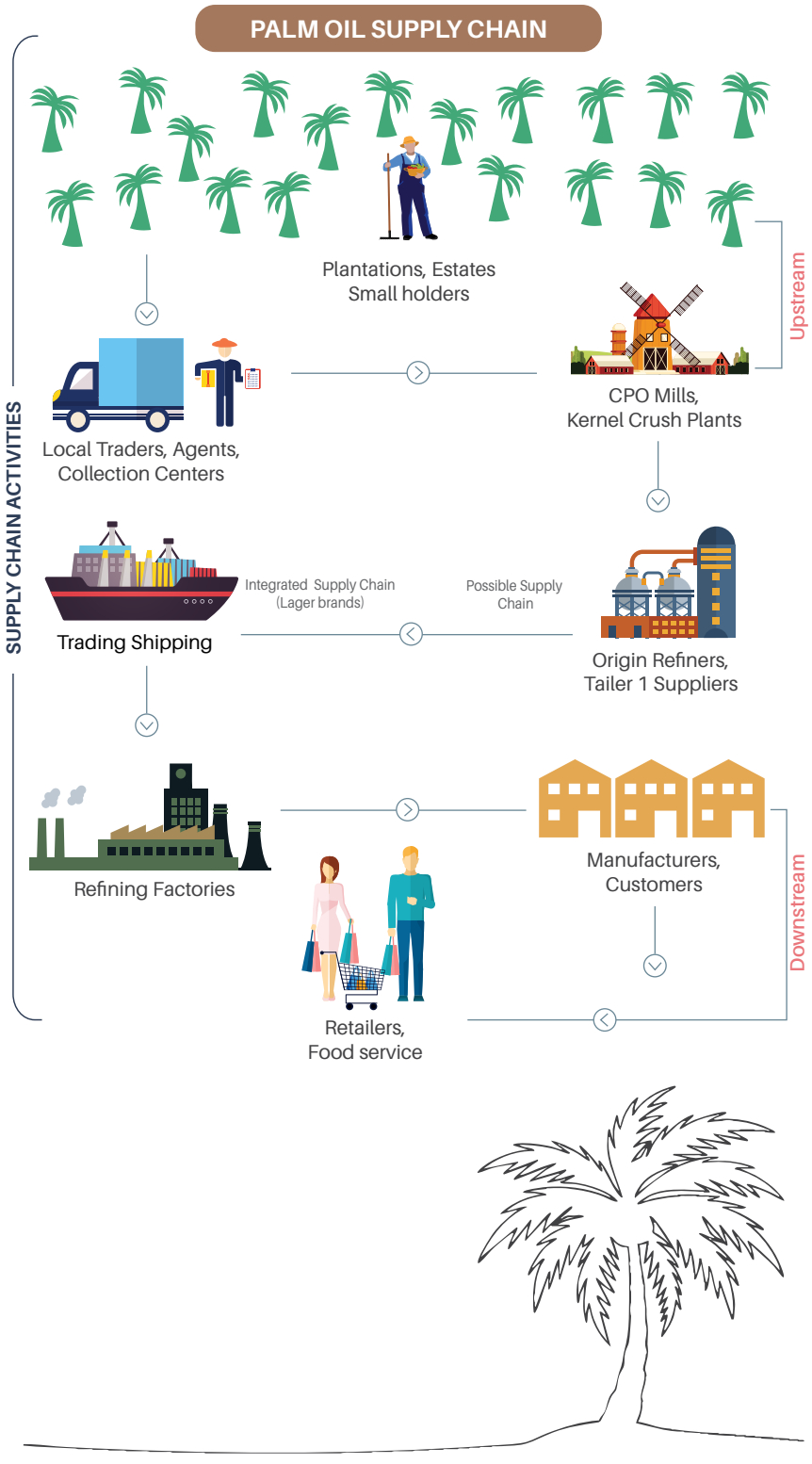
The statistical data indicates that the production of coffee, cocoa, and pepper has increased by 26%, 14%, and 61% respectively. Conversely, the overall production of Cinnamon, clove, and cardamom has decreased. Additionally, the country's paddy production has risen by 4%, increasing from 4,513 metric tons to 4,698 metric tons.

Overall, the prospects for other crops in Sri Lanka remain cautiously optimistic, with strategic initiatives aimed at enhancing value addition and export potential poised to bolster the country's agricultural economy in the coming years.

Oil palm

The Oil palm industry in Sri Lanka is poised for moderate growth in the 2024/2025 period, driven by increasing global demand for palm oil and the government's initiatives to promote sustainable agriculture. Currently, Sri Lanka's Oil palm sector remains relatively small compared to traditional oil crops like Coconut and sunflower, but recent investments and replanting efforts aim to expand cultivated areas. The market outlook suggests a gradual rise in production capacity, supported by favorable climatic conditions and technological advancements in cultivation and processing. Additionally, the rising global prices of palm oil are expected to incentivize local producers to enhance productivity, potentially boosting export opportunities and contributing to national economic growth.

However, the market faces several challenges that could impact its trajectory. Environmental concerns related to deforestation and sustainability practices are prompting stricter regulations and consumer scrutiny, which may influence production methods and export markets. Furthermore, fluctuations in global palm oil prices and competition from major producers like Indonesia and Malaysia could affect Sri Lanka's market share and profitability. Domestic factors such as land availability, infrastructure development, and investment climate will also play critical roles in shaping the economic prospects of the Oil palm industry in Sri Lanka for 2024/2025. Overall, while there are promising growth



Economic & Industry Overview

prospects, the sector's success will largely depend on sustainable practices and strategic market positioning.

Global Palm Market Overview and Palm Oil Prices

The palm oil market is poised to face continued uncertainty heading into 2025, primarily due to persistent supply-side challenges. Adverse weather conditions, notably heavy rainfall and flooding in Malaysia, have hampered production, while replanting efforts in both Malaysia and Indonesia remain well below targets. These factors are expected to constrain supply and support elevated price levels. In 2024, palm oil prices remained high, averaging RM4,200/metric tonne (MT), and are forecast to rise further to RM4,600/MT in 2025, up from RM3,812/MT in 2023.

Production challenges are rooted in climate factors and structural issues. Malaysia's Meteorological Department forecasts continued high rainfall through the first quarter of 2025, with potential La Niña conditions. Although a return to drier weather later in the year could improve harvest conditions, meaningful gains in output may not materialise until 2026. At the same time, replanting of ageing Oil palms has been insufficient. In 2023, Malaysia replanted only 132,000 hectares—far below the government's annual 4% target and the estimated 450,000 hectares of overaged trees. Indonesia has also fallen short, replanting only 206,000 hectares towards its 2.5-million-hectare goal by 2025.

On the demand side, palm oil continues to benefit from strong biodiesel demand. Indonesia's government will raise the biodiesel blend mandate from B35 to B40 in 2025, with plans for B50 thereafter. The Indonesian Palm Oil Association (GAPKI) estimates B40 will require an additional 1.7 million MT of palm oil, while B50 could increase demand by another 5 million MT. Global edible oil consumption also supports demand, with the USDA forecasting global palm oil imports to rise to 44.6 million MT in 2025 (2024: 42.9 million MT), and domestic consumption reaching 78.3 million MT (2024: 75.1 million MT).

Nevertheless, palm oil's price competitiveness has narrowed, as it trades above substitutes like soybean and sunflower oil, which may limit demand growth. Regulatory developments present mixed effects: India's import duties may suppress demand, while the delayed implementation of the EU's deforestation regulation until 2026 provides temporary relief.

Meanwhile, key substitutes face their own constraints. Drought conditions and geopolitical tensions—particularly the Russia-Ukraine conflict—are set to reduce sunflower oil production to 20.0 million MT in 2025, down from 22.1 million MT in 2024, further tightening global edible oil markets.

Overall, palm oil prices are expected to remain elevated in the near term, supported by tight inventories, seasonal production declines, and resilient demand. Upside risks include adverse weather in major soybean-producing regions and more restrictive Indonesian export policies, while downside risks involve weaker demand from China and India and increased output of competing oils.

Source :
https://www.marc.com.my/views/marc-ratings-crude-palm-oil-price-to-average-higher-in-2025/

Agricultural Exports

Sri Lanka's exports have surged past $1.3 billion in January 2025, marking a strong and promising start to the year! This remarkable growth reflects the resilience, innovation, and competitiveness of Sri Lankan industries, paving the way for sustained economic success.

The merchandise export performance in January 2025 amounted to US$ 1,004.82 million, recorded an 3.51 % increase compared to January 2024 as per the data released by the Sri Lanka Customs.

Compared to January 2024, agricultural exports shown a significant increase of 14.87 %, reaching US$ 258.93 million in January 2025. The estimated value of services exports for the month of January 2025 was US$ 329.37 Million, increasing 37.87 % over the corresponding Month of January 2024.

Export earnings from Tea which made up 12% of merchandise exports, increased by 2.63 % y-o-y to US$ 112.7 Mn in January 2025 compared to January 2024. This increase is mainly due to the strong performance in the export of Tea Packets (29.83%).

Furthermore, volume of Tea exports increased by 3.25 % in January 2025 compared to January 2024. Additionally, Tea exports to Iraq, Saudi Arabia and UAE markets, increased by 43.58 %, 13.8% and 414% respectively.

On monthly analysis, export earnings of Coconut based products increased by 12.04 % in January 2025 compared to January 2024. Moreover, export earnings of Coconut kernel products, Coconut shell products & Coconut Fiber products increased by 19.92 % and 42.68 % respectively in January 2025 compared to January 2024.

Export earnings from Coconut Oil, Coconut Cream and Liquid Coconut Milk which are categorized under the Coconut kernel products increased by 32.35 %, 50.69 % and 12.04 % respectively in January 2025 compared to January 2024.

Being the largest contributor to Coconut based sector, Coco Peat, Fiber Pith & Moulded products which are categorized under the Coconut fiber products, increased by 59.62 % to US$ 16.84 Mn in January 2025 in comparison to January 2024.

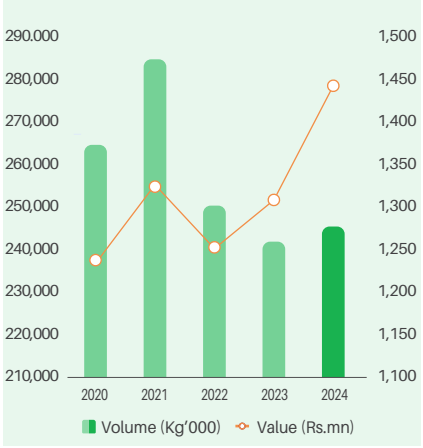
Earnings from Activated Carbon, which is categorized under the Coconut shell products increased by 13.2 % to US$ 14.58 Mn in January 2025 compared to January 2024.

Similarly, export earnings from Spices and Essential Oils increased by 32.94 % to US$ 38.99 Mn in January 2025 compared to January 2024, driven primarily by the strong performance of pepper (106.12%) and cloves (649.21%). Notably, pepper exports to India more than doubled in January 2025 compared to January 2024, while clove exports to Saudi Arabia reached USD 3.36 million during the same period.

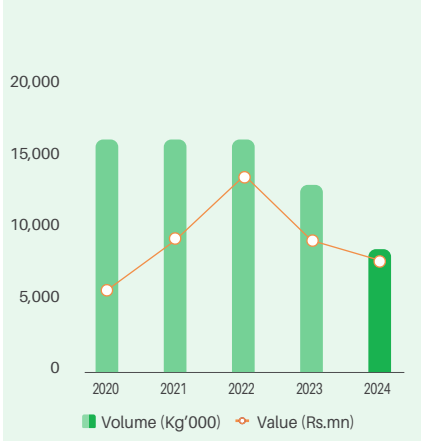
Export earnings from Food & Beverages have increased by 23.27 % y-o-y to US$ 41.75 Million in January 2025, with the positive performance in exports of Processed food (29.0%).

Moreover, Export earnings from Rubber and Rubber Finished products have decreased by 8.15 % y-o-y to US$ 75.06 Mn in January 2025, with the poor performance in exports of Pneumatic & Retreated Rubber Tyres & Tubes (-33.71%). Furthermore, exports of Pneumatic & Retreated Rubber Tyres & Tubes to USA decreased by 31.7% in January 2025 compared to January 2024.

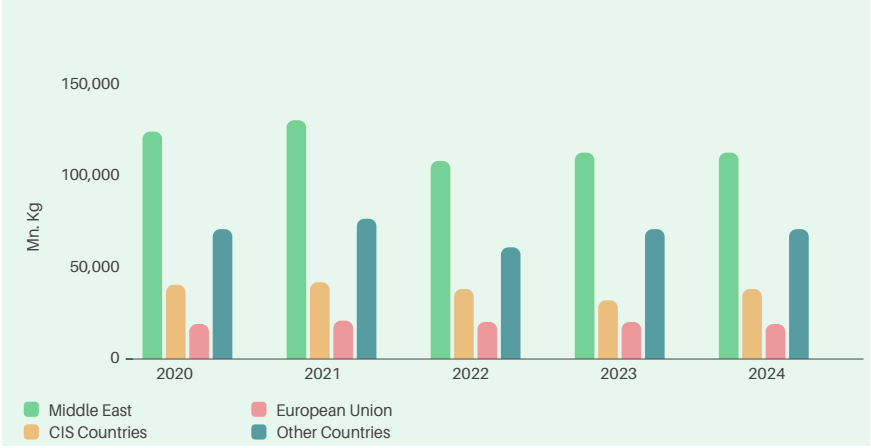
Tea Export



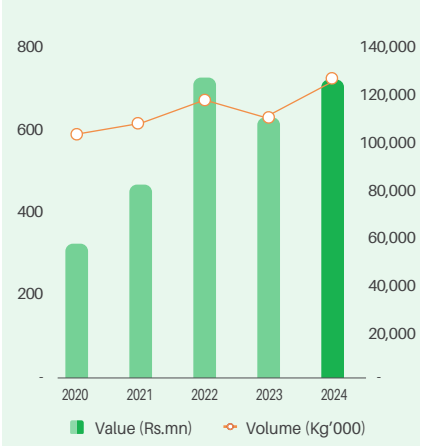
Rubber Export



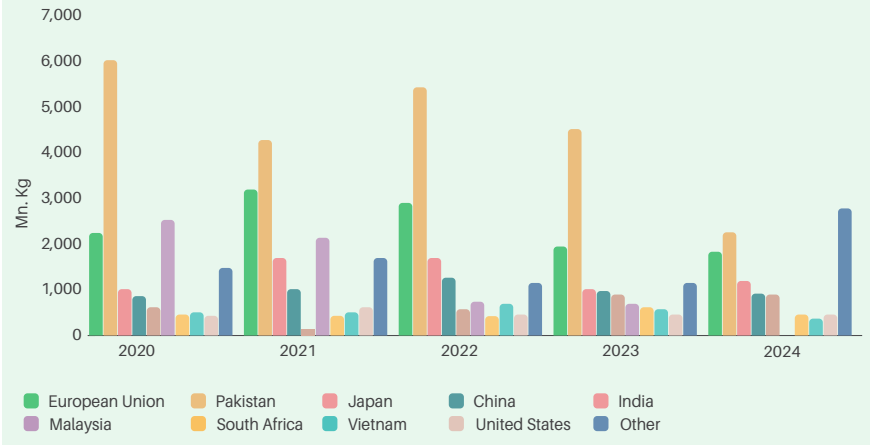
Country Classification of Tea Exports



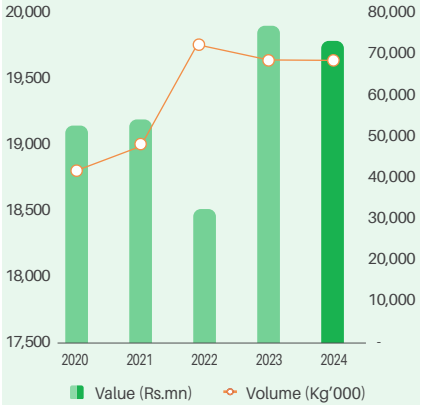
Coconut Export



Major Rubber Export Destinations



Cinnamon Export



Economic & Industry Overview

National Production

Tea production is divided into Low Grown, Medium Grown, and High Grown varieties. Although the total Tea production in 2024 (262 Kg mn) shows a slight increase from 2023 (256.1 Kg mn), it's still significantly lower than the peak years like 2015 (328.8 Kg mn). A general downward trend is evident, particularly in the Low and Medium Grown categories, indicating possible shifts in cultivation practices or environmental impacts over the years.

Rubber production, segmented into categories like Crepe Rubber and Other, shows fluctuating but mostly declining volumes. From a high of 88.6 Kg mn in 2015, it dropped to 69 Kg mn in 2024. Notably, while there was a mild recovery between 2020 and 2022, the downward trajectory resumed post-2022. This suggests that although temporary recovery efforts may have been implemented, consistent structural or market issues might be affecting Rubber production.

The Coconut segment provides a broader breakdown, including desiccated Coconut, oil, copra, fresh nut, powder/milk, and overall consumption. The total number of nuts produced peaked in earlier years like 2020 (3,120 mn) but dipped to 2,561 mn by 2024. Consumption also declined, perhaps indicating changing dietary trends or export dynamics. Particularly noteworthy is the consistent volume of Coconut oil, which remains a major derivative product, suggesting its continued importance in trade or domestic use.

Cinnamon production, unlike the other crops, displays a more volatile trend. It peaked in 2023 (24,475 Mt) but then declined to 19,805 Mt in 2024. Despite fluctuations, the long-term trend appears generally upward when compared to earlier years such as 2015 (17,707 Mt). This may reflect growing global demand, positioning Cinnamon as a potentially resilient or expanding export commodity.

In summary, Sri Lanka's national agricultural production across key commodities reveals a mixed landscape of decline and resilience. While Tea and Rubber sectors have experienced overall downward trends since their peak years, indicating challenges such as environmental factors or shifting cultivation practices, Cinnamon production demonstrates a more positive outlook with recent growth and volatility suggesting increasing global demand. The Coconut industry, despite a decline in total nut production and consumption, continues to maintain its significance through steady outputs of Coconut oil and other derivatives. These trends highlight the need for strategic diversification and sustainable practices to bolster the country's agricultural resilience and ensure continued economic contribution from these vital sectors.

Crop	Unit	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Tea											
Low Grown	Kg mn	159	155.1	155	183.2	169.9	189.9	192	197.4	183.6	202.4
Medium Grown	Kg mn	48	42.3	40.2	51	46.7	47.2	47	45.7	44.5	51
High Grown	Kg mn	56	58.6	56.3	65.3	62.2	63.1	64.8	64	64.4	75.4
Total	Kg mn	262	256.1	251.5	299.5	278.9	300.1	303.8	307.1	292.5	328.8
Rubber											
Sheet Rubber	Kg mn	34	32.2	34.8	38.4	39.1	37.4	41.3	41.5	39.8	44.4
Crepe Rubber	Kg mn	10	11.1	14.5	13.9	13	14.4	14.5	11.5	15	11.1
Other	Kg mn	26	21.1	21.7	24.5	26.1	22.9	26.8	30.1	24.3	33.1
Total	Kg mn	69	64.4	70.9	76.9	78.2	74.8	82.6	83.1	79.1	88.6
Coconut											
Desiccated Coconut	Nuts mn	297	287	314	298	226	387	222	266	399	326
Coconut oil	Nuts mn	54	209	445	211	48	252	63	67	348	396
Copra	Nuts mn	2	5	11	5	6	22	3	3	6	3
Fresh nut	Nuts mn	17	14	13	15	16	21	1	10	30	13
Powder and Milk	Nuts mn	777	596	544	544	462	420	366	274	246	270
Consumption	Nuts mn	1414	1,850	1,848	1,833	1,826	1,807	1,794	1,656	1,787	1,874
Total	Nuts mn	2,561	3,170	3,391	3,120	2,792	3,086	2,623	2,450	3,011	3,056
Cinnamon	Mt	19,809	24,475	24,094	22,872	20,866	20,352	20,398	22,341	18,945	17,707

Sri Lankan Economic Outlook

The Sri Lankan economy continued its recovery in 2024, but medium-term growth prospects remain modest due to the lingering effects of the recent crisis, deep-rooted structural constraints, and increasing global economic uncertainty. While the real economy expanded during the year, reflecting improvements in key sectors, the scarring from the economic crisis is expected to weigh on potential output. Growth is projected to remain subdued in the near term, and the current account is expected to return to a deficit in 2025, driven by a decline in exports amid global trade tensions and subdued external demand, despite some offset from lower oil prices and import moderation.

Inflation is anticipated to return to positive territory by mid-2025, following a period of deflation in late 2024 and early 2025. However, it is expected to stay below the Central Bank's medium-term target, reflecting the persistence of weak demand conditions. Fiscal consolidation efforts are ongoing, but significant financing pressures remain, particularly due to large Treasury bill refinancing requirements. Despite improvements in macroeconomic indicators, the social impact of the crisis continues to be severe. Over one-third of the population is estimated to be living in, or at risk of falling into, poverty in 2025, highlighting the urgency of inclusive and sustained economic recovery.

Although fiscal and external buffers are gradually being rebuilt, downside risks to the outlook are exceptionally high. Slowing global growth, elevated interest rates, and heightened trade policy uncertainty could dampen investor confidence, hinder capital inflows, and constrain export performance, potentially resulting in job losses in trade-dependent sectors. The continued imposition of regressive indirect taxes could exacerbate poverty and inequality. Rising malnutrition and stunting rates raise serious concerns about long-term human capital development and the potential for intergenerational poverty. Increased outmigration of skilled workers also poses a risk to the country's recovery momentum and weakens the delivery of essential public services in an aging society.

To achieve stronger and more sustainable growth over the medium term, policy consistency and continued structural reforms are essential. Efforts must focus on enhancing macro-fiscal and financial stability, strengthening competitiveness, and attracting non-debt-creating foreign capital. Promoting inclusive development will also require greater investment in human capital, through improved access to quality education and healthcare. Strengthening social protection mechanisms and ensuring that the recovery process is equitable and broad-based will be critical to safeguarding vulnerable populations and securing long-term economic resilience.

Source:
https://www.worldbank.org/en/country/srilanka/publication/sri-lanka-development-update-2025

Stakeholder Engagement

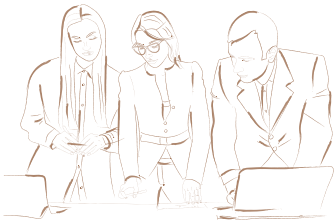
"Engage to Elevate: Sustaining Success Through Stakeholder Connection."

Stakeholders represent the various entities impacted by our organizational activities, and they possess the potential to influence our operations in return. This group includes individuals and collectives with whom we maintain direct interactions, as well as those further along our operational continuum who are indirectly affected by our business choices.

Furthermore, their own decisions can significantly affect our operations. We recognize that stakeholders' perceptions and actions can substantially influence our capacity to execute our initiatives and achieve our strategic objectives. Below, we outline our approach to stakeholder engagement.

Moreover rapid changes in industry dynamics have heightened the need for proactive engagement with stakeholders. Emerging trends, which are unprecedented in scale and impact, influence our capacity to deliver sustainable value and, in return, receive value from our stakeholders.





Identification of Stakeholders

Our operations impact employees, residents, smallholders, and communities. We rely on customers, brokers, investors, and the government for growth. We recognize the interdependence of these relationships and take a long-term approach. Our social report outlines our engagement with stakeholders to identify needs, manage expectations, and build trust. Addressing their issues is crucial for the sustainability of the plantation industry.

Our Key Stakeholder Identification Indicators :

- Importance of the stakeholder for the Company as a whole.
- Stakeholder's support in achieving our strategic goals.
- Stakeholder's influence in organizational performance.

Methods of Engagement

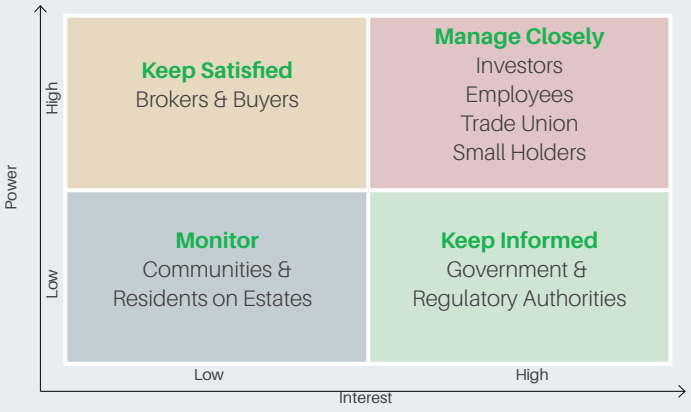
Even though we engage stake holders needs and wants with a common considerable effort, there is an arrangement of prioritization to involve with them. It is reflected by Power vs. interest relationship graph. Every day, at every level of the business, we engage with a large number of stakeholders, both formally and informally. we use various engagement platforms appropriate to the needs of each stakeholder group.

Their participation and interests over the organization are always welcome since we have the understanding that our future success is depend on the interest of stakeholders towards us. Hence, we encourage them to contact us through our tele-line and email. We are always willing to respond them urgently for any issue relevant.



Mapping Stakeholder Influence

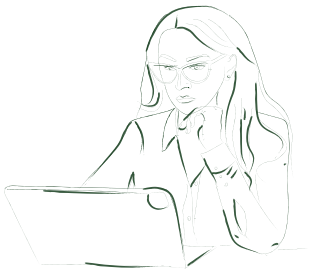
In our stakeholder mapping, we prioritize shareholders as our main focus, given their high interest and significant power in influencing NPPLC's strategic direction. By actively engaging with them and addressing their concerns, we aim to foster a strong relationship that supports long-term growth and sustainability for the organization.



Feedback Analysis

Listening and understanding the views and feedback from stakeholders help to improve the overall performance of the company. Hence, we value feedback from stakeholders about their concerns and perceptions of value engaging with our stakeholders.

Feedback Collection → Organize Data and Feedback Analysis → Results Interpretation → Take Action and Communicate



GRI 2-29 / 413-1 / 207-3

Our Key Stakeholders

We have identified our key stakeholder groups and outlined the channels employed to foster dialogue with each group. Engagement with stakeholders is tailored on a case-by-case basis and encompasses both formal and informal communication methods, utilized with varying degrees of frequency

Investors

Investors including shareholders and banks provide capital to finance our growth. Shareholders earn a return by way of dividends and appreciation of the share price whilst banks earn interest, commission and fees

Needs Identified	Our Response	How We Engage	Frequency
⊙ Increasing financial returns ⊙ Risk Management ⊙ Corporate Governance	⊙ Maintaining a consistent bottom line ⊙ Engaging in greater transparency & Good Governance Practice and responsible ⊙ Maintaining the Company reputation and credibility Ensure Safeguarding asset quality by implementing good internal control system	⊙ Press releases ⊙ Annual Report ⊙ Annual General Meeting ⊙ Interim Financial statements	When required Annually Annually Quarterly

Relationship Strength : GOOD

Stakeholder Engagement



Brokers & Buyers

Our products are sold at the Colombo Auctions and also sent direct to buyers. Brokers assess and catalogue the produce and market it at auctions. Most of the produce sold at auctions is exported.

Needs Identified	Our Response	How We Engage	Frequency
⊙ High Quality produce ⊙ Certifications of quality assurance systems ⊙ Compliance with certification requirements	⊙ Use new technology to improve product quality ⊙ Respond and take corrective action promptly, as per the brokers & buyers complains	⊙ Auctions ⊙ One to one meetings with Superintendents	Weekly When required

Relationship Strength : FAIR



Small Holders

Small scale plantations and home gardeners sell their tea leaves to our factories which accounts for approximately 32% of leaves processed in our factories. The price is determined according to a formula set by the Sri Lanka Tea Board. We provide fertilizer and agro-chemicals to these small holders for which the cost is recovered from the amounts payable to them providing them with crop financing. We also purchase quantities of other crops for processing at our factories.

Needs Identified	Our Response	How We Engage	Frequency
⊙ Fair price ⊙ Technical advice on agribusiness ⊙ Financial support ⊙ Compliance with certification standards	⊙ Pay competitive price for their Green leaf ⊙ Implement Prompt Settlement system ⊙ Organize technical sessions & awareness programmes	⊙ Village forums ⊙ Complaint Registers maintained at all estates ⊙ One to one meetings with Estate Superintendents and Regional Managers ⊙ Through tea commissioners' division	Frequently Regularly When required When required

Relationship Strength : FAIR



Employees

We have 2,977 employees of which 2,954 are workers of plantations. Majority of our employees reside in the plantations and have access to a variety of welfare services provided free of charge. We rely on them for our growth and performance and seek to empower them to reach their full potential.

Needs Identified	Our Response	How We Engage	Frequency
⊙ Empowerment ⊙ Equal Opportunity ⊙ Job enrichment ⊙ Housing and Welfare needs for resident estate employees ⊙ Basic medical facilities for resident employees	⊙ Competitive rewards and benefits ⊙ Training & development ⊙ Continuation of negotiations ⊙ Effective Management of grievances ⊙ Maintain high standards of occupational health & safety ⊙ Ensure employees' welfare	⊙ Daily Forums ⊙ Employee surveys ⊙ Complaint Registers maintained at all estates ⊙ Monthly proactive meetings with union representatives	Daily Bi-annually Regularly Monthly

Relationship Strength : FAIR



Communities & Residents on Estates

Residents on our estates, many of whom are families of current or former employees. They are also provided with access to welfare services. Further we are closely involved with the village communities that border our estates as our actions impact these communities and they provide ancillary services. Additionally, resident employees are dependent on the communities for their needs and we work with government and non-government agencies to uplift their living standards on a continuous basis.

Needs Identified	Our Response	How We Engage	Frequency
⊙ Provision of housing and other facilities ⊙ Basic medical facilities on estates ⊙ Access to education for children ⊙ Socio economic progress of Communities ⊙ Preservation of environment ⊙ Financial support for community Development	⊙ Engage with the community projects which enhance community lives ⊙ Act as a good corporate citizen through the CSR activities. ⊙ Operating child care center, cooperative shops ⊙ Conducting religious ceremony & Provide Finance assistant to Kovil ,Temple	⊙ Daily Forums Village Forums ⊙ One to one meetings with Superintendents ⊙ Complaint Registers maintained at all estates	Annually Periodically When Required Regularly

Relationship Strength : GOOD



Trade Union

Trade unions play a crucial role in representing the collective interests of workers and staff, advocating for their rights and privileges in negotiations with businesses. Through collective agreements and ongoing dialogue, these unions ensure that the voices of employees are heard and that their concerns are addressed in the workplace.

Needs Identified	Our Response	How We Engage	Frequency
⊙ Improve awareness of labour related laws and regulations ⊙ Proper communication with the trade unions ⊙ Stand together strongly with regard to institutions who have common interest (ex: EFC / Planters Associations)	⊙ Comply with Labour laws, wage structure & other related regulations. ⊙ Effective management of problem solving ⊙ Negotiations & bargain	⊙ Collective agreement & bargaining ⊙ Regular dialogue with the Management ⊙ Corporative Societies ⊙ Health & Safety Committee	Frequently Regularly When required Regularly

Relationship Strength : FAIR



Government & Regulatory Authorities

The Government plays a multifaceted role as the Golden Shareholder of the Company, overseeing its strategic direction and ensuring alignment with public interests. Additionally, it serves as the lessor of the estates we manage and support for our operations. Furthermore, the Government acts as a regulator, overseeing market practices, environmental standards and govern tax compliances to promote fair competition and sustainability. This comprehensive involvement underscores the Government's commitment to balancing economic growth with social responsibility and environmental stewardship.

Needs Identified	Our Response	How We Engage	Frequency
⊙ Alignment with national strategy ⊙ Compliance with terms of lease agreements ⊙ Preservation of natural capital ⊙ Timely payment of taxes	⊙ Fulfill all the regulatory requirements on time ⊙ Ensure timely settlement of Taxes	⊙ One to one meetings at estate level with Local Government and Provincial councils. ⊙ Government regulatory requirements ⊙ Payment of relevant taxes to Department of Inland Revenue. ⊙ One to one meetings at corporate level with relevant ministries	When required When required Quarterly/ Annually/ Monthly When required

Relationship Strength : GOOD

Stakeholder Engagement

GRI 2-29 /413-1

Material Issues in Stakeholder Relations and our Strategic Responses

In our commitment to sustainable development and responsible plantation management, we recognize the importance of engaging with our diverse stakeholders, including local communities, employees, brokers and buyers, investors, unions, small holders and government regulatory bodies . This year, we have proactively addressed key stakeholder issues by enhancing our communication channels and promoting transparency in our operations.

Through regular assessments and feedback mechanisms, we have fostered trust and collaboration, ensuring that stakeholder concerns are integrated into our decision-making processes. Looking ahead, we remain dedicated to strengthening these relationships and adapting our strategies to meet evolving expectations, ultimately supporting both our business objectives and the well-being of the communities we serve.

Stakeholder	Material Issues	Our Strategic Response
Local Communities	⊙ Environmental impact ⊙ Economic development Social equity ⊙ Health and safety	⊙ Implement community engagement programmes to understand concerns and collaborate on solutions. ⊙ Invest in local infrastructure and services (education, health care). ⊙ Develop sustainable practices to minimize environmental impact. ⊙ Create local job opportunities through hiring and training programmes.
Employees	⊙ Job security and stability ⊙ Employee well-being and mental health ⊙ Diversity, equity, and inclusion ⊙ Training and career development opportunities	⊙ Establish job protection policies and transparent communication regarding Company performance. ⊙ Implement health and wellness programmes, including mental health support. ⊙ Promote diversity and inclusion initiatives and create a culture of respect. ⊙ Offer continuous training and development programmes to enhance skills and career progression.
Brokers and Buyers	⊙ Transparency in pricing and sourcing ⊙ Product quality and safety ⊙ Ethical sourcing and sustainability ⊙ Supply chain reliability	⊙ Foster open communication and provide detailed information about products and sourcing practices. ⊙ Implement quality control measures and ensure compliance with safety regulations. ⊙ Engage in sustainable sourcing practices and communicate these efforts. ⊙ Develop robust supply chain management practices to ensure reliability and minimize disruptions.
Investors	⊙ Financial performance and return on investment ⊙ Corporate governance and accountability ⊙ Risk management ⊙ Transparency and reporting	⊙ Provide regular updates on financial performance and strategic initiatives. ⊙ Strengthen corporate governance practices and ensure accountability at all levels. ⊙ Develop a comprehensive risk management framework that includes ESG (Environmental, Social, Governance) factors. ⊙ Enhance transparency through detailed reporting and stakeholder engagement.

Trade Unions	⊙ Labor rights and fair wages ⊙ Working conditions and safety ⊙ Collective bargaining power ⊙ Employee representation in decision-making	⊙ Engage in regular dialogues with unions to address labor concerns and negotiate fairly. ⊙ Ensure compliance with labor laws and prioritize safe working conditions. ⊙ Support collective bargaining processes and recognize the importance of unions in representing employees.
Small Holders	⊙ Access to markets and fair pricing ⊙ Support for sustainable farming practices ⊙ Climate change impacts on agriculture	⊙ Develop fair trade programmes and direct market access initiatives for small holders. ⊙ Provide training and resources to support sustainable agricultural practices. ⊙ Engage in climate resilience programmes to support small holders in adapting to changing conditions.
Government Regulatory Bodies	⊙ Compliance with laws and regulations ⊙ Environmental protection and sustainability standards ⊙ Labor laws and worker rights ⊙ Economic contributions (Taxes, Job creation)	⊙ Maintain proactive engagement with regulatory bodies to ensure compliance and transparency. ⊙ Implement sustainability initiatives that exceed regulatory requirements. ⊙ Adhere to labor laws and promote fair practices within the workforce. ⊙ Contribute to local economies through taxes and job creation, demonstrating corporate citizenship.

The Role of Stakeholder Engagement in Risk Management and Opportunity Optimization.

In the context of NPPLC effectively managing risks is crucial not only for safeguarding our operations but also for unlocking new opportunities that enhance stakeholder engagement. By proactively identifying and mitigating potential risks such as environmental challenges, market fluctuations, and regulatory changes we can create a more resilient strategy that promotes sustainable practices and fosters trust among our stakeholders.

This approach allows us to align our strategic objectives with the interests of our stakeholders, ensuring that we not only protect our assets and reputation but also capitalize on opportunities for innovation and collaboration. Ultimately, a balanced focus on risk management and opportunity recognition will strengthen our stakeholder relationships, drive long-term success, and contribute to the sustainable growth of our plantation operations. (Refer Risk Management chapter for further information)

Stakeholder Engagement toward Sustainability Commitment.

The company's sustainability goals and objectives in the plantation sector are influenced by various stakeholders, including employees, investors, smallholders, brokers, communities, government, and trade unions. Employees provide valuable insights into workplace conditions, health and safety, and environmental practices, leading to the implementation of more rigorous safety protocols and training programmes. Investors prioritize transparency and accountability, leading to the adoption of more sustainable sourcing policies and certification standards.

Smallholders play a vital role in the supply chain, providing training, access to better seeds, and financial support. Brokers and buyers guide sustainability objectives, focusing on traceability and transparency in the supply chain. Communities and residents on estates highlight the importance of social responsibility, leading to community development programmes. Government policies and regulations also play a significant role in shaping sustainability objectives. Trade unions represent the interests of the workforce, advocating for fair labor practices and improved working conditions. Overall, stakeholder input is crucial in shaping the company's sustainability goals and objectives in the plantation sector.

Materiality Assessment

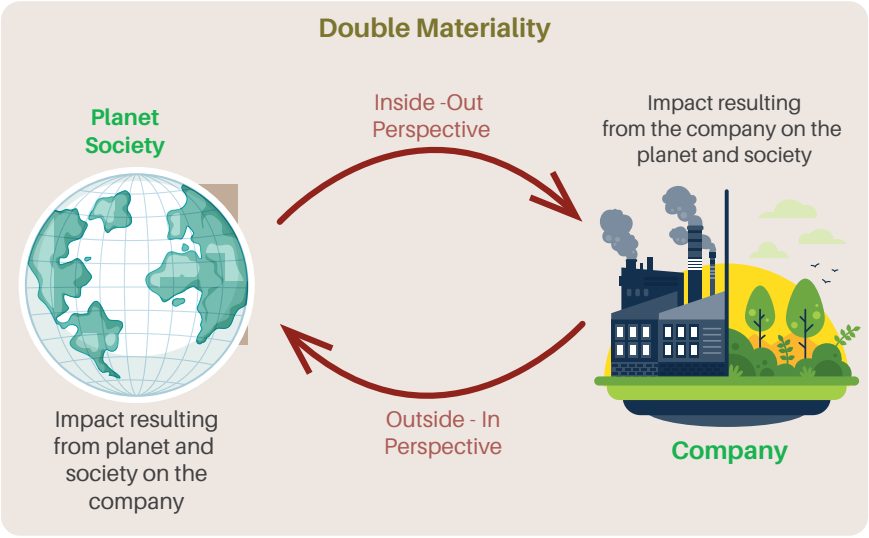
GRI 2-23 / 2- 24 / 2-25 / 2-26

To effectively shape our integrated report, we embrace the materiality concept as a guiding principle. This report emerges from a thorough assessment grounded in the triple bottom line approach, allowing us to critically evaluate the key issues, opportunities, and challenges that have significantly influenced NPPLC's performance and its trajectory toward sustainable business practices this year. Through this lens, we aim to provide a holistic view of our impact and commitment to sustainable development, ensuring that our stakeholders are well-informed about our progress and future potential. Also We utilize the International Integrated Reporting Council's (IIRC) six capitals model to comprehensively report on various factors that may influence our performance.

Why Materiality Assessments are the Compass for Sustainable Business Success.



At Namunukula Plantations PLC, we are committed to adhering to the principles of double materiality in our assessment of materiality, recognizing that our impact extends beyond financial performance to encompass social and environmental dimensions. As a Company operating in the plantation sector, we understand that our operations can influence and be influenced by various stakeholders, including local communities and ecosystems. By integrating both financial and sustainability considerations into our decision-making processes, we strive to create long-term value while safeguarding the environment and promoting social well-being. This holistic approach ensures that we remain accountable to our stakeholders and contribute positively to the communities in which we operate.



Moreover recent economic and financial crises in Sri Lanka have profoundly impacted the plantation sector, highlighting the importance of conducting a robust materiality assessment for companies operating in this industry. As plantation companies navigate the complexities of ongoing debt restructuring, rising inflation, and currency depreciation, it becomes crucial to identify and prioritize the most significant risks and opportunities that affect their operations and stakeholders. The heightened market uncertainty and increased operational costs necessitate a strategic evaluation of material issues such as financial stability, supply chain resilience, and consumer demand. Additionally, with limited access to external financing and a growing poverty rate constraining domestic consumption, companies must assess the materiality of their social and economic contributions. We believe that by understanding these dynamics, NPPLC can develop targeted strategies to mitigate risks, enhance our adaptability, and position us for sustainable growth amidst the challenging landscape.

Identifying potential material matters is a crucial responsibility that necessitates active collaboration across all business units and establishments. This process involves a thorough evaluation of the risks and opportunities present in our operational landscape, as well as gathering insights and feedback from our stakeholders. The material matters we identify play a pivotal role in shaping our long-term business strategies, setting targets, and guiding our short- to medium-term plans. Prioritizing these issues based on their significance and potential impact is a collective endeavor that enhances our decision-making. Furthermore, we continuously reassess these material matters to ensure our strategies remain effective and relevant amidst the dynamic changes in our operating environment.

GRI 3-1

Our Materiality Assessment Process.

Namunukula Plantations PLC conducts materiality assessment process to identify and prioritize the economic, environmental, and social issues that are most significant to its stakeholders and the Company itself. This process typically involves engaging with various stakeholders, to gather insights and feedback on the issues that matter most to them. And final outcome of the materiality

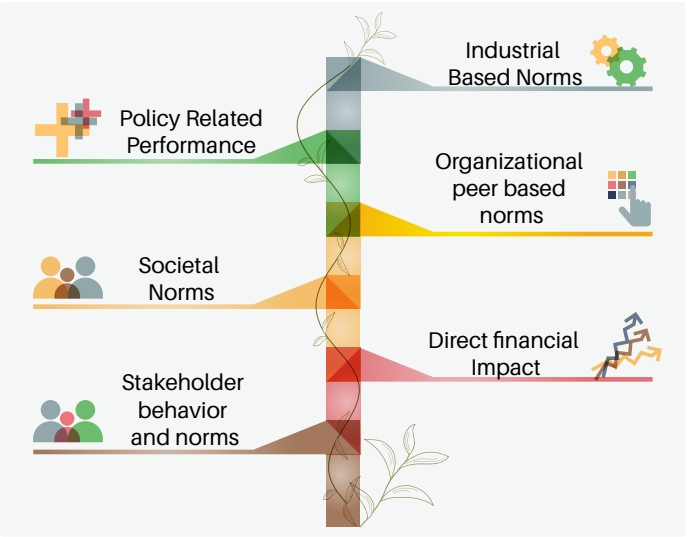
assessment help inform the company's reporting, decision-making, and overall business strategy, promoting transparency and accountability in its operations.

Our material issues were meticulously identified through comprehensive desk-based research, which included a thorough peer review, an extensive media scan, and an analysis of sustainability thought leadership from industry experts and recognized associations. This process involved a careful consideration of key impact areas and prevailing norms, ensuring that we captured a holistic view of the current landscape and best practices in sustainability. By synthesizing insights from diverse sources, we aimed to align our understanding with the most pressing challenges and opportunities in our sector.

Information Sourcess

Following internal and external Information Sources were used during materiality assessment.

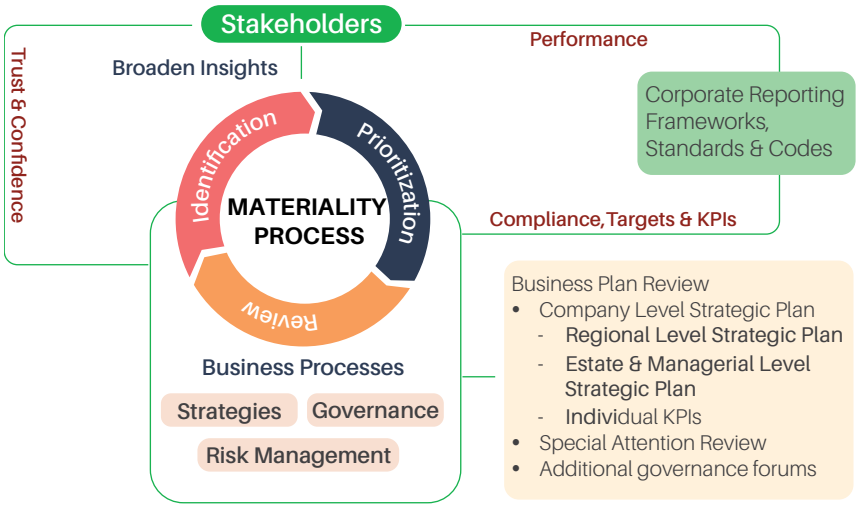
INTERNAL INFORMATION SOURCES	EXTERNAL INFORMATION SOURCES
⊙ Management discussions & meetings ⊙ Employee discussions & meetings ⊙ Policies & industrial practices ⊙ Annual General Meeting ⊙ Result of internal audit and management system audit carried out	⊙ National policy decisions ⊙ Ongoing Investor Concerns and Expectations ⊙ Reports and articles published by Industry analysts, researchers and investors ⊙ Corporate Social Responsibility projects ⊙ Directives issued by regulators ⊙ Stakeholder Analysis



Our material matters are reflected in our key risks and opportunities and represent the issues that have the most impact on our ability to create sustainable value for our stakeholders and influence our business model. While these issues change over time as new trends and developments shape the macro environment and our stakeholders' needs evolve, the broad themes have remained consistent over the past few years.

Our material matters are prioritized to following six areas.

Material Issue	Corresponding GRI Standards No.
Natural Environment	301, 302, 303, 304, 305, 306, 307
Work Environment	401, 402, 403, 404, 405, 406, 407, 408
Local Development	413, 203
Supplier Management	308, 414
Product Responsibility	417, 416
Creating Value for stakeholders & Profitability	201, 202, 204, 205, 207, 415

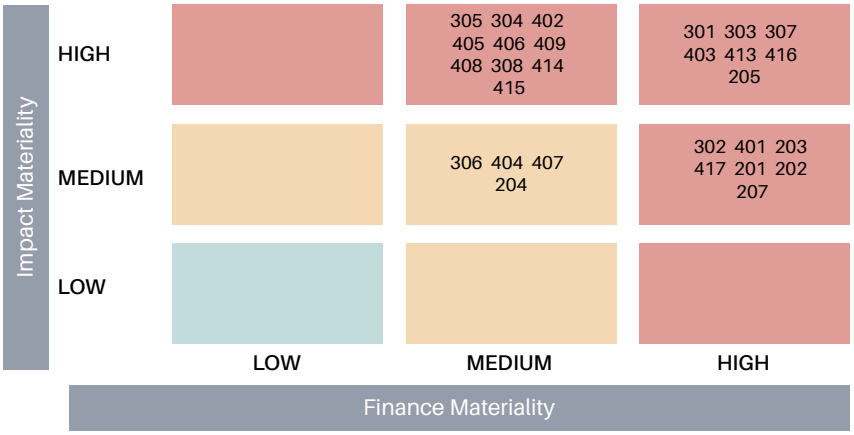


Materiality Assessment

Our Materiality Assessment Matrix

Our most recent materiality analysis is reflected in the matrix on follows:

GRI Index	Material Issue	Financial Materiality	Impact Materiality
301	Materials	High	High
302	Energy	High	Medium
303	Water	High	High
306	Waste 2020	Medium	Medium
305	Emissions 2016	Medium	High
304	Biodiversity	Medium	High
307	Environment compliance	High	High
401	Employment	High	Medium
402	Labor/ Management Relations	Medium	High
403	Occupational health and safety 2018	High	High
404	Training & education	Medium	Medium
405	Diversity & equal opportunity	Medium	High
406	Non- discrimination 2016	Medium	High
409	Forced or Compulsory Labour 2016	Medium	High
407	Freedom of association	Medium	Medium
408	Child labour	Medium	High
413	Local communities	High	High
203	Indirect economics impact	High	Medium
308	Supplier environment	Medium	High
414	Supplier social assessment	Medium	High
417	Marketing & labeling	High	Medium
416	Customer health & safety	High	High
201	Economic performance	High	Medium
202	Market Presence	High	Medium
204	Procurement practices	Medium	Medium
207	Tax 2019	High	Medium
205	Anticorruption	High	High
415	Public Policy	Medium	High





GRI 3-2 / 3-3

The following table shows the material topics and our Management approach for those material topics.

	GRI Disclosure	Why the topic is material	Topic boundary	Management approach	Evaluation of the management approach
301	Materials 	Controlling and managing of material usage is important to minimize the waste and to promote sustainability of the operation.	Employees, Suppliers, Management	Our policy is to increase the use of reusable, eco- friendly materials while educating the employees and implement internal control on material usage.	Quality, quantity and the standard of the materials are monitored and ensure the adherence to the policies.
302	Energy 	Efficient utilization of energy is not only the Company need but also a global need and it enables to reduce the energy cost.	Factories and office premises	We focus on promoting renewable energy sources and invest on energy efficient machineries and consumables.	Close monitoring of energy usage is an ongoing process of the Company.
303	Water 	This topic is material since water is crucial for the plantation process and water usage decides the level of sustainability of the Company.	Estate, Estate communities, Factories, Corporate office, Society	Company policy is to reduce the waste while ensuring zero harm to water sources and optimum utilization of water into operation.	Tracking the usage of water and monitoring the agro chemical usage.
306	Waste 2020 	This topic is material to NPPLC as this shows our corporate encumbrance.		Our policy is to Reduce, Reuse, purification, composting and systematic disposal	Frequently monitoring and guiding the waste disposal process and compliances to stipulated emission standards.
305	Emissions 2016 	This topic is deemed material as it portrays the organization's environmental impact, particularly in terms of its efforts to effectively manage emissions."		We focus on reducing the carbon footprint generated by our operations and manufacturing processes	
304	Biodiversity 	As a plantation-based entity NPPLC is closely linked with the biodiversity of the land owned and leased by us. Hence this is material topic.	Estate, Estate communities, Factories, Corporate office, Society	Company attempts to protect biodiversity by educating society and ensure the sustainable use of the land.	While hunting and felling trees is illegal, the Company also conducts regular community awareness programmes to protect bio assets.
307	Environment compliance 	Non- compliance with the environmental regulations and laws would create legal costs and damage the reputation of the Company.		NPPLC comply with all environmental laws and regulations.	Monitoring the environment practices to ensure the compliance with environmental laws & regulations.

Materiality Assessment

	GRI Disclosure	Why the topic is material	Topic boundary	Management approach	Evaluation of the management approach
401	Employment	These topics are material as they are directly connected with the operations and impact to the growth of the Company	Employees	We strive to create a great and safe place to work.	Monitoring through targets, performance evaluation, internal audits, grievance mechanism and provide training and development.
402	Labor/ Management Relations				
403	Occupational health and safety 2018				
404	Training & education				
405	Diversity & equal pportunity				
406	Non- discrimination 2016	This topic is material as it reflects an organization's commitment to upholding fundamental human rights, promoting equality, and fostering an inclusive and diverse workplace.			
409	Forced or Compulsory Labour 2016				
407	Freedom of association	These topics are material as these are related with legal, ethical and social context of the Company.	Employees Community	We comply with the regulation on freedom of association and child labour.	Supplier audits are conducted. Review and revise the collective agreement periodically.
408	Child labour				

	GRI Disclosure	Why the topic is material	Topic boundary	Management approach	Evaluation of the management approach
413	Local communities 	Sound community engagement is important as a plantation Company since they are directly and indirectly involved to the success of the Company. Company.	Local community	Company attempt to enhance the living standard of the local community & social development	Internal and external audits are conducted to review the accountability of these projects.
203	Indirect economics impact 	As a regional plantation Company our indirect economic impact also might be significant to the country's economy.	Society	Company attempt to create direct and indirect economic benefits to employees, suppliers & their families and the society at large.	Review and audit the community development projects. Evaluate the contribution of the Company to domestic Oil palm usage.
308	Supplier environment 	This topic is material since the suppliers' environmental and social impact will be directly affected to our reputation.	Suppliers	Our policy is to attract and retain suppliers who are free from negative environmental and social impacts.	Conduct a screening process prior to the engagement with the suppliers and review them periodically by site visits and desk reviews.
414	Supplier social assessment 				
417	Marketing & labeling 	As a trusted plantation Company, maintain product marketing and labeling responsibility is essential.	Customers	Company policy is to adherence to the guidelines set out by the Sri Lanka Tea Board and Ceylon Tea Traders Association.	Conduct compliance audits.
416	Customer health & safety 	Health and safety impact of the product shows the quality of the product and affects to the reputation of the Company.	Customers Brokers Employees	Company policy is to assure the criteria of ISO 22000:2005.	Conduct quality check-ups in every production process.

Materiality Assessment

	GRI Disclosure	Why the topic is material	Topic boundary	Management approach	Evaluation of the management approach
201	Economic performance 	These topics are material since the direct and indirect impact to stakeholders from	Parent company, Shareholders, Employees, Suppliers,	Company policy is to provide positive impact to our stakeholders and create a win-win	Conduct Internal and external audits.
202	Market Presence 	the Company decide the success of the Company	Society	situation	
204	Procurement practices 				
207	Tax 2019 	Adhering to tax laws and implementing effective tax strategies ensures transparency, accountability, and ethical practices in managing public finances.	Government and community	The Company ensures compliance with tax-related laws and regulations.	The Audit Committee and external tax consultants bear the responsibility of overseeing, controlling, and managing the tax-related risks of the company
205	Anticorruption 	Anti-corruption exhibits the accountability toward shareholders and good governance of the company.	Employees, management and local community	Anti-corruption is embedded to Company culture.	Review estate operations and financial records by Head office.
				Implement sound corporate governance practices.	Internal, external audits and stock verifications are conducting timely.
415	Public Policy 	This topic is material as it showcases the company's commitment to responsible business practices, including independence, legal compliance, and anti-corruption measures.		Proper background check is conducting prior to hire the employees.	
				Company maintains an Independent stance without making any contributions to political parties.	The internal audit, along with external Independent audits on financial matters, ensures the Company's independence.

Value Creation

"Discovering the Road to Success: Building Value, Expansion, and Sustainability through Adaptive Approaches and Creative Solutions"



Value Creation Model

VISION

Inputs

Financial Capital
- Equity Capital
- Debt Capital
- Operational Cash flow
- Access to credit facilities

Manufactured capital
- Diversified Crop
- Land base
- Estate Infrastructure
- Machinery & Equipment

Social and Relationship capital
- Community Development
- Stakeholder Management
- Relationships
- Collaborations

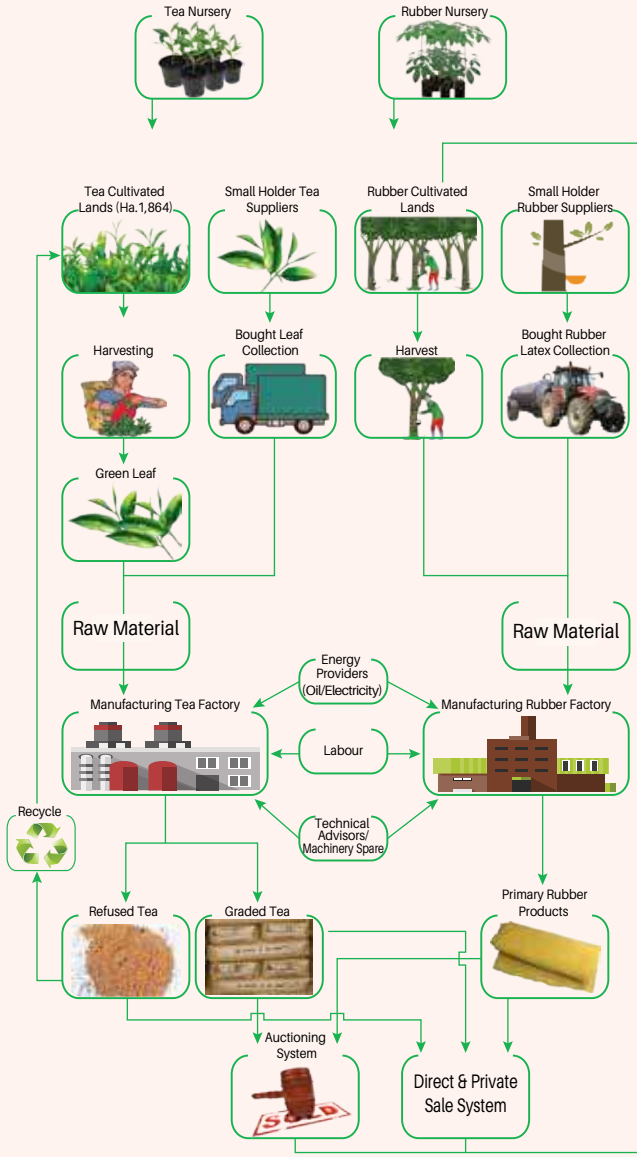
Human capital
- Skills & Competencies
- Employee Wellness
- Diversified workforce
- Occupational Health & safety practices

Intellectual capital
- Tacit Knowledge
- Technologies
- Research & Development
- Organizational culture, system and procedures

Natural capital
- Biological assets
- Water
- Energy
- Biodiversity & Surrounding nature

MISSION

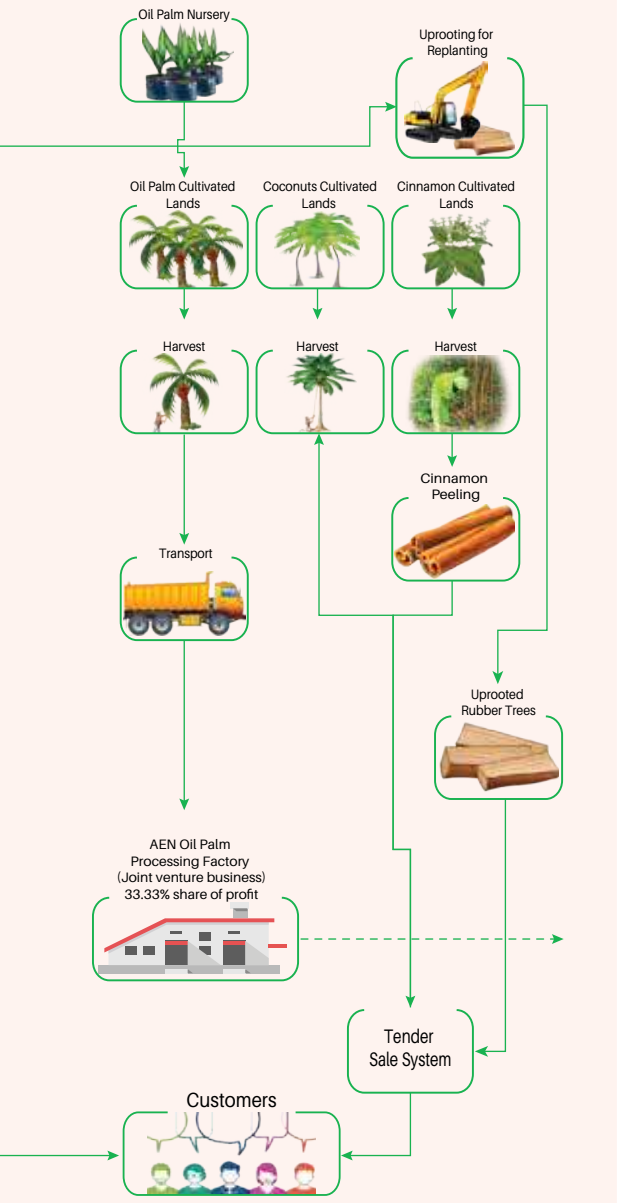
How We Create Value



Corporate Governance | Risk Management | Strategy

External Environment

GRI 2-6



OBJECTIVES

Outputs	Outcomes
⊙ ROE 14% ⊙ Market Capitalization 9 Bn ⊙ Total Assets Base 14Bn	⊙ Financial Growth ⊙ Market capitalisation ⊙ Strong financial position ⊙ Financial stability
⊙ Over 29 Mn kg Oil palm crop ⊙ 334 Mn Field development ⊙ 1.46 Mn Kg of Tea production ⊙ 10 Tea Factories, 7 Rubber factories	⊙ Capacity expansion ⊙ Enhanced productivity ⊙ Business process improvement ⊙ Business Diversification
⊙ CSR activities ⊙ Rs.906 Mn paid to Suppliers ⊙ Over 20,000 dependents ⊙ Over 1,000 Tea small holder suppliers	⊙ Robust supply chain ⊙ Enhanced reputation ⊙ Customer satisfaction ⊙ Better livelihood to communities
⊙ Total workforce 2,977 ⊙ Employee turnover 9% ⊙ Gender equality ratio 1:1 ⊙ 10,125 Hrs of training	⊙ Employee motivation ⊙ Enhanced productivity ⊙ Career development ⊙ Employee satisfaction
⊙ More than 20% Market share from OP industry ⊙ 17 Nos of Trade marks ⊙ In house developed IT system	⊙ High Quality products ⊙ New business opportunities ⊙ Competitive advantage ⊙ Efficiency improvement
⊙ Efficient & well organized disposal of effluent & waste ⊙ Climate Smart Agriculture approach ⊙ Reduced Energy usage ⊙ Minimised footprint on environment	⊙ Energy efficiency ⊙ sustainability ⊙ Responsible corporate citizen ⊙ Biodiversity preservation

Financial Capital



"Financial capital serves as the lifeblood of a company, comprising equity, debt, and retained earnings. Its astute management is paramount, dictating the firm's profitability, liquidity, and solvency. It empowers strategic investments, risk mitigation, and stakeholder value creation. Skillful allocation fuels growth, innovation, and market competitiveness, attracting investors and optimizing costs. In the contemporary business landscape, adept utilization of financial capital is pivotal for sustained success and stakeholder enrichment."

0.3
Asset Turnover

36%
Net Profit Margin

1.5 Bn
Profit after Tax

8.56 Times
Current ratio

14%
ROE

5.93 Times
PE Ratio

SUSTAINABLE DEVELOPMENT GOALS

> "Our financial capital management strategy focuses on the efficient use of all available funding sources including shareholder equity, liability and retained earnings to support the organization's growth and long-term stability. By maintaining strong cost controls and actively pursuing revenue-generating opportunities, we aim to enhance financial performance while also integrating sustainability into our operations. This means we allocate resources not only to generate profit but also to support environmentally and socially responsible initiatives. Ultimately, our goal is to maximize long-term value for all stakeholders shareholders, employees, customers, communities, and the environment by balancing financial returns with sustainable impact."

Management Approach

Our Financial Capital Management strategy outlines guidelines for managing company funds, ensuring sound financial decisions, and includes budgeting, risk management, strategic planning, cost control, internal control, and liquidity management.

Our commitment to financial excellence is based on adhering to Sri Lanka Accounting Standards and complying with relevant laws and regulations, such as the Companies Act No 07 of 2007 and continuous listing rules under the Colombo Stock Exchange (CSE) and the Securities and Exchange Commission of Sri Lanka. Furthermore, Namunukula Plantations PLC maintains excellent day-to-day financial management by implementing sensible financial resource management practices and focuses on keeping costs and expenses within budgeted and accepted limits.

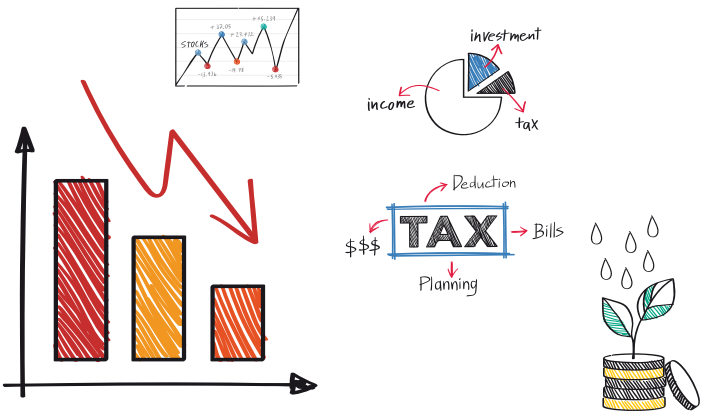
To preserve a stable and healthy financial position, we prioritized asset management above liabilities and invested in diversification to ensure long-term growth. We have created the appropriate checks and procedures to reduce unnecessary spending, eliminate waste and leakages within estates and headquarters, strict monitoring procedures on inventory and debtor management, and eliminating non-value-added operations.

Value Creation through Financial Capital

NPPLC utilizes financial capital strategically to ensure long-term corporate viability. The corporation optimized assets and liabilities and increased capital efficiency through a transformation program centered on operational excellence.

Strategic Responses for 2024/2025

- Ensure adequate returns to the shareholders which will depend upon the earning capacity, market price of the share, expectations of the shareholders.
- Ensure optimum funds utilization.
- Sound and fair composition of debt and equity capital.
- Manage assets over liabilities to preserve a steady and healthy financial position through portfolio diversification.



REVENUE

Despite facing ongoing economic challenges and a competitive industry landscape, Namunukula Plantations PLC recorded a revenue of Rs. 4.2 billion for the financial year 2024/25. While this represents a slight decrease from the previous year, we remain confident in our resilience and commitment to growth. Our Company continues to operate at a strong and stable level, demonstrating adaptability and strength amidst adverse conditions faced by the country and the plantation sector. We are optimistic about the future and remain dedicated to overcoming obstacles, ensuring sustainable progress and value creation for our stakeholders.

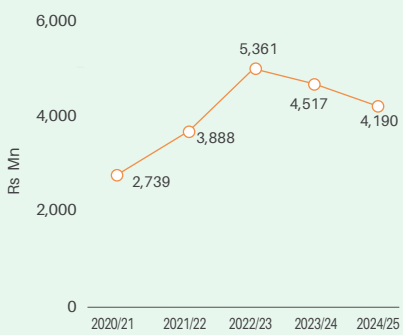
Namunukula Plantations PLC gets its yearly income from the Tea, Rubber, Oil palm, Coconut, and Cinnamon segments. With a top line share of 59% in 2024/2025, the Oil palm division has been the top source of revenue for the company. Net sales experienced a slightly increase in average values; however, this was offset by a significant decline in crop quantity within the sector, This resulted in a decrease in Oil palm revenue from Rs. 2.58 billion to Rs. 2.49 billion compared to the previous year. Conversely, the Tea segment experienced a decline in its revenue contribution, falling to 35% from 38% in the previous year, with total revenue decreasing to Rs. 1.44 billion from Rs. 1.7 billion. As with the Oil palm sector, the Tea sector registered an increase in the average value of net sales, despite a reduction in volume. These fluctuations highlight the prevailing pricing pressures in the market, which have directly impacted overall topline performance.

Among the remaining segments, Rubber generated Rs. 194 million in revenue, maintaining its position as the third-largest contributor. However, this segment continues to be affected by erratic weather conditions and falling average sale prices. The Cinnamon segment recorded Rs. 10 million, unchanged from the previous year, primarily due to persistent difficulties in sourcing labor for harvesting. Meanwhile, the Coconut segment showed notable improvement, generating Rs. 53 million in 2024/25, up from Rs. 39 million in 2023/24,

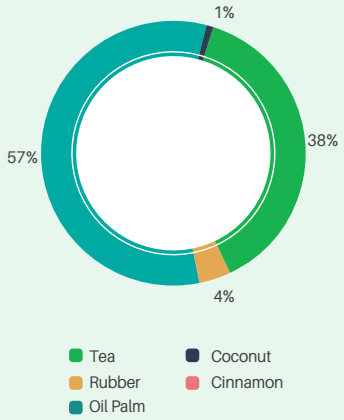
Financial Capital

thanks to relatively stable yield and favorable price trends. While the contributions from these segments are modest in comparison to Tea and Oil palm, they reflect the company's diversification strategy and highlight opportunities for targeted growth and recovery in the coming years.

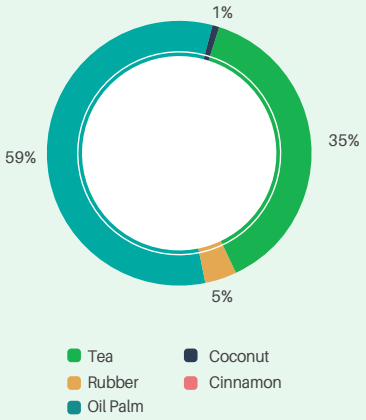
Revenue



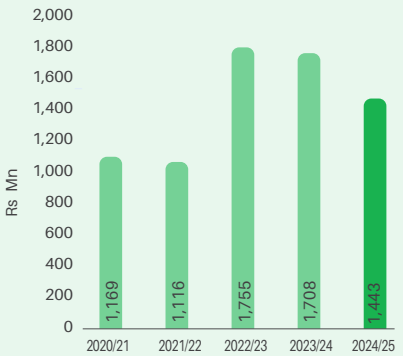
Revenue Compositions 2023/24



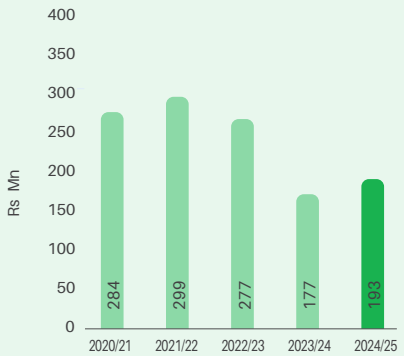
Revenue Compositions 2024/25



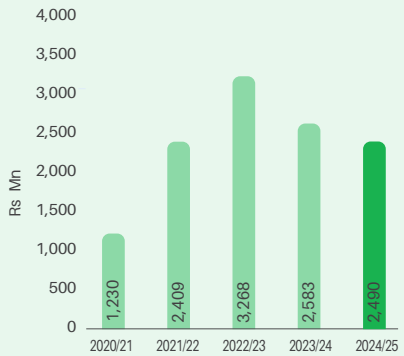
Tea



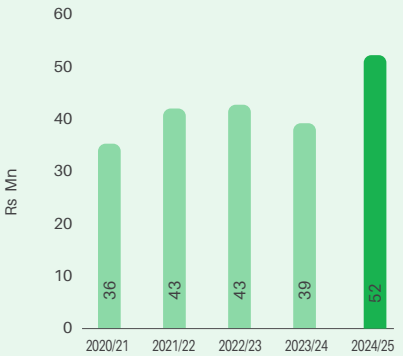
Rubber



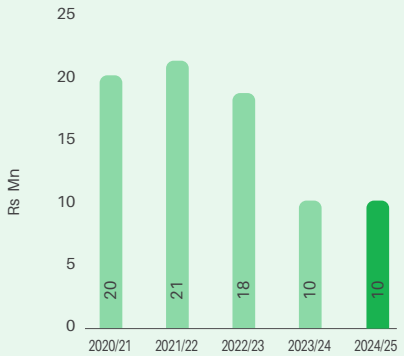
Oil Palm



Coconut



Cinnamon





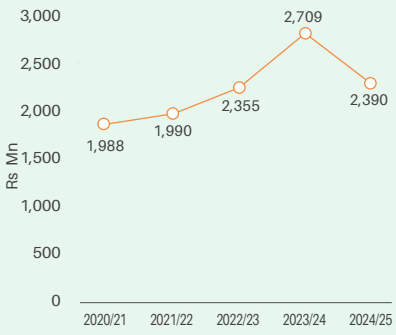
COST OF SALES

During the financial year 2024/25, the Cost of Sales for Namunukula Plantations PLC amounted to Rs. 2,390 million, showing a slight decline from the Rs. 2,709 million recorded in the previous year. The reduction reflects the company's strategic focus on improving production efficiencies and better cost management across its core segments. As in previous years, Tea remained the dominant contributor to the overall cost of sales, representing 55% in 2024/25. Although this is a reduction from the 63% share in 2023/24, Tea-related production costs remained substantial due to increased spending on fertilizers, chemicals, and field maintenance that were deferred in earlier periods due to national supply constraints. These costs were essential to restoring productivity and sustaining quality output.

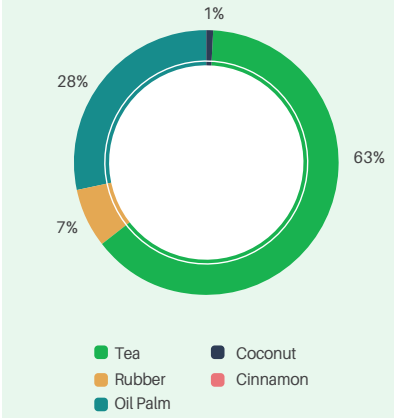
The Oil palm segment's cost of sales rose proportionally, accounting for 35% in 2024/25, compared to 28% in the previous year. This was mainly due to the proper implementation of agricultural practices and an increase in employee salaries. However, through the implementation of efficient management practices, the Company was able to contain unit cost increases and maintain a favorable cost of production in this segment. In contrast, the Rubber segment's cost share showed a moderate rise to 8%, up from 7% in the previous year, mainly as a result of unpredictable weather conditions and increasing material costs. Despite these external challenges, the Company successfully managed its operational expenditures within acceptable thresholds through timely interventions and resource planning.

The Coconut and Cinnamon segments remained minor contributors to the overall COS, each representing only 1% in 2024/25, consistent with the previous year. These segments continue to be monitored carefully, with the Company prioritizing cost control and productivity improvements. Amid rising input prices,especially for labor and agrochemicals, management has adopted a proactive approach by introducing sustainable cultivation practices and cost-saving techniques to further stabilize operational margins. Looking forward, the Company remains committed to enhancing production efficiencies and optimizing resource allocation to improve profitability across all segments.

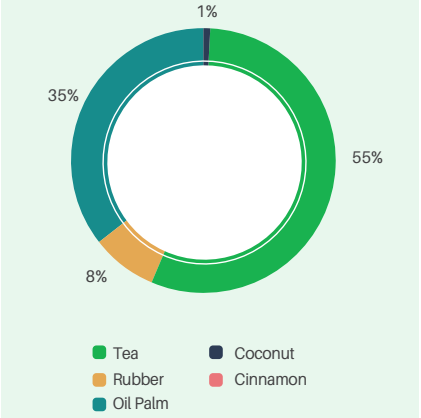
Cost of Sales



COS Composition 2023/24



COS Composition 2024/25



Financial Capital

PROFITABILITY

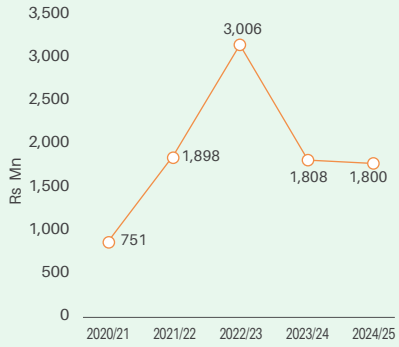
Gross Profit

The Company's gross profit for the year 2024/25 stood at Rs. 1800 million, maintaining a consistent level compared to the previous year despite challenging macroeconomic conditions in Sri Lanka. The economic and financial crisis, coupled with inflation, has resulted in increased input costs such as labor, fertilizers, and other production materials—impacting the overall profitability. The Oil palm segment remained the key driver of gross profit, contributing Rs. 1,658 million, which accounted for 92% of the total gross profit. Although this marked a slight decline from Rs. 1,828 million in 2023/24, the Company successfully maintained healthy margins under cost control initiatives and strategic field-level planning in the face of reduced crop volumes.

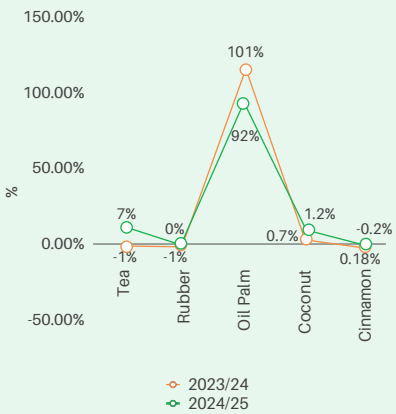
The Tea segment demonstrated a notable turnaround, recording a gross profit of Rs. 130 million in 2024/25 compared to a loss of Rs. 11 million in the previous year. This improvement can be attributed to better cost management and a recovery in field operations, including weeding and the application of fertilizers and chemicals. Although production volumes remained low, market prices improved, helping offset part of the cost pressure. Meanwhile, the Coconut segment continued its positive trajectory, recording a 66% increase in gross profit, rising to Rs. 22 million from Rs. 13 million the previous year. This growth was primarily driven by an increase in Net Sales Average and efficient control of production expenses.

However, the Rubber and Cinnamon sectors continued to report gross losses due to poor crop performance, adverse weather conditions, and cost overruns. Rubber recorded a Rs. 7 million loss, improving from Rs. 19 million in 2023/24, while Cinnamon posted a marginal loss of Rs. 3 million. These sectors are still under pressure and are receiving new strategic attention. Despite these challenges, the Company continues to prioritize diversification across its core segments, aiming to reduce overreliance on Oil palm while enhancing profitability in Tea, Rubber, and Coconut through sustainable practices and operational efficiencies.

Gross Profit



Gross Profit Composition



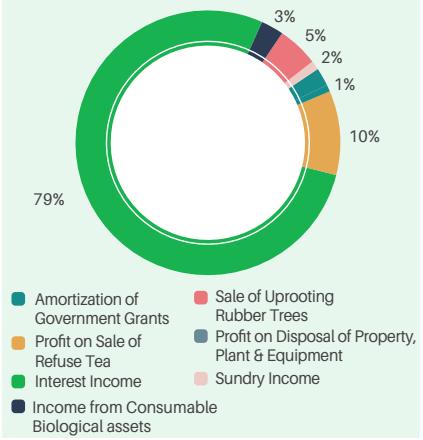
OTHER INCOME

Other income of NPPLC for the year 2024/25 amounted to approximately Rs. 762 million, reflecting a decline when compared to Rs. 932 million recorded in the previous financial year. Interest income continued to be the largest contributor, generating Rs. 556 million in 2024/25, which represented 73% of total other income. This decrease from Rs. 735 million in 2023/24 was primarily due to the downward trend in interest rates across the year, although the Company maintained healthy cash reserves and continued to invest in secure financial instruments. The second-highest contribution came from the profit on sale of refuse Tea, which stood at Rs. 79.7 million in 2024/25, marking a slight decline from Rs. 95.9 million in the previous year. The decrease was due to a reduction in volumes sold, despite stable market prices.

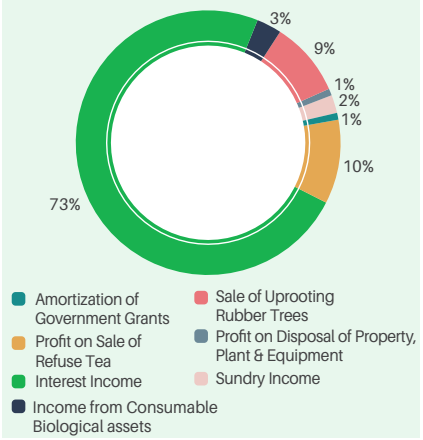
Income from the sale of uprooting Rubber trees increased significantly by 40%, reaching Rs. 66.9 million in 2024/25, compared to Rs. 47.8 million in 2023/24. This growth was driven by the company's continued strategy to capitalize on non-productive assets to generate additional income. Income from consumable biological assets also showed a slight increase, reaching Rs. 26.2 million in 2024/25 compared to Rs. 25.8 million in the prior year, with contributions continuing to come from both Uva and Low Country regions. Meanwhile, the profit on disposal of property, plant, and equipment rose markedly to Rs. 9.4 million from just Rs. 0.7 million in 2023/24, indicating enhanced asset management and the strategic divestment of underutilized resources.

Amortisation of government grants remained relatively stable, amounting to Rs. 6.5 million in 2024/25, consistent with Rs. 6.2 million in the prior year. Sundry income declined slightly to Rs. 17 million from Rs. 20.4 million, contributing 2% of the total other income. This category continued to include miscellaneous revenues such as income from Tea centers, bungalow bookings, and Cinnamon stick sales. Despite the overall decline in other income during the year, the Company demonstrated resilience by effectively leveraging alternative revenue streams while maintaining a prudent approach to asset and fund management.

Other Income 2023/24



Other Income 2024/25



Other Income



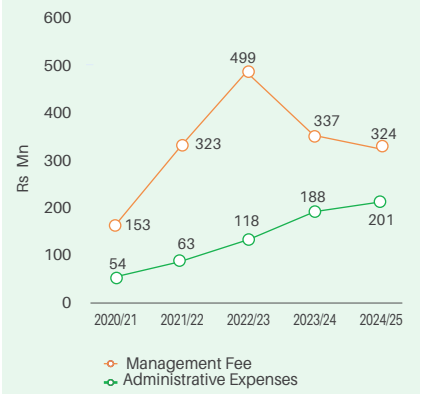
COST MANAGEMENT

Administration Cost and Management Fee

In 2024/25, administrative expenses increased by 7% to Rs. 201 million, compared to the previous year. While measures implemented by management to reduce fixed overheads and exercise tight control mechanisms had caused a decrease in administrative expenses in earlier periods, the sharp increase in 2024/25 denotes that these measures have been offset by several factors such as consultation expenses, inflationary pressures, higher employee costs, and other operating expenses resulting from adverse economic conditions in the country.

The management fee paid to RPC Plantation Management Services (Pvt) Ltd. decreased significantly in 2024/25 to Rs. 324 million, a substantial decrease of 4% compared to the previous fiscal year. This decrease in the management fee is mainly due to a decrease in EBITDA.

Cost Management

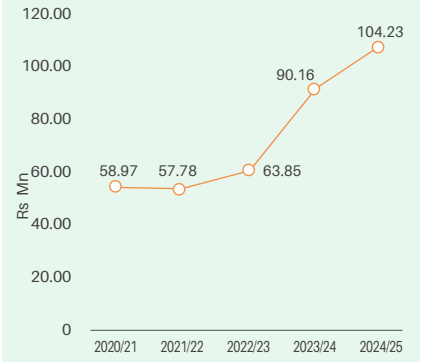


Finance Cost

The finance cost of NPPLC primarily comprises of payments on government lease rentals and other leases. In the fiscal year 2024/25, the Company experienced a 16% increase in financial cost, amounting to Rs. 104.23 million, as compared to the previous year. At present, NPPLC does not have any outstanding loan obligations. However, the 98% of finance cost is attributable to government lease rentals.

Despite the increase in financial cost, NPPLC was able to mitigate its impact by closely monitoring its financial cost and financing activities. As a result, the Company was able to maintain a lower financial risk towards its overall financial performance as it is essential for the Company to constantly monitor its financial cost and manage its financing activities to maintain a healthy financial position and ensure long-term sustainability.

Finance Cost



Financial Capital

PROFIT BEFORE TAX

In the fiscal year 2024/25, the Company's Profit Before Tax (PBT) declined marginally by 3% to Rs. 2,150 million compared to the previous year. This decrease was primarily driven by a reduction in interest income, resulting from lower interest rates prevailing during the year.

TAX EXPENSE

GRI 207 - 1/2

According to The Inland Revenue (Amendment) Bill, to amend the Inland Revenue Act, No. 24 of 2017, Agro Farming is exempt from income tax for a period of 5 years effective from 01 April 2019 which expired on 31 March 2024. Once the concession period ends during the financial year, both agro-farming and processing activities become taxable again, with their combined income subject to a 30% tax rate.

As per Sri Lanka Accounting Standard No. 12 on "Income Taxes", current tax, and deferred tax should be measured based on tax rates and laws that have been "enacted" or "substantively enacted" by the end of the reporting period.

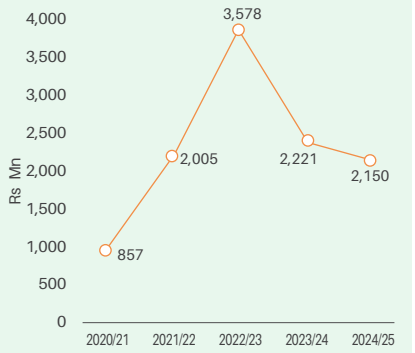
Guidelines issued by CA Sri Lanka determined the revision to the Income Tax rate, as mentioned above, as "substantively enacted". Consequently, gains and profits from both agro-farming and agro-processing are subject to a 30% tax rate, which is applied in the computation of both current and deferred tax liabilities. Accordingly, necessary provisions were made, and below is a summary of the adjustments.

	2024/2025	2023/2024
Income Tax(Rs.000)	577,402	205,491
Deferred tax(Rs.000)	46,630	92,677

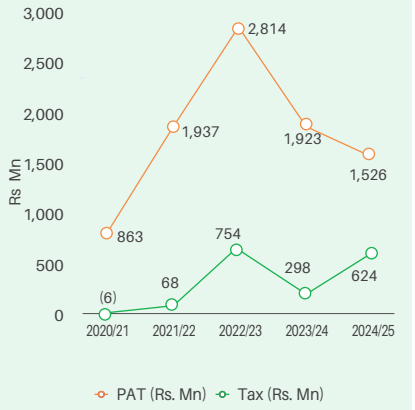
EBIT and PAT

In the financial year 2024/25, the Company witnessed decline in both earnings before interest & tax (EBIT) and profit after tax (PAT).The EBIT decreased by 2% to Rs. 2.254 million. Profit after tax decreased by 21% to Rs. 1,526 million. This is due to the higher profits achieved by the Company despite the large tax increase.

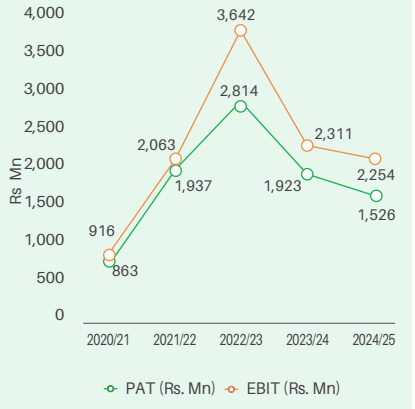
PBT



Tax Expenses vs PAT



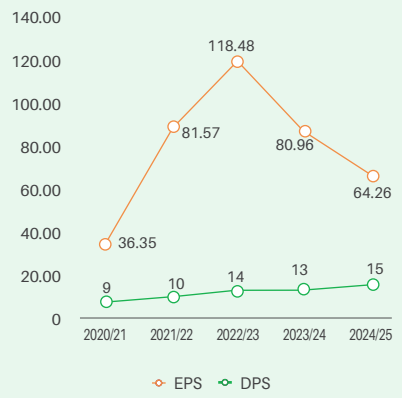
EBIT & PAT



Basic Earnings per Share (EPS) and Dividend per Share (DPS)

In 2024/2025, the company's EPS dropped by 21%. In addition, the dividend paid has Increased by 15% from the prior year, yielding a payout of Rs. 15 per share. The company's falling profitability has been highlighted as the primary cause of the decline in Basic Earnings per Share (EPS).

EPS & DPS



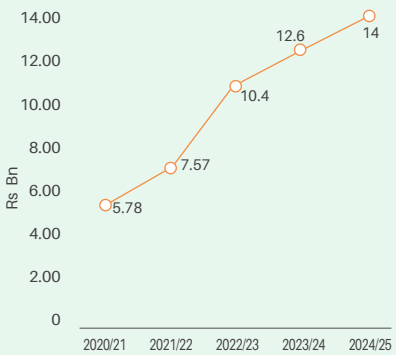
Company ASSETS

The Company's total assets have been steadily increasing over the past five years and reached Rs. 14 billion in 2024/25, which represents a significant growth rate of 11% compared to the asset base recorded as Rs.12.6 billion in previous year. The growth in total assets can be attributed to increased investments in fixed assets, such as property, plant, and equipment, biological assets, right of use assets, investment in joint venture and higher levels of working capital.

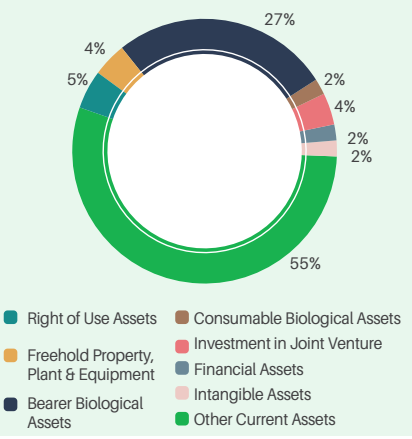
Furthermore, the increase in total assets indicates NPPLC's solid financial footing and its strategic approach to positioning itself for future success as a strong and growing business entity. Therefore, the steady growth in total assets is a positive signal that the Company is on a strong trajectory towards success.
The composition of the assets base reveals some significant changes from the previous year. In 2023/24, the largest proportion of the Company's assets was comprised of bearer biological assets, which accounted for 27% of total assets. This figure decreased to 25% in 2024/25. Moreover, Other currentassets 55% and right-of-use assets 5% remained stable during the current year, showing no significant variation compared to the previous year.

Overall, the composition of the Company's assets base reflects a prudent balance between investing in long-term growth through fixed assets and maintaining liquidity through current assets while the shift in asset composition reflects the NPPLC's strategic response to changing market conditions or opportunities.

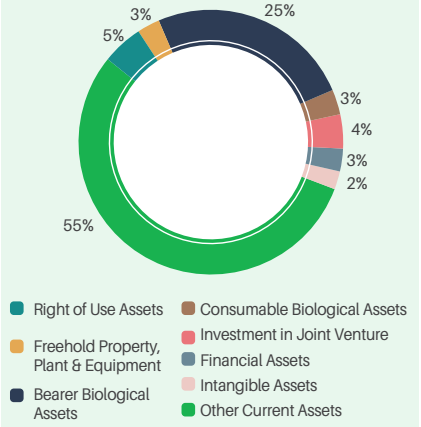
Total Assets



Total Assets Composition 2023/24



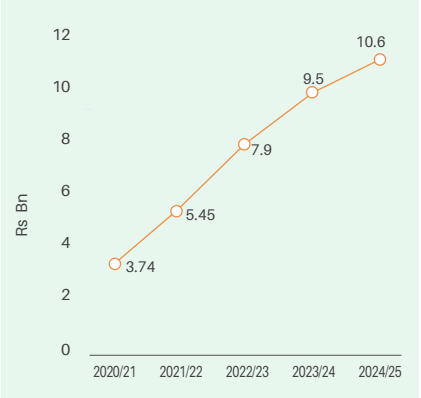
Total Assets Composition 2024/25



EQUITY

In the fiscal year 2024/25, the Company's equity base continued its upward trajectory, reaching Rs. 10.6 billion—a year-on-year increase of approximately 12%. This consistent growth reflects the Company's resilient financial strategy and operational strength, underscoring its commitment to value creation. The rise in equity during this period was primarily driven by further accretion to retained earnings, supported by ongoing profitability and prudent resource allocation. The sustained expansion in equity positions the Company favorably for long-term growth and enhances its financial stability.

Total Equity

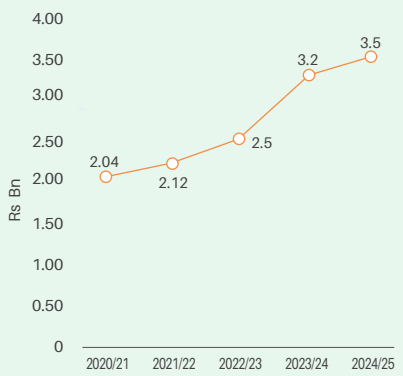


Financial Capital

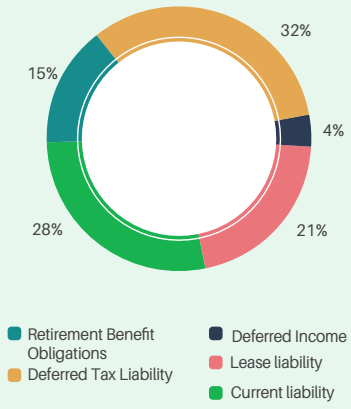
Company LIABILITIES

In 2024/25, the Company's total liabilities rose to Rs. 3.5 billion, marking an increase of approximately 10% compared to the previous fiscal year. Similar to prior years, non-current liabilities continued to dominate the liabilities structure. Deferred tax liability and lease liability remained the most significant components, accounting for 30% and 22% of total liabilities, respectively. Retirement Benefit Obligations also saw an increase, contributing 18% to the total. Deferred income represented a smaller share at 3%. Notably, current liabilities reached to 26% of the total liability composition in 2024/25, a slight decrease from 28% in the previous year. This marginal reduction indicates improved management of short-term obligations, although current liabilities remain a key portion of the overall liability structure. The Company's liability profile continues to reflect a well-managed balance between long-term obligations and short-term financial commitments.

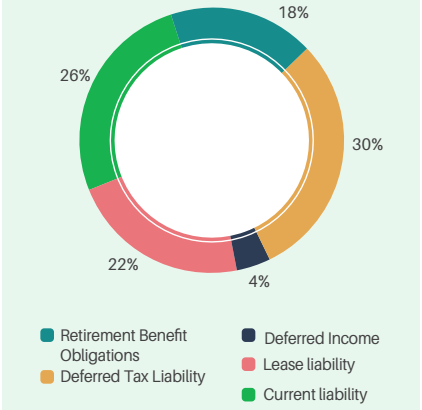
Total Liabilities

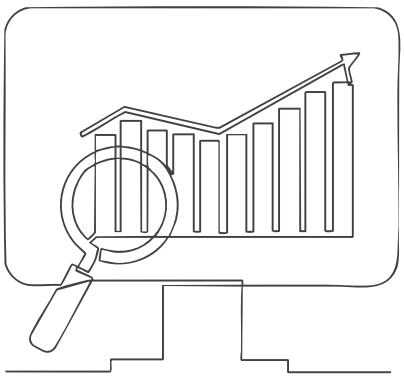


Total Liabilities Composition 2023/24



Total Liabilities Composition 2024/25

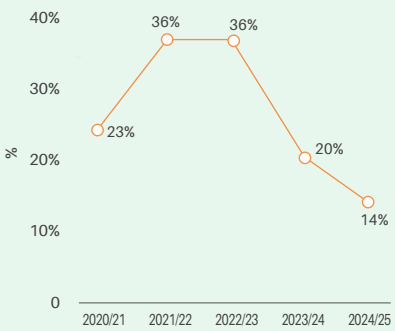




ROE

In the fiscal year 2024/2025, NPPLC recorded a Return on Equity (ROE) of 14%, indicating that the Company generated Rs. 0.14 in profit for every rupee of equity invested by shareholders. This reflects a further decline from the previous year's ROE of 20%, continuing the downward trend observed since 2022/2023. The reduction in ROE during the current year is primarily attributed to a further decline in net profit after tax (PAT), driven by ongoing macroeconomic challenges and adverse climatic conditions that negatively impacted agricultural yields.
The decline in ROE in the current year was due to a decrease in our net PAT which decreased from Rs. 1.9 Bn in 2023/2024 to 1.5 Bn in 2024/2025 which is caused by current financial crisis & decrease of crops due to unfavorable climate changes. However, under the above circumstance NPPLC maintaining a considerably good ratio of ROE. The Company will continue to focus on optimizing company's capital structure and improving the efficiency of operations to maximize the returns.

Return on Equity (ROE)



ASSETS TO EQUITY

In the fiscal year 2024/25, NPPLC recorded an Assets to Equity Ratio of 1.33, reflecting a marginal decrease from 1.34 in the previous year. This slight reduction suggests that the Company has continued to strengthen its equity base, financing a larger portion of its assets through internal resources rather than external borrowing. The continued stability in the ratio highlights NPPLC's prudent financial management and its commitment to maintaining a sound capital structure. Compared to earlier years, the sustained decline in the ratio from 1.55 in 2020/21 to 1.33 in 2024/25 underscores NPPLC's strategic focus on reducing dependency on external funding and enhancing financial self-reliance. This approach has contributed to building a more resilient balance sheet, reinforcing the Company's ability to endure external shocks and economic fluctuations.

By maintaining a balanced and relatively low asset to equity ratio, NPPLC demonstrates its ongoing commitment to risk management and long-term financial sustainability. The Company's efforts to fund growth through equity rather than debt continue to protect shareholder value and support its strategic objectives in a dynamic operating environment.

ROA

In the fiscal year 2024/25, NPPLC recorded a Return on Assets (ROA) of 11%, indicating that the Company generated Rs. 0.11 in profit for every rupee of assets deployed. This represents a further decline from the previous year's ROA of 15%, continuing the downward trend that began in 2023/24. The decrease in ROA is primarily attributed to a reduction in net profit after tax, coupled with a continued expansion in the Company's asset base, which diluted overall asset efficiency. Over the past five years, NPPLC's ROA has exhibited notable fluctuations, reflecting the dynamic operating environment and sector-specific challenges. Despite these variations, the Company has maintained a consistent focus on optimizing resource utilization and preserving operational stability.

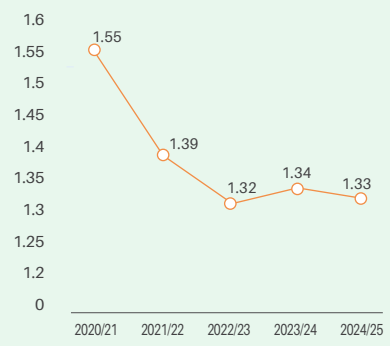
As a plantation enterprise, Namunukula Plantations PLC continues to demonstrate resilience in the face of economic uncertainties and climate-related pressures. The Company remains committed to improving asset productivity and profitability through strategic investments and cost management, ensuring long-term value creation for shareholders.

PRICE EARNINGS RATIO

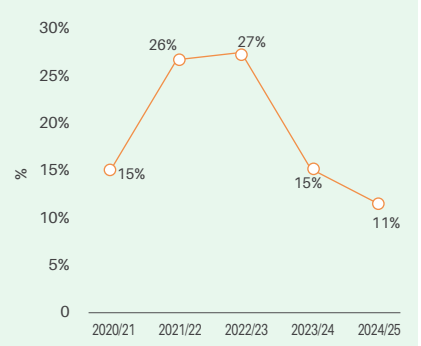
In the fiscal year 2024/25, NPPLC recorded a Price to Earnings (PE) ratio of 5.95, reflecting a 36% increase from the previous year's ratio of 4.38. This upward movement in the PE ratio suggests a stronger market valuation of NPPLC shares relative to its earnings, indicating increased investor confidence despite a challenging operating environment.

During the year, the Company's Profit After Tax (PAT) declined to Rs. 1,526 million, down from Rs. 1,923 million in 2023/24 reduction of approximately 21%. This decline was primarily driven by continued cost pressures, subdued revenue growth, and persistent macroeconomic headwinds, including inflation and the ongoing effects of the financial crisis. Despite the fall in profitability, the rise in the PE ratio signifies the market's positive long-term outlook on NPPLC's fundamentals and its capacity to recover. The Company remains focused on strategic cost management, operational improvements, and long-term value creation to sustain shareholder confidence and enhance financial performance in the coming years.

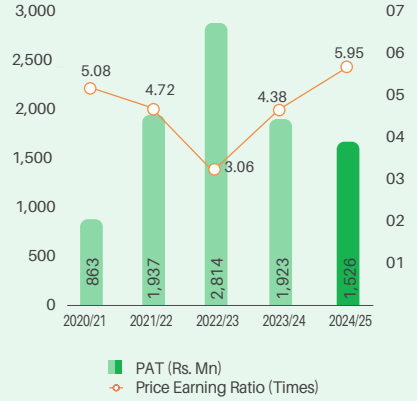
Assets to Equity



Return on Assets



PE vs PAT



Financial Capital

CAPITAL EXPENDITURE

In 2024/25, the Company's capital expenditure showcased considerable changes in allocation across various crop categories. From the total expenditure of Rs.412 million, the allocated amount of Rs.334 million on capital expenditure incurred for acquiring immature plantations and maintaining current operational levels as well as future expansion of the Company.

The allocation for Tea saw an increase, growing from 2.4% in 2023/24 to 11% in 2024/25 indicating the Company's emphasis on enhancing and expanding its Tea-related operations, potentially focusing on production, processing, or exploring new opportunities within the Tea industry.

Alternatively The allocation for Rubber remained relatively stable, with a notable increase from 22% in 2023/24 to 28% in 2024/25.

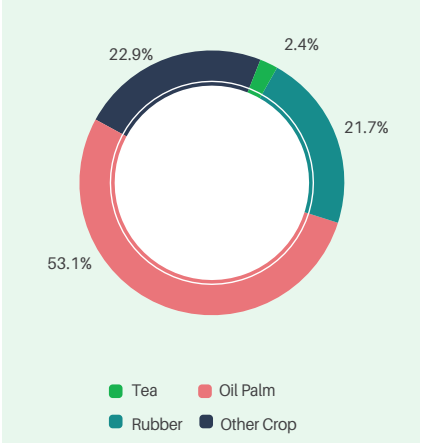
Despite a decrease in allocation, Oil palm continued to represent a significant portion of the Company's capital expenditure, with 40% in 2024/25 compared to 53% in 2023/24 indicates the Company's ongoing commitment to Oil palm activities, such as harvesting and processing of existing Oil palm plantations.

The allocation for other crops such as Cinnamon, Coconut, and timber experienced a slight decline, decreasing from 23.0% in 2023/24 to 22.0% in 2024/25. This reflects a moderated approach in the Company's diversification strategy, potentially indicating a shift in focus toward core crop segments or a reassessment of emerging market opportunities and consumer demand

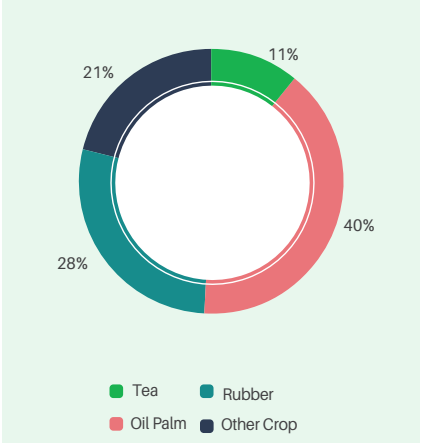
Cash outflows from investing activities rose to Rs. 482 million in 2024/25, compared to Rs. 311 million in the prior year, reflecting continued capital investments aimed at enhancing operational capacity and securing future growth. Meanwhile, financing activities recorded a higher outflow of Rs. 563 million, up from Rs. 120 million in 2023/24, primarily due to purchase of financial instrument and dividend distributions.

Despite the overall reduction in net cash flow, NPPLC's ability to generate robust operating cash flows and strategically deploy capital demonstrates its commitment to financial resilience and sustainability. The Company will continue to emphasize prudent cash flow management to support its operational needs and long-term objectives, ensuring stability and value creation for all stakeholders.

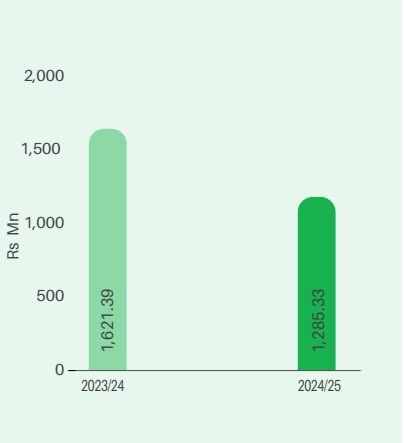
Capital Expenditure 2023/24



Capital Expenditure 2024/25



Net Cash Flow

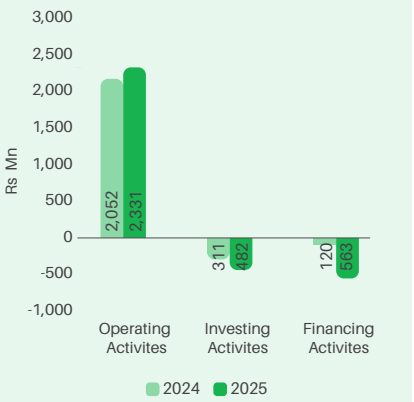


FINANCIAL FEASIBILITY

Efficient cash flow management remains a cornerstone of NPPLC's financial strategy, supporting both operational continuity and long-term growth. In the fiscal year 2024/25, NPPLC generated a net cash flow (NCF) of Rs. 1,285 million, marking a decrease from Rs. 1,621 million in the previous year. Despite the decline, the Company continues to maintain a strong liquidity position, reflecting its disciplined approach to financial planning and resource allocation.

Operating activities contributed Rs. 2,331 million to cash flow during the year, an improvement from Rs. 2,052 million in 2023/24. This increase indicates a modest recovery in the Company's core operations, driven by tighter control over working capital and a steady performance amidst ongoing macroeconomic pressures. However, rising input costs and external financial challenges continued to weigh on margins.

Operating, Investing and Financing Cash Flows



WORKING CAPITAL MANAGEMENT

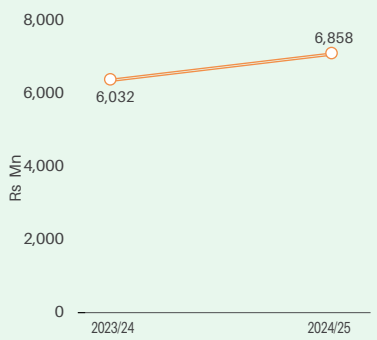
Working capital management is about handling a company's short-term assets and liabilities to keep enough cash for daily needs while avoiding excess tied-up capital. It revolves around the equilibrium between liquidity and asset productivity to safeguard financial stability and seamless operational continuance.

A favorable working capital ratio denotes that the Company maintains a superior value of current assets relative to its current liabilities, implying ample liquidity to satisfy short-term financial obligations. This achievement is attributable to the adept management of inventory, accounts receivable, and cash flow.

The Company's working capital has experienced a 14% increase, rising from Rs. 6032 million in 2024 to Rs. 6858 million in 2025.

While the sales and revenue generation for the period have decreased, the prudent implementation of cost management strategies, judicious resource allocation, and astute managerial decisions have enabled NPPLC to exhibit notable augmentation in its capacity to fulfill short-term obligations and sustain day-to-day operations. Therefore, this suggests that the NPPLC is well prepared to fulfill its obligations, seize growth prospects, and effectively navigate potential financial hurdles in the future.

Working Capital



Value Added Statement - 2024/25

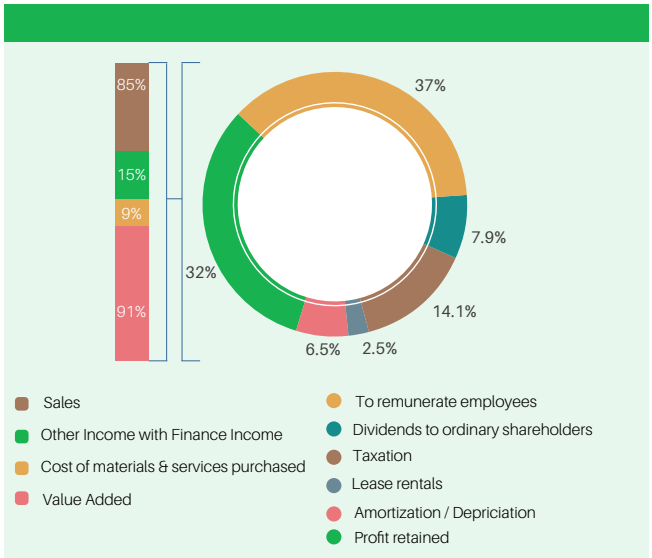
	2024/25 Rs. '000	%	2023/24 Rs. '000	%
Sales	4,190,311		4,517,433	
Other income with Finance Income	762,076		932,383	
	4,952,388		5,449,816	
Cost of materials & services purchased	438,333		1,036,506	
Total Value Added	4,514,055		4,413,310	
Applied as follows :				
To remunerate employees				
Salaries, Wages & define benefits plans	1,670,460	37.01	1,577,950	35.75
To reward providers of capital				
Dividends to ordinary shareholders	356,250	7.89	308,750	7.00
To the Government				
Taxation	638,658	14.15	257,005	5.82
Government Lease rentals	111,558	2.47	94,603	2.14
To Replace assets				
Amortization / Depreciation	292,045	6.47	277,770	6.29
To expand the Company				
Profit retained	1,445,084	32.01	1,897,232	42.99
Total	4,514,055	100	4,413,310	100
Value Added per Employee - Rs.'000	1,558.18	-	1,509.34	-
Value Added % of Turnover	107.73	-	97.70	-

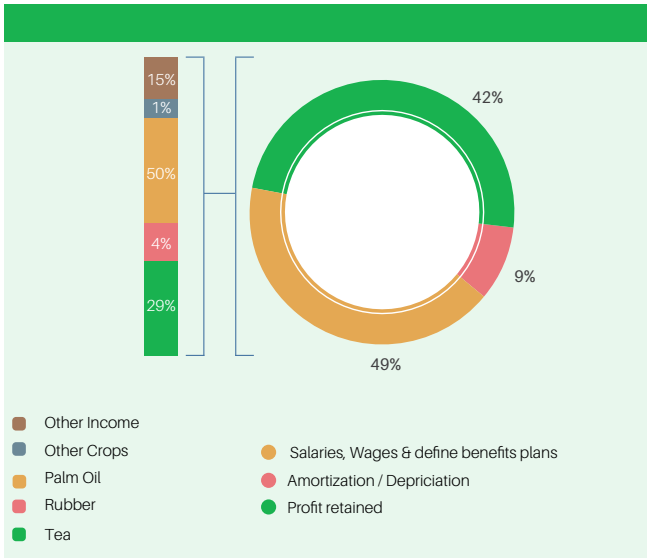
Financial Capital

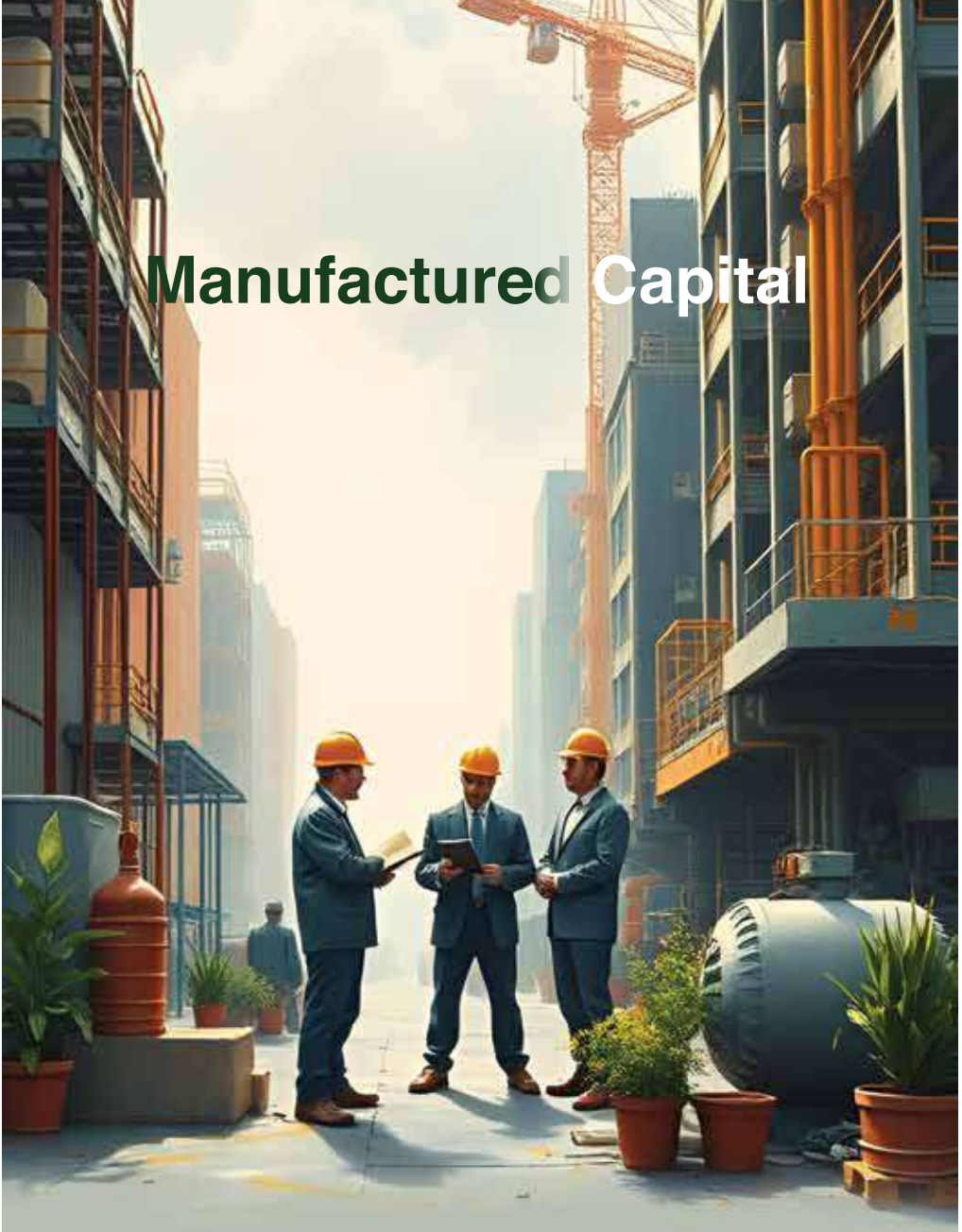
GRI 201-1

Sources of Income & Utilisation

Source of Income	2024/25 Rs '000	%	2023/24 Rs '000	%	2022/23 Rs '000	%	2021/22 Rs '000	%	2020/21 Rs '000	%
Tea	1,443,547	29.15	1,708,442	31.35	1,755,010	27.56	1,115,873	26.74	1,169,043	39.11
Rubber	193,811	3.91	176,526	3.24	277,177	4.35	299,379	7.17	284,354	9.51
Palm Oil	2,490,253	50.28	2,583,318	47.40	3,268,127	51.33	2,409,254	57.73	1,230,214	41.16
Other Crops	62,700	1.27	49,147	0.90	60,511	0.95	63,980	1.53	55,459	1.86
Total	4,190,311		4,517,433		5,360,825		3,888,486		2,739,070	
Other Income	762,076	15.39	932,383	17.11	1,006,420	15.81	284,899	6.83	250,103	8.37
Total	4,952,388	100.00	5,449,816	100.00	6,367,245	100.00	4,173,385	100.00	2,989,173	100.00
Utilisation of Income										
To remunerate employees										
Salaries, Wages & define benefits plans	1,670,460	33.73	1,567,375	28.76	1,446,621	22.72	1,415,817	33.92	1,345,915	45.03
To providers of funds										
To Supplies & Service Providers	438,333	8.85	1,047,081	19.21	1,366,216	21.46	556,593	13.34	508,399	17.01
To Providers of Capital										
Dividends to ordinary shareholders	356,250	7.19	308,750	5.67	332,500	5.22	237,500	5.69	201,875	6.75
To the Government										
Taxation	638,658	12.90	257,005	4.72	153,182	2.41	4,633	0.11	2,312	0.08
Government Lease rentals	111,558	2.25	94,603	1.74	63,577	1.00	58,922	1.41	61,969	2.07
To Replace assets										
Amortization / Depreciation	292,045	5.90	277,770	5.10	232,252	3.65	217,660	5.22	195,909	6.55
To expand the Company										
Profit retained	1,445,084	29.18	1,897,232	34.81	2,772,897	43.55	1,682,260	40.31	668,123	22.35
	4,952,388	100.00	5,449,815.58	100.00	6,367,245	100.00	4,173,385.10	100.00	2,989,173.43	100.00







Manufactured Capital

The tangible assets and cutting-edge technologies a business uses to produce tea, rubber, coconut, oil palm, and cinnamon items are referred to as manufactured capital. To efficiently generate value, the company depends on these resources and technologies, which are increasingly being developed with sustainability in mind. By integrating environmentally friendly practices and innovations, the business not only enhances its operational efficiency but also minimizes its ecological footprint. A company's financial performance and value are significantly impacted by manufactured capital, which supports operations while promoting sustainable practices.

> “NPPLC maximizes its material resources to meet strategic goals, advance sustainability, and increase stakeholder value. In order to create long-term capital appreciation and generate sustainable revenue, the company's business strategies strategically invest in fixed assets, infrastructure development, innovative technologies, and production processes. Resources and tangible goods that are essential to daily operations and production activities are the main emphasis of this section.”

Fixed Assets / Tangible Assets

171 Mn
Buildings

9 Mn
Computers, Furniture and Fittings

181 Mn
Plant, Machines and Equipment

74 Mn
Motor Vehicles

SUSTAINABLE DEVELOPMENT GOALS



Manufactured Capital

Management Approach

The company uses its manufacturing capital to create value for stakeholders and achieve business goals. It allocates this capital effectively, optimizing it for sustained income and growth. The company manages its manufactured capital across 18 estates and 10 tea and 7 rubber factories, making investment decisions based on a comprehensive CAPEX plan.

The company also invests in plant and machinery, embracing new technologies for product quality, production efficiencies, and environmental sustainability. Regular building maintenance and rehabilitation are undertaken to maintain the assets and optimize resource use.

Procurement is carried out according to standard procedures and guidelines, with bulk and large-scale procurement undertaken through the group commercial division. This approach ensures the company is a productive and efficient value creator, securing long-term growth and consistency.

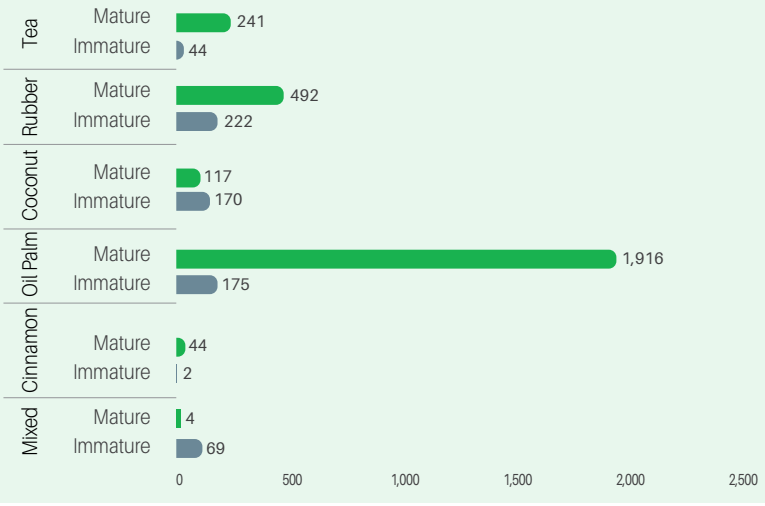
Value Creation through Manufactured Capital

Using manufactured capital optimally leads to higher productivity and lower production costs, resulting in long-term profits and capital growth for all stakeholders. The company's growth in returns reflects its focus on quality and innovative product development, resulting in higher prices and added value.

Strategic Responses for 2024/2025

- Best practices in procurement.
- Operational efficiency and improvements.
- Investment good agricultural practices.

As at 31 March 2025 Carrying Value (Mn)



Biological Assets		As at 31 March 2025 Carrying Value (Mn)
Tea	Mature	241
	Immature	44
Rubber	Mature	492
	Immature	222
Coconut	Mature	117
	Immature	170
Oil palm	Mature	1916
	Immature	175
Cinnamon	Mature	44
	Immature	2
Mixed	Mature	4
	Immature	69
Fixed Assets/ Tangible assets		
Buildings		171
Plant, Machinery and Equipment		181
Motor Vehicles		74
Computers, Furniture and Fittings		9

GRI 411-1

Our ability to stay ahead of the competition and adapt to changing consumer and market expectations is made possible by the effectiveness and flexibility of our manufacturing processes. We prioritize innovation and consistently invest in research and development to enhance our products and procedures. This entails utilizing state-of-the-art technologies to increase productivity, reduce waste, and ensure the highest quality standards. We regularly update our infrastructure to incorporate sustainable practices, such as energy-efficient lighting, garbage reduction initiatives, and the use of renewable resources wherever possible.

Additionally, before starting any factory, we conduct a thorough feasibility study to ensure that our activities respect the cultural, social, and environmental rights of Indigenous communities. This ensure that our operations are not only sustainable but also equitable and respectful of rights of Indigenous people.

Acquisition of Machinery and Equipment

Acquiring high-quality machinery and equipment is a critical aspect of our operations, and we carefully evaluate both financial and non-financial criteria to ensure we make responsible and sustainable choices. We prioritize energy efficiency, low emissions, and safety features in our selections to maintain high standards and minimize our environmental impact. Our procurement process is systematic and follows standard procedures and guidelines. For minor purchases, we obtain three quotations from our general supplier list, while bulk and large-scale procurement is managed by our group commercial division. This specialized division ensures that we leverage our buying power and maintain consistent quality standards across all our acquisitions. By carefully considering our options and partnering with reputable suppliers, we aim to make informed decisions that support our operational efficiency and sustainability goals.





Maintaining steady yield through sustainable practices

At NPPLC, we are dedicated to sustainable practices and preserving the vitality of our land assets while maximizing efficient utilization. To counter the natural decline in plant yield due to maturity and other factors, we have implemented forward-thinking strategies to ensure a consistently growing yield. As an eco-friendly company, we have embraced the use of bio-fertilizers instead of agrochemicals, prioritizing cost-effectiveness, soil health, and the quality of our harvest. We have established compost pits in many of our estates, taking a natural approach to meeting our fertilizer requirements. This initiative not only improves soil fertility but also contributes to the long-term sustainability of our operations. We are devoted to using water, energy, and other resources efficiently, recognizing that responsible management is essential for both our present and future. By implementing innovative practices and technologies, we minimize waste and maximize the utility of these vital resources. Our dedication to sustainability drives us to adopt renewable energy sources, conserve water, and reduce our overall environmental footprint. Through these efforts, we not only support the health of our planet but also contribute to the well-being of our communities, ensuring that future generations can thrive in a sustainable world.

Manufactured Capital

Recognizing the importance of maintaining stable harvests, NPPLC proactively replaces old, low-yielding plants with new ones. This strategic approach ensures the continuity of productive yields and aligns with our commitment to sustainable practices. Further We embarked on a transformative 46.5 hectares of land across several estates, including Hindagala, Canavarella, Gonakelle, Kandahena, Kinnelan, and Pingarawa, with an ambitious plan to plant 2062 coffee plants per hectare. The coffee planting project exemplified NPPLC's dedication to expansion and diversification in the agricultural sector.



Throughout this year, our team diligently focused on the meticulous care and maintenance of the coffee plantation. Regular watering, customized fertilization programmes, effective pest and disease control, and vigilant weed management were at the forefront of our efforts. NPPLC's experts closely monitored the plantation, ensuring that it received the optimal resources and specialized attention required for its success.



By venturing into coffee cultivation, NPPLC demonstrated its adaptability and commitment to seizing new market opportunities. This strategic move not only enhances our crop diversity but also positions us advantageously to meet the growing global demand for coffee products. Our meticulous attention to detail, coupled with the provision of essential resources, underscores our unwavering dedication to achieving exceptional results and maximizing the potential of our coffee planting project.

This undertaking is deeply rooted in NPPLC's overarching vision of sustainable growth, innovation, and excellence. We are dedicated to being industry leaders by prioritizing sustainability in every aspect of our operations. Embracing eco-friendly practices is not just a goal but a core value that guides our business decisions, ensuring that we benefit not only our environment but also the communities we serve. By integrating sustainable agricultural strategies and innovative eco-friendly initiatives, we are committed to driving long-term success while making a meaningful and positive impact on the world. Our focus on sustainability reflects our responsibility to future generations and our determination to cultivate a healthier planet.

Ensuring Quality and Productivity of Manufacturing

GRI 304-2



At NPPLC, quality comes first in all we do. While producing excellent items, we are dedicated to fulfilling strict productivity criteria. To achieve these objectives, we are aware that sustaining our manufacturing capital is crucial. To guarantee that our machinery and equipment continue to operate at their best, we subsequently put strict maintenance schedules into place that reduce downtime and increase efficiency. Because we follow manufacturer requirements, replace parts proactively, and conduct regular reviews, we are able to continuously produce high-quality items. We are committed to conducting our operations in a manner that prioritizes the protection of biodiversity. Our practices are designed to minimize any impact

on ecosystems and promote the preservation of wildlife and natural habitats. We believe that sustainable operations are essential for maintaining the health of our planet and fostering a harmonious relationship with the environment.



Recognizing the importance of technology in enhancing our manufactured capital, we have made significant investments in upgrading our machinery and equipment. We have embraced automation and innovative technologies to streamline our processes, improve accuracy, and increase our overall productivity. Additionally, we prioritize knowledge development for our employees, offering training programmes that enhance their skills and ensure they are adept at utilizing our advanced manufacturing systems.

Our commitment to quality and productivity extends beyond our physical capital. We foster a culture of continuous improvement, encouraging our employees to identify areas for enhancement and implement innovative solutions. This includes adopting industry best practices, such as lean manufacturing techniques, to optimize our processes and ensure we remain agile and responsive to market demands. By combining state-of-the-art technology with a skilled and engaged workforce, we are able to consistently deliver high-quality products and achieve sustainable growth.

At NPPLC, we are proud of our reputation for quality and reliability. Our dedication to maintaining and optimizing our manufactured capital, coupled with our focus on employee development and technological advancement, positions us well to meet the evolving needs of our customers and drive long-term success. Through these efforts, we strive to remain a leader in our industry, known for our unwavering commitment to excellence.

Developing Estate infrastructure

GRI 203 -1/410-1

At NPPLC, we recognize the importance of investing in our infrastructure to create a safe and conducive environment for our stakeholders including employees and the broader community. Our comprehensive infrastructure development initiatives go beyond physical structures, as we prioritize the well-being and development of our community. This includes the construction and renovation of factory buildings, processing areas, roads, and community housing, ensuring that our facilities are safe and secure.



We understand that access to essential facilities is crucial. Therefore, we invest in reliable water and sanitation systems, ensuring that our community has a consistent supply of clean water and adequate sanitation facilities. Recognizing the importance of education and healthcare, we prioritize the development of schools and medical facilities that meet the highest standards and cater to the specific needs of our community. We believe that investing in education is investing in the future, empowering individuals to reach their full potential.

We work closely with resident communities, government and non-government organizations to integrate their needs and aspirations

Manufactured Capital

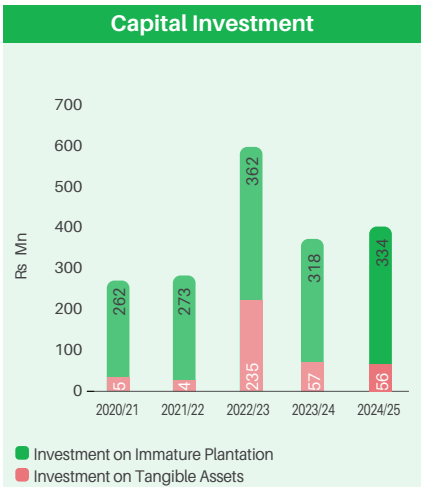
into our plans. Through a holistic approach, they strive to create a thriving and resilient community, contributing to social and economic growth while incorporating sustainable practices for a brighter future.

Furthermore, each estate is equipped with a dedicated field watcher, who plays a crucial role in monitoring and ensuring safety standards are upheld. In the past year, we have invested 53 Mn in security initiatives. Our training initiatives are designed to empower field watchers and other staff with the skills necessary to identify, assess, and mitigate security risks effectively.



Capital Investment in 2024/2025

During the year under review, the Company invested in manufactured capital as follows.



The Company's continued investment in manufactured capital, comprising both tangible assets and immature plantations, highlights its commitment to operational enhancement and future-ready infrastructure. During the financial year 2024/25, the Company allocated Rs. 71 million towards tangible assets, marking a significant increase from Rs. 46 million in the previous year. This indicates a strong upward trend in capital expenditure aimed at reinforcing physical operations.

In parallel, investment in immature plantations amounted to Rs. 334 million, reflecting a consistent focus on sustainable, long-term agricultural growth. While slightly higher than the Rs. 318 million recorded in 2023/24, this steady investment pattern reaffirms the Company's strategic emphasis on expanding its agricultural base, especially in coffee plantation development.

The composition of tangible asset investment in 2024/25 reveals a targeted and balanced capital allocation:

- Plant and Machinery emerged as the leading category, receiving Rs. 35.37 million, up from Rs. 24.39 million in 2023/24, signaling ongoing investment in core production capacity.
- Buildings saw a notable rise in allocation, from Rs. 4.34 million to Rs. 18.16 million, supporting infrastructure development across operations.
- Motor Vehicles investment increased from Rs. 12.71 million to Rs. 18.2 million, reflecting a renewed emphasis on mobility and logistics.
- Computers investment more than doubled, from Rs. 2.99 million in 2023/24 to Rs. 5.39 million, underscoring the Company's digital transformation efforts.
- Investment in Equipment and Furniture & Fittings, though relatively smaller in value, also experienced growth, indicative of broader operational support.

Tangible Manufactured Capital Value Composition

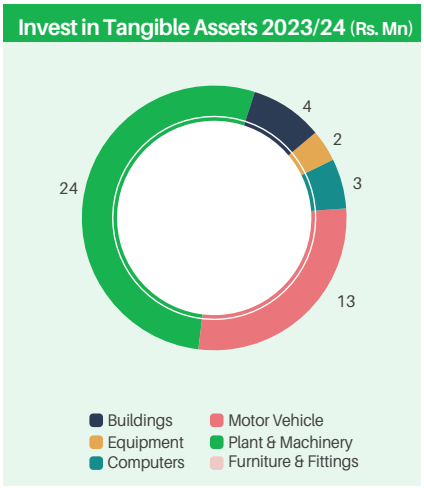
As of March 31, 2025, the Company's tangible manufactured capital (based on written-down value) presents a diversified and strategically composed asset base:

- Buildings accounted for the largest portion at 39% of the total WDV, up from 35% in the previous year, highlighting expanded infrastructure.
- Motor Vehicles, while showing a reduced share of 17% (down from 30%), still represent a key operational component.
- Plant and Machinery comprised 38%, reflecting ongoing capacity investments.
- Computers increased to 2%, up from 1%, further reinforcing the Company's shift toward technology and digitization.

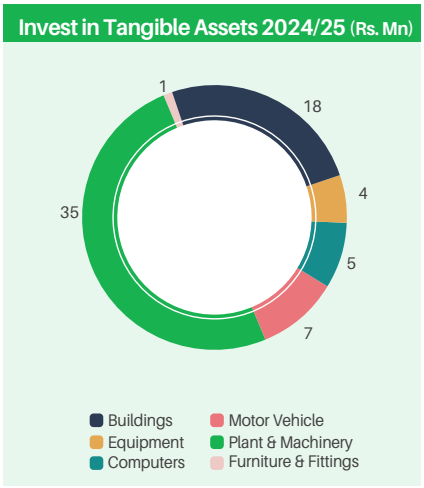
This asset profile demonstrates the Company's balance between operational robustness and modernization. Particularly notable development during the year was the acquisition of a color sorter machine at the Hindagala plantation. This high-precision equipment represents a major step forward in the Company's efforts to enhance product quality and operational efficiency.

The Company's manufactured capital investments during FY 2024/25 reflect a clear,

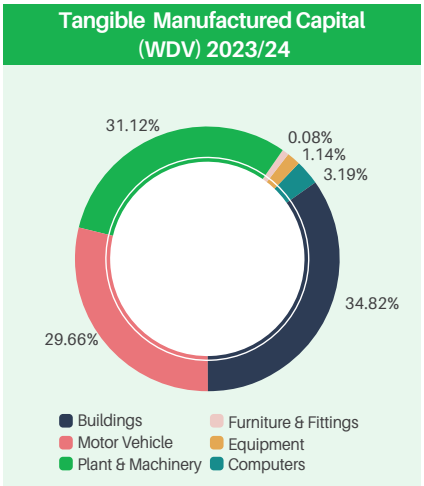
Invest in Tangible Assets 2023/24 (Rs. Mn)



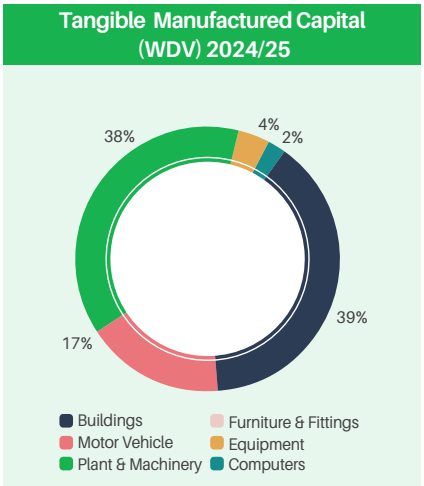
Invest in Tangible Assets 2024/25 (Rs. Mn)



Tangible Manufactured Capital (WDV) 2023/24



Tangible Manufactured Capital (WDV) 2024/25



forward-thinking strategy grounded in infrastructure expansion, digital modernization, and agricultural sustainability. By allocating resources across critical operational areas while maintaining a long-term vision, the Company is well-positioned for sustainable growth and resilience in a dynamic market landscape.

Regular Factory Maintenance

Regular factory maintenance is a critical aspect of our operations, ensuring the smooth and uninterrupted functioning of our manufacturing processes. At NPPLC, we prioritize systematic and scheduled maintenance activities to maintain our factory in optimal condition. We recognize that well-maintained machinery and equipment are key to maximizing productivity and minimizing downtime. Our maintenance programme includes periodic reviews of machinery, spare parts availability, and suitability, ensuring that all components are in good working order. When necessary, we replace parts with new ones to prevent unexpected breakdowns and extend the lifespan of our equipment.

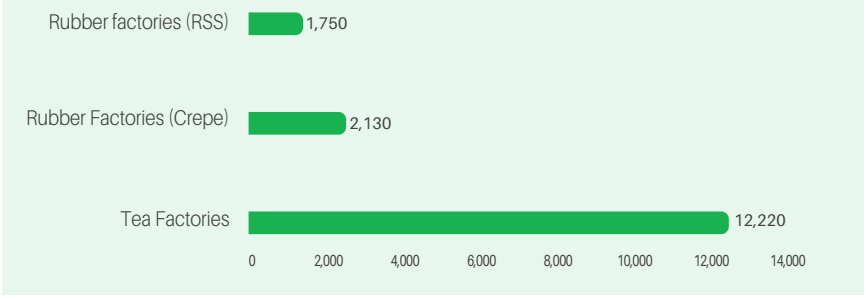
Recognizing the importance of a skilled workforce, we provide our engineering and technical team with regular training and educational opportunities. These programmes keep them updated with modern knowledge and enhance their competency in maintaining and optimizing our machinery. Their expertise plays a vital role in identifying potential issues and implementing preventive maintenance measures. By investing in their continuous development, we ensure that our maintenance procedures are carried out efficiently and in accordance with manufacturer specifications.

Through our comprehensive factory maintenance programme, we strive for operational excellence. By combining scheduled maintenance, proactive part replacement, skilled personnel, and adherence to manufacturer specifications, we minimize the risk of equipment failures and unexpected disruptions. This proactive approach enables us to maintain a consistent level of production, meet customer demands, and uphold our commitment to delivering high-quality products.

Strategic investments in agriculture and manufacturing technologies

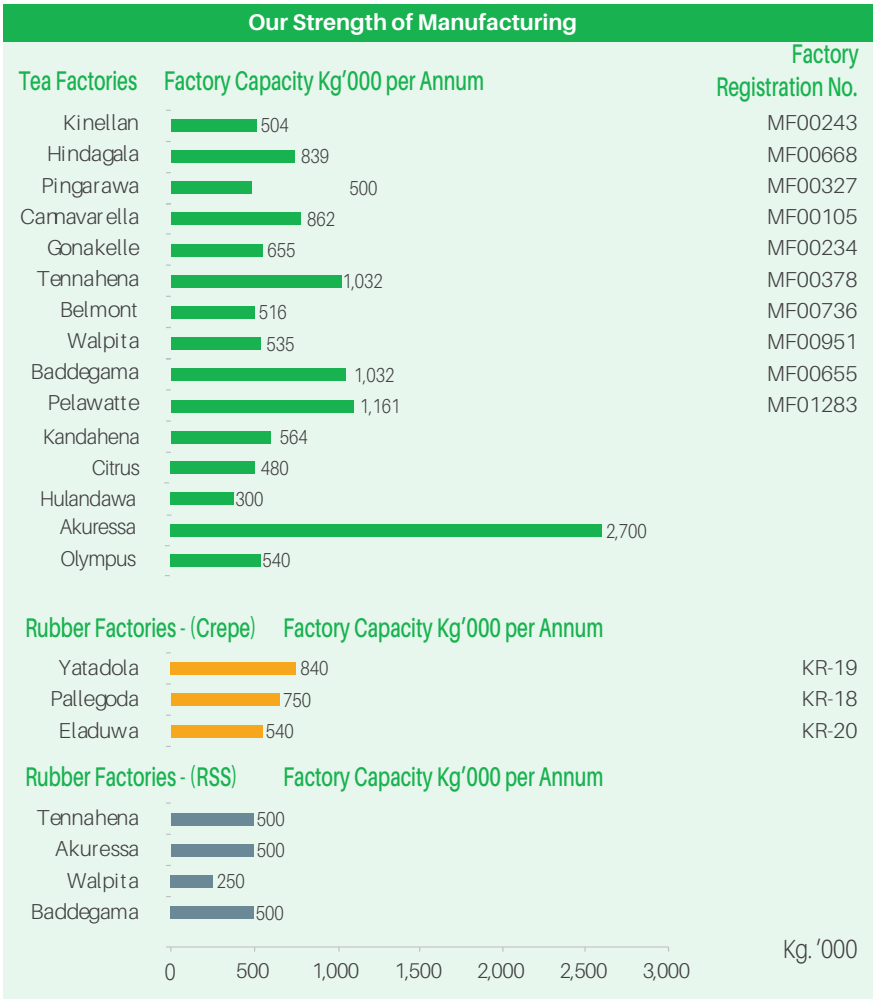
NPPLC places considerable amounts of emphasis on making strategic investments in manufacturing and agriculture technology. We understand how critical it is to use advances in technology to spur innovation, boost productivity, and strengthen our competitive edge. To stay at the forefront of our industry, we have made significant investments in updating

Factory Capacity Kg'000 per Annum



Manufactured Capital

our processes with the latest technologies. Recognizing that technology is only as effective as the people operating it, we have also invested in comprehensive training and knowledge development programmes for our employees. These initiatives ensure that our workforce is adept at utilizing new technologies, optimizing their capabilities, and adapting to evolving industry standards. By combining strategic investments in technology with a skilled and empowered workforce, we aim to drive growth, enhance our productivity, and maintain our position as a leader in our field.



Our strategic objectives with regard to manufactured capital

Manufactured capital targets	Short-term initiatives	Medium term expansion	Long-term vision
Tea factory Automation	Implementation at Kinellan Tea factory	Expansion to Baddegama Tea Factory	Gradual integration across all Tea Factories
Solar Energy Integration	Installation at Baddegama Tea Factory	Deployment at Baddegama Tea Factory	Expansion to all Tea and Rubber Factories
Tea Center	Expansion to kinellan Tea Center	Development in Hikkaduwa, linked to Baddegama Tea factory	Further expansion across Matara region
Wind Power utilization	N/A	N/A	Implementation in the Namunukula region



Human Capital

Human capital has been the main differentiator and pillar of success for our firm at almost every milestone. Respecting and enhancing employees' skills, abilities, and experience is a top priority for the Company's HRM practices, which leads to ongoing human capital growth. To achieve the best results from our human resource, we prioritize fair and equal development. In addition, our commitment to sustainability ensures that we are not only nurture our employees' growth but also empower them to contribute to environmentally responsible practices that benefit both the organization and the planet.

> "The ability of a business to attract and keep highly qualified workers, cultivate an inventive culture, and support continuous learning and growth are all essential to its success.
> Our goal is to create a safe and happy work environment while also supporting our workers' intellectual and technical development. Ensuring employee development and well-being boosts productivity, which in turn improves long-term business viability and sustainability."

5.9%
New Hires

8.8%
Employee Attrition

51%
Female Representation

92%
Employee retention rate

Rs. 1,407,562
Revenue per Employee

SUSTAINABLE DEVELOPMENT GOALS

Human Capital

Management Approach

We consider our employees to be our most valuable resource and the primary cause of our success as a Plantation Company. Our goal is to foster a positive and safe work environment where employees feel connected to their peers, regardless of color, ethnicity, gender, religion, or political beliefs. NPPLC follows all applicable local labour laws and regulations. We equip our employees with the necessary skills and adaptability to survive in today's fast-paced work environment.

Our employees are given opportunity to realize their full potential and are empowered by us. We also reward them for their hard work. To ensure long-term viability, we prioritize establishing positive relationships with employees, their families, and the communities around our estates.

Through the opportunity to enhance their talents and accomplish their goals, all employees are benefiting from our professional development initiatives, which also increase overall employee happiness. Our focus is on leadership development for management and staff, as well as skill development for our estate workers through floor-level training and implementation of innovative management approaches in our factories.

Our collective bargaining agreement ensures freedom of association for our estate personnel, while NPPLC prohibits child labor and forced labor.

Value Creation through Human Capital

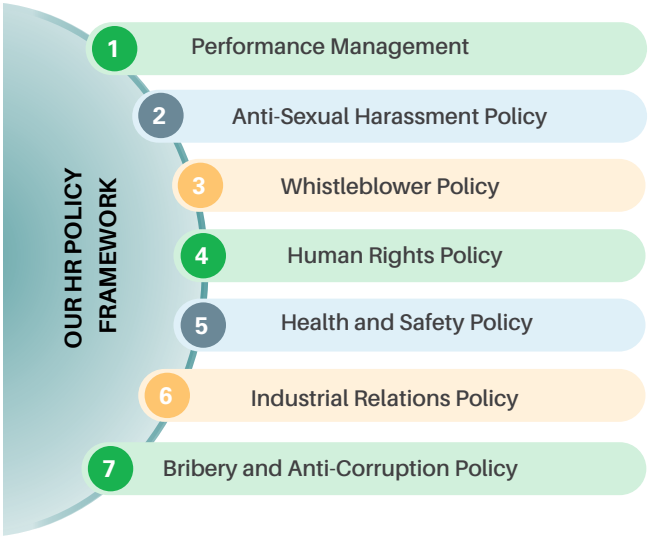
Our people are the strategic element that help us to gain a competitive advantage. We strive to create a great and safe place to work while enhancing the technical capabilities and intellectual potential of them. Being responsible on employees ensuring their growth and their well-being will cover the way for higher level of productivity, boosting the business viability and sustenance in the long-term.

Strategic Responses for 2024/2025

- Dedicated time to finding the right staff and developing their skills base.
- Embraced wider societal and ethical developments in workforce.
- Developed and maintained healthy working relationships among all the employees.
- Creating a positive work culture, and encouraging work-life balance.
- Minimized and maintained discriminations at a zero level throughout the year. GRI 406-1
- Preventive mechanisms are implemented to minimize forced/ compulsory labour and there were no any incidents recorded within the 18 estates of the company during the period. GRI 409-1

Progress of our Human Capital targets

Human Capital Targets	Progress to date
Increase the retention rate	Employee retention rate 92%
Enhance educational support	We have invested Rs. 17Mn
Promote Health and Well-being programmes	We have invested Rs. 10.5Mn
Salary payments through banks	Under progress
Performance and Productivity	Implemented performance management system with clear KPIs



OUR TEAM PROFILE

GRI 2-7

Our team of 2977 employees is diverse in the skills, commitment and experiences that they consisting with. Out of the entirety of the workforce, there are 2861 individuals classified as permanent employees, and 116 individuals designated as temporary employees. Out of total, 51% & 49% our employees are women and male respectively.

Total Employees - By Age

	EMPLOYEES
Under 30 Years	190
30-50 Years	1709
Over 50 Years	1078
Total	2977

Total Employees - By Service Period

	EMPLOYEES
Below 05 Years	835
5-15 Years	704
Above 15 Years	1438
Total	2977

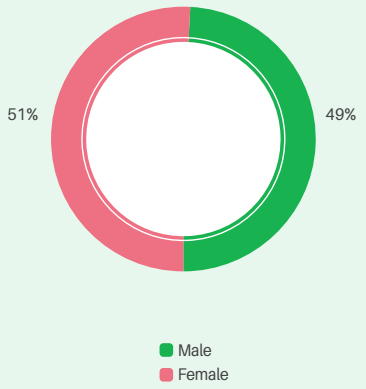
Total Employees - By Employment Type

	EMPLOYEES
Workers	2,651
Staff	270
Executive	56
Total	2,977

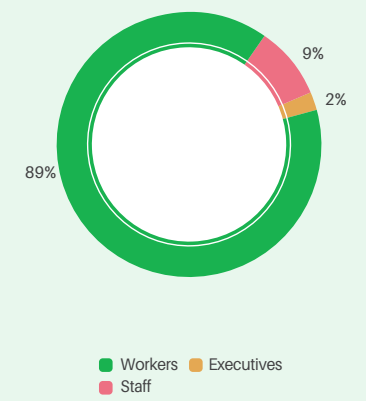
Total Employees - By Gender

	EMPLOYEES
Male	1,467
Female	1,510
Total	2,977

Gender Wise Work Force



Executive, Staff, Manual Work Force



Regional Distribution of Workforce by Gender

GRI 405-1

Region	Male	Female	Total
Kalutara	440	397	837
Galle	214	185	399
Matara	288	147	435
Uva	512	771	1,283
Colombo	13	10	23

Governance Bodies & Employee (as per Employee Category) Diversity Representation

By Gender;

Male			Female	
%	No.	Governance Bodies	No.	%
83	5	Board of Directors	1	17
		Employee Category		
100	4	Corporate Management		
88	7	Senior Management	1	12
47	9	Executives-Head Office	10	53
100	4	Staff Head Office	-	-
100	37	Executives-Estates	-	-
74	198	Staff Estates	68	26

By Age;

	<30		30-50		>50	
	No.	%	No.	%	No.	%
Governance Bodies						
Board of Directors			1	17%	5	83%
Employee Category						
Corporate Management			1	25	3	75
Senior Management			5	62	3	38
Executives-Estates	12	32	18	49	7	19
Executives-Head Office	8	42	2	11	9	47
Staff Head Office	2	50	1	25	1	25
Staff Estates	26	10	148	55	92	35

TALENT MANAGEMENT

GRI 401-1

We are committed to actively seeking out and hiring the best and most qualified individuals for our Company. We make sure not to discriminate on the basis of gender, age, or ethnicity because we operate under the equal opportunity principles.

With the appointment of 176 new staff members for our estates, NPPLC has significantly contributed to the creation of job opportunities this fiscal year. During the year, 262

Human Capital

people left our Company, often because they retired or moved after getting married. We have simplified our hiring procedure to better meet real operational demands by increasing automation and mechanization in both our head office and estates, as well as by emphasizing staff skill development to adjust to these changes. In addition to increasing production, this strategic approach has made it easier to use resources efficiently.

New Recruitments

by Age Group:			
Age	<30	30-50	>50
No of employees	33	100	43
%	19%	57%	24%

Staff Turnover

by Age Group:			
Age	<30	30-50	>50
No of employees	17	112	133
%	6%	43%	51%

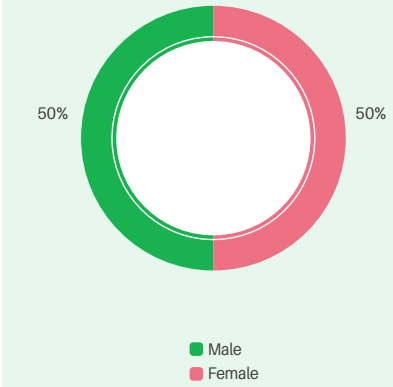
REMUNERATION & BENEFITS

GRI 2-23/2-30/202-2/401-2/405-2

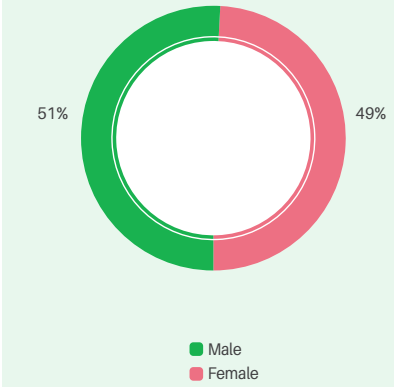
NPPLC employees of all grades enjoy many benefits provided by the Company which invests considerable funding above and beyond legal requirements. We believe these initiatives contribute towards a happier workplace and motivated workforce. We are abided by collective agreements towards the workers & estate staff of the Company (98% employees), and we ensure our employees from becoming economically vulnerable by protecting and respecting their rights through maintaining a considerable wage structure with respect to the requirements of the Wages Board.

Estate workers received a basic salary of Rs.1350/- per day from 11th September 2024 and it is not varied with the gender. Every employee receives same amount without considering the gender or any other special criteria. Therefore, our Company maintains an equal ratio of 1:1 between men and women.

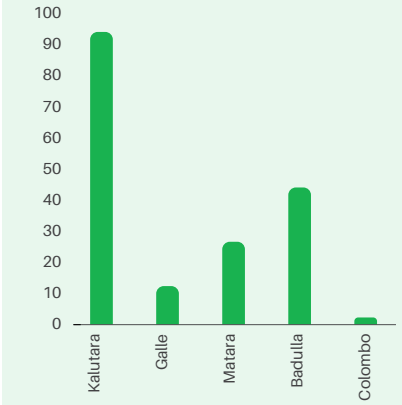
New Recruitments by Gender



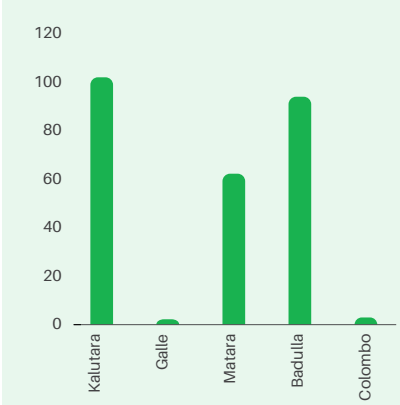
Staff Turnover by Gender



New Recruitments by Region



Staff Turnover by Region



In addition to the salaries and wages our employees receive following benefits as well.

Benefits	Staff category				
	A	B	C	D	E
Billet Allowance	x				
Medical Insurance/ Medical funds/ Healthcare	x	X	x	x	x
Tea Allowance	X	X	x	X	x
Mobile Allowance	X	X			
Fuel/ Travelling / Vehicles	X	x			
Water / Gas	X			X	
Electricity	X			X	
Accommodations / Quarters	X			x	x
Free Drugs					x
Food Stuff Arrangements					x
Death Donations				x	x
Maternity Leave and Benefits	x	x	x	x	x
Overtime			x	x	x

Staff categories

A - Executives-Estates
B -Executives-Head Office
C - Staff Head Office
D - Staff Estates
E - Associates

CARRYING OUT EMPLOYEE BENEFICIAL PROGRAMMES

GRI 201-3/303-3/403-6

As the majority of our employees are resident on the estate, the benefits provided vary substantially between those who are resident and those at head office due to the varying nature of work. The largest employee category of workers is provided housing and primary healthcare. Majority of estates operates a dispensary with a qualified estate medical officer and a midwife. Medicines are provided free of charge. Maternity clinics are available within the estate and a midwife visits regularly. Workers are transported by the Company to the nearest district/base hospital if the need arises. All funeral expenses of associates are paid by the Company including location of the burial site.

Employees injured during work are entitled to compensation, the value of which is determined at a standard rate which can be referred to the Commissioner of Workmen's Compensation in the event of dispute. We also work in partnership with government and non-government organizations to facilitate the social-economic advancement of the workers and their families.

Executive grade employees on the estates and all head office employees are enrolled in a medical insurance scheme. All estate staff below the executive category are covered by a contributory medical scheme. Female employees are entitled to maternity leave of 84 working days for all births by practicing the labour regulationfs. Daily paid employees are entitled to a maximum of 17 days paid leave in the following year based on their attendance to work according to the labour laws of the country.

All permanent employees are enrolled in the Employee Provident Fund and Employee Trust Fund as per respective Acts. Accordingly, employees contribute 10% of their salary to the Employee Provident Fund whilst we contribute 12% and 3% for Employee Trust Fund. Gratuity is provided for the employees under the Gratuities Act of 1983 and it is paid to all the employees with over 5 years of service at the rate of 14 days wages for every completed year of service.

	Company contribution	2025 Rs.'000	2024 Rs.'000
E.P.F./E.S.P.S./C.P.P.S.	12%	132,453	118232
E.T.F.	3%	34,097	30497
Gratuity		79,861	144097

Women Empowerment

As a peoples' business we have taken following actions to encourage women employment.

- Maternity leaves and payments - According to Government Regulations 84 working days are offered as paid leave for all child births.
- A proper value is offered to female workers, as we are paying wages according to a structured salary system and there is no disparity with male salary.
- Creating a culture of zero tolerance for harassment and take complaints seriously.
- Daycare centers have been established hence female workers can attend to work as their children are looked after.

MATERNITY LEAVES

GRI 401-3

	2024/2025	2023/2024
Total female employees	1510	1648
Availed maternity leave	21	21
No. of employees returned to work after maternity leave	19	9
No. of employees that retained after 12-months of return from maternity leave	11	9
Return to work rate	90%	82%
Retention Rate	122%	33%

OCCUPATIONAL HEALTH AND SAFETY (OHS)

GRI 403-1/2/3/4/5/7/8

Namunukula Plantations is fully complied with the Factory Ordinance, No 45 of Act 1942, Workman's Compensation Ordinance of 1935 and collective agreements with Staff & labour unions. Health & Safety Committee has been appointed at estate level with representation from field, the factory, divisions of the estate and medical staff which is headed by an executive.
We have stayed dedicated to putting our employees' health and safety first despite the urgent issues brought on by climate change. By adhering to the guidelines set forth by the World Health Organization and local authorities, we have taken proactive measures to ensure a safe work environment for all. Almost all the employees are representing in the Health & Safety Committee and serious issues can be superintendent of the estate. These joint management worker health and safety committee arrangements of estate management with employees and representatives of them are dignified with the collective agreement arrangements with the union representatives and management.

The Company actively manages the risks to occupational health and safety that are connected to its activities, goods, and services. It prioritizes efficient procedures, carries out in-depth risk assessments, acknowledges the interconnection of threats, and puts preventative measures into action.

We are providing following health & safety coverages presented to the manager for attention. Meetings are held whenever necessary and issues raised are reported to the to our valuable employees continuously.

Human Capital

- Maternity Benefits
- Death Grants
- Medical Aid Scheme
- Workmen Compensation

WORK RELATED INJURIES

GRI 403-9/10

For all employees

	2024/25
The number of fatalities as a result of work-related injury	NIL
The number of high-consequence work-related injuries (excluding fatalities)	Infected open fracture
The number of recordable work-related injuries	2 minor injuries were recorded.
The main types of work-related injury	Infected open fracture, Deep cut to right thumb

- **High consequence injuries - injuries that require more than 6 months recovery time**

In our ongoing commitment to promote health and safety within our estates operations, we have implemented comprehensive procedures aimed at minimizing work-related ill health by equipping our workforce with the necessary knowledge and tools, we strive to reduce direct contact with fertilizers.

INDUSTRIAL SAFETY AWARDS

Industrial safety is vital for our plantation Company due to the inherent risks of heavy machinery, chemicals, and outdoor work. Protecting our employees from accidents not only ensures their well-being but also shields the Company from legal issues and reputational damage. By enforcing strict safety protocols, providing training, and conducting regular inspections, we foster a safe work environment.

Our commitment to industrial safety is underscored by the Merit Award received by Pallegoda Rubber Factory at the Industrial Safety Awards organized by the Department of Labour in the Western Province.



Performance Management

GRI 404-3

At our organization, we prioritize the continuous development and performance evaluation of our staff across all estates, including office staff, field staff, factory staff, and other personnel. To ensure that every employee is supported in their professional growth, we conduct comprehensive monthly performance evaluations for all personnel.

To effectively manage performance, a structured approach that emphasizes promotions, training, and monetary rewards tied to crop achievements is implemented. This framework aligns with our company's practices and ensures employee engagement, retention, and productivity.

Promotion System

- Promotions (Grade Up) are awarded to field officers who achieve significant crop targets.
- Criteria for promotion include consistent performance in yield improvement, adherence to quality standards, and effective resource utilization.
- Superintendents are promoted to Regional Manager positions (eg. Galle or Matara Regional Manager) based on their leadership capabilities and operational success.
- Hulandawa Superintendent serving as a Regional Manager exemplifies the pathway for career advancement within the organization.

Training Programmes

- Comprehensive training programmes conducted to equip field officers with modern techniques in plantation management.
- During the training period we focus on areas such as pest control, harvesting techniques, fertilizer application, and resource planning.
- Superintendents and Assistant Superintendents can benefit from advanced skill development programmes that emphasize leadership, communication, and change management.

Monetary Benefits

Assistant Superintendents and Superintendents:

- Monetary incentives are provided based on crop achievements. This includes bonuses tied to yield targets or quality improvements.

Year-End Monetary Benefits for Staff:

- At the end of the financial year, staff members across all levels are rewarded with monetary benefits as a token of appreciation for their hard work and contributions.
- These year-end bonuses are tied to overall Company performance and individual achievements, ensuring fairness and motivation.

Key Performance Indicators (KPIs)

KPIs should be tailored to measure individual and team contributions effectively:

- Crop Yield Metrics: Total output per hectare or per worker.
- Quality Metrics: Percentage of crops meeting standards.
- Operational Efficiency: Timely completion of harvesting and adherence to resource utilization plans.

Benefits of the Framework

- Promotions and rewards foster a sense of achievement and motivate employees to perform at their best.
- Career advancement opportunities and monetary benefits reduce turnover rates by enhancing job satisfaction.
- Training programmes improve technical skills, while incentives drive employees to exceed expectations.

These evaluations are designed not only to assess and recognize individual contributions but also to align personal goals with the organization's objectives. We are committed to fostering an environment of open communication and constructive feedback, ensuring that every employees receives tailored guidance to enhance their skills and career trajectory.

Our rigorous approach guarantees a 100% participation rate in these regular performance and career development reviews. This commitment reflects our belief that every member of our workforce plays a vital role in our success and warrants the opportunity to engage in meaningful discussions about their performance and aspirations. By investing in our team's development, we cultivate a motivated and skilled workforce that drives our organization forward.

TRAINING AND DEVELOPMENT

GRI 404-1/404-2

Our regular training calendar includes customized programmes to add value to our employees.

Leadership and Skill Development Programmes

Leadership and Skill Development Programmes of our Company aims to enhance the leadership capabilities and knowledge of employees in various aspects of plantation management including cultivation techniques, pest control, harvesting methods, and safety practices. The programme not only helps employees improve their skills but also ensures the sustainability and efficiency of the plantation operations. Through training sessions, workshops, and hands-on experiences, our employees are empowered to contribute effectively to the growth and success of the NPPLC.







Human Capital

Our Company is committed to encouraging collaboration and physical fitness through a range of sports and leisure pursuits. In addition to improving physical health, these programmes are vital for our employees' development of critical leadership and teamwork abilities. In order to promote friendship and friendly rivalry, we recently arranged an exciting interplantation cricket tournament that brought teams from several plantations together. We hope to foster a dynamic workplace culture that prioritizes health, collaboration, and individual development by taking part in such events, which will ultimately result in a more driven and cohesive staff.



ERP System Training Programmes

ERP system training programmes are designed for our employees of the Company to effectively utilize the software to streamline operations, improve productivity, and enhance decision-making processes with our tailor made system which called as "Marksys". The programme covers modules on data entry, reporting, inventory management, financial tracking, and other essential features to empower staff with the skills to maximize the benefits of the system within the context of a plantation setting.

Implanting Programmes

The plant implanting training programme of our Company focuses on equipping employees with the necessary skills and knowledge to effectively implant young plants in the field. Participants learn proper planting techniques, soil preparation, and irrigation methods to ensure the successful establishment and growth of new vegetation in the plantation. Coffee plantations training programmes also play vital role in this series of the training. The training aims to promote sustainability and environmental conservation practices within the Company's operations.





Compost Training

The compost training programme of our Company aims to educate employees on the importance and process of composting organic waste to create nutrient-rich soil for sustainable farming practices. Participants will learn proper techniques for managing compost piles, reducing waste, and improving soil health for increased crop yields. Through hands-on activities and expert guidance, workers will gain the skills and knowledge needed to implement effective composting practices on the plantation.

RA Training

The Rainforest Alliance Training programme of our Company focuses on implementing sustainable practices to improve environmental conservation, labor rights, and community engagement within the Company's operations. Through hands-on instruction and education, participants learn how to achieve Rainforest Alliance certification, demonstrating their commitment to ethical and responsible business practices in the protection of the rainforest ecosystem.

Awareness training programme on VAT related statutory payments

The finance division of our Company conducted an awareness training programme for all the estates by region, which was related to VAT-related statutory payments, accounting procedures for VAT, and newly introduced amendments. After productive hours of training, an insightful Q&A session was conducted to solve the practical issues of the VAT-related matters.



Special Training on Cinnamon Market

Staff of our Company was participated for a training which was themed as "Exploring Spice Horizons Market Trends, VAT impact and Export Protocols". And this training was conducted by Spice and Allied Products Producers and Traders Associations of Sri Lanka. An insightful understanding about Cinnamon market dynamics were gained through this valuable training.

The Company's training and development initiatives play a pivotal role in talent retention and ensured a sustainable competitive advantage as well as served as motivational tools. Therefore, we aim to create a culture of continuous development to enable them to grow and succeed throughout their careers



Training interventions

TOTAL TRAINING HOURS	2024/2025 Rs.'000
Total Training Hours	10125
Investment In Training (Rs.)	925000
Average Training Hours(By Category)	
Workers	-
Staff	13.33
Executive	-
Average Training Hours(By Gender)	
Male	3.99
Female	2.83
Average Training Hours/Employee	3.40

OFFERING FREEDOM OF ASSOCIATION AND MAINTAINING HEALTHY RELATIONSHIP WITH TRADE UNIONS

GRI 2-30/407-1

We have given the absolute freedom & opportunity for employees to join estate unions and associations. Our employees are covered by "Worker Collective Agreement". The Collective Agreement covers a number of aspects such as salaries & wages, overtime, statutory contributions, work practices, grievance handling and dispute procedures, trade union action. We are always eager to hear the voice of the employees and their representatives, since they are key to our business, in this case we proactively engage with trade unions of our employees. These Collective Agreements are revised in every 2 years. Our every employee has right to collective bargaining. All employees receive benefits mandated by law and good working conditions.

Labour Grievance Mechanism

Namunukula Plantations have a regular system to identify issues and solving mechanism. We have facilitated an open-door policy for employees to have direct communication with the superintendent of the estate when they have an issue. Every Wednesday is assigned as 'Labour Day' and it is allocated for addressing labour problems. We always try to offer the best solution for the employees. In the reporting year we did not record any formal grievances related to violations of labour rights including human rights.

Compliance with human rights, Statutory Laws and Regulations relevant to employment

Child labour

GRI 408-1

We do not utilize child labour in our estates. Abolition of child labour promotes economic and human development. We select suppliers who are not engaged in child labour. Further, education until Ordinary Level is compulsory in our estates. Parents are encouraged to send children to schools daily. The child development officers, guide the worker children until such time they complete Ordinary Level exam.

Childcare provided for resident employees in their divisions and welfare officers monitor attendance of children to ensure that they avail themselves of the early childhood development opportunities, nutrition and other measures taken to promote their health and well-being.

Human Rights Protection

At NPPLC, we prioritize the human rights of our employees, not merely because it's mandated by law, but because we deeply value humanity. Our commitment extends beyond basic human rights; we offer our employees the freedom they inherently desire. Should any human rights concerns arise, employees can engage in open communication with management to find appropriate resolutions. Additionally, we have designated a specific day for employees to voice any grievances at the estates.

Human Capital

Engagement With the Local Communities

GRI 202-1, 413-1/2

We are highly engaged with the local communities as a plantation Company since many of the inhabitants are directly and indirectly involved in our operations. We've gone above and beyond the employee level on numerous occasions, collaborating closely with the estate and the surrounding community at large. We organize several awareness workshops followed by demonstrations to help them to get better understand on the fundamentals of financial literacy, health, and safety.

We also collaborate closely with a variety of government and non-governmental organizations (NGOs) to deliver high- quality training and awareness programmes, as well as study tours. We also work closely with the village communities and have built a connection with them, so that they can raise issues to the estates directly through the Community Development Forum. Villagers also use the mechanism of complaining through the Grama Sevaka and Divisional Secretariat to convey their grievances.

We shall consult local communities regarding plans for new projects, constructions, diversification or any other operational changes that affect the local communities and their views will be considered in the decision making process also we screening environmental & social impact before starting any major project & operational change. This social impact assessment is applicable for projects where the environmental and social screening has identified as a need to assess social risk and impact issues. Its purpose is to identify and analyze potential adverse impacts and to ensure that the needs and conditions of people affected by a proposed project are fully taken into account in project design and that suitable mitigation measures are identified as needed. It should also contribute to enhance opportunities for developmental benefits for affected groups.

The organization hired senior management from the local community including 100% Sri Lankan resident citizens who are expert in the industry to handle all agricultural operations related to our Company and having high management skills as senior management. Well Qualified & industrially experienced head of senior management is coordinating & directing all estate operations. Through this we have given the priority for the local talent and knowledge.

Investments in community level projects

Many residents in the communities don't have basic conveniences as they do not invest in the upkeep of their residences due to ownership issues. Thus, plantation companies work with the Plantation Human Development Trust(PHDT) to provide them with adequate housing and accommodation to ensure that an acceptable standard of living is maintained within the estates managed by us. The PHDT is an organization consisting of the Government of Sri Lanka (GSL), Regional Plantation Companies (RPCs) and Plantation Trade Unions (TU) formed by the GOSL to implement social development programmes to enhance the quality of life of the one million plantation community in the estates managed by the Regional Plantation Companies of which Namunukula Plantations is one. Namunukula Plantations has contributed LKR 5,082,799.52 to PHDT during the financial year. Furthermore, our CSR activities are implemented based on our community and their welfare. Details of our CSR projects are contained at the end of Social & Relationship Capital report in page no 154 to 163.

Against Corruption

GRI 205-1

As the management team we are the agents of shareholders of the Company. Hence, we have responsibility in preventing the corruptions at the Company and estates to save shareholders' wealth. Thus, we have applied strong control systems and processes to eliminate the errors and frauds from top to lower level of the organization. Anti-corruption training has been given to our executive employees with decision authority. All internal operations are conducted as a process of approving. Approval levels are defined based on their level of hierarchy. All accounts prepared by the estates are rechecked by head office management team with staff. At the estate level watchers are engaged for securing the plantations assets such as Factories, Machineries, Bungalows, Office premises etc. We receive the service of group internal audit team with the industrial experts' knowledge continuously. Further external auditors visit estates and head office annually.

Commitment to a Safe and Respectful Workplace

GRI 205-2/205-3

Our steadfast support for Group HR's efforts to provide a respected and safe work environment for all employees, especially our female workers, is something we would like to convey. As a Company, we wholeheartedly support the "Homely Safe Workplace for Women" theme and are dedicated to making sure that our workplace gives women the confidence and respect they deserve.

We acknowledge the value of candid communication and its contribution to the fight against workplace harassment. We have made sure our teams are aware of these programmes, and we have urged them to participate in awareness visits and make use of the open-door policy.

In alignment with our commitment to ethical governance and transparency, we have established a comprehensive 'Whistleblowing Policy' designed to encourage and protect individuals who report suspected misconduct or violations of our ethical standards. This policy is instrumental in fostering a culture of integrity within our organization, ensuring that all employees feel safe and supported when coming forward with concerns.

Scan the QR Code for further details

https://www.arpico.com/contents/pdf/financial_policies/rpc/11.-Policy-on-Whistleblowing.pdf

Additionally, we have implemented a robust 'Anti-Bribery and Corruption Policy' that underscores our dedication to maintaining the highest standards of integrity in all our operations. This policy is designed to prevent, detect, and address any instances of bribery and corruption within our organization and our supply chain.

Furthermore, we are pleased to report that during this reporting period, there have been no incidents of corruption or harassment within our organization.
Our ongoing commitment to these principles not only enhances our reputation but also contributes to sustainable business practices in the communities we serve.

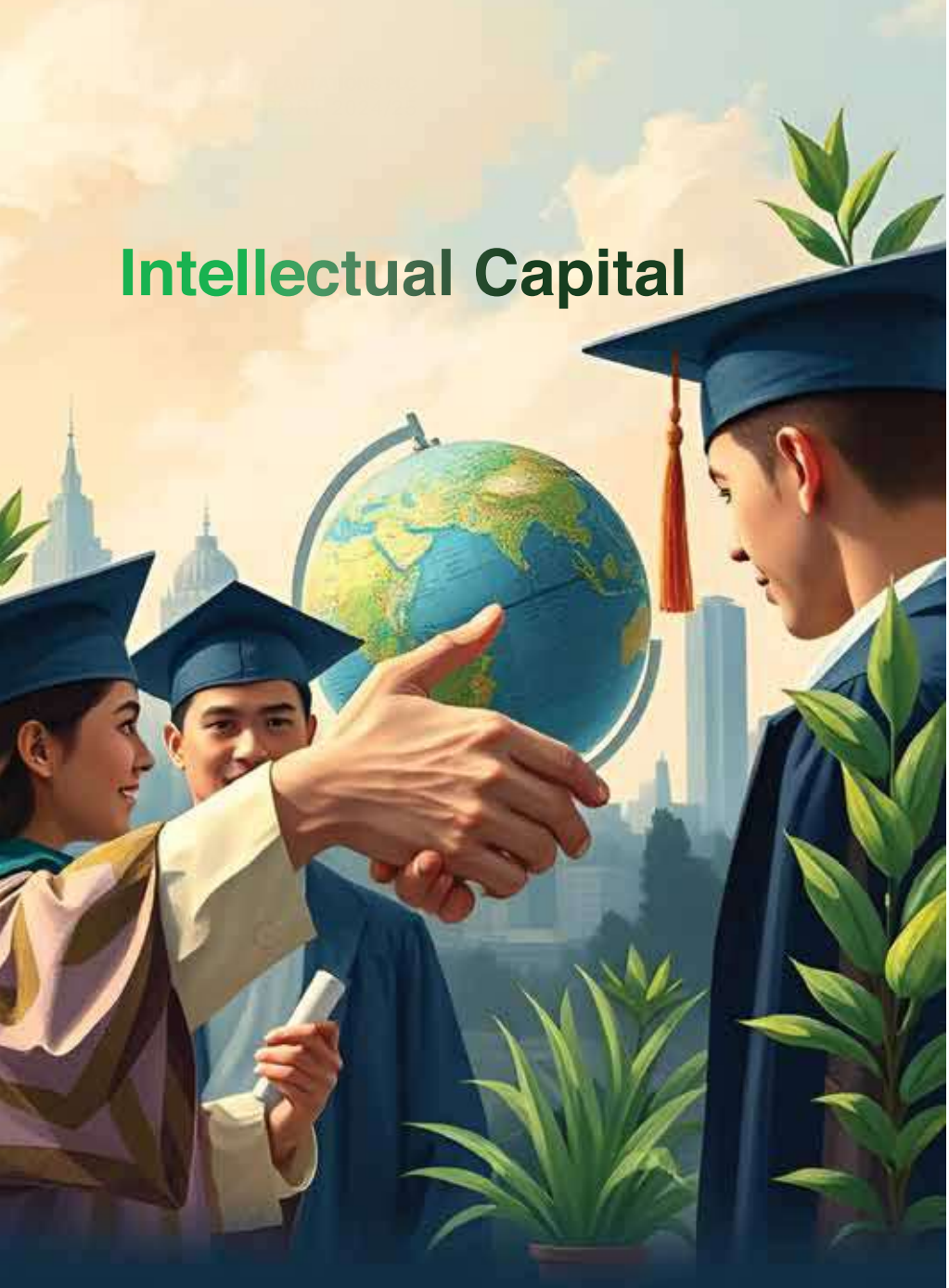
Scan the QR Code for further details
https://www.arpico.com/contents/pdf/financial_policies/rpc/12.-Policy-on-Anti-Bribery-and-Corruption.pdf

LABOUR RELATIONS

GRI 402-1

As part of our commitment to fair labor practices and employee well-being, we adhere to providing a time period to employees and their representatives before implementing significant operational changes that could have a substantial impact on their work conditions. This allows for transparent communication and collaboration in finding solutions that prioritize the welfare of our workforce. Before implementing that significant operational change, our Company management decides a reasonable time period to implement the change. Further relevant Memorandums circular among the responsible parties and relevant precautionary measures may undertake before the operational change.

Intellectual Capital



The intangible resources that raise an organization's worth and competitive advantage are referred to as intellectual capital. It is essential for boosting productivity, promoting long-term growth, and quickening creativity. Businesses may adapt, differentiate themselves from rivals, and create cutting-edge goods and services by investing in intellectual capital. It encourages collaboration, learning, and knowledge exchange, which improves decision-making and problem-solving skills. Furthermore, a strong emphasis on sustainability within intellectual capital can attract top talent, improve customer loyalty, and enhance a company's reputation. Businesses need to invest in strategies for managing and using their intangible assets if they want to thrive in the knowledge-driven economy.

> “To maximize business value, knowledge-based intangible assets must be managed effectively. Corporate values and culture, market positioning, governance frameworks, leadership styles, collective knowledge, quality standards, best practices, information systems, distinctive procedures, and inventive strengths are all components of NPPLC's”

SUSTAINABLE DEVELOPMENT GOALS



Management Approach

The organization manages intellectual capital through ethical and transparent business practices, employing industry experts with market and agricultural product knowledge, and increasing internal knowledge and know-how to drive year-on-year growth. Namunukula Plantations integrates high quality standards, expert knowledge, and modern business practices into its corporate strategy, creating intellectual capital value for stakeholders.

Our focus is on producing and optimizing derived intellectual capital value, and we collaborate with our stakeholders to strengthen these intangible assets. The identified factors work together to enhance the company identity, even though they are developed separately.

As a result, the main goals of our strategy are to strengthen our corporate brand, which is known for its high-quality products; adopt ethical and sustainable business practices in accordance with the standards established by our best manufacturing, agricultural, and work practices; train staff members, share knowledge, and foster a performance-oriented work environment; introduce process improvements; invest in research and development to create innovative processes; and rely on market intelligence to make logical decisions at both the strategic planning and operational planning levels. We closely monitor our strategy and plans against agreed-upon key performance indicators.

Awards and Accolades

New Awards

Namunukula Plantations PLC has won the Silver award among the Plantations companies (Group Turnover up to LKR 5 Bn) of Sri Lanka at the TAGS award ceremony 2024 organized by The Institute of Chartered Accountants of Sri Lanka.



Namunukula Plantations PLC has won the Compliance award at the CMA Excellence in Integrated Reporting Award 2024 organized by The Institute of Certified Management Accountants of Sri Lanka.



Winner of Best CDC Competition 2024

Buluwana Division Child development Center, Hulandawa estate



Previous Awards

Best presented AR awards and AARC Anniversary Award 2020 Agriculture sector GOLD AWARD

CA Sri Lanka Annual Report Award Competition 2019 Plantation sector BRONZE AWARD

2nd HIGHEST OIL PALM PRODUCERS IN SRI LANKA

Highest share price at CSE Main Board Plantation Sector Rs. 362.75
2nd Highest oil Palm producers in Sri Lanka

Value Creation through Intellectual Capital

Intellectual capital stands as our critical drivers in building and reinforcing our value proposition which gives us a point of differentiation in a highly competitive industry. We work together with our stakeholders to strengthen these intangible assets while focusing on optimizing and creating derived intellectual capital value.

Strategic Responses for 2024/2025

- Complied with recognized certification
- Guidelines on quality and standards.
- Invested in latest technology, machinery and equipment to improve current processes.
- Developed skills and empower the workforce.

Intellectual Capital

Intellectual Capital for the Organizational Excellence

In today's knowledge-driven economy, NPPLC recognize the significance of human capital, relationship capital, and structural capital as key pillars of our intellectual growth and success. Although we identify the human capital as one of our main capital element, we cannot skip the impact of this core pillar which strengthen the intellectual capacity of NPPLC. NPPLC's Human capital refers to the knowledge, skills, expertise, and capabilities which our human wealth possesses within the organization. It includes factors such as our employees' experience in the plantation industry and the knowledge our employees and workers possess on different crops, experience and academic background our people hold, operational and managerial trainings which our people undergo, creativity and innovative capabilities, and problem-solving abilities. We truly believe that our human capital is critical for driving innovation, improving productivity, and delivering high-quality products to the market.

Further NPPLC's Structural Capital encompasses our organizational systems which is known as Marksys. Moreover, internal and external processes, procedures, and certifications that we have obtained. And as a special structural factor NPPLC owns digitalized documentaries and photography evidence which plays a visual role and which help to capture and store knowledge for the upcoming generations as well. Further these components make strong our intellectual strength that support to enhance our performance. Likewise, our structural capital helps us to capture, store, and leverage knowledge within our organization, enabling efficient operations and knowledge sharing within the entire plantation industry.

Moreover, our Relational Capital also matters lot when maintaining a strong intellectual capital inside the NPPLC. Mainly this refers to the relationships, networks, and connections that our organization has with our stakeholders, including Investors; Employees; Trade unions; Smallholders; Brokers and buyers; Communities and residents on estates and Government and regulatory authorities.

- The Colombo Tea Traders' Association
- The Planters' Association of Ceylon
- The Colombo Rubber Traders' Association
- The Employer's Federation of Ceylon
- Species and Allied Products Producers & Traders Association
- Palm Oil Industry Association of Sri Lanka.

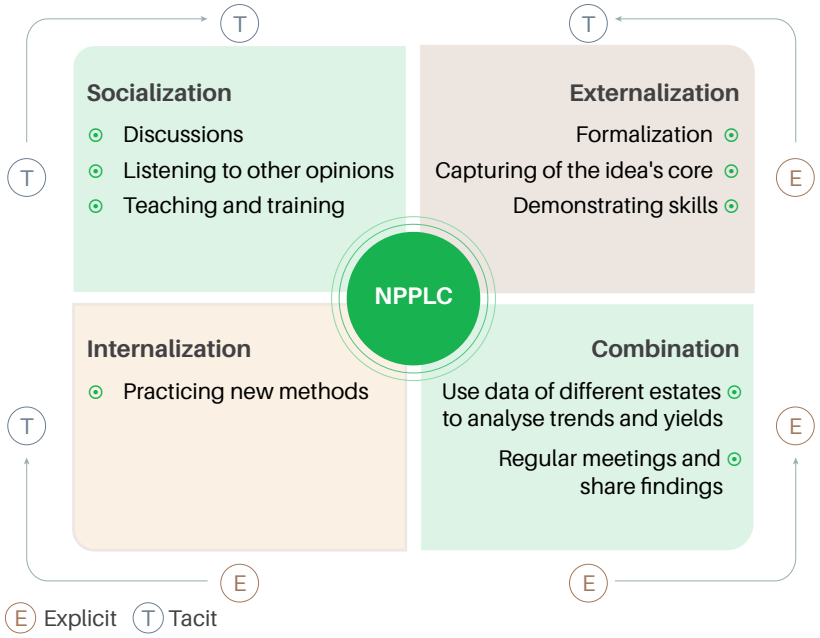
We maintain strong relationships with these organizations, which play a crucial role in advocating for best practices, fostering.

As we believe that our intellectual capital shapes NPPLC in to a path of continuous growth and development, we every time try to amplify our knowledge base instead of just doing an ordinary improvement. Here we mean the concept of "Knowledge amplification" to the process of enhancing, expanding, or increasing the scope, depth, and accessibility of our organizational knowledge. This create values for our Company such as improving our decision making process, fostering our innovative culture, enhance our Problem-Solving skills, creating us a competitive advantage, improving organizational learning and employee development and enhance our customer satisfaction.

Tacit Knowledge

NPPLC strives to acquire, share, and improve tacit knowledge, and our procedures ensure that employees have knowledge and possess the required high level of experience to drive business goals and strategies. Further, as NPPLC employs a mix of experienced and newly graduated people, the Company is well poised to benefit from the industrial and field experience of employees and employees who bring the newest and latest business practices to the company's business operations.

Company culture incentivizes knowledge-sharing behaviour and retains older employees to preserve the tacit knowledge of the company. Mentoring, coaching, workplace collaborations, meetings, and brainstorming sessions are used as knowledge-sharing tools by the company. Since tacit knowledge is



mostly experiential, employee training and development have become pivotal. We conducted, facilitated, and encouraged our employees to participate in training programmes to improve their technical, industrial, as well as professional knowledge.

Our board of Directors comprises individuals with diverse experience and expert knowledge, which shows an appropriate mix of knowledge and experience at the top of the Company to take Namunukula Plantations higher. Senior management consists of well-qualified experts who have been working in the corporate industry for many years.

Overall, Namunukula Plantations' emphasis on gathering, disseminating, and enhancing tacit knowledge via a variety of programmes and structures reveals a dedication to ongoing learning, growth, and retaining a competitive advantage in the industry.

Innovation

Innovation is a crucial factor in driving business success, and creating an environment that fosters innovation is critical. We inspire our employees by creating an environment within our business that encourages innovative thinking and action. We stimulate our employees to be honest and open to conveying their ideas while exploring initiatives without fear of retribution.

As a preliminary step towards innovation, we strive to hire people who understand the vision and align with our culture but have different perspectives and diverse backgrounds. We create work practices to encourage new initiatives and take quick action to implement employee ideas and suggestions where possible. This approach can also increase employee motivation and engagement as they feel their contributions are valued and appreciated.

Progress of our intellectual capital targets

Intellectual Capital targets	Progress to date
Increase machine plucking in our production process	Already distributed to Uva range
Factory Automation Process	Under progress
ISO Certification	ISO 22000:2018
Green House Gas Emission (GHG) (ISO 14064-1:2018)	We have completed 90% of the Greenhouse Gas Emission (GHG) process.

Corporate Values and Culture

The Namunukula Plantations corporate culture is derived from the company's vision, mission, values, governance framework, leadership structure and corporate hierarchy, and our approach to risk management. By applying the values of agility, proactiveness, integrity, quality, and team spirit, the Company is well-poised to work as one team in an ethical and transparent manner to create value for stakeholders. Agility ensures the capability to sense, create, and respond to change quickly and confidently. Proactiveness ensures Behaviour involves acting in advance to deal with future situations; integrity ensures honesty in all we do by everyone who is a part of the company; team spirit ensures the feeling of pride and loyalty that exist among the Team members; and quality allows commitment to meet business and customer requirements in a satisfactory way.

Enhancing Corporate Knowledge

NPPLC, through a Memorandum of Understanding with the University of Sri Jayewardenepura, demonstrates its commitment to academic-industry collaboration. The partnership enables NPPLC to support student internships, providing practical experience and exposure to industry best practices. It also allows the Company to access new ideas and innovative perspectives, enhancing its knowledge base and strengthening its role as a responsible corporate citizen committed to workforce development and higher education.

(Refer to the NPPLC's Social Capital chapter [154 page] to get the comprehensive insight)

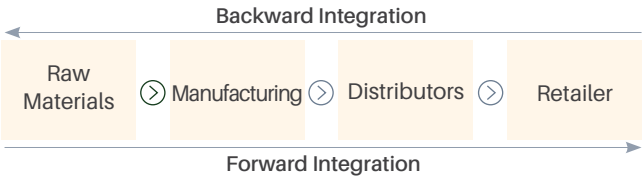


Corporate internal procedures

The company's adoption of best practices is not limited to only Company processes but is also shared with and promoted to our backward and forward integration partners as part of a broader commitment towards quality improvement across our value chain. The company's backward integration strategy focuses on developing durable relationships with the smallholder base by providing extension services, including development programmes, to enhance the adoption of good agricultural practices.

Alternatively, the company's forward integration strategy seeks to strengthen our relationships with Tea brokers who facilitate the sale of Tea through the auction process. We share best practices and other developments in the industry to enable our forward integration partners to understand the depth with which we adopt current and sustainable practices in our production processes, thereby improving the reputation of our products in the marketplace.

NPPLC encourages collaboration and cooperation throughout its value chain by extending its best practices to both backward and forward integration partners. This approach not only benefits the company, but it also helps to enhance quality standards and the sustainability of the industry.



Intellectual Capital

Corporate Governance System and Risk Management

The company's extensive governance framework, incorporating mandatory requirements and voluntary best practices alongside a robust risk management model, ensures transparent and ethical management while proactively mitigating risk factors. These elements of intellectual capital contribute to maintaining the company's corporate reputation in the marketplace.

The governance framework outlines procedures that ensure effective and compliant operations, promoting integrity and accountability. Together, these practices form a strong foundation for corporate governance, foster responsible business conduct, and safeguard the company's reputation. By upholding transparency, ethics, and proactive risk management, the Company demonstrates its commitment to responsible practices and strengthens its position in the marketplace.

Crop Diversification

When creating sustainable agriculture, the most important and most basic challenge is to make the best use of available biophysical and human resources. We have recognized that diversification of agriculture is an alternate way for the regeneration and conservation of resources, and attempts at diversification would ensure sustainability in agriculture. Crop diversification paves the way to spread production and income risk over a wider range of crops, thus reducing livelihood vulnerability to weather or market shocks. Monocultures often deplete specific nutrients from the soil, leading to soil degradation.

Crop diversification helps break pest and disease cycles and allows for more efficient nutrient use. It can also improve soil structure and reduce erosion, thus enhancing long-term soil health and fertility. NPPLC has recognized that plantations with diverse crop portfolios are better equipped to withstand climate change impacts. Different crops have different tolerances to temperature, rainfall, and other climatic factors.

We are excited to share that we have embarked on our journey of coffee cultivation, and our initial research phase has progressed remarkably well, reaching 80% completion. We have meticulously analyzed soil quality, climate factors, and sustainable farming techniques to create a solid foundation for our coffee plantation. As we move forward, we are eager to apply our findings and continue refining our approach, ultimately aiming to produce high-quality coffee that reflects our commitment to excellence and sustainability.

In-House Developed Information Systems

In-house-developed information systems can be tailored specifically to the organization's unique requirements and workflows. We believe confidential and responsive information systems are critical to staying ahead of the curve. The Company is currently in the process of upgrading the existing MIS system at Marksys to ensure the business is fully equipped to optimize information availability to make correct decisions. An effective and reliable internal information system can give the Company a competitive edge. It can boost user requirements, increase productivity, and help with strategic decision-making. In the past year, the Kinellan Tea Center has made significant strides in innovation with the successful development of Marksys, designed to enhance our operational efficiency and customer engagement.

Moreover, in order to be profitable, scalable and competitive in today's corporate environment, information technology and digital infrastructure are essential. Consequently, the Company regards investing in such as a top priority. The Company has put in place a number of policies to guarantee a strict framework to protect the company's intellectual property while also being aware of the numerous risks associated with cyber security, cyberattacks, and hacking. The IT department of the Richard Pieris group is in charge of carrying out the organization's digital strategy, which includes establishing IT rules and defending against online attacks.

Group Synergy

As part of the Richard Pieris Group, part of the biggest plantation family, and one of the venture partners of a joint venture arrangement having to manufacture palm oil production called AEN Palm Oil Processing (Pvt) Ltd., we tap into the high standards of systems and procedures, the strength of forward integration, highly evolved systems of management, and the expertise of leading industry professionals in the country. Committed to sustainability, we prioritize environmentally responsible practices and aim to minimize our ecological footprint through innovative technologies and sustainable sourcing methods in our palm oil production process.





Our Brands

Our brand represents the overall impact or lasting impression that all stakeholders have had with the company. We have remained committed and upheld sustainable agricultural and manufacturing practices to reach operational excellence. This has paved the way to position our brands for quality and standards, secure market confidence, and attract premium prices, even ahead of the national averages in several instances.



Leisure Service

Namunukula Plantations PLC has holiday bungalows in the Yatadola, Citrus, and Hindagala estates. Renting out these holiday bungalows adds value to the NPPLC brand through the recognition of local and foreign customers as a leisure product.

Our Kinnelan Tea Centre provides services aimed at improving our customers' knowledge and enjoyment of Tea. Our factory visits offer a fascinating look into the complex procedures involved in making Tea, enabling customers to observe directly the artistry required to turn fresh Tea leaves into the delicious beverage. Their understanding of Tea will grow as a result of this unique experience.

We offered customers an immersive experience in our fields, allowing them to dress like traditional pluckers and actively participate in the harvest. This hands-on opportunity deepened their connection to our heritage and fostered lasting memories rooted in authenticity.

Also, we offer Tea tasting opportunity, where customers can savor a variety of Teas, discovering their unique flavors and aromas.





INTERNATIONAL CERTIFICATIONS

ISO 22000:2018 – Food Safety Management

This Certification covers,
Food safety
Food quality assurance
Food hygiene

This ISO 22000:2018 Certificate obtain 05 Tea factories of NPPLC namely Gonakelle, Canavarella, Hindagala, Kinnalan and Baddegama which is valid for the scope of manufacturing of orthodox black Tea grades.

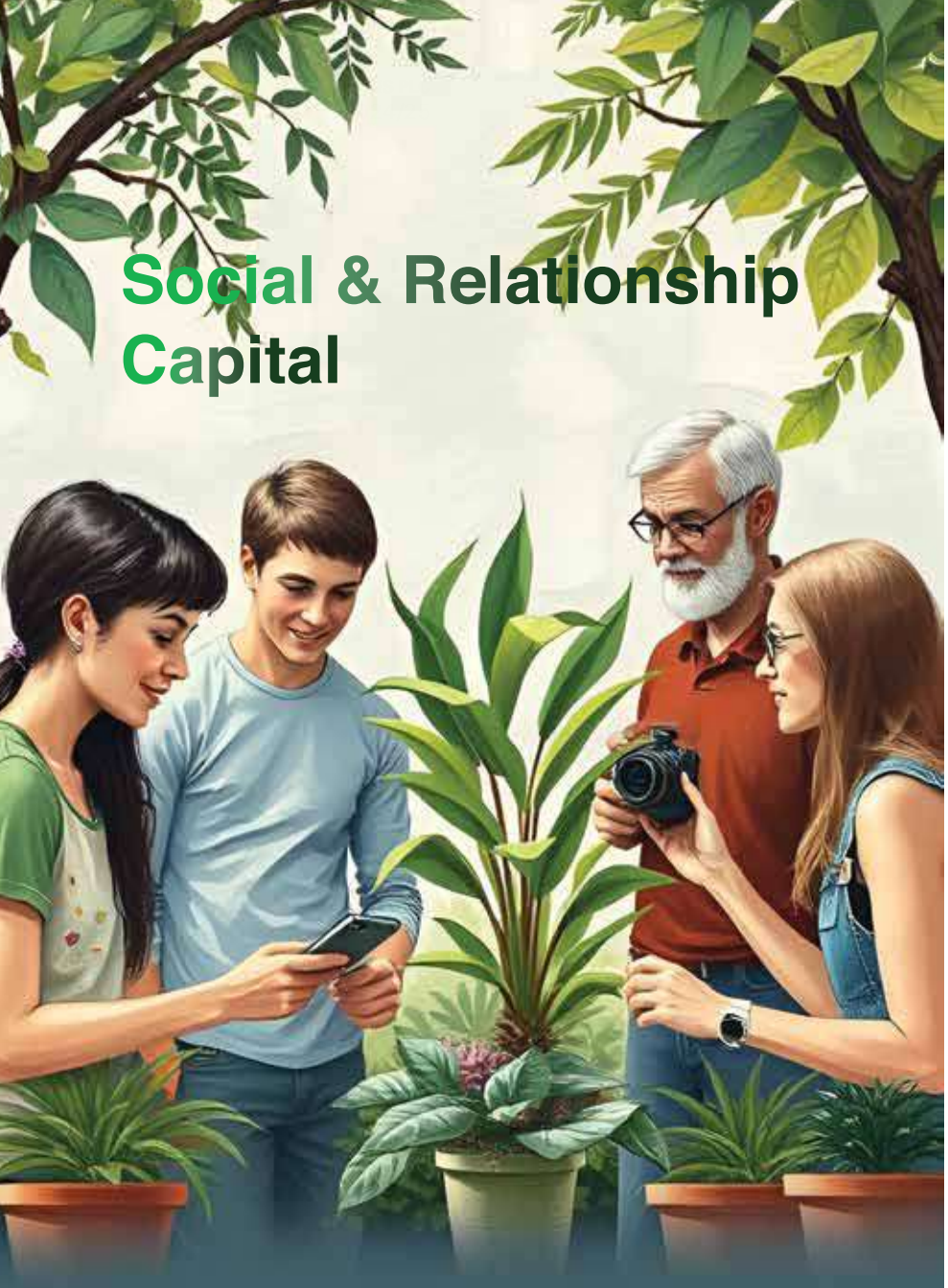
GMP (Good Manufacturing Practices for Biological, Chemical and Physical hazards)

GMPs, Good Manufacturing Practices, are implemented procedures and best practices undertaken to remove, reduce and control physical, chemical and biological hazards in the processing environment. Hindagala & Kinellan Estates in Uva range obtain this GMP

certificates

ISO 9001-2005 Quality Management System

This standard focused on demonstrating an organization's ability to provide products that meet customer and regulatory needs while aiming to enhance customer satisfaction. Our Baddegama estate obtain this standard.



Social & Relationship Capital

Social capital, which includes reciprocity, trust, and group cohesion, is the value created by social networks, relationships, and interactions within a community. It improves staff performance, collaboration, engagement, and creativity for organizations, creating a positive work atmosphere that raises morale and productivity. By integrating sustainability into social capital projects, businesses and the environment both gain from improved community relations and the promotion of ethical behavior. In addition, the triple bottom line idea, which emphasizes social, environmental, and economic aspects, emphasizes how crucial the social component is to attaining long-term success. Understanding and leveraging social capital while integrating sustainable practices can foster trust and loyalty among stakeholders, creating a positive impact on society and the planet.

> “The Company's social and relationship capital consists of the connections inside and across communities, stakeholder groups, and other networks, as well as the ability to share information to enhance the well-being of individuals and groups. Conventions and trust that encourage cooperation and coordination between parties are part of it.”

48

No. of bought leaf suppliers

Zero

Monetary value of significant fines

SUSTAINABLE DEVELOPMENT GOALS



Management Approach

Developing long-term relationships with important stakeholders creates social and relationship capital. The Company constantly contacts with stakeholders to establish long-term relationships and better understand their business operations and needs.

To meet consumer and market demands and create long-term value, the company shares information with value chain stakeholders through forward and backward integration, using various communication methods to build strong relationships and better understand their business operations. As a plantation enterprise, a large portion of our inputs and outputs are dependent on robust value chain operations. The Company recognizes the influence of its operations on surrounding communities. As a good corporate citizen, it collaborates with community members to improve their livelihoods and promote community growth.

NPPLC prioritizes community problems and aims to assist the entire society. As a responsible corporate citizen, NPPLC prioritizes community concerns when making decisions and setting budgets.

The company addresses negative repercussions of its operations by frequent analysis and discussions with active social unions. NPPLC is dedicated to ensuring that its business operations have no adverse effects on the community.
Furthermore, NPPLC tries to fulfill the community's collective desires. The Company improves and builds infrastructure for sanitation, housing, education, and transportation.

We communicate with our tea and rubber brokers on a regular basis to stay up-to-date on market trends and consumer needs. This allows us to meet changing consumer preferences and market situations.
We are sensible, structured, and responsible in how we interact with our social communities. Our corporate strategy and action plans align with our commitment to social responsibility.

Value Creation through Social Capital

The Company is aware that financial performance and business growth are dependent upon our ability to sustain strong relationships with these external stakeholders and hence, we create an operating climate which enables meeting these stakeholders' expectations in the long-term.

Strategic Responses for 2024/2025

GRI 2 -27

- Communicate and gained commitment from internal and external stakeholders.
- Maintain ethics throughout the value chain.
- Collaborate with certification and monitoring bodies to strengthen the operations.

We must acknowledge the vital role social capital plays in fostering the success of our business as we look back on the last year and make plans for the future. The foundation of our operations has been social capital, which is made up of the networks, relationships, and trust that are deeply ingrained in our business and its larger ecosystem. Our policy decisions are guided by social capital, which also affects how we interact with stakeholders.

We have established a foundation of respect and trust with our suppliers, consumers, employees, and communities that enables our business to flourish sustainably. We emphasize diversity, inclusivity, and open communication in our friendly workplace culture, which reflects our commitment to social capital. These positive social norms have strengthened business performance by boosting employee morale and engagement and by building an innovative and excellence-driven culture.

We've expanded our market share and reached new opportunities by leveraging social capital through partnerships. Our commitment to nurturing social capital is vital for enduring success and sustainable development, promoting collaboration and embracing diversity to create value for all stakeholders.

Progress of our social capital targets

Social Capital Targets	Progress to Date
Support of Local Events	We've celebrated festivals from diverse religions in our estates, fostering unity and cultural appreciation among all residents.
Health and Wellness Programmes	We've organized health camps and provide free medical services to individuals who might otherwise face challenges in obtaining quality healthcare.
Effectively identify customer satisfaction levels and reduce complaints	At our kinellan Tea center we have established separate boxes for customer suggestions and complaints.
Educational programmes or scholarships provided to the community.	⊙ Providing financial assistance for children of all categories of employees pursuing university studies. ⊙ We have constructed Child Development Centers (CDCs) for children of our estate workers.
Establish Child Development Centers (CDCs) for children of our estate workers in all estates	We have constructed Child Development Centers (CDCs) in Hindagala and Hulandawa estates.

(This table indicates the progress of our social capital. Please refer to the NPPLC's Sustainability Chapter [page 46] to find out our performance)

Social & Relationship Capital

Our Engagement Activities

Social Welfare Related Activities

Brailing initiative of our 7th Integrated Annual Report

Financially Supporting Employee's Children in Pursuing Higher Education

Promoting Industry-Academia Collaboration through a Memorandum of Understanding (MOU)

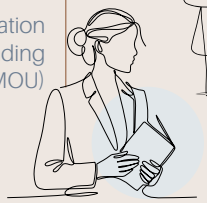
Mobilization Activities

Home gardening awareness Programmes

Household Cash Management Programme







Engineering Activities

New Life Housing Programmes

Developing infrastructure, including internal roads.





Health & Well being Related Activities

Eye Screening Programmes

Dental Care Initiatives

Health Campaigns

Construction of CDCs (Child Development Centres) under World Bank Assisted ECD (Early Childhood Development Project)

Awareness Programme on Enhancement of Nutritional Status

Tuberculosis awareness programme

Community Involvement and Development Related Activities

International Women's Day celebrations

Pongal Festival Celebrations

Katina Ceremony

Enhancing Accessibility and Inclusivity:

We are committed to ensuring our annual report is accessible to all.

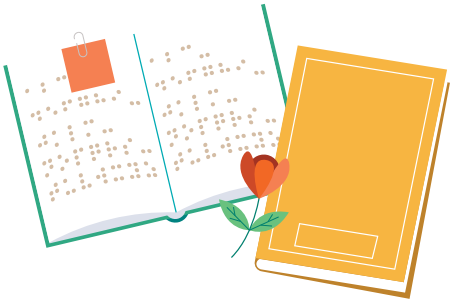
A Braille version of 7th Integrated Annual Report is available upon request.

Transforming our annual report into a Braille version exemplifies NPPLC's unwavering commitment to fostering an inclusive and equitable society. By meticulously brailling our financial and operational data, we are breaking down barriers that hinder access to vital information for the visually impaired community. This initiative not only reflects our dedication to social responsibility but also underscores our belief that transparency and inclusivity are fundamental to sustainable growth.

Providing the annual report in Braille empowers visually impaired individuals, students, investors, and community members alike to actively engage with our company's performance, strategic goals, and financial stability. It opens doors for them to gain a deeper understanding of our industry, encouraging informed participation in economic and social dialogues. Moreover, this effort supports educational opportunities for visually impaired students by offering them authentic educational resources, thereby fostering knowledge and independence.

Our commitment extends beyond compliance; it is a testament to our responsibility towards society. Distributing accessible information reinforces our values of equality and respect for diversity. It also builds stronger trust and rapport with all stakeholders, customers, investors, employees, and community partners by demonstrating transparency, openness, and genuine care.

Through this initiative, NPPLC reaffirms its pledge to serve as a responsible corporate citizen dedicated to creating an inclusive environment where everyone has the opportunity to thrive. Our ongoing efforts to enhance accessibility reflect our broader vision of a society where no one is left behind, and where our actions contribute positively to social progress and unity.



Inquiries on the Braille version of our 2024/25 Integrated Annual Report :

Please feel free to contact us to request a viewing of the Braille version of our 7th integrated annual report. We are committed to ensuring accessibility for all individuals, and we will do our best to accommodate your needs. Please reach out to Finance Division of NPPLC for assistance in accessing the Braille version of our report.

Terms and conditions apply

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Local Community

GRI 413-1

Since meaningful engagement is the foundation of long-term success, we are committed to establishing sincere relationships with the local community. We are dedicated to going beyond token gestures and making a meaningful impact on the communities we serve. We think that reinventing our relationship with the community is crucial for mutual prosperity and sustainable progress in a setting where economic and societal problems are always changing.

Our dedication to the local community is manifested through the following initiatives:

Investing in community development projects

A systematic approach to promoting sustainable growth and improving the standard of living for locals, investing in community development initiatives goes beyond a simple corporate social responsibility pledge. Our goal is to make a beneficial impact that extends beyond financial gains by investing in projects that specifically address the needs and goals of the communities we serve. Through these initiatives, we strive to build a sustainable future that uplifts communities and drives collective progress.

Establishing a robust Grievance System

We prioritize the needs and concerns of the community by implementing a comprehensive Grievance System. This platform enables community members to convey their common needs and issues, ensuring their voices are heard and addressed effectively. Responding to these issues in a timely and efficient manner demonstrates our commitment to fostering a welcoming atmosphere where each person's opinion is respected.

Promoting awareness and public development

We organize awareness programmes to educate and empower community members on relevant topics. By sharing knowledge and information, we aim to foster a culture of continuous learning and personal development. After all, we believe that well-informed individuals are the foundation of thriving communities, and we hope to create an atmosphere where everyone can prosper and make a significant contribution to society.

Building cooperative relationships

We actively collaborate with government and non-governmental organizations to maximize our impact on community welfare. By joining forces with like-minded entities, we can collectively address pressing social issues and bring about positive change.

Engaging with the community on operational changes

Before embarking on new projects, constructions, diversifications, or significant operational changes, we consult with local communities. We value their insights and perspectives, ensuring that our decisions are aligned with the community's interests and well-being.

Financial Support for Employees' Children in Higher Education

Through financial aid for all employees' children pursuing higher education, our CSR initiatives show our dedication to education and worker well-being. We acknowledge the value of higher education and give qualified pupils monthly payments until they graduate. As a testament to our commitment to investing in the future of our employees' families and developing an informed, talented workforce, we are proud to have assisted over 300 children since the programme's start. This programme demonstrates our commitment to educating the future generation to empower them.

Prioritizing environmental and social impact assessments

As a socially responsible organization, NPPLC recognizes the intrinsic value of our social community and firmly upholds the belief that the well-being and welfare of society are of the utmost importance. We are deeply committed to prioritizing the needs of our community and fostering a positive impact through our actions.



Social & Relationship Capital

CELEBRATING DIVERSITY AND EMPOWERMENT IN THE COMMUNITY

At our estates, we strongly believe in celebrating and honouring the diverse cultural and traditions that make up our community.

Key events include International Women's Day, which recognizes women's achievements through inspiring talks, workshops, and cultural performances, creating an uplifting atmosphere.

In this financial year, we held a Katina Ceremony at Huandawa Estate. Additionally, the estates celebrate traditional festivals like Pongal, marked by colourful decorations, music, and communal activities that foster unity and gratitude.

Together, these celebrations promote cultural exchange and strengthen community bonds, emphasizing the importance of diversity and empowerment. .





PROMOTING INDUSTRY-ACADEMIA COLLABORATION THROUGH A MEMORANDUM OF UNDERSTANDING (MOU)

As part of our commitment to fostering strong industry-academia partnerships and providing practical exposure to our students, the University of Sri Jayewardenepura's Department of Administration entered into a Memorandum of Understanding (MOU) with Richard Pieris & Company PLC. This collaboration aims to strengthen academia-industry relations, promote knowledge sharing, and offer valuable industrial exposure to our final-year undergraduates.

Under this partnership, during the financial year, three students from the department have been selected for internships with Richard Pieris & Company PLC, enabling them to gain real-world experience and enhance their professional skills. This initiative reflects our ongoing efforts to bridge the gap between academic learning and industry practice, preparing students for successful careers.



EMPOWERING FUTURES THROUGH EARLY CHILDHOOD DEVELOPMENT

Our Company proudly constructed Child Development Centers (CDCs) as part of a World Bank-assisted Early Childhood Development (ECD) project. These centers are dedicated to providing quality early learning experiences for the children of estate workers, ensuring they receive the nurturing and educational support they need during their formative years. By offering a safe and stimulating environment, we aim to foster holistic development and empower these young minds with essential skills that will benefit them throughout their lives, ultimately contributing to the well-being of their families and communities.

We are proud to announce that the Buluwana Division Child Development Center at Hulandawa Estate has won the Best CDC Competition 2024.





ENHANCING WORKERS WELL - BEING THROUGH VISION AND DENTAL CARE INITIATIVES

The estates' efforts to improve the general health of their employees and their families have included important dental and vision care programmes.

In addition to planned dentistry camps that provide screenings, basic treatments, and instruction on oral hygiene, these programmes provide free and convenient eye and dental exams.

At our Canavarella Estate, recently organized a comprehensive health outreach initiative, offering both dental and eye care camps for our workers and their children. This initiative was aimed at promoting overall well-being and ensuring access to essential healthcare services for our estate community.

Qualified medical professionals conducted thorough check-ups, provided consultations, and offered necessary treatments on-site, including the distribution of spectacles and oral hygiene kits. The programme was met with enthusiastic participation and reflects our ongoing commitment to the health and welfare of our workforce and their families





PROMOTING CHILD NUTRITION AND COMMUNITY WELL-BEING THROUGH ESTATE INITIATIVES

Our estates are committed to promoting the health and well-being of the communities we serve.

To this end, we have initiated a comprehensive nutrition programme aimed at improving children's nutrition and supporting their growth and development. We believe that nourishing the younger generation is essential for building a healthier future.

We are proud to share that both our Canavarella and Hulandawa estates have successfully implemented this vital programme, making a positive impact on the lives of many children in their respective areas.



COMMUNITY HEALTH CAMPS: ENHANCING ACCESS TO HEALTHCARE

As part of our CSR initiatives, we have started comprehensive health camps to improve the well-being of the community by offering free medical treatments to people who are unable to access high-quality healthcare.

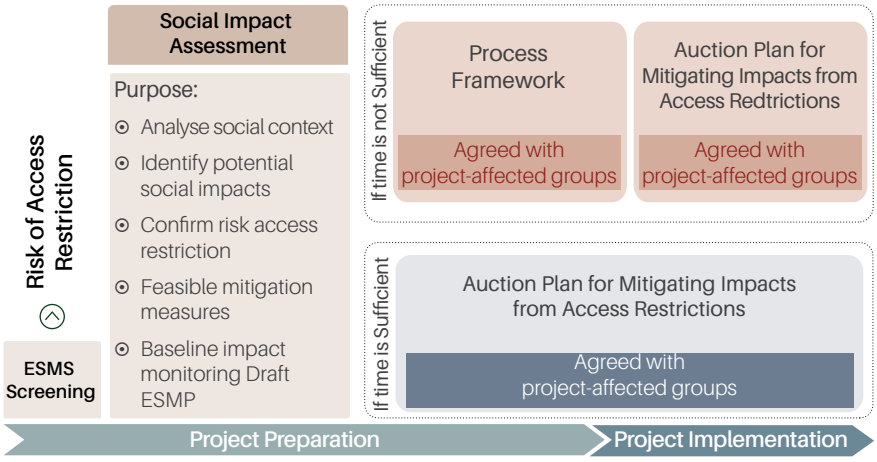
The medical staff at these camps is committed to providing a range of services, such as basic treatments, dental and eye examinations, blood pressure and diabetes screenings, and general check-ups. These camps are accessible and incorporate health education workshops to enable people to take control of their health.

Our community's access to healthcare, early detection, and preventive care are all intended to be enhanced by these initiatives.



Social & Relationship Capital

Supply Chain of NPPLC



Suppliers

GRI 308-1/408-1/414-1

We are aware of how crucial suppliers are to NPPLC's success and efficient operation. As a consequence, we are dedicated to building strong relationships based on professionalism, trust, and shared goals. Our procurement procedures, overseen by the Richard Pieris Group's procurement department, are distinguished by a stringent assessment procedure that guarantees transparency and equity in the supplier market. NPPLC's enormous supplier network reflects the depth and complexity of our business operations in several different sectors. We take a multifaceted approach to generate value for our suppliers. Our approach is predicated on our steadfast dedication to professionalism on prompt payment, and performance of our contractual obligations. This strategy cultivates a win-win partnership with our suppliers.

Supplier Assessment

GRI 308/2,414-2

The Company has a supplier assessment policy to ensure they are able to deliver the products and services to the quality and standards required by the Company. Our supplier assessment is carried out in accordance with Environmental, Social and other business considerations.

- **Environmental considerations** - Waste management, Compliance with environmental laws and regulations, Resource consumption.
- **Social considerations** - Child labour and labour practices, human rights, working conditions, compliance with labour laws
- **Other Business Considerations** – Governance, legal background, quality assurance, capacity, deliverability

We conduct a supplier assessment for Labour practices and social effect for all our material suppliers. When we are selecting our suppliers, we consider not only the economic factors but also other sustainability factors such as labour practices and social impact as well. We consistently condemn the use of child labor and unfair labor practices. Hence as a responsible corporate citizen in the country we prevent from getting supplies from companies which have no proper labour practices. In addition we are dedicated to sustainability and responsible sourcing by reducing adverse effects in our supply chain.

Promoting Local Procurement

GRI 204-1

We are proud to advance sustainable economic growth by prioritizing local procurement. While fixed assets like utilities and equipment make up just 1% of our procurement, the majority is sourced domestically. We actively support our supply chain partners in purchasing from local markets and buy Tea leaves directly from farmers. These efforts help local businesses thrive, promote resilience, and demonstrate our commitment to community development and sustainability.

Buyer, Broker and Customers

GRI 418-1

At NPPLC, we prioritize excellence in all aspects of our operations. With a holistic approach that includes planting, manufacture, and disposal, we are committed to providing high-quality goods to fulfill the changing needs of our discerning customers. We understand the significance of quality in generating competitive advantage in our Tea production business. We use public auctions to sell most of our Tea, but we also use direct sales channels. Our manufacturers never waver in their pursuit of improving product quality in order to maximize our auction prices in the face of rising manufacturing expenses. By means of ongoing enhancement programmes and rigorous quality assurance protocols, we endeavour to surpass industry benchmarks and reliably provide Tea goods that satisfy our clientele and fetch the highest prices in the marketplace.

At our Tea centres, we prioritize the confidentiality and privacy of our customers. We want to assure that all personal information, customer share with us is protected and will never be disclosed to third parties. Also we have established separate boxes for customer suggestions and complaints.

Additionally, we have established a joint venture agreement with Agalawatte Plantations PLC and Elpitiya Plantations PLC at the group level as part of our efforts to achieve of value addition and strategic collaboration. We jointly utilize processing facilities under the name AEN Palm Oil Processing (Pvt) Ltd (AEN) in order to optimize the value of NPPLC's palm oil output. This joint venture, in which each participating Company has a one-third ownership and profit-sharing share, demonstrates our dedication to mutually beneficial relationships and long-term expansion. We hope to improve the value proposition of our joint venture by concentrating on producing higher-quality fresh fruit bunches. This will benefit all parties involved and ensure the longevity and success of our efforts to produce palm oil.



Membership Associations

GRI 2-28

In addition, to further improving our production practices we are interacting with some institutions and have obtained membership from those. NPPLC is a member of,

Further NPPLC maintains links with key institutes such as,

- The Colombo Tea Traders' Association
- The Planters' Association of Ceylon
- The Colombo Rubber Traders' Association
- The Employers Federation of Ceylon
- Spices and Allied Products Producers
- Traders Association & Palm oil Industry Association of Sri Lanka
- Rubber Research Institute of Sri Lanka
- Tea Research Institute
- Coconut Research Institute
- Sri Lanka Tea Board
- University of Peradeniya
- The Institute of Chartered Accountants of Sri Lanka
- The Association of Accounting Technicians of Sri Lanka.
- Sri Lanka Climate Fund

Social & Relationship Capital

We are pleased to announce that our Company is undergoing Greenhouse Gas (GHG) verification in collaboration with the Sri Lanka Climate Fund. This partnership underscores our commitment to environmental sustainability and transparency, as we work together with the Sri Lanka Climate Fund to accurately measure, report, and verify our GHG emissions.

(Refer to the Natural Capital Chapter [page 165] to get the comprehensive insight)

EXTERNAL ASSURANCE ON QUALITY

ISO 9001-2005 certification
Lower range Baddagema Estate

ISO 22000 – 2018 food safety management certificate
Hindagala, Kinellan, Canavarella and Gonakelle Estates located in Uva range Baddegama in lower range

HACCP
Lower range Baddagema Estate

GMP
Hindagala and Kinellan in Uva range

Ensuring Customer Health and Safety

GRI 416-1/ 416-2

Our Tea products are primarily sold through auction systems or directly to buyers, with limited direct interaction with end consumers. However, we recognize the importance of meeting the needs and expectations of our buyers and have proactively invested in obtaining relevant certifications to provide assurances of the quality of our systems and processes across our Tea estates and factories. As part of this effort, certain estates within our organization have successfully implemented the ISO 9001-2005 quality management system, Food Safety Management System, which further reinforces our commitment to delivering high-quality products that meet rigorous food safety standards. Further, NPPLC is pleased to confirm that we have recorded no incidents related to non-compliance with health and safety regulations with respect to the production and sale of our products. This is a testament to our organization's steadfast commitment to ensuring that our operations and products meet the highest standards of safety and quality. Our future goal is, by investing in cutting-edge safety technologies, putting creative ideas into practice, and updating our policies to put health and openness at the forefront of what we do, we are dedicated to improving the health and safety of our customers.

Responsible Informative Labelling

GRI 2-27/417-1/417-2/417-3

Our Product labelling of Tea contains all required information as guidelines set out by the Sri Lanka Tea Board and the Ceylon Tea Traders Association on product in formation and labelling. Our packaging stenciled onto each package, the required product information to support our customers in ascertaining the quality of our Teas including Company name, MF Number, Garden mark, Grade, invoice number, Net weight, Tare Weight and Gross weight on our labels. Incidents of non-compliance with regulations concerning product and service information and labelling have not been reported and no monetary fines were paid during the year under review.

Product And Service Information And Labelling

Our agricultural practices on all estates confirm to the requirements of the Tea Research Institute of Sri Lanka and other certification requirements. We want going ahead with complying with all these labelling requirements specified by regulatory authorities.

Government and Regulatory Bodies

GRI 2-28/201-4/ 415/ 415-1

We are the Company which was privatized in 1992 by the Government of Sri Lanka and we are maintaining a good relationship with the Government. We have managed our plantations effectively and generated a positive value fulfilling the purpose of privatization. Some Financial Assistance and Grants are provided by the Government through institutions to achieve national goals such as increasing housing facilities and achieving full employment etc. Financial assistance received from Government is as follows,

Institution	Nature of Grant	2024/2025	2023/2024
RRI	Rubber Replant subsidy (Rs.'000)	7811	5,042

Apart from that, our organization maintains a non-partisan stance and does not engage in any political activities. Additionally, we confirm that no financial contributions were made to any political party during the specified period.

Our Indirect Economic Impacts

GRI 203-2

Strengthened the small holder families

Currently, the direct supplier base of Tea smallholder growers of NPPLC stands at 48 living around our estates. We are always trying to give additional knowledge, advice, supporting services, to improve their life styles to go beyond traditional marketing approaches. Most of our small holders are giving job opportunities to another few families by offering working in their Tea fields, plucking, transporting leafs etc. Therefore, our bought leaf operation is creating indirect employment opportunities to approximately 5000 families.

Foreign Currency Saving

Sri Lankan production of Oil palm is not sufficient for Sri Lankan consumption. Therefore, every year we have to use more foreign exchange to import palm oil. As the second highest Oil palm producer in Sri Lanka we also contributed to this import reduction and foreign exchange saving of the country by fulfilling local requirement of Oil palm.

Impacts of activities, products and services on biodiversity

GRI 304-2

we are committed to minimizing the significant impacts of our operations, products, and services on biodiversity. We recognize biodiversity conservation not only as an environmental imperative but also as a core social responsibility. Our activities are guided by a sustainability framework that prioritizes the protection and enhancement of natural ecosystems. We actively assess and manage potential impacts on habitats, species, and ecological processes, taking measures to avoid, reduce, and where necessary, restore affected areas. Through these proactive efforts, we aim to demonstrate responsible environmental stewardship and contribute meaningfully to global biodiversity preservation.



Natural Capital

> At Namunukula Plantations, we recognize that our operations are deeply intertwined with the health and resilience of natural capital water, soil, air, and biodiversity. These resources are not only essential for our agricultural production but also underpin our business success and long-term viability. By prioritizing sustainable management practices, we enhance our resilience, competitiveness, and ability to thrive in a rapidly changing environment.

Our natural capital is the foundation of our operations, encompassing renewable and non-renewable environmental resources and processes that support our past, present, and future profitability. By expanding our crop portfolio with high-yield, sustainable crops like oil palm, tea, rubber, coconut, and cinnamon, we ensure a resilient agricultural system capable of withstanding climate change and market fluctuations. Our commitment to sustainability is further reinforced by pursuing international sustainability standards and fostering strong relationships with local communities through education and economic support. By prioritizing natural resources, energy consumption, waste management, and effluent discharge, we secure long-term success and prosperity for both the company and the communities we support, creating lasting value for stakeholders and future generations.

76.78 Ha

New Planting Extent-

458.01 Ha

Re Planting Extent-

334 Mn

New Planting & Replanting Cost

21%

Electricity consumption

20%

Fertilizer consumption

30%

Fuel consumption

2.15 ML

Purified liters of water

SUSTAINABLE DEVELOPMENT GOALS

Natural Capital

Management Approach

Sri Lankan environmental laws, rules, regulations, standards, and policies established by the Central Environmental Authority and other regulatory agencies are all adhered to by our management approach to natural capital. We follow best practices from internationally recognized certification programs, such as the Rainforest Alliance Sustainable Agriculture Network. We adhere to the UN Global Compact (UNGC) principles and strive to achieve sustainable development goals.

During the implementation of corporate strategies, procedures, and systems, the company prioritizes environmental sustainability and protecting the usage of natural resources. The Company actively manages and monitors its natural capital, including water usage, non-renewable energy use, material use, carbon footprint, waste management, and climate change impact, to minimize negative environmental impact from estate activities. We prioritize sustainable methods and policies for our palm oil plantations, resulting in high-quality goods while protecting natural resources.

We manage over 11779 hectares of land and prioritize environmental protection on our estates. As a plantation company, we rely on natural resources, and the climate has a direct impact on our operations and sustainability. Protecting the environment is a vital responsibility that benefits both the current and future communities, as well as the business's sustainability. NPPLC's environmental strategy prioritizes minimizing environmental effect and ongoing improvement. All corporate budgets include a considerable amount of funding for environmental expenditure, as well as adequate standards for estate-level execution.

NPPLC understands that appropriate estate management costs are offset by stated benefits. Our benefits include lower manufacturing costs, enhanced output, improved product quality, and improved marketability through alliances built on a clean public image.

Value Creation through Natural Capital

The Company is aware that financial performance and business growth are dependent upon our ability to sustain strong relationships with these external stakeholders and hence, we create an operating climate which enables meeting these stakeholders' expectations in the long term.



Strategic Responses for 2024/2025

- Manage and reduce environmental footprint to mitigate the potential risks towards the environment.
- Strive towards reducing variables that impact the environment negatively through managing waste.
- Invested on environmental initiatives to protect and conserve biodiversity.
- Satiate water requirements from sustainable sources to ensure the optimal utilization.
- Adhering to established environmental policies to outline business activities with a minimum environmental impact.
- Following sustainable procurement practices that prioritize environmentally friendly products and services.
- Engage with stakeholders, including the local community, to build support for environmental initiatives and gather feedback on the business's environmental performance for continuous improvement.



Material Management

GRI 301-1/301-2/301-3

At Namunukula Plantations PLC (NPPLC), we recognize the significant impact of our operations on the environment, given the extensive consumption of materials throughout our planting, manufacturing, and transportation processes. From seed planting to delivering products to the auction market, meticulous planning, resource allocation, and careful management are essential to meet quality standards and ensure timely delivery. The scale of our operations underscores the importance of efficiency and sustainability in resource management. The sheer volume of materials used underscores the scale of operations at NPPLC and highlights the importance of efficiency and sustainability in the management of resources.

In our ongoing commitment to sustainability and responsible sourcing, we are pleased to report in the past year, we have reclaimed a limited number of Tea packets, reflecting our dedication to reducing waste and enhancing our operational efficiency.

While we strive to minimize the reclamation of products, we recognize that some circumstances may necessitate this process. Our team is actively working to improve our supply chain management and product quality controls to ensure that the need for reclaiming products is kept to an absolute minimum.

Additionally, we have adopted the use of reusable sacks for packing our Tea, which not only helps reduce waste but also enhances the overall sustainability of our packaging practices.

Through careful monitoring and strategic decision-making, NPPLC strives to maximize efficiency and minimize wastage in its operations, ultimately contributing to a more sustainable and environmentally friendly production process. Given that many such materials are manufactured using scarce natural resources, we must be responsible in their usage. We believe that sustainable material management is an important part of conserving natural resources, reducing waste, and minimizing our ecological footprint. So the following initiatives were implemented to keep up with that responsibility:

- Reuse one-sided paper.
- Staff requires approval for limited office supply orders.
- Shift to natural alternatives like compost and organic fertilizers.
- Conduct awareness programmes for employees on mindful consumption.
- Replace inefficient machinery to minimize material waste.
- Use reusable sacks for packing Tea.

Further, we are continuously improving strategies to minimize non-renewable materials and encourage the use of recycled materials. As a result, we implemented a system to use refused Tea for Tea cultivation to fertilize the lands. This innovative approach not only reduces waste but also enhances soil fertility, aligning with our commitment to sustainable agriculture.

Natural Capital

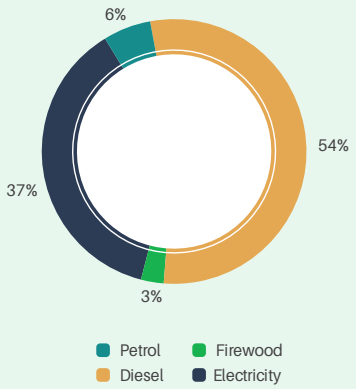
Non-renewable material used

	Source	Units	2024/25	2023/24	Change
Fertilizer	External	Kg	2,267,297	1,885,928	20%

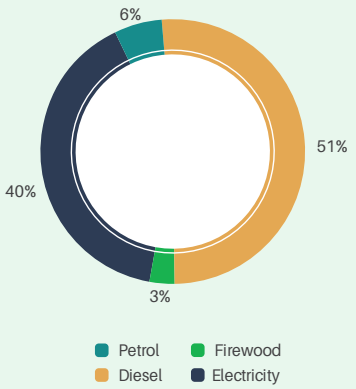
Renewable material used

	Source	Units	2024/25	2023/24	Change
Bought leaf	External	Kg	445,072	1,776,910	-75%
Estate leaf	Internal	Kg	5,632,573	4,910,113	15%
Rigid Tea sacks	External	No.of bags	29,853	32,838	-9%
Multi paper sacks	Supplier	No.of bags	13,152	24,790	-47%
Firewood	Internal/ External	M^3	8,299.74	13,593	-39%
A4 usage	External	Packets	420	353	19%

Energy Consumpti on 2023/24



Energy Consumpti on 2024/25



Energy Management

GRI 302-1/2/3/4/5

We recognize that efficient energy management is not only a wise business move but also a crucial step towards sustainability. By reducing energy consumption, we lower expenses, enhance our reputation as a sustainable business entity, and contribute significantly to the fight against climate change. The majority of our energy costs are associated with the withering and drying processes, where trees grown for burning provide thermal energy. However, we have transitioned towards more sustainable practices by implementing strategies for efficient energy utilization. Our manufacturing processes involve numerous electrical and mechanically powered machines that consume both renewable and non-renewable energy sources, making energy management a vital component of our operations. To ensure efficient energy consumption across our operations, we have implemented several initiatives:

- Replacing traditional lighting with LED bulbs and efficient accessories in buildings.
- Designing factories to maximize natural light, thus minimizing artificial lighting needs.
- Utilizing energy-efficient machines and equipment.
- Cultivating trees for firewood to promote sustainable forestry and protect valuable trees.
- Conducting awareness programmes to educate employees and the community on mindful energy consumption.
- Maintaining air conditioning systems at standard temperatures.
- Monitoring electricity and fuel consumption across estates.
- Implementing ongoing initiatives to reduce greenhouse gas emissions through renewable energy use and improved energy efficiency

Fuel & Energy Consumption

Non-renewable sources	Unit	2024/25	2023/24	Change
Petrol	GJ	784.63	1,037.662	-24%
Diesel	GJ	6,145.32	8,875.475	-31%
Renewable sources				
Firewood	GJ	314	432	-27%
Electricity consumption	GJ	4,883.2272	6,211.626	-21%
Total energy consumed	GJ	12,127.18	16,556.76	-27%
Total area	ha	5,182.6	5,238.84	
Energy intensity ratio (Gigajoules per hectare)		2.34	3.16	

As a Company operating in the plantation sector, we are committed to sustainability and efficiency. However, it is important to acknowledge that our opportunities to significantly reduce the energy requirements of our products are limited. The inherent nature of our operations, which include cultivation, harvesting, and processing, often requires a substantial energy input. While we continually explore innovative practices and technologies to enhance our energy efficiency, the biological and operational constraints associated with plantation farming mean that our potential for major reductions in energy consumption is constrained. We remain dedicated to optimizing our processes where possible and seek to balance our energy needs with our sustainability goals.

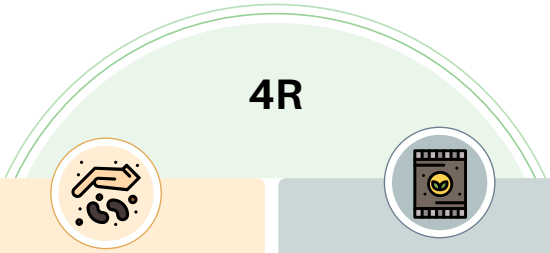
4R Nutrient Stewardship Framework

The plantation sector plays a critical role in supporting agricultural economies and ensuring sustainable crop production. Recognizing the increasing need for environmentally responsible practices, we have embraced the 4R Nutrient Stewardship framework as a guiding principle to optimize nutrient use, enhance soil health, and safeguard ecosystems.

Water & Effluent Management

GRI 303-1/5/303-3

Water is often referred to as the blood of life because it is essential for the survival of all living beings. Just as blood is crucial for the functioning of the human body, water is necessary for various biological processes to take place. Without water, life as we know it would not be possible. In the context of a plantation Company like NPPLC, water plays a critical role in ensuring the growth and survival of crops. Plants require water for photosynthesis, nutrient uptake, and overall growth and development. Without an adequate water supply, plants would wither and die, resulting in a loss of productivity for the company. The business processes of NPPLC are heavily influenced by natural environmental conditions, particularly the availability and quality of water sources. The Company relies on water for irrigation, processing of crops, and other agricultural activities. The interaction of water with the soil, air, and sunlight also plays a crucial role in determining the success of the company's operations. Overall, water is fundamental to the existence of living beings and the success of NPPLC as a plantation company. Recognizing the



Right Source

We source fertilizers only from reputable suppliers to ensure quality and sustainability.

One supplier recently won the Sustainability Reporting Award for their commitment to environmentally responsible practices.

We review laboratory reports for every batch of fertilizer to maintain transparency and product integrity.

Right Rate

We follow a meticulous schedule to determine fertilizer needs for crops like oil palm and tea.

This ensures tailored nutrient application for each plantation, preventing over-application and wastage.

Applying optimal fertilizer quantities enhances productivity while preserving soil health and reducing environmental impact.

Right Time

Timing is crucial in our fertilizer management practices.

We apply fertilizers two to three times a year, depending on crop growth stages.

Applications are scheduled to align with favorable weather conditions.

We avoid rainy seasons to prevent nutrient runoff.

This ensures effective absorption of fertilizers by soil and plants.

Right Place

Proper nutrient placement is crucial for efficient use and minimizing environmental losses.

Fertilizers are strategically applied near the root zones of crops like oil palm and tea for better absorption.

Applications are avoided near waterways to reduce nutrient leaching and protect ecosystems.

This targeted approach maximizes fertilizer benefits and supports sustainable agriculture.

Natural Capital

importance of water and managing water resources effectively is essential for the sustainability and profitability of the business.

Also, as an ethical business entity, we believe in the concept of sustainability. Therefore, NPPLC withdraws, consumes, and discharges water with care about the ecological balance and the quality of life of the local communities in the areas where our operations are carried out. Even though the essentiality of water is less in the Tea manufacturing process, the Rubber manufacturing process is based on the presence of water. We withdraw water for our usage from the following sources:



Surface water
Water pumped from rivers, lakes and wetlands



Ground water



Harvested Rain water



Municipal water

Due to the complexity of collecting data we were not able to maintain proper records on water withdrawal of above sources separately. However, below stated data relevant with Head office are directly measured and Estate Details were estimated by using information of statutory standards of Rubber Research Institute of Sri Lanka.

GRI 303-3/4/5

Water (Megaliters)	2024/25	2023/24	Variance
Total Water Withdrawn	15	15	0%
Total Water Consumption	2.06	7	-71%
Total Water Discharge	2.15	2.9	-26%

We believe that working with stakeholders such as pressure groups, researchers, the government, and the general public is critical for us to steward water as a shared resource and account for the needs of other water users in the catchment. However, for now, there is no shortage of fresh water resources in operational regions, and there are no difficulties in meeting the demand for water for human and ecological demands in our estates. Further, NPPLC is carrying out its business operations concerning the potential risks associated with water scarcity, quality, and access to water sources in the region, and we have arranged discussions with those stakeholders to get their heads together for an exchange of ideas and information.

We see this as the process of not only allocating and using water as a resource in a sustainable and efficient manner but, more importantly, developing and improving our resources through improved water retention techniques. Our crops do not depend on irrigation for their survival but basically depend on inherent ground moisture levels and, to that extent, the retention, preservation, and revitalization of groundwater levels. This is paramount in regularizing the flow of water in our streams, waterways, and springs and preventing them from drying out, especially at a time when their active flow becomes critical at times of dry weather in meeting the needs of our resident population.

Hence, our focus has been to reduce ground temperatures as far as possible, improve the permeability and water retention capacity of our soils, and improve recharge structures so as to reduce or eliminate the surface flow of water directly into the ravines and rivers. Continuous surface flow can be very destructive and environmentally unfriendly, doing absolutely no favor to what we strive for.

We carry out a range of initiatives to watershed management mentioned as follows:

- The Company seeks to fulfill part of its requirement from green water sources through rainwater harvesting. Under this resorting to deep draining is used to maximize the harvest of rain water while founding tanks and ponds for water harvesting at strategic locations.
- NPPLC uses water reuse and purification procedures to bring wastewater back into original condition.
- Promote awareness and culture of water saving among employees.

Wastewater Purification Systems

GRI 303-2/303-4

Rubber manufacturing is inherently water-intensive, requiring significant volume of water for production processes. At NPPLC, sustainability is a core principle guiding our operations, particularly in water management. Through innovative reuse and purification practices, we ensure that wastewater is treated to its original condition and then reintegrated into production and operational activities, minimizing environmental impact. In compliance with Rainforest Alliance (RA) requirements, soak pits have been constructed across our estates to cleanse water before its release into the environment. These pits also handle chemical-laden water through rigorous purification procedures to mitigate pollution risks. Dedicated wastewater purification projects are operational in Pallegoda, and Eladuwa Estates. These projects further enhance our commitment to sustainable water management by ensuring treated water meets environmental standards.

During the financial year 2024/25, NPPLC successfully discharged 2.15 megaliters of purified water from its Rubber processing factories. This achievement underscores our dedication to reducing environmental footprints while maintaining operational efficiency.

Wastewater Treatment Practices

At Namunukula Plantations PLC, sustainability is a key focus in managing environmental impacts, particularly in wastewater treatment. The wastewater treatment practices in our crepe Rubber factories may vary according to the volume of Rubber processed daily, ensuring efficient and environmentally responsible operations. Each processing plant is designed to accommodate the maximum volume of latex processed daily, ensuring that wastewater treatment systems are equipped to handle peak loads effectively. These practices prioritize water treatment as the primary environmental concern, while air pollution and solid management remain minimal challenges.

End of Process Treatment

Effective wastewater treatment is a cornerstone of sustainable operations in the Rubber industry, ensuring environmental protection while maintaining compliance with regulatory standards. The wastewater treatment process is divided into three key stages: pretreatment, secondary treatment, and tertiary treatment.

Pretreatment

- **Effluent Collection**
  Incoming effluent from production processes.
- **Rubber Traps**
  Removal of suspended solids (40% to 60% reduction).
- **Holding Tanks**
  Minimum 12-hour capacity with baffles for up-and-down flow.
- **Equalization Tanks**
  One-day detention time for flow variation management.
  Larger factories may utilize two tanks.
- **Stabilization of Water Quality**
  Prepares water for secondary treatment

Secondary Treatment

- **Extended Aeration**
  Aerated biological treatment performed throughout the day.
  Oxygen provided for biodegradation of remaining digestible properties.
- **Reduction of Pollutants**
  Significant reduction in BOD and suspended solids.
- **Secondary Settling Tank**
  Biologically treated effluent settles
- **Aerobic Ponds**
  Treated water remains for 15-16 days.
  Further treatment to eliminate discharge water risks.
- **Distance from Natural Water Source**
  Ponds built to prevent contamination

Tertiary Treatment

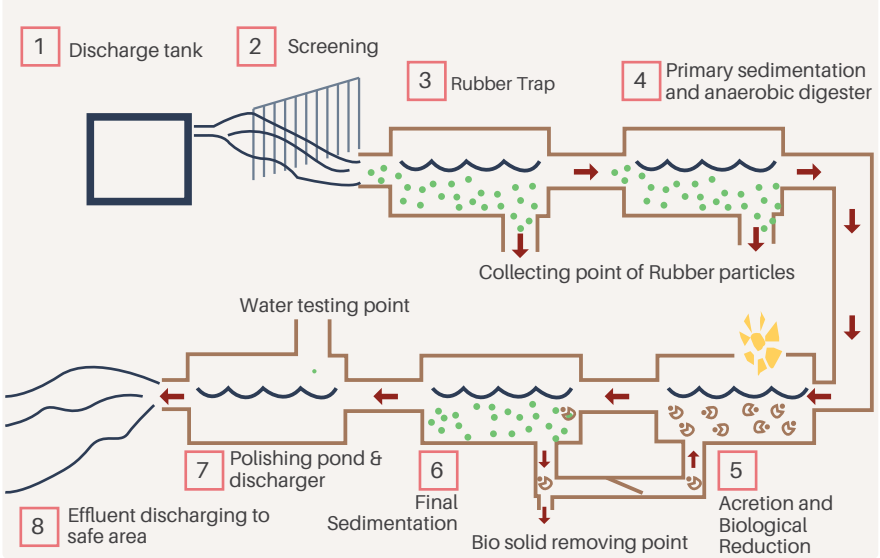
- **Tertiary Treatment Tank**
  Observation of remaining sludge and chemical conditions.
- **Periodic Checks**
  Monitoring COD and BOD levels.
- **Meeting Required Standard**
  Ensuring water quality meets environmental standards.
- **Final Release or Reuse**
  Treated water is either released into the environment or reused in operations.

Especial arrangement for chemical users to clean their attire without waste water releasing

The field of water resources management faces unprecedented challenges due to the growing uncertainties of global climate change. Rising temperatures, shifting precipitation patterns, and extreme weather events are disrupting the availability and allocation of water, making decision-making more complex than ever before. It is likely that ongoing climate change will lead to situations that have not been encountered before. As a result, new management strategies will have to be implemented in order to avoid setbacks in the future.

By integrating these practices, Namunukula Plantations PLC is setting

Rubber Crepe Factory Effluent Treatment Plant Diagram



Natural Capital

a benchmark for sustainable Rubber production in Sri Lanka. The company's approach not only protects sensitive ecosystems but also ensures the long-term viability of its operations, aligning economic interests with environmental stewardship. The company's efforts in wastewater management and ecosystem protection align with the growing need for sustainable practices in Rubber production, addressing concerns raised about the environmental impacts of Rubber manufacturing in Sri Lanka. These initiatives demonstrate a proactive approach to mitigating potential environmental issues associated with Rubber production, such as water pollution and ecosystem degradation.



Forest Management and Safeguard of Biodiversity

GRI 304-1/2/4

Specially Estates in Uva region; Gonakelle, Cannavarella, Kandahena, Pingarawa, Hindagalla & Kinnellan estates as well as in the Low grown agricultural areas are sensitive to certain degree of bio diversity.



We closely monitor the state of ecosystems that are impacted by our production and planting operations. Our employees have received extensive training on handling wasp assaults. As a result, their innate desire to preserve the environment compels them to do so. Because of this, we preserve wasp nests on our estates as a practice. Wasps are typically threatened by humans in these locations. The business's operations are closely related to minor waterfall bank lines and streams of water, where they observe the growth of trees and shrubs. We monitor our background environmental conditions in connection with the impact of our activities, which help to minimize our impact on the natural environment. We continuously assess our operations to ensure they align with best practices and strive to implement measures that protect and enhance local ecosystems.

At our plantations in Palawatte, Hindagala, Pingarawa and Kandahena, we recognize the rich biodiversity that co-exists within our estates, including various mammals, amphibians, birds, and reptiles. we are committed to ensuring that our operational activities do not harm these species. We actively implement conservation strategies that promote the protection and sustainability of local wildlife habitats. By fostering a harmonious relationship between our agricultural practices and the natural ecosystem, we aim to enhance biodiversity and contribute positively to the environment while maintaining the integrity of our operations.



The ecosystem of a stream or river can be viewed as a system operating in the natural environment and includes living interactions among plants, animals, and micro-organisms, as well as (non-living) physical and chemical interactions. These streams are ecologically important to maintain the trade of the plantations and the natural environment, as well as fulfill the water requirements.

We have timber plantations and forestry management on the Uva estates. These plants are influenced by the natural environment, climate, topography, soil, etc. On the other hand, these plants help to enhance the entire ecological system of the natural environment and the tradeoff between our operations and the natural environment. We remain committed and comply with all the guidelines laid out by the Central Environmental Authority and are engaged in obtaining the certificate of the code of ethics of the Rainforest Alliance.

Strategic Measures

- Educating employees and increasing the awareness to protect biodiversity
- Ongoing tree planting projects
- Promoting value of Biodiversity using signposts
- No fire & No hunting policies

Ongoing tree planting project

GRI 304-3

The finest approach of offering gratitude for the precious value added by the nature is gifting her with new trees. Therefore, NPPLC is constantly promoting forest coverage by planting new trees, going beyond commercial objectives to create a lasting positive impact on the environment. In addition to planting main crops, NPPLC has implemented lodging shade and green manure trees, fruits and native plants. Hence NPPLC's effort drives beyond the commercial purpose as NPPLC expects lower local temperatures change the micro climate and conserve water sources through the project.

Tree planting projects contribute to restoring degraded landscapes and improving soil health, ensuring long-term ecological balance. By gifting nature with new trees and fostering biodiversity, we not only honor her value but also secure a sustainable future for generations to come.

Invest during the year 2024/25	Rs
Tea	37,783,307.39
Rubber	92,142,039.61
Oil palm	132,375,118.51
Coconut	61,554,288.95
Timber planting	1,373,363.41
Other	9,112,048.42



Greenhouse Gas Emissions Management Strategies

GRI 305-1/2/3

In a defining step towards climate-conscious operations, Namunukula Plantations PLC proudly completed first-ever organizational Greenhouse Gas (GHG) Emissions Inventory for the year ended 31st March 2025, covering all 18 estates under our operational control. The assessment, verified by the Sri Lanka Climate Fund (Pvt) Ltd, reflects our alignment with global best practices and national climate policy.

Emission Sources

- **Scope 1:** 3,283 tCO_2e -Stationary combustion, Mobile combustion, Fugitive emissions arise from the release of GHG.
- **Scope 2:** 580 tCO_2e- Indirect GHG emissions from purchased energy.
- **Scope 3:** 376 tCO_2e- Indirect GHG emissions from transportation, Indirect GHG emissions from product used by the organization, indirect emissions from other sources.

Total Verified Emissions: **4,239** tonnes of CO_2e

GRI 305-4

GHG emission intensity for the year 2024/25 is 1.012tCO2e per LKR million.

GRI 305-5

This year marks the first greenhouse gas (GHG) inventory conducted by Namunukula Plantations PLC, establishing a baseline for emissions across our operations. As this is our initial year of quantification, there are no measurable reductions to report against a prior period. However, we have identified key emission sources and are implementing a series of reduction initiatives to achieve year-on-year improvement. These include the introduction of solar energy systems, upgrading to energy-efficient machinery, transitioning to low-emission transport, and optimizing fertilizer application to reduce nitrous oxide emissions.



GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Namunukula Plantations PLC

No. 310, High Level Road, Rawlinss, Maharagama, Sri Lanka

Access the QR code to view the certificate

Natural Capital

Emission Summary 2024/25

Emission Source	Total	CO_2	CH_4	N_2O	HFC
Category 1: Direct GHG emissions in tonnes CO2e					
Direct emissions from Stationary combustion					
Operation of on-site diesel generators	13	12.5340	0.0504	0.0277	
Firewood combustion	750		660.7157	89.0743	
LPG combustion	21	20.5507	0.0097	0.0089	
Direct Emissions from Mobile combustion					
Company owned diesel vehicles	338	332.2152	0.5211	4.7734	
Company owned petrol vehicles	46	44.7890	0.6356	0.5646	
Company owned off road vehicles(Diesel)	154	138.7903	0.2316	14.6241	
Agricultural Machinery (Petrol)	9	8.2118	0.4944	0.0129	
Direct fugitive emissions arise from the release of GHGs in anthropogenic systems					
CO2 emission from Urea application	412	412.30	N/A	N/A	
CO2emission from Dolomite application	65	64.71	N/A	N/A	
N20 emissions from Nitrogenous Fertilizers	1,113	1113.34	N/A	N/A	
N2O emissions from Nitrogen Volatilization	111				
N2O emissions from Nitrogen leaching & run-off	251				
Waste water generated	2	1.86			
CO2 fire extinguishers	0	0.061	N/A	N/A	
Total direct emissions in tonnes CO2e	3,283	2149.3645	662.6585	109.0859	0.0000
Category 2: Indirect emissions from imported electricity					
Purchased electricity	580				
Category 3: Indirect emissions from Transportation					
Raw material and finshed good transport from hired vehicles	249				
Employee Commuting	67				
Category 4: Indirect emissions from services used by the organization					
Food waste disposal	-				
Paper use for packing	-				
Waste disposal (Paper, Plastic, Polythene, Metal & Glass)	0				
Category 5: Indirect emissions from other sources					
Loss of grid energy in transmission & distribution for supplying purchased grid electricity	60				
Total indirect emissions in tonnes CO2e	956				
Total emissions in tonnes CO2e	4,239				

GRI 305-6/7

Ozone-depleting chemicals are not released as a result of NPPLC's operations. Additionally, the emissions of Sulfur Oxides (SOx) and Nitrogen Oxides (NOx) from our daily operations and estate community activities are regarded as insignificant.

GHG emissions from land use change, packing material transportation, bought leaf supplier transportation in Baddegama Estate, and transportation of locally purchased goods have been excluded from the current GHG emissions assessment. These exclusions are due to the unavailability of sufficient data to enable accurate quantification or because the impact of these sources is considered immaterial to the overall emissions profile. Efforts will be taken to improve data availability and expand the scope of future assessments where feasible.

The calculation of GHG emissions was carried out by applying relevant emission factors to the collected activity data, following internationally accepted guidelines and standards.

This emission has been calculated in accordance with the ISO Standard, ISO 14064-1:2018 Specification with guidance at the organization level for quantification and reporting of Greenhouse Gas Emissions and Removals. In addition, calculation of the carbon footprint has been guided by the concepts and principles of The Greenhouse Gas Protocol.

Scope	Emission Category	Activity	Data Source	Emission Factor (EF) Source	Source of Global Warming Potential (GWP) Values
Scope 1	Stationary Combustion	Operation of on-site diesel generators	Fuel invoices, stock book, system fuel issue summary	2006 IPCC AR5 V2_2_CH2 Statonary_Combustion	IPCC (AR6) 2021
Scope 1	Stationary Combustion	Firewood combustion	GRN, Stock book	2006 IPCC AR5 V2_2_CH2 Statonary_Combustion	IPCC (AR6) 2021
Scope 1	Stationary Combustion	LPG combustion	GRN, Stock book	2006 IPCC AR5 V2_2_CH2 Statonary_Combustion	IPCC (AR6) 2021
Scope 1	Mobile Combustion	Company-owned diesel vehicles	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_Combustion	IPCC (AR6) 2021
Scope 1	Mobile Combustion	Company-owned petrol vehicles	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_Combustion	IPCC (AR6) 2021
Scope 1	Mobile Combustion	Agricultural machinery (petrol)	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_Combustion	IPCC (AR6) 2021
Scope 1	Fugitive Emissions	Urea application (CO_2)	GRN, Stock book, System fuel fertilizer summary	2006 IPCC AR5 V4_11_ CH11_N2o&CO2	N/A
Scope 1	Fugitive Emissions	Dolomite application (CO_2)	GRN, Stock book, System fuel fertilizer summary	2007 IPCC AR5 V4_11_ CH11_N2o&CO2	N/A
Scope 1	Fugitive Emissions	Nitrogenous fertilizer use (N_2O)	GRN, Stock book, System fuel fertilizer summary	2008 IPCC AR5 V4_11_ CH11_N2o&CO2	N/A
Scope 1	Fugitive Emissions	Wastewater generation	Estate-level wastewater logs	2009 IPCC AR5 V5_6_ CH6_Wastewater	N/A
Scope 1	Fugitive Emissions	CO_2 fire extinguishers	GRN, invoice	N/A	IPCC (AR6) 2021
Scope 2	Purchased Electricity	Grid electricity from CEB	Monthly CEB bills	SLSEA Energy Balance 2021	N/A
Scope 3	Transportation	Leaf transport (Raw material)	Yield Book	2006 IPCC AR5 V2_3_CH3 Mobile_Combustion	IPCC (AR5) 2021
Scope 3	Transportation	Employee commuting	Staff surveys	2006 IPCC AR5 V2_3_CH3 Mobile_Combustion	IPCC (AR5) 2021
Scope 3	Waste	Packaging waste	Bstock	DEFRA 2024	N/A
Scope 3	Other Indirect Emissions	Transmission & distribution losses from grid electricity	CEB grid loss factor	CEB-Annual Repor 2022	N/A

Natural Capital

Waste Management

GRI 306-1/2 (2020)/3/4/5

As a responsible corporate citizen, NPPLC recognizes waste as one of the Company's primary negative effects. As a result, it strives to reduce, reuse, and replenish resources whenever possible. We acknowledge trash generation points as part of our responsibility to reduce the harmful environmental impacts of waste disposal from our factories.

We have extended our commitment to waste management by installing domestic waste management systems at the community level. The objective was to purify the soil and the environment, which are polluted by community activities, within the operational boundaries. The Company has introduced several initiatives to manage hazardous and non-hazardous waste.

- Office premises including estate office & head office consist dustbins to collect waste items and unnecessary items divided into three categories as polythene, foods & glass, and the head office waste is discharged through Municipal Council cleaning services and at estate level they are used to compost preparations.
- Established compost pits are used to produce organic fertilizer from appropriate waste items to refrain from artificial fertilizers.
- Refused Tea waste generated from Tea processing effectively utilizes as a substitute for the fertilizers Tea for the Tea cultivation.
- Transforming wastes into marketable products.
- Re use of paper as much as possible.
- Educating employees to increase awareness.

Waste Type & Disposal	2024/25
Packing Material Waste-BStock (Kgs)	133
Firewood Ash (Kgs)	15,926
Total Waste Generation	16,059

Soil Conservation

To protect land from soil erosion NPPLC always emphasizes better land management structures such as terracing, mulching, weeding, growing Mana (a type of grass that prevents soil erosion), and other plants to prevent soil erosion. Using plants for soil erosion control is an excellent biological method we use to safeguard the landscape and the shape of the land. In our Tea plantations, we adopt this method to safeguard the soil on our lands. In every tier or end of the planting areas with a higher slope, we will adopt these methods to prevent soil erosion. By doing so, we can minimize the conditions that promote soil erosion, such as rain, wind, physical disturbance, and overuse, by adapting to those methods. Preventing erosion with native plants is a common ecological practice in our land management. It is a relatively easy way to conserve top soils and prevent open areas from wearing away. Other methods include coir netting, mulching, terracing, and drains. We have also planted wild Sunflowers (Sooriyakantha) in immature Oil palm fields, mature Oil palm fields, and Cinnamon fields to improve the soil condition.

Environmental Compliance

GRI 307-1/2-27

As a Company committed to the wellbeing of the environment, NPPLC conducts operations in accordance with its own environmental procedures and Sri Lanka's environmental laws, regulations, rules, standards, and policies set by the Central Environment Authority and other regulatory bodies. We are guided by best practices advocated by internationally acclaimed certifications, including the Rainforest Alliance. We pursue the sustainability principles prescribed by the United Nations Global Compact (UNGC) programme and work towards meeting the sustainability goals. NPPLC is fully compliant with all applicable environmental laws and regulations and has not been subjected to monetary or non-monetary fines or sanctions for non-compliance during this year.

Relationship Building for Safeguard of Nature

GRI 308-1

NPPLC ensures that procurement practices are handled centrally by the procurement department of Richard Peiris Group through a proper evaluation process. Assessment of suppliers at registration and periodic reviews, including site visits and desk reviews, are in place to evaluate our suppliers. Our main suppliers consist of smallholders within our bought-leaf operations, agro-chemical and fertilizer suppliers, packing material, firewood and fuel suppliers, transporters, utility suppliers, and other service providers. We promote green consciousness across our supply chain and engage our new and existing suppliers to ensure that they meet our standards for environmental sustainability.

Therefore, in the evaluation process of selecting suppliers, they are screened based on pre-arranged environmental criteria, prioritizing the suppliers who could pose significant environmental impacts initially and whenever necessary.

Among them, the impact on the environment of the supplier is important. In 2024/25, a few major suppliers were newly added to our supply chain after a careful process of testing. A group of our senior management team representatives visited the new fertilizer suppliers' factories and premises and confirmed the clearance of the impact on the environment. All our newly joined smallholder suppliers are visited by our respective estate superintendents. Even though there are many supplies from Namunukula Plantations, only the material supplies have been disclosed here.

No of new suppliers	Screened %	No of suppliers identified for environment impacts
52	100	52

Our strategic objectives with regard to natural capital

Natural capital targets	Short-term initiatives	Medium-term expansion	Long-term vision
Implement water conservation programmes, including rainwater harvesting and efficient irrigation systems, to minimize environmental impact.	Organize workshops and training sessions for staff on water conservation practices and the importance of efficient water use.	Establish a monitoring system to track water usage and conservation outcomes.	Fully integrate water conservation practices into the plantation's operational framework, making them a core aspect of the company's sustainability strategy.
Expand renewable energy use (e.g., solar panels) to power plantation operations.	Installation at Baddegama Tea Factory	Deployment at Baddegama Tea Factory	Expansion to all Tea and Rubber Factories
Reducing greenhouse gas emissions.	Reducing greenhouse gas emissions by 8% annually.	Invest in renewable energy sources such as solar or wind for plantation operations.	Reducing emission effect by 15% by 2030 And achieving carbon credits by becoming carbon neutralized organization
Work with plantation companies under RPC Plantations Management Services (Pvt) Ltd. to standardize and scale sustainable practices across regions.	Organize workshops and meetings with plantation managers, workers, and local communities to understand their views on sustainability such as reduction of energy consumption.	Launch community engagement initiatives that promote sustainable practices among local farmers and communities and develop education programmes focused on environmental conservation and sustainable agriculture with other plantations.	Invest in R&D for sustainable technology and practices.(Eg: Smart Water Management Systems, Research into biofuels and hydrogen fuel)

GRI Contest Index

Statement of Use	Namunukula Plantations PLC has reported in accordance with the GRI Standards for the period [01st April 2024 – 31st March 2025]
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Agriculture, Aquaculture and Fishing

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Inner Back Page 10 to 12				
	2-2 Entities included in the organization's sustainability reporting	Page 7				
	2-3 Reporting period, frequency and contact point	Page 7 to 8				
	2-4 Restatements of information	Page 8				
	2-5 External assurance	Page 8				
	2-6 Activities, value chain and other business relationships	Page 58 Page 115				
	2-7 Employees	Page 138				
	2-8 Workers who are not employees	N/A	2-8 (a), (b), (c)	Not Applicable	All Workers are occupied as employees	
	2-9 Governance structure and composition	Page 28 to 30 Page 36				
	2-10 Nomination and selection of the highest governance body	Page 41 Page 211				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-11 Chair of the highest governance body	Page 33				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 33				
	2-13 Delegation of responsibility for managing impacts	Page 33 Page 43 Page 46				
	2-14 Role of the highest governance body in sustainability reporting	Page 43 to 46				
	2-15 Conflicts of interest	Page 34				
	2-16 Communication of critical concerns	Page 35 Page 49 to 50				
	2-17 Collective knowledge of the highest governance body		Due to confidentiality concerns, the Company does not wish to disclose these information.			
	2-18 Evaluation of the performance of the highest governance body					
	2-19 Remuneration policies					
	2-20 Process to determine remuneration					
	2-21 Annual total compensation ratio					
	2-22 Statement on sustainable development strategy	Page 13 to14				
	2-23 Policy commitments	Page 106 to 108 Page 49 Page 140				

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-24 Embedding policy commitments	Page 49 to 50 Page 106 to 108				
	2-25 Processes to remediate negative impacts	Page 106 to 112				
	2-26 Mechanisms for seeking advice and raising concerns	Page 106 to 112				
	2-27 Compliance with laws and regulations	Page 155 Page 165 Page 176				
	2-28 Membership associations	Page 161 to 162				
	2-29 Approach to stakeholder engagement	Page 101 to 104				
	2-30 Collective bargaining agreements	Page 140 Page 145				
GRI 3: Material topics 2021	3-1 Process to determine material topics	Page 106 to 112				
	3-2 List of material topics	Page 109 to 112				
Material Topics						
Economics						
Economic Performance						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 128				
	201-2 Financial implications and other risks and opportunities due to climate change	Page 59 Page 79 to 89				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	201-3 Defined benefit plan obligations & other retirement plans	Page 141				
	201-4 Financial assistance received from government	Page 162				
Market Presence						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 146				
	202-2 Proportion of senior management hired from the local community	Page 140				
Indirect Economic Impacts						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 133				
	203-02 Significant indirect economic impacts	Page 163				
Procurement Practices						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 160				
Anti-corruption						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 205 : Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 146				
	205-2 Communication and training about anti-corruption policies and procedures	Page 146				
	205-3 Confirmed incidents of corruption and actions taken	Page 146				
Anti-competitive Behaviour						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A		Not Applicable		
Tax						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 207 : Tax 2019	207-1 Approach to tax	Page 122				
	207-2 Tax governance, control, and risk management	Page 122				
	207-3 Stakeholder engagement and	Page 101				
	management of concerns related to tax					
	207-4 Country-by-country reporting	N/A		Not Applicable		

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Environment						
Materials						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 167				
	301-2 Recycled input materials used	Page 167				
	301-3 Reclaimed products and their packaging materials	Page 167				
Energy						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	Page 168				
	302-2 Energy consumption outside of the organization	Page 168				
	302-3 Energy intensity	Page 168				
	302-4 Reduction of energy consumption	Page 168				
	302-5 Reductions in energy requirements of products and services	Page 168				
Water						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 303 : Water 2018	303-1 Interactions with water as a shared resource	Page 169				
	303-2 Management of water discharge related impacts	Page 170				
	303-3 Water withdrawal	Page 169 & 170, Page 141				

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	303-4 Water discharge	Page 170				
	303-5 – Water consumption	Page 169 & 170				
Biodiversity						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 304 : Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 172				
	304-2 Significant impacts of activities, products and services on biodiversity	Page 172 Page 132 Page 163				
	304-3 Habitats protected or restored	Page 173				
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected	Page 172				
Emissions						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
	305-1 Direct (Scope 1) GHG emissions	Page 173				
GRI 305 : Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 173				
	305-3 Other indirect (Scope 3) GHG emissions	Page 173				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	305-4 GHG emissions intensity	Page 173				
	305-5 Reduction of GHG emissions	Page 173				
	305-6 Emissions of ozone-depleting substances (ODS)	Page 175				
	305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions	Page 175				
Effluents and Waste						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 306 : Effluents and Waste 2016	306-1 Waste generation and significant waste-related impacts	Page 176				
	306-2 Management of significant waste-related impact	Page 176				
	306-3 Waste generated	Page 176				
	306-4 Waste diverted from disposal	Page 176				
	306-5 Waste directed to disposal	Page 176				
Environmental Compliance						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 307 : Environmental Compliance 2016	307-1 Non Compliance with environment laws & regulations	Page 176				
Supplier Environmental Assessment						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 176 to 177 Page 160				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 160				
SOCIAL						
Employment						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	Page 139				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 140				
	401-3 Parental leave	Page 141				
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 147				
Occupational Health and Safety						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 141				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 141				
	403-3 Occupational health services	Page 141				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 141				
	403-5 Worker training on occupational health and safety	Page 141				
	403-6 Promotion of worker health	Page 141				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 141				
	403-8 Workers covered by an occupational health and safety management system	Page 141				
	403-9 Work-related injuries	Page 142				
	403-10 Work-related ill health	Page 142				

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GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and Education						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	Page 143				
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Page 143				
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 142				
Diversity and Equal Opportunity						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 139 Page 146				
	405-2 Ratio of basic salary and remuneration of women to men	Page 140				
Non discrimination						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 406 : Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 138				
Freedom of Association and Collective Bargaining						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 145				
Child Labour						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 408 : Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Page 145 Page 160				
Forced or compulsory labour						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 409 : Forced or compulsory labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 138				
Security Practices						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Page 133				
Rights of Indigenous Peoples						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Page 131				

GRI Contest Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Local Communities						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 413 : Local Communities	413-1 Operations with local community engagement, impact assessments, and development programmes	Page 146 Page 101 Page 104 Page 157				
	413-02-Operations with significant actual and potential negative impacts on local communities	Page 146				
Supplier Social Assessment						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 160				
	414-2 Negative social impacts in the supply chain and actions taken	Page 160				
Public policy						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 415 : Public policy 2016	415-1 Political contributions	Page 162				
Customer Health and Safety						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 162				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 162				
Marketing and Labeling						
GRI 3: Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 162				
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 162				
	417-3 Incidents of non-compliance concerning marketing communications	Page 162				
Customer Privacy						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 109 to 112				
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 160				

Compliance in line with Colombo Stock Exchange Listing Rules - Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.1.3	A statement confirming compliance with Corporate Governance Rules.	The statement has includes in report of Annual Report of Board of Directors	Complied
9.2	Policies		
9.2.1	Policies	The following policies which are mandated by the revised CSE listing rules are currently in place; • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations & Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosures • Policy on Whistle Blowing • Policy on Anti-Bribery and Corruption Aforementioned polices includes in the company website.	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Complied
9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Complied
9.3	Board Committees		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Complied
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The Company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	Chairperson and CEO		
9.6.1	Chairperson and CEO	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	Complied
9.6.3	Senior Independent Director	The Company does not have a Senior Independent Director (SID).	Complied
9.6.3. (b)	Senior Independent Director	Not Applicable	Complied
9.6.3. (C)	Senior Independent Director	Not Applicable	Complied
9.6.3 (e)	Senior Independent Director	Not Applicable	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 9.7.2 9.7.3	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from Directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Annual Report of the Board of Directors from Page 28 to 30 provides the relevant disclosure.	Complied
9.8	Board Composition		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Six (6) Directors as of 31st March 2025.	Complied

Compliance in line with Colombo Stock Exchange Listing Rules - Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Four (4) Independent Directors as of 31st March 2025.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of Directors according new revised rules.	Complied
9.9	Alternate Directors		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	Disclosures relating to Directors		
9.10.1	Policy on the maximum number of Directorships	Policy on maximum number of Directorships which a Director can hold in listed companies is 07.	Complied
9.10.2	Appointment of new Director	Disclose the appointments of new Directors to the Colombo Stock Exchange, including a brief resume, their Directorship capacity, and any relevant interest in shares of the Listed Entity. Please refer pages 28 to 30 for the brief resume of each Director.	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer page 28 to 30 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. Please refer page 35 for details of meeting attendance.	Complied
9.11	Nominations & Governance Committee		
9.11.1	Nominations & Governance Committee	The Company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.11.4	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 39.	Complied
9.12	Remuneration Committee		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company's has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non- Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non-discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.12.6	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 39.	Complied
9.13	Audit Committee		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied

Compliance in line with Colombo Stock Exchange Listing Rules - Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.13.3	Composition	The Audit Committee comprises of three Independent Non-Executive Directors. The Audit Committee met five times during the year. The Head of Finance and Group Internal Audit Manager of the Company attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Complied
9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on page 37 & 38.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 37 & 38.	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of Related Party Transactions Review Committee	The Company has Related Party Transactions Review Committee.	Complied
9.14.2 (1) & (2)	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Committee Report on page 40.	Complied
9.14.4	General requirements	The Related Party Transaction Committee met eight times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no. 32 of the Pages 258 to 260. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 40.	Complied
9.14.9	Acquisition and Disposal of assets from/ to related parties	There were no such transactions that required shareholder approval.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	Additional Disclosures		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on pages 28 to 41. Material non-compliance with any Law or Regulation has not arisen during the year 2024/25.	Complied

Code of Best Practice on Corporate Governance Issued by the Institute of Chartered Accountants of Sri Lanka In 2023

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
A. Directors			
A.1 THE BOARD			
A.1	An effective Board, which should direct, lead and control the company.	The Board of Directors	28 to 30
A.1.1	Regular Basis Board Mattings to execute responsibilities and provide structured information Financial Operational & Key Matters	Meetings of the Directors	35
A.1.2	Roles and responsibilities of the board.	Statement of Directors' Responsibility	214
A.1.3	Comply with the laws & Regulations of the country collectively and individually	Compliance	35 & 214
A.1.4	Access to the advice and services of the Company secretary	Board Secretary	33
A.1.5	Directors' Independent Judgments	The Board of Directors / Board Meetings	32 & 35
A.1.6	Dedicate adequate time and effort to matters of the board and the Company Duties and responsibilities	Board Meetings	33
A.1.8	Training & development programme for Directors	Nomination & Governance Committee	41
A.2 CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)			
A.2	Chairman & Chief Executive Officer	Board of Directors and Our Management Team	28 to 31
A.3 CHAIRMAN'S ROLE			
A.3	Chairman's role in preserving good corporate governance	Role of Chairman in overseeing the management of impact	33
A.4 FINANCIAL ACUMEN			
A.4	Sufficient financial acumen and knowledge to offer guidance on matters of finance	The Board of Directors	28 to 30
A.5 BOARD BALANCE			
A.5	Board Balance (balance of executive and non-executive Directors)	The Board of Directors	32 & 33
A.5.1	Board Composition: Ensuring Sufficient Calibre and Independence Through Non-Executive Directors	The Board of Directors	34 & 33
A.5.2 A.5.3	Independence of Directors	The Board of Directors	32 & 33
A.5.4	Annual Declaration of Independence by Non-Executive Directors	The Board of Directors	32 & 33
A.5.6	Alternative Director	N/A	

Code of Best Practice on Corporate Governance Issued by the Institute of Chartered Accountants of Sri Lanka In 2023

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
A.5.7 A.5.8	Senior Independent Director	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	
A.5.9	Meetings with Non-Executive Directors	Meetings held with NEDs	
A.6 SUPPLY OF INFORMATION			
A.6	Supply of Information	The Board of Directors and Meetings of the Board of Directors	33 to 35
A.7 APPOINTMENT TO THE BOARD : NOMINATION COMMITTEE			
A.7.1	Composition of the Nomination Committee	Nomination & Governance Committee Report	41
A.7.2	Annual assessment of Board composition	Nomination & Governance Committee Report	41
A.7.3	Succession plan for CEO & KMPs	Nomination & Governance Committee Report	41
A.7.4	Disclosures on appointment of new Directors	The Board of Directors (Disclose the appointments of new Directors to the CSE, including a brief resume, their Directorship capacity, and any relevant interest in shares of the Entity)	
A.7.5	Work of the Nomination Committee and the Board Appointment Process	Nomination & Governance Committee Report	41
A.8 RE- ELECTION			
A.8	Directors to submit themselves for re-election	Complied	
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF Directors			
A.10	Annual report Disclosure of Directors profile	Board of Directors	28 to 30
B. Directors' REMUNERATION			
B 1. REMUNERATION PROCEDURE			
B.1	Formal and transparent procedure for developing policy on executive remuneration	Remuneration Committee Report	39
B.2 .REMUNERATION COMMITTEE			
B.2	Remuneration of both executive and non-executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully	Note 09	39 & 240

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
B .3 .DISCLOSURE OF REMUNERATION			
B.3	Annual report disclosure of statement of remuneration policy and details of remuneration of the board	Note 09	240
C.RELATIONS WITH SHAREHOLDERS			
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS			
C.1 C.2	Communicate AGM to Shareholder encouragement of participation & Effective communication with Shareholders	Notice of Meeting - AGM	290 to 292
C.3	Disclose to shareholders all proposed material transactions	No Major Material Transactions During the Year	
D. ACCOUNTABILITY AND AUDIT			
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)			
D.1	Present a balanced and understandable assessment of the company's financial position, performance, business model, governance structure, risk management, internal controls	Financial Statements & Corporate Governance Structure	
D.1.1	Present an annual report including financial statements that is true and fair, balanced, and understandable and prepared in accordance with the relevant laws and regulations	Independent Auditors' Report & Financial Statements	215 to 263
D.1.2	Present a balanced and understandable assessment	Financial Calendar	208
D.1.4 D.1.5	Directors responsibility of preparation and presentation of financial statements, together with a statement by the auditors about their reporting responsibilities	Directors Responsibility	214
D.1.6	Management discussion & analysis	Value Creation	78 to 89
D.1.7	If a company's net assets fall below 50% of its shareholders' funds, the Directors must call an extraordinary general meeting to inform shareholders and report progress on remedial actions.	No Serious of loss Condition	
D.1.8	Related party transaction	Note to FS (Note 33)	258 to 260
D 2 RISK MANAGEMENT AND INTERNAL CONTROL			
D.2	Risk Management with Internal controls	Risk Management Chapter	54 to 76
D.2.1	Risk Management Framework	Risk Governance Framework	54

Code of Best Practice on Corporate Governance Issued by the Institute of Chartered Accountants of Sri Lanka In 2023

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
D.2.1.2	Describe the risk management framework, processes, and responsibilities and explain in the annual report how they are being managed or mitigated.	Risk Management Chapter	54 to 76
D.2.1.3	Board Responsibility for Risk Management and the Establishment of a Risk Committee	Risk Management & Internal Controls also covered by the Audit Committee	37 & 38
D.2.1.5	Composition of Risk Committee		
D.2.1.6 D.2.1.7	Inclusion of a Risk Committee Report in the Annual Report Outlining Its Role and Discharge of Responsibilities		
D 3 AUDIT COMMITTEE			
D.3	Audit Committee	Audit Committee Report	37 & 38
D.3.1	Composition of Audit Committee	Audit Committee Report	37 & 38
D.3.2	Authority & Duties of Audit Committee	Audit Committee Report	37 & 38
D.3.3	Work of the Audit Committee in Discharging Its Responsibilities	Audit Committee Report	37 & 38
D 4 RISK COMMITTEE			
D.4	Risk Committee	Audit Committee Report	37 & 38
D 5 RELATED PARTY TRANSACTION REVIEW COMMITTEE			
D.5	Related Party Transaction Committee	Related Party Transactions Review Committee	40
D.6 CODE OF BUSINESS CONDUCT & ETHICS			
D.6	Code of business conduct for Directors, key management, and employees, addressing issues like share dealings, listing rules, bribery, corruption, confidentiality, and reporting unethical behaviour.	Against Corruption	146
E. INSTITUTIONAL INVESTORS			
E. SHAREHOLDER VOTING			
E.1	Communication with Shareholders	The Company has a Shareholder Communication and Relations policy and It is published on the Group website. (www.arpico.com)	
G. INTERNET OF THINGS AND CYBERSECURITY			
G.1 INTERNET OF THINGS AND CYBERSECURITY			
G.1	The board should identify cyber security risks associated with IT devices connecting to the organization's network, as these devices can be embedded in everyday objects.	In-house Developed Information Systems	152

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
H .SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H .1 SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H.1	Consideration of Sustainability and ESG Risks and Opportunities in Business Model, Operations, Planning, and Long-Term Strategy	Sustainability Reporting	43 to 53
I .SPECIAL CONSIDERATIONS FOR LISTED ENTITIES			
I.1 ESTABLISHMENT AND MAINTENANCE OF POLICIES			
I.1	Establish and maintain policies relating to its governance and disclose the fact of existence of such policies	Corporate Governance	
I.2 POLICY ON MATTERS RELATING TO THE BOARD OF Directors			
I.2	Formal policy governing matters relating to the board of Directors.	Corporate Governance	

S1 & S2 Index

S1 Index

Core Elements		Recommended Disclosures	Page Reference
Governance	1	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	Governance Chart , Sustainability Chapter
	2	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	Governance Chart , Sustainability responsibility Chapter
Strategy	3	"(a) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects"	Risk Management chapter , Sustainability Chapter
	4	Sustainability related risks and opportunities	Risk Management chapter , Sustainability Chapter
	5	Business model and value chain	Value chain Page
	6	"(b) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain"	Sustainability Chapter / Sustainability Agenda (Try to attach at the end)
	7	(c) the effects of those sustainability-related risks and opportunities on the entity's strategy and decision making	Risk Management chapter , Sustainability Chapter
	8	(d) an entity shall disclose quantitative and qualitative information about the effects of those sustainability related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long-term, taking into consideration how those sustainability-related risks and opportunities have been factored into the entity's financial planning, Financial position, financial performance and cash flows.	Risk Management chapter , Sustainability Chapter Metrics table , Finance capital Value added statetement , Accounts Set
	9	(e) the resilience of the entity's strategy and its business model to those sustainability-related risks	Risk Management chapter , Sustainability Chapter
Risk Management	10	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:	Risk Management chapter , Sustainability Chapter
	11	(b) the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	Risk Management chapter , Sustainability Chapter
	12	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Risk Management chapter , Sustainability Chapter

Core Elements		Recommended Disclosures	Page Reference
Metrics and Targets	13	(a) An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:	Risk Management chapter , Sustainability Chapter
	14	(b) the specific quantitative or qualitative target the entity has set or is required to meet	Sustainability Chapter Metrics table
	15	(c) the period over which the target applies	Sustainability Chapter Metrics table
	16	(d) the base period from which progress is measured	Sustainability Chapter Metrics table
	17	(e) any milestones and interim targets	Sustainability Journey and Current Projects
	18	(f) performance against each target and an analysis of trends or changes in the entity's performance	Sustainability Chapter Metrics table
	19	(g) any revisions to the target and an explanation for those revisions	Sustainability Chapter Metrics table

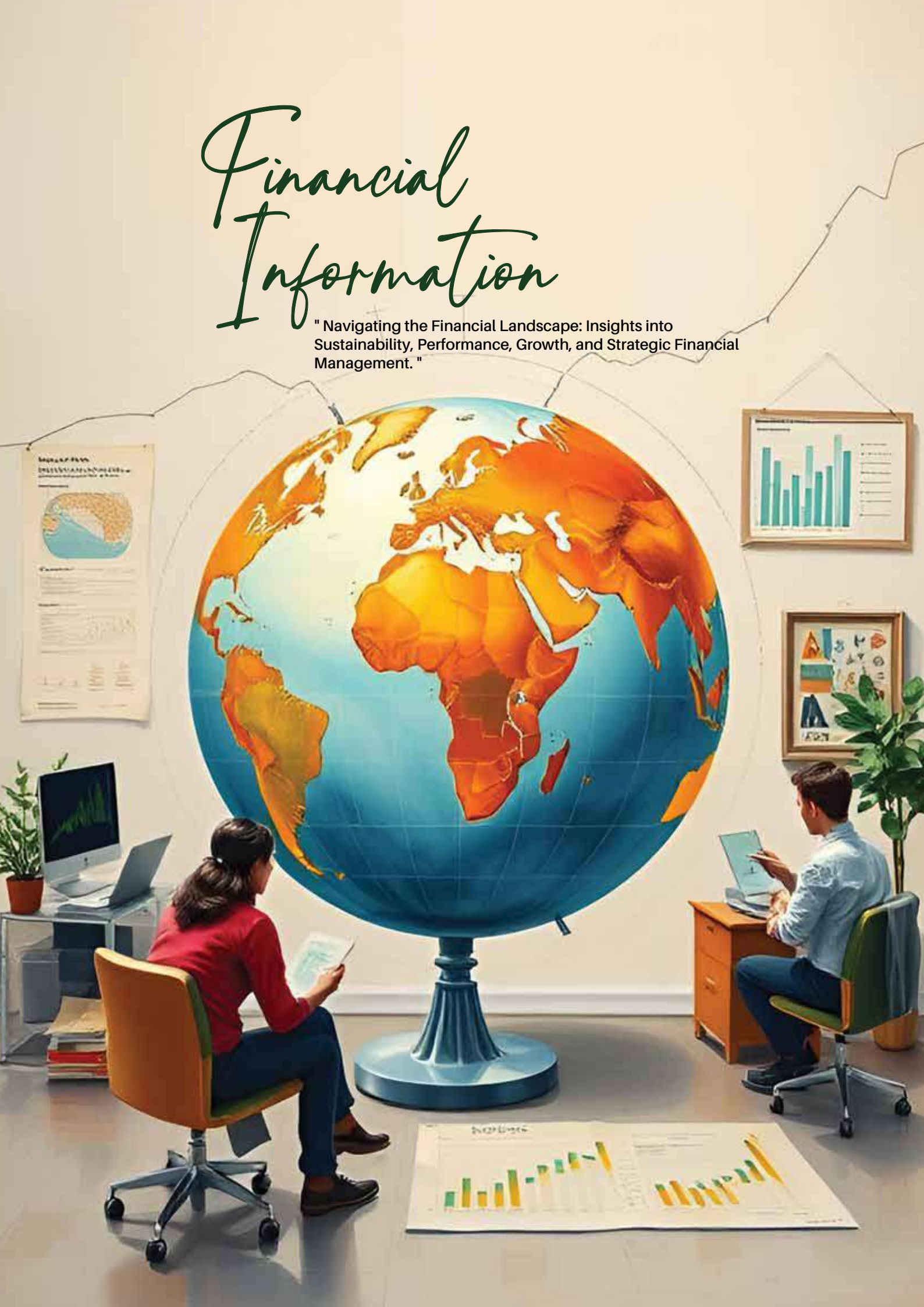
S2 Index

Core Elements		Recommended Disclosures	Page Reference
Governance	1	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of Climate -related risks and opportunities.	Governance chart , Sustainability chapter, Risk management ; climate risk management page
	2	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee Climate-related risks and opportunities	Governance chart, Sustainability chapter, Risk management ; climate risk management page
Strategy	3	"(a) the Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects"	Risk management ; climate risk management page
	4	Climate related risks and opportunities	Risk management ; climate risk management page
	5	Business model and value chain	Value chain page
	6	"(b) the current and anticipated effects of those Climate-related risks and opportunities on the entity's business model and value chain"	Risk management ; climate risk management page
	7	(c) the effects of those Climate-related risks and opportunities on the entity's strategy and decision making and entity's Transition plan	Risk management ; climate risk management page
	8	(d) an entity shall disclose quantitative and qualitative information about the effects of those Climate related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long-term, taking into consideration how those Climate-related risks and opportunities have been factored into the entity's financial planning , Financial position, financial performance and cash flows.	Accounts set , Natural capital GHG Metrics page
	9	(e) the resilience of the entity's strategy and its business model to those Climate-related risks	Risk management ; climate risk management page
Risk Management	10	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor Climate-related risks, including information about:	Sustainability chapter, Risk management ; climate risk management page
	11	(b) the processes the entity uses to identify, assess, prioritise and monitor Climate-related opportunities	Sustainability chapter, Risk management ; climate risk management page
	12	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring Climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Sustainability chapter, Risk management ; climate risk management page

Core Elements		Recommended Disclosures	Page Reference
Metrics and Targets	13	(a) An entity shall disclose, for each Climate-related risk and opportunity that could reasonably be expected to affect the entity's prospects:	Sustainability chapter, Risk management ; climate risk management page , Natural capital GHG Metrics page
	14	(b) the specific quantitative or qualitative target the entity has set or is required to meet	
	15	(c) the period over which the target applies	
	16	(d) the base period from which progress is measured	
	17	(e) any milestones and interim targets	
	18	(f) performance against each target and an analysis of trends or changes in the entity's performance	
	19	(g) any revisions to the target and an explanation for those revisions	

Financial Information

" Navigating the Financial Landscape: Insights into Sustainability, Performance, Growth, and Strategic Financial Management. "



Financial Calendar 2024/2025

ANNOUNCEMENTS OF RESULTS

	2024/25	2023/24
First Quarter ended 30th June	July 31, 2024	August 15, 2023
Second Quarter ended 30th September	November 06, 2024	November 15, 2023
Third Quarter ended 31st December	February 10, 2025	February 15, 2024
Fourth Quarter ended 31st March	May 29, 2025	May 31, 2024

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

	2024/25	2023/24
Annual Report and Accounts for the year signed	On August 28,2025	On August 28,2024
Release to CSE and circulated to the Shareholders	On August 29,2025	On August 30,2024
Annual General Meeting to be held/hold	On September 26,2025	On September 27,2024

DIVIDEND

	2024/25	2023/24
Dividend per Share	Rs.15.00	Rs.13.00
Announcement	On February 21, 2025	On March 05,2024
Payment Date	On March 25, 2025	On April 04, 2024

MOST RECENT PREVIOUS ANNUAL GENERAL MEETINGS

18th Annual General Meeting	30th June 2011
19th Annual General Meeting	29th June 2012
20th Annual General Meeting	28th June 2013
21st Annual General Meeting	30th June 2014
22nd Annual General Meeting	30th June 2015
23rd Annual General Meeting	30th June 2016
24th Annual General Meeting	30th June 2017
25th Annual General Meeting	29th June 2018
26th Annual General Meeting	26th July 2019
27th Annual General Meeting	12th February 2021
28th Annual General Meeting	11th Jan 2022
29th Annual General Meeting	29th Sep 2022
30th Annual General Meeting	27th Sep 2023
31th Annual General Meeting	27th Sep 2024
32nd Annual General Meeting	26th Sep 2025

Annual Report of the Board of Directors

1. General

The Board of Directors of Namunukula Plantations PLC has pleasure in presenting the Integrated Annual report together with the Audited financial statements of the Company for the year ended 31st March 2025 and the Auditor's Report on these Financial Statements conforming to all statutory requirements. This report was approved by the Board of Directors on 28th August 2025.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities Exchange Commission and are guided by recommended best accounting practices.

Information required to be disclosed as per the companies act no. 07 of 2007.		Reference to the companies Act.	Annual report page reference for compliance.
(i)	The nature of the business of the Company and any change thereof during the accounting period.	Section 168 (1) (a)	Refer item 2.1 On page 209
(ii)	Signed financial statements of the Company for the period completed.	Section 168 (1) (b)	Refer item 3.1 On page 210
(iii)	Auditors' report on financial statement of the company.	Section 168 (1) (c)	Refer item 5.1 On page 212
(iv)	Accounting policies and any changes therein.	Section 168 (1) (d)	Refer item 3.2 On page 210
(v)	Particulars of the entries made in the interests register during the accounting period.	Section 168 (1) (e)	Refer item 4.2 On page 211
(vi)	Remuneration and other benefits paid to Directors of the Company during the accounting period.	Section 168 (1) (f)	Refer item 4.4 On page 212
(vii)	Total amount of donations made by the Company during the accounting period.	Section 168 (1) (g)	Refer item 8 On page 213
(viii)	Information on directorate of the Company during period.	Section 168 (1) (h)	Refer item 4 On page 211
(ix)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period.	Section 168 (1) (i)	Refer item 5.3 On page 212
(x)	Auditors' relationship or any relationship with company.	Section 168 (1) (j)	Refer item 5.4 On page 212
(xi)	Acknowledgement of the contents of this report/ signatures on behalf of the board.	Section 168 (1) (k)	Refer page 213

2. Review of Business

The Company's Vision, Mission and Values are exhibited in page 09 of this Annual Report.

2.1 Principal business activities of the company

The principal activity of the Company is cultivation and processing of Black Tea, Rubber, Oil palm, Coconut and other crops and remains unchanged from the previous year.

Namunukula Plantations PLC manages 18 estates with an extent of 11,779 Ha. Unchanged from the previous year.

The Company continues to be managed by RPC Plantations Management Services (Pvt) Ltd. The basis of computation of Management Fees was same as that of the previous year and was in accordance with the agreement signed between both parties.

2.2 Review of operations of the company

An overall assessment of the Company's financial position and performance during the year 2024/25, with comments on financial results and special events that took place is contained in the "Chairman's Review" on pages 13 & 14, "Review of Operations"

Annual Report of the Board of Directors

and "Management discussion & Analysis" on pages 78 to 89, together with Audited Financial statements provide an overall assessment on the financial performance and financial position of the Company as required by the section 168 of the companies act no. 07 of 2007.

Segment wise contributions to Company revenue, results, assets and liabilities are disclosed in Note no: 06 to the financial statements on pages 238 & 239 of this Annual Report.

3. Financial Statement

3.1 Financial Statements of the Company

In compliance with the requirements of the section 151, 152 and 168 (1) (b) of the companies act no 07 of 2007, the financial statements of the Company have been duly certified by the Head of Finance and approved by the Board of Directors and signed by two members of the board of the Directors are appearing on pages 219 to 263 of this Annual Report.

3.2 Accounting Policies and changes during the year

The Financial Statements of the Namunukula Plantations PLC have been prepared in accordance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act No. 07 of 2007.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements in the previous financial year, except for the adoption of new standards effective after 1st April 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.3 Directors' responsibility for financial reporting

The Statement of Directors' Responsibility is given on page 214 of this report.

3.4 Financial results and appropriations

a) Turnover
The turnover of the Company was Rs. 4,190,311,231 /- (2023/24 - 4,517,433,063) and a composition of the Revenue is given in Note 6 to the financial statements.

b) Performance and appropriations

For the year ended 31 March	2024/25 Rs. '000	2023/24 Rs. '000
Profit/(Loss) for the year after deducting all expenses, depreciation and all known liabilities amounts to	2,030,282	2,127,025
Share of profit of joint venture	119,819	93,976
Profit/ (loss) before taxation	2,150,101	2,221,000
Income tax (expense)/ reversal	(624,033)	(298,168)
Making a profit/ (loss) after taxation of	1,526,069	1,922,833
Other comprehensive income /(Loss)	(80,984)	(25,600)
Transferred to Timber Reserve	70,329	5,576
Un- appropriated profit brought forward	8,966,874	7,383,969
Profit available for distributions	9,985,378	8,966,874
Appropriations - Dividends paid	(356,250)	(308,750)
Un - appropriated profit carried forward	9,985,378	8,966,874

Details relating to the company's profits are given on pages 219 & 220.

c) Provision for Taxation

The profit of the Company is liable for income tax at standrad rates. The profit earned on Agro Farming, Agro processing, Interest Income and Other source of income are liable at 30 % and Dividend Income is liable at 15%.

The Group has also provided deferred tax on all known temporary differences under the liability method.

The details of deferred tax computation are given in Note 10.4 to the Financial Statements.

d) Property, Plant and Equipment

Detailed information relating to the movement of property, plant & equipment, Intangible assets and leasehold assets of the Company as at reporting date is given in notes 12, 13, 14 & 15 to the accounts.

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 390,632,019/-(2023/24-Rs. 375,793,748/-) out of which expenditure on Replanting and Field Development amounts to Rs. 334,319,155/- (2022/23- Rs. 318,445,441/-) Capital expenditure has been financed by either

long or short-term borrowings depending on the payback period and or internally generated funds.

e) Stated capital

Stated capital of the Company as at 31 March 2025 was Rs. 350,000,010/-. Details of the stated capital are given in note 23 to the financial statements.

f) Dividend and Reserves

During the year of 2024/25 Rs. 356,250,015 dividend distributions were made (2023/24 –Rs.13.00 per share cash dividend paid on 04th April 2024). Information on the movement of reserve is given in the statement of changes in equity on Page 222.

4. Directors

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The Board consists of six Directors, all of whom are non-executive Directors. Out of six non-executive Directors four are Independent, ensuring an Independent outlook to temper the expediency of the experts.

The names of the members of the Board of Directors who held office as required by the section 168 (1) (h) of the companies Act No. 07 of 2007, are given below. Their brief profile including skills and experience are set out on pages 28 to 30 of this Report.

Name of the Director	Executive/ Non-Executive Status	Independent/ Non-Independent Status
Dr S Yaddehige - Chairman	Non- Executive	Non-Independent
Mr. N.C.Peiris (Retired from the directorate W.E.F. 15th July 2025)	Non- Executive	Independent
Mr. Shaminda Yaddehige	Non- Executive	Non-Independent
Mr. Gerard Amerasinghe	Non- Executive	Independent
Mrs. Subhashini Welikala (Ceased to be a director W.E.F. 17th February 2025)	Non- Executive	Independent
Mr. Ranil Goonetilleke (Appointed on 30th September 2024)	Non- Executive	Independent
Ms. C.S. Perera (Appointed on 17th February 2025)	Non- Executive	Independent
Mr. Bandara Rekogama (Appointed on 16th July 2025)	Non- Executive	Independent

4.1. Re-election of Directorate of the Company

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

"That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

b) To re- elect Mr. Gerard Amerasinghe, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director.

4.2 Directors' interest in contracts with the Company and the interest register

Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in Note 32 (Related party disclosures) to the financial statements.

As required by the section 168 (1) (e) of the Companies Act No. 7 of 2007, Interest Register is maintained by the company. Share ownership of Directors is disclosed in pages 211 & 212.

4.3 Disclosure of Directors' & CEO's Dealing in shares

Shareholding of persons who were Directors of the Company at any given time during the financial year is as follows.

Annual Report of the Board of Directors

Name of the Director	2024/25 No. of shares	2023/24 No. of shares
Dr S Yaddehige - Chairman	-	-
Mr. N.C.Peiris (Retired from the directorate W.E.F. 15th July 2025)	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Gerard Amerasinghe	-	-
Mrs. Subhashini Welikala (Ceased to be a director W.E.F. 17th February 2025)	-	-
Mr. Ranil Goonetilleke (Appointed on 30th September 2024)	-	-
Ms. C.S. Perera (Appointed on 17th February 2025)	-	-
Mr. Bandara Rekogama (Appointed on 16th July 2025)	-	-
Mr.Prins Gunasekara– CEO	74	74

4.4 Directors' remuneration and other benefits

As required by the section 168 (1) (f) of the companies Act no 07 of 2007, the Remuneration and other benefits of the Directors for the year ended 31 March 2025 is given in Note 09 of the financial statements.

5. External Auditors

5.1 Auditors' Report

The company's Auditors, Messrs Ernst & Young, Chartered Accountants have performed the audit on the financial statements for the year ended March 31, 2025, and Auditors' Report issued thereon is appearing on pages 215 to 218 as required by the section 168 (1) (c) of the companies act no 07 of 2007.

5.2 Appointment of Auditors

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

5.3 Auditors' remuneration and Interest in contracts with company

The Auditors were paid sums of Rs. 5,976,372 /- (2023/24 – Rs. 5,516,082 /-) by the Company for audit and related services as well as non-audit services given to the company.

5.4 Interest in contract with company

As far as the Directors were aware, the Auditors do not have any relationship other than that of an Auditor with the company.

6. Corporate governance and Internal control

The policies adopted by the Company in relation to best practices and good corporate governance are given on pages 32 to 36. The Board has overall responsibility for the company's system of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss the company's internal control system has been designed to provide the Directors with reasonable assurance that assets are safeguarded, transactions authorized and properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

The Directors and the CEO satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director or CEO during the financial year.

6.1 Board sub committees

The Board, while assuming the overall responsibility and accountability for the affairs in the management of the Company, has appointed an Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee with specific terms of reference. Committees' reports are given under Corporate Governance from Pages 37 to 41.

6.2 Statutory payments

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

6.3 Compliance with laws and regulations

To the best knowledge and belief of the Directors, the Company have not engaged in any activity contravening any laws and regulations.

6.4 Environmental, Social and Governance (ESG) reporting

Corporate sustainability reporting aims to deliver information in such a way that it provides decision-making value to investors, customers, employees and other relevant groups who have a stake in the Company or who are in some way affected by the Company's actions. Environment, Society and Governance (ESG) aspects are considered as an important part of the Company's values and the

Board is aware of its responsibility to ensure that such aspects are linked closely with the Company strategy.

ESG reporting of the Company is a reflection of how the Company has performed and achieved long-term economic value, assumed corporate responsibility and contributed to sustainable development. Thus, this Annual Report has been prepared in the form of an integrated report that covers sustainability reporting parameters. The Company's Annual Report contains sufficient information on ESG risks and opportunities recognition, measurement and management.

6.5 Environmental protection

The company's activities can have both direct and indirect effects on the environment. It is the policy of the Company to minimize any adverse effects by recycling resources as much as possible and creating awareness among staff on current global environmental threats. The company's efforts in relation to environmental protection are set out on Pages 165 and 177 under Natural Capital.

7 Share information and Substantial Shareholding

Significant shareholder information along with twenty substantial shareholder details and other share related information is presented in detail under the title "Shareholders and Investor information" on pages 266 to 277 of this Annual Report.

Information on Earnings, Dividend, Net Assets and Market Value

Information relating to Earnings, Dividend, Net Assets and Market Value per share is given on pages 270 & 277 of this report.

8 Donations

No donation has made during the year by the Company (2023/24 –Nil). The information given on donations forms an integral part of the report of the board of Directors as required by the section 168 (1) (g) of the Companies act no. 07 of 2007.

9 Information on Ratios and Market Prices of shares

Information that require disclosures as per Rule 7.6 (xi) of the Listing rules of the Colombo stock exchange are given in the section on "Financial highlights" on pages 15 to 19 and shareholder and investor information on pages 266 to 277.

10 Human Resources

The company's recruitment and employment policy is non-discriminatory, which respects individuals and provides career opportunities irrespective of the gender, race or religion. Appraisals of individual employees are carried out by the respective departmental heads in order to evaluate their performance and realize their potential.

Total number of employees of the Company including all eighteen estate workers is 2,977 (2023/24– 3,244). Details of Human resources are given in the section on "Human Resources" on pages 137 to 147.

11 Related Party Transactions

There are no any non-recurrent related party transactions which exceed 10 percent of the equity or 5 percent of the total assets whichever is lower and the Company has complied with the requirements of the listing rules of the Colombo Stock Exchange on related party transactions. However, the Directors have disclosed the transactions that could be classified as related party transactions in terms of LKAS 24 "Related Party Disclosures" which are adopted in the preparation and presentation of the Financial Statements and those transactions are disclosure in Note 32 on the financial statement on pages 258 to 260.

12 Events after the reporting date

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

13 Going Concern

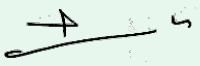
The Directors have made an assessment of the Namunukula Plantations PLC's ability to continue as a going concern and they do not intend either liquidating or cease trading.

14 Annual General Meeting

The Annual General Meeting will be held on 26th September 2025 at the registered office of the Company at 310, High Level Road, Nawinna, Maharagama. The notice of the 32nd Annual General Meeting is on page 290 of the report



Mr. Ranil Goonetilleke
Director



Mr. Gerard Amerasinghe
Director



Mrs. R J Siriweera
Director / Company secretary
Richard Pieris Group Services (Pvt) Ltd.
Secretaries

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the Directors of Namunukula Plantations PLC acknowledge their responsibility in relation to financial reporting of the company. These responsibilities differ from those of its Auditors, Messrs. Ernst & Young, which are set out in their report, appearing on pages 215 to 218 of this report.

The financial statements of the Company for the year ended 31 March 2025 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The Directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements exhibited on pages from 224 to 263 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

The Directors confirm their responsibility for ensuring that the Company maintains accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the company. They also confirm their responsibility towards ensuring that the financial statements presented in the annual report give a true and fair view of the state of affairs of the Company as at 31 March 2025 and that of the profit for the year then ended.

The overall responsibility for the company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that Statement of Directors' Responsibility the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors' are of the view that the Company has adequate resources to continue operations in the foreseeable future, and have continued to use the going concern basis in the preparation of these financial statements.

The Directors' have provided the Auditors Messrs. Ernst & Young, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data and express their opinion which appears as reported by them on Pages 215 to 218 of this report.

By order of the Board.



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

28th August 2025

Independent Auditor's Report

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Ernst & Young
Chartered Accountants
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Colombo 03, Sri Lanka

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ey.com

T0 THE SHAREHOLDERS OF NAMUNUKULA PLANTATIONS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Namunukula Plantations PLC ("the company"), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give of the Company give a true and fair view of the financial position of the Company as at March 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the *Code for Ethics for Professional Accountants* issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), W D P L Perera ACA

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Key audit matter	How our audit addressed the key audit matter
Measurement of Bearer Biological Assets	
As of 31 March 2025, the Company's bearer biological assets amounted to Rs. 3,496 Mn and represented 25% of the Company's total assets. Bearer Biological Assets comprised of Rs. 682 Mn Immature Plantations and Rs 2,814 Mn of Mature plantations, as disclosed in 14 to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following: ⊙ The materiality of the reported bearer biological asset balance; and ⊙ The degree of management's judgement involved in identification of costs to be capitalized as immature plantations, point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Notes 4.7 to the financial statements.	Our audit procedures included the following key procedures: ⊙ Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations. ⊙ Tested the significant expenses incurred by capital expenditure authorisations and other corroborative evidence. ⊙ Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. ⊙ Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the disclosures made in Notes 4.7 and 14 to the financial statements.
Measurement of Retirement Benefit Obligation	
As disclosed in Note 24 to the financial statements, the Company's retirement benefit obligation amounted to Rs.636 Mn and represented 18% of the Company's total liabilities as of 31 March 2025. The value of the retirement benefit obligation was based on the actuarial valuation carried out by an external actuary engaged by the Company. This was a key audit matter due to: ⊙ The materiality of the reported retirement benefit obligation balance; and ⊙ The degree of assumptions, judgements, and estimation uncertainties associated with measurement of the retirement benefit obligation. Key areas of significant assumptions, judgements and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary / wage growth rate as disclosed in Notes 4.3 and 24 to the financial statements.	Our audit procedures included the following key procedures: ⊙ Assessed the competence, capability and objectivity of the external actuary engaged by the Company. ⊙ Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. ⊙ Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. ⊙ Assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in Notes 4.3 and 24 to the financial statements.



Other information included in The Company's 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Accounting Standards and for such internal control as management determines 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 intends 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuS's 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 SLAuS's, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4169.

28 August 2025
Colombo

Statement of Profit or Loss

Year ended 31 March 2025	Notes	2025 Rs. 000	2024 Rs. 000
Revenue	6	4,190,311	4,517,433
Cost of Sales		(2,390,050)	(2,709,286)
Gross Profit		1,800,262	1,808,147
Other Income	7	205,779	196,923
Gains on change in fair value of biological assets	15.6	96,641	2,168
Administrative Expenses		(200,741)	(188,122)
Management Fee		(323,727)	(337,392)
Finance Cost	8	(104,228)	(90,159)
Finance Income	8.1	556,297	735,460
Impairment of Goodwill	17	-	-
Share of Profit from the Joint Venture	16	119,819	93,976
Profit Before Taxation	9	2,150,101	2,221,001
Tax (Expense) / Reversal	10	(624,033)	(298,168)
Net Profit for the Year		1,526,069	1,922,833
Basic Earnings per Share	11.1	64.26	80.96
Dividend per Share	11.2	15.00	13.00

The accounting policies and notes on pages 224 through 263 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March 2025	Notes	2025 Rs. 000	2024 Rs. 000
Profit for the year		1,526,069	1,922,833
Other Comprehensive Income			
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement gains/(losses) on defined benefit plan	24	(142,359)	(36,572)
Tax effect	10.2	42,708	10,972
Net Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods		(99,651)	(25,600)
Share of Other Comprehensive Income of Equity Accounted Investees			
Other Comprehensive income that will not be reclassified to profit or loss in Subsequent periods			
Net Gain/(Loss) on Fair Value Through Other Comprehensive Income Financial Assets	21.1	26,667	
Tax effect	10.2	(8,000)	
Net Other Comprehensive income / (Loss) that will not be reclassified to profit or loss in Subsequent periods		18,667	
Total other comprehensive income for the year, net of tax		(80,984)	(25,600)
Total Comprehensive Income/(Loss) for the year, net of tax		1,445,084	1,897,232

The accounting policies and notes on pages 224 through 263 form an integral part of the Financial Statements.

Statement of Financial Position

Year ended 31 March 2025 ASSETS	Notes	2025 Rs. 000	2024 Rs. 000
Non-Current Assets			
Right of Use Assets	12	686,651	610,582
Freehold Property, Plant & Equipment	13	439,660	480,048
Bearer Biological Assets	14	3,495,761	3,405,549
Consumable Biological Assets	15	394,259	273,160
Investment in Joint Venture	16	527,618	458,129
Financial Assets	21.1	426,667	200,000
Intangible Assets	17	305,915	305,915
Total Non-Current Assets		6,276,531	5,733,383
Current Assets			
Produce on Bearer Biological Assets	15.4	56,868	30,556
Inventories	18	266,940	367,804
Trade and Other Receivables	19	240,380	184,074
Amounts Due from Related Companies	20	605,423	1,022,205
Income Tax Receivable		15,693	15,693
Cash and Cash Equivalents	22	6,579,742	5,294,402
Total Current Assets		7,765,047	6,914,735
TOTAL ASSETS		14,041,578	12,648,118
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	23	350,000	350,000
Timber Reserve		219,801	149,471
Retained Earnings		9,985,378	8,966,874
Total Equity		10,555,179	9,466,345
Non-Current Liabilities			
Retirement Benefit Obligations	24	635,550	476,060
Deferred Tax Liability	10.4	1,047,866	1,035,944
Deferred Income	25	121,696	120,410
Lease liability	26.3	774,072	666,570
Total Non-Current Liabilities		2,579,184	2,298,984
Current Liabilities			
Dividend Payable	27	-	196,798
Trade and Other Payables	28	522,852	541,097
Lease liability	26.3	9,685	8,988
Amounts Due to Related Companies	29	86,751	56,047
Income Tax Liabilities		287,928	79,857
Total Current Liabilities		907,215	882,788
TOTAL LIABILITIES		3,486,399	3,181,773
TOTAL EQUITY AND LIABILITIES		14,041,578	12,648,118
NET ASSETS PER SHARE		444.43	398.58

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

Dhammika Laksiri
Sector Financial Controller

The Board of Directors is responsible for these Financial Statements. Approved and Signed for and on behalf of the Board of Directors of Namunukula Plantations PLC.

Ranil Goonetilleke
Director

Gerard Amerasinghe
Director

The accounting policies and notes on pages 224 through 263 form an integral part of the Financial Statements.

28 August 2025
Colombo

Statement of Changes in Equity

Year ended 31 March 2025	Stated Capital Rs. 000	Retained Earnings Rs. 000	Timber Reserves Rs. 000	Total Rs. 000
Balance as at 31 March 2023	350,000	7,383,969	143,894	7,877,863
Profit for the year	-	1,922,833	-	1,922,833
Other Comprehensive Income/(Loss)	-	(25,600)	-	(25,600)
Transferred to Timber Reserve	-	(5,578)	5,578	-
Dividends	-	(308,750)	-	(308,750)
Balance as at 31 March 2024	350,000	8,966,874	149,471	9,466,345
Profit for the year	-	1,526,069	-	1,526,069
Other Comprehensive Income/(Loss)	-	(80,984)	-	(80,984)
Transferred to Timber Reserve	-	(70,329)	70,329	-
Realised Gain on Timber Sales	-	-	-	-
Dividends	-	(356,250)	-	(356,250)
Balance as at 31 March 2025	350,000	9,985,378	219,801	10,555,179

The Timber Reserve relates to the change in fair value of managed trees which includes commercial timber plantations cultivated on estates.

The accounting policies and notes on pages 224 through 263 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 March 2025 CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2025 Rs. 000	2024 Rs. 000
Net Profit before Taxation		2,150,101	2,221,001
ADJUSTMENTS FOR			
Depreciation	12/13/14	292,045	277,770
Finance Cost	8	978	793
Interest on Government/Other Finance Lease	8	103,250	89,366
Provision for Retirement Benefit Plan Cost	25	96,992	105,789
Profit on Disposal of Property, Plant & Equipment	7	(9,367)	(700)
Amortization of Grants	25	(6,525)	(6,202)
Gain on change in fair value of biological assets	15.6	(96,641)	(2,168)
Impairment of goodwill	17	-	-
Share of Profit of Joint Venture	16	(119,819)	(93,976)
Operating profit before working capital changes		2,411,014	2,591,673
(Increase)/Decrease in Inventories		100,864	56,376
(Increase)/Decrease in Trade and other Receivables		(56,306)	(33,866)
(Increase)/Decrease in Amounts due from Related Companies		416,782	(266,969)
Increase/(Decrease) in Trade and Other Payables		(18,246)	108,008
Increase/(Decrease) in Amounts due to Related Companies		30,703	18,222
Cash Generated from Operating Activities		2,884,812	2,473,445
Interest on Government/Other Finance Lease		(103,250)	(89,366)
Finance Cost Paid		(978)	(793)
Retirement Benefit Plan Cost Paid		(79,861)	(144,097)
Tax (Paid) / Refund		(369,332)	(186,852)
Surcharge Tax (Paid)		-	-
Net Cash Flow From Operating Activities		2,331,391	2,052,336
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment	13	(56,313)	(57,348)
Share buy back (Unquoted Investment)	21	(400,000)	-
Cash received from Matured Debentures		200,000	-
Dividend Received	16	50,330	59,211
Investments in Immature plantation	14	(332,946)	(318,194)
Expenditure on Timber Cultivation		(1,373)	(252)
Proceeds from Disposal of Property, Plant & Equipment		50,000	700
Grants Received	25	7,811	5,042
Net Cash Flow From Investing Activities		(482,491)	(310,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Government Lease rentals	26.1	(8,537)	(6,430)
Payment of other lease rentals		(1,975)	(1,723)
Dividend Paid	11.2	(553,048)	(111,952)
Net Cash Flow From Financing Activities		(563,560)	(120,104)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,285,340	1,621,391
A. Cash & Cash Equivalents at the Beginning of the Year		5,294,402	3,673,011
B. Cash & Cash Equivalents at the End of the Year		6,579,742	5,294,402
NOTE A			
Cash & Cash Equivalents at the Beginning of the Year			
Cash & Bank Balances (Note 22.1)		5,294,402	3,673,011
Bank Overdrafts (Note 22.2)		-	-
		5,294,402	3,673,011
NOTE B			
Cash & Cash Equivalents at the End of the Year			
Cash & Bank Balances (Note 22.1)		6,579,742	5,294,402
Bank Overdrafts (Note 22.2)		-	-
		6,579,742	5,294,402

The accounting policies and notes on pages 224 through 263 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Namunukula Plantations PLC was incorporated and domiciled in Sri Lanka, under the Companies Act No.17 of 1982 (The Company re-registered under the Companies Act No.07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government-Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Kalutara, Galle, Matara and Badulla.

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

The ordinary shares of the Company are listed on the Colombo Stock Exchange (CSE) of Sri Lanka.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were the cultivation, manufacture and sale of black Tea, Rubber, Coconut, Oil palm and other crops.

1.3 Parent Enterprise and Ultimate Parent Enterprise

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

1.4 Date of Authorization for Issue

The Financial Statements of Namunukula Plantations PLC for the year ended 31 March 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 28 August 2025.

1.5 Responsibility for Financial Statements

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

2. BASIS OF PREPERATION

2.1 Statement of Compliance

The Financial Statements of Namunukula Plantations PLC have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with the Sri Lanka Accounting Standards (SLFRS/LKAS) promulgated by the Institute of Chartered Accountants of Sri Lanka (CASL) and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than the following material items in the Financial Statements, which are measured at fair value less cost to sell.

- Managed Consumable biological assets are measured at fair value.
- Harvestable Agricultural Produce growing on bearer biological assets.
- Equity financial assets at fair value through other comprehensive income (FVTOCI).
- Defined Benefit Obligation is measured using projected unit credit method.

Where appropriate, the specific policies are explained in the succeeding Note.

No adjustments have been made for inflationary factors affecting the Financial Statements.

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees (LKR) which is the Company's functional and presentation currency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except the changes mentioned, all the accounting policies set out below have been applied consistently to all the periods presented in the financial statements.

3.1 New accounting standards, interpretations and amendments adopted by the company.

The following amendments and improvements do not have a significant impact on the Company's financial statements during the year ended 31st March 2025.

- SLFRS 17 Insurance Contract.
- Amendments to LKAS 21 Lack of Exchangeability

3.2 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3.3 Going Concern

The financial statements have been prepared on the assumption that the Company is a going concern. The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation

or cessation of trading, to justify adopting the going concern basis in preparing these financial statements.

3.4 Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

A liability is current when:

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

Or

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

The Company classifies all other liabilities as non-current.

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

3.5 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

3.6 Fair Value Measurement

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

- Managed Consumable biological assets Note 15
- Produce on Bearer biological assets Note 15.4
- Equity Investment at Fair Value through OCI which are financial assets Note 21.1

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

- In the principal market for the asset or liability

Or

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

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

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

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

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

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

Notes to the Financial Statements

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

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

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

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

3.7 Property, Plant & Equipment

The Company applies the requirements of LKAS 16 on 'Property, Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services, for rental to other or for administration purpose and are expected to be used for more than one year.

3.7.1 Basis of Recognition

Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.7.2 Measurement

Items of Property, Plant & Equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

3.7.3 Cost of Owned Assets

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

Purchased software that is integral to the functionality of the related equipment is capitalized as a part of that equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets (major components) with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Profit or Loss Statement as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

3.7.4 Leased Assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Lease period of land acquired from JEDB/SLSPC

will be expired in year 2045. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as follow:

Motor vehicle	Over 05 years
Leasehold Property	Over 53 years
Mature Plantations	Over 30 years
Improvements to Land	Over 30 years
Buildings	Over 25 years
Machinery	Over 15 years

The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (i.e. for an example JEDB/SLSPC Government lease rentals linked with GDP Deflator), and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The weighted average incremental borrowing rate use for discounting purpose as at 31st March 2025 is 13%.

The Company's lease liabilities are included in Note 27 to the financial statements.

c) Short-term leases and leases of low-value assets

The Company does not contain the short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low values assets.

3.7.5 De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized and gains are not classified as revenue.

3.7.6 Land Development Cost

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

These costs have been capitalised and amortised over the remaining lease period.

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

3.7.7 Biological Assets

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

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

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

(a) Bearer Biological Assets

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property, Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations.

These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber and Oil palm) which comes into bearing during the year, is transferred to mature plantations.

Notes to the Financial Statements

(b) Produce on Bearer Biological Assets

In accordance with LKAS 41, Company recognizes agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce ascertained based on harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further, 50% of the crop in that harvesting cycle considered for the valuation.

For the valuation of the harvestable agricultural produce, the Company uses the following price formulas,

Tea	- Bought Leaf rate (current month) less cost of harvesting & transport
Rubber	- latex Price (95% of current RSS1 Price) less cost of tapping & transport
Oil palm	- Bought Mill NSA less cost of harvesting & transport
Coconut	- Farm Gate rate (current month) less cost of harvesting & transport
Cinnamon	- 50% of Farm Gate rate (current month) less cost of harvesting & transport.

(c) Consumable Biological Assets

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

The managed timber trees are measured on initial recognition and at the end of each reporting period its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. The valuer uses the 'Direct Capital Comparison method' which express that there are evidences of sale price of the assets as a whole. All other assumptions and sensitivity analysis are given in Note 15.

The main variables in DCF model concerns

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of each specie in different geographical regions. Factor all the prevailing statutory regulations enforced for harvesting of timber coupled with forestry plan of the company.
Economic useful life	Estimated based on the normal life span of each specie by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees into saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.
Discount Rate	Future cash flows are discounted at following discount rate: Timber trees 16%.

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

3.7.8 Nursery Plants

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

3.7.9 Infilling Cost on Bearer Biological Assets

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

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

3.7.10 Borrowing Cost

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

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

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

Borrowing costs incurred in respect of specific loans that are utilised for field development activities have been

capitalised as a part of the cost of the relevant immature plantation. The capitalisation will cease when the crops are ready for commercial harvest. The amount so capitalised and the capitalisation rates are disclosed in Note 14 to the Financial Statements.

3.7.11 Intangible Assets

Intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental or for administrative purpose. An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 on "Intangible Assets".

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss.

Intangible assets with indefinite useful lives are not amortized but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

A summary of the polices applied to the Company's intangible asset is as follows;

Nature of Intangible asset	Useful lives	Amortisation method used	Internally generated or acquired
Goodwill	Indefinite	No amortization	Acquired

3.7.12 Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, Plant & Equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. The estimated useful lives and depreciation rates are as follows:

Assets Category	No. of Years
Buildings	Over 40 years
Plant & Machinery	Over 13 years
Colour Separators	Over 20 years
Furniture & Fittings	Over 10 years
Motor Vehicles	Over 05 years
Equipments	Over 08 years
Computer & Computer Software	Over 04 years

Mature Plantations (Replanting and New Planting)

Mature Plantations	No. of Years
Tea	Over 30 years
Rubber	Over 20 years
Coconut	Over 20 years
Oil palm	Over 20 years
Cinnamon	Over 20 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful

Notes to the Financial Statements

lives or unexpired lease period, whichever is less.

No depreciation is provided for immature plantations.

3.7.13 Investment in joint ventures

Joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the company's share of the results of operations of the joint venture. Unrealized gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the company. When necessary, adjustments are made to bring the accounting policies in line with those of the company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit/(loss) of a joint venture' in the statement of profit or loss.

Based on the contractual terms (Joint Venture agreements), the Company assessed that AEN Palm Oil Processing (Pvt) Ltd is as a joint venture, which was situated at Maragahadeniya, Baduraliya, and it is registered under Companies Act No. 07 of 2007.

3.8 Financial Instruments

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

3.8.1 Financial assets

3.8.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Purchases or sales of financial assets that require delivery of assets within a time frame established by Regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the Date that the Company commits to purchase or sell the asset.

The Company's financial assets of the Company includes Cash & bank, trade and other receivable and amount due from related parties.

3.8.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments).
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

(a) Financial assets at amortized cost (Debt Instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes Trade Receivables and Amounts Due from Related parties.

(b) Financial assets at fair value through OCI (Debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

There are no financial assets at fair value through OCI (Debt instruments).

(c) Financial assets at fair value through OCI (Equity Instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

3.8.1.3 De-recognition

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

- The rights to receive cash flows from the asset have expired.

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

3.8.1.4 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.8.2 Financial liabilities

3.8.2.1 Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The financial liabilities of the Company include Trade and Other Payables, Bank Overdrafts, Loans and Borrowings.

3.8.2.2 Subsequent Measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the income statement.

(b) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables and amounts due to related parties.

3.8.2.3 Derecognition

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

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

3.8.2.4 Offsetting of financial instruments

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

3.9 Inventories

Agricultural Produce harvested from Biological Assets

Agricultural produce harvested from Biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produce are valued by adding the cost of conversion to the fair value of agricultural produce.

Finish goods manufactured from agricultural produce of biological assets

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

Input Material, Spares and Consumables

At actual cost on weighted average basis.

3.10 Cash and Cash Equivalents

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

3.11 Impairment of Non-Financial Assets

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

amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

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

3.12 Trade and Other Receivables

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

3.13 Provisions

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

3.14 Employees Benefits

(a) Defined Benefit Plan

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

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

The actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2025. The Company expects to carry out actuarial valuation once in every year. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2025.

This item is grouped under Retirement Benefit Obligations in the Statement of Financial Position. The liability is not externally funded.

(b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

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

The Company contributes 12% on gross emoluments of the employees to Ceylon

Notes to the Financial Statements

Planters' Provident Society (CPPS)/Estate Staff Provident Society (ESPS)/ Employees' Provident Fund (EPF).

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

3.15 Deferred Income

3.15.1 Grants and Subsidies

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

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

Buildings, Sanitation & Water Supply	40 years
Plant & equipment	13 years
Grants received for Rubber replanting	20 Years

3.16 Earnings per Share

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

3.17 Capital commitments and contingencies

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

3.18 Events occurring after the reporting period

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

3.19 Statement of Profit or Loss

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

3.19.1 Revenue from contracts with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is recognised upon satisfaction of performance obligation.

The Company is in the business of cultivation, manufacture and sale of black Tea and other crops (Plantation Produce). Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

a) Sale of Plantation produce

Revenue from sale of plantation produce is recognized at the point in time when the control of the goods is transferred to the customer. Black Tea and Rubber produce are sold at the Colombo Tea/ Rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from the sale of Oil palm and other crops are recognized at the point in time when the control of the goods has been transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

There is no element of financing present as the company's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

Revenue recognition criteria for the other revenue and income earned by the Company are as follows;

b) Rental Income

Rental income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

c) Dividend Income

Dividend income is recognized when the right to receive payment is established.

d) Interest Income

Interest income is recognized on an accrual basis, using the effective interest method.

Interest income on financial assets at FVTPL is recognized as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortized cost is calculated by using the effective interest method and is recognized as other income.

3.20 Expenses

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

3.20.1 Financing Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recorded using the effective interest rate (EIR) method. Interest income is included in finance income in the statement of profit or loss.

Finance expenses comprise interest payable on borrowing. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of finance lease payment is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currency gains and losses are reported on a net basis.

3.20.2 Taxes

3.20.2.1 Current Income Tax

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

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

3.20.2.2 Deferred Tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

3.21 Statement of Cash Flow

The Cash Flow Statement has been prepared using the 'indirect method'. Interest paid is classified as operating cash flows, interest and dividends received are classified as investing cash flows while

Notes to the Financial Statements

dividends paid and Government grants received are classified as financing cash flows in financial activities, for the purpose of presenting the Cash Flow Statement.

3.22 Segment Reporting

Segmental information is provided for the different business segments of the company. Business segmentation has been determined based on the nature of goods provided by the Company after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on the Note 6 to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly Long-term investments (Unquoted), Financial Assets, Goodwill on business combination and deferred tax liability.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Company are as follows:

4.1 Taxation

4.1.1 Current Tax

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

The prevailing tax rate is 30%.

4.2 Deferred Tax

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

The details of deferred tax computation are given in Note 10.4 to the Financial Statements.

4.3 Retirement benefit obligations

The present value of the retirement benefit obligation determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rates of the Company.

Further details about Retirement benefit obligations are provided in Note 24.

4.4 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Interpretation had an impact on its financial statements. The Company determined that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company.

4.5 Fair Valuation of Consumable Biological Assets

The fair value of managed timber depends on number of factors that are determined on a discounted cash flow method using various different financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact the fair

value of biological assets. All assumptions are reviewed at each reporting period. Key assumptions and sensitivity analysis of the biological assets are given in Note 15.

4.6 Impairment of non-financial assets - Intangible Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company. Key assumptions used are disclosures in Note 17.

4.7 Bearer Biological Assets

A mature plantation is an area of land developed with crops such as Tea, Rubber, Oil palm and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.8 Leases - Estimating the Incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's stand-alone credit rating).

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

5.1 Lack of exchangeability - Amendment to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company.

5.2 SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted; provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The amendments are not expected to have a material impact on the Company.

Notes to the Financial Statements

6. REVENUE

6.1 Summary

	Sale of Goods
	Tea
	Rubber
	Oil palm
	Coconut
	Cinnamon

6.2 Segment Information

		Tea		Rubber	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
	Industry				
	Revenue	1,443,547	1,708,442	193,811	176,526
	Revenue Expenditure	(1,226,947)	(1,606,992)	(136,521)	(134,121)
	Depreciation / Amortization	(34,571)	(35,540)	(54,966)	(55,349)
	Gratuity	(52,127)	(77,000)	(9,759)	(5,879)
	Gross Profit/(Loss)	129,902	(11,091)	(7,435)	(18,823)
	Other Income				
	Gain on change in fair value of biological assets				
	Administrative Expenses				
	Management Fees				
	Finance Cost				
	Finance Income				
	Share of Profit from the Joint Venture				
	Profit before Taxation				
	Tax (Expense) / Reversal				
	Net Profit for the Year				

		Tea		Rubber	
		2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
	Segment Assets				
	Non-Current Assets				
	Cost	1,499,704	1,420,778	1,982,577	1,820,195
	Accumulated Depreciation / Amortization	(650,566)	(646,906)	(741,697)	(688,169)
	Current Assets	503,281	211,745	127,308	121,905
	Total Assets	1,352,418	985,616	1,368,188	1,253,931
	Segment Liabilities				
	Non-Current Liabilities	674,999	500,776	132,723	173,670
	Current Liabilities	254,682	282,076	21,230	14,543
	Total Liability	929,681	782,852	153,953	188,213
	Segment Capital Expenditure				
	Cost	26,490	26,490	68,977	68,977
	Total Capital Expenditure				
	Segment Cash Flow Activities				
	Operating Activities	164,803	6,358	107,746	66,324
	Investing Activities	(86,336)	(21,194)	(95,430)	(71,387)
	Financing Activities	-	-	-	-
	Net Increase/(Decrease) in Cash and Cash Equivalents	78,467	(14,835)	12,316	(5,063)

						2025 Rs. 000	2024 Rs. 000
						1,443,547	1,708,442
						193,811	176,526
						2,490,253	2,583,318
						52,641	38,882
						10,059	10,266
						4,190,311	4,517,433

Oil palm		Coconut		Cinnamon		Total	
2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
2,490,253	2,583,318	52,641	38,882	10,059	10,266	4,190,311	4,517,433
(645,368)	(589,626)	(17,859)	(14,761)	(6,872)	(7,283)	(2,033,567)	(2,352,783)
(156,103)	(146,108)	(9,848)	(9,934)	(6,402)	(6,182)	(261,890)	(253,113)
(30,096)	(19,686)	(2,601)	(767)	(9)	(57)	(94,592)	(103,389)
1,658,687	1,827,897	22,333	13,420	(3,224)	(3,256)	1,800,262	1,808,147
						205,779	196,923
						96,641	2,168
						(200,741)	(188,122)
						(323,727)	(337,392)
						(104,228)	(90,159)
						556,297	735,460
						119,819	93,976
						2,150,101	2,221,001
						(624,033)	(298,168)
						1,526,069	1,922,833

Oil palm		Other Crops		Unallocated		Total	
2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000	2025 Rs. 000	2024 Rs. 000
3,428,365	3,243,297	505,408	464,323	473,908	1,427,530	7,889,960	8,376,123
(1,215,744)	(1,068,876)	(169,095)	(151,164)	(96,527)	(87,624)	(2,873,629)	(2,642,741)
184,754	79,342	15,607	6,871	8,194,297	6,494,872	9,025,247	6,914,735
2,397,375	2,253,763	351,920	320,029	8,571,678	7,834,778	14,041,578	12,648,118
261,248	198,566	28,926	19,924	1,481,289	1,405,689	2,579,184	2,298,625
66,006	60,441	5,242	1,171	560,055	524,916	907,215	883,147
327,254	259,007	34,167	21,095	2,041,344	1,930,606	3,486,399	3,181,773
169,058	169,058	72,794	72,794	38,475	38,475	375,794	375,794
						375,794	375,794
1,402,649	1,463,579	29,300	16,663	626,893	499,412	2,331,391	2,052,336
(135,663)	(197,471)	(70,666)	(56,895)	(94,395)	36,106	(482,491)	(310,841)
-	-	-	-	(563,560)	(120,104)	(563,560)	(120,104)
1,266,985	1,266,108	(41,367)	(40,232)	(31,062)	415,413	1,285,340	1,621,391

Notes to the Financial Statements

	Year ended 31 March 2025	2025 Rs. 000	2024 Rs. 000
7.	**OTHER INCOME**		
	Amortisation of Government Grants	6,525	6,202
	Profit on Sale of Refuse Tea	79,710	95,939
	Income from Consumable biological assets	26,211	25,877
	Sale of Uprooting Rubber Trees	66,994	47,815
	Profit on Disposal of Property, Plant & Equipment	9,367	700
	Sundry Income	16,973	20,390
		205,779	196,923

		2025 Rs. 000	2024 Rs. 000
8.	**FINANCE COST**		
	Interest on Government Lease Rental	102,622	88,173
	Interest on Other Leases	629	1,193
	Bank Overdraft Interest & Debit Tax	978	793
		104,228	90,159

		2025 Rs. 000	2024 Rs. 000
8.1	**Finance Income**		
	Interest income received from Inter Company	79,189	169,621
	Interest income received from Pooling Arrangement	477,075	565,817
	Interest income received from other parties	33	22
		556,297	735,460

		2025 Rs. 000	2024 Rs. 000
9.	**PROFIT BEFORE TAXATION IS STATED AFTER CHARGING**		
	Auditor's Remuneration	6,068	6,230
	Directors' Remuneration	1,340	800
	Depreciation / Amortisation	292,045	277,770
	Defined benefit plan costs	96,992	105,494
	Defined Contributions Plan Costs - EPF & ETF	166,549	148,728
	Staff Costs (Workers & Staff)	1,301,011	1,274,549

		2025 Rs. 000	2024 Rs. 000
10.	**CURRENT YEAR TAX (EXPENSE) / REVERSAL**		
10.1	**Income Tax Expense**		
(a)	Statement of Profit or Loss		
	Current year Income Tax (Expense)/ Reversal	(577,403)	(205,491)
		(577,403)	(205,491)
10.2	**Deferred Tax Expense**		
(a)	**Statement of Profit or Loss**		
	Deferred Tax (Charge)/ Reversal	(46,630)	(92,677)
	Deferred tax expense(income) resulting from change in tax rates	-	-
	Deferred Tax (Charge)/ Reversal in the Statement of profit or loss	(46,630)	(92,677)
	Tax charge reported in the Statement of profit or loss	(624,033)	(298,168)
(b)	**Statement of Comprehensive Income**		
	Deferred Tax (Charge)/ Reversal	34,708	10,972
	Tax charge directly to Comprehensive Income	34,708	10,972

10. CURRENT YEAR TAX (EXPENSE) / REVERSAL (Cont...)

Year ended 31 March 2025		2025 Rs. 000	2024 Rs. 000
10.3	**Reconciliation of the accounting profit/(loss) and tax on current year**		
	Accounting Profit/(Loss) before tax	2,150,101	2,221,001
	Income from Other Sources & Exempt Income	(838,980)	(2,144,043)
	Aggregate disallowed items	518,007	524,229
	Aggregate allowable items	(563,697)	(626,075)
	Adjusted Business profit / (loss)	1,265,432	(24,888)
	Income from Investment	556,297	749,215
	Utilization of brought forward Tax Losses	-	-
	Taxable Income	1,821,729	724,327
	Income Tax @ 14%	-	-
	Income Tax @ 24%	-	-
	Income Tax @ 30%	546,519	217,298
	WHT on Dividend @ 15%	7,549	7,549
	Income Tax on Current Year Profits	554,068	224,848
	Under/(Over) provision of current tax in respect of previous year	23,334	(19,356)
	Income tax expense charge to Statement of Profit or Loss	577,403	205,491

10.4 Deferred Tax Asset/(Liability)

	2025		2024	
	Temporary Differences Rs. 000	Tax Effect Rs. 000	Temporary Differences Rs. 000	Tax Effect Rs. 000
As at 1 April	(3,453,146)	(1,035,944)	(3,180,796)	(954,239)
Amount originating during the year	(39,742)	(11,923)	(272,350)	(81,705)
As at 31 March	(3,492,888)	(1,047,866)	(3,453,146)	(1,035,944)

	2025		2024	
	Temporary Differences Rs. 000	Tax Effect Rs. 000	Temporary Differences Rs. 000	Tax Effect Rs. 000
Deferred Tax Liability				
Amortization of Right Of Used Assets	(686,651)	(205,995)	(610,582)	(183,174)
Depreciation of Property, Plant and Equipment	(309,784)	(92,935)	(308,237)	(92,471)
Depreciation on Bearer Biological Assets	(3,495,761)	(1,048,728)	(3,405,549)	(1,021,665)
Consumable Biological Asset	(394,259)	(118,278)	(273,160)	(81,948)
Produce on Bearer Biological Assets	(56,868)	(17,060)	(30,556)	(9,167)
	(4,943,324)	(1,482,997)	(4,628,083)	(1,388,425)
Deferred Tax Assets				
Lease Liability	783,756	235,127	675,558	202,668
Bad Debt Provision	1,596	479	1,596	479
Defined Benefit Obligations - Income Statement	493,192	147,957	439,488	131,847
Defined Benefit Obligations - Other Comprehensive Income	142,359	42,708	36,572	10,972
Deferred Income	29,534	8,860	21,723	6,517
	1,450,436	435,131	1,174,937	352,481

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31 March, 2025 is 30% for the company.

Notes to the Financial Statements

11. EARNINGS PER SHARE AND DIVIDEND PER SHARE

11.1 Basic/Diluted Earnings per share

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

(B) Diluted earnings per share is calculated by dividing the profit attributable to ordinary share holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive shares outstanding at any time during the year 31 March 2025 (2023/24 - Nil).

11.1.1 The following reflects the income and share data used in the basic and diluted earnings per share computations.

	2025 Rs. 000	2024 Rs. 000
Amounts used as the Numerator :		
Net Profit applicable to ordinary share holders for basic earnings per share	1,526,069	1,922,833
	1,526,069	1,922,833
Amounts used as the Denominator :		
Weighted average number of ordinary shares in issue applicable to basic earnings per share	23,750,001	23,750,001
Basic Earnings per share	64.26	80.96

11.2 Distributions Made and Proposed

	2025 Rs. 000	2024 Rs. 000
Cash dividends on ordinary shares declared and paid		
- Interim Dividend	356,250	308,750
	356,250	308,750
Number of ordinary shares	23,750,001	23,750,001
Dividend per share	15.00	13.00

12. RIGHT OF USE - ASSETS

	Notes	2025 Rs. 000	2024 Rs. 000
Right of use Asset - Land	12.1	678,581	594,941
Right of use Asset - Immovable Bearer Biological Assets	12.2.1	5,352	12,098
Right of use Asset - Other Lease Assets	12.3	2,718	3,543
		686,651	610,582

12.1 Right of use Asset - Land

"Right of use asset - Land" was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. However, SLFRS 16 - Leases was applicable with effect from 01 January 2019, and therefore, above "Right-To-Use of Land on Lease" has accounted in accordance with such standard. "Right of use assset - Land" have been executed for all estates for a period of 53 years. The unexpired period of the lease as at the Statement of Financial Position date is 21 years.

This Right-of-use asset - Land is amortized over the remaining lease term or useful life of the right whichever is shorter and is disclosed under non-current assets. An adjustment to the "Right-of-use asset- Land" could be made to the extent that the change relate to the future period on the reassessment of lease liability. The lease liability as at 01 April 2024 has been reassessed under the provisions of SLFRS 16 and both "Right-of-use asset- Land" and "Lease Liability" has been enhanced.

The Company has adopted SLFRS 16 using modified retrospective method from 1 April 2019. The values taken into the Statement of Financial Position and amortization of the right of use Asset - Land up to 31 March 2025 are as follows.

12. RIGHT OF USE - ASSETS (Contd...)

12.1 Right of use Asset - Land

	2025 Rs. 000	2024 Rs. 000
Reassessed Value		
At the beginning of the year	594,941	400,832
Adjustment on reassessment of Lease Liability	117,570	222,439
At the end of the year	712,510	623,271
Amortisation		
At the beginning of the year	28,331	18,220
Net transition adjustment due to application of SLFRS 16	(28,331)	(18,220)
Amortisation for the year	33,929	28,331
At the end of the year	33,929	28,331
Carrying amount	678,581	594,941

The unexpired period of the lease as at the reporting date is 21 years.

12.2 Right of use Asset - Immovable estate assets on lease other than Right of use Asset - Land

At the time of privatisation of plantation estates, all immovable assets in these estates (Note 12.2.1 and Note 12.2.2) have been taken into the books of the Company retroactive to 22nd June 1992 under finance lease. However, SLFRS 16 - Leases was applicable with effect from 01 January 2019, and therefore, these assets have accounted in accordance with such standard. The values taken into the Statement of Financial Position and amortization of the "Right of use Asset - Immovable estate assets on lease other than Right of use Asset - Land" up to 31 March 2025 are as follows.

12.2.1 Right of use Asset - Immovable Bearer Biological Assets

	Immature Plantations Rs. 000	Mature Plantations Rs. 000	Total Rs. 000
Capitalised Value as at 22.06.1992	213,332	103,652	316,984
Transfers	(213,332)	213,332	-
Government Acquisition (2005/06)	-	(6,449)	(6,449)
Disposals (2006/07)	-	(45,690)	(45,690)
Re Acquisition (2013/14)	-	15,075	15,075
Balance as at 31.03.2025	-	279,920	279,920
Accumulated amortisation as at 01.04.2024	-	267,823	267,823
Amortisation during the year	-	6,746	6,746
Accumulated amortisation as at 31.03.2025	-	274,568	274,568
Written down value as at 31.03.2025	-	5,352	5,352
Written down value as at 31.03.2024	-	12,098	12,098

Note:

Investment in plantation assets which were immature at the time of handing over to the Company by way of estate leases are shown under immature plantations, all of which have been transferred to mature plantations as at the reporting date.

12.2.2 Right of use Asset - Other Immovable Assets

	Improvement to Land Rs. 000	Buildings Rs. 000	Plant & Machinery Rs. 000	Total Rs. 000
Revalued Value as at 22.06.1992	6,984	46,575	3,597	57,156
Re Acquisition (2013/14)				-
Balance as at 31.03.2025	6,984	46,575	3,597	57,156

Notes to the Financial Statements

12. RIGHT OF USE - ASSETS (Contd...)

12.2.2 Right of use Asset - Other Immovable Assets

	Improvement to Land Rs. 000	Buildings Rs. 000	Plant & Machinery Rs. 000	Total Rs. 000
Accumulated amortisation as at 01.04.2024	6,984	46,575	3,597	57,156
Amortisation during the year		-	-	-
Accumulated amortisation as at 31.03.2025	6,984	46,575	3,597	57,156
Written down value as at 31.03.2025	-	-	-	-
Written down value as at 31.03.2024	-	-	-	-

12.3 Right-of-use asset - Other lease assets

Cost	2025 Rs. 000	2024 Rs. 000
At the beginning of the year	29,180	27,384
Adjustment on reassessment of Lease Liability	-	-
Additions	1,058	1,795
At the ending of the year	30,238	29,180
Depreciation		
At the beginning of the year	25,636	23,725
Adjustment on reassessment of Lease Liability	(82)	-
Depreciation during the year	1,966	1,911
At the ending of the year	27,520	25,636
Written Down Value	2,718	3,543

13. FREEHOLD PROPERTY, PLANT & EQUIPMENT

Cost	Balance as at 01.04.2024 Rs. 000	Additions Rs. 000	Transferred out / Disposal Rs. 000	Balance as at 31.03.2025 Rs. 000
Buildings	263,139	18,159	-	281,298
Motor Vehicles	356,375	7,245	(60,000)	303,620
Plant & Machinery	448,538	35,368	-	483,906
Furniture & Fittings	5,978	992	-	6,970
Equipment	42,590	4,356	-	46,946
Computers	25,059	5,394	-	30,454
	1,141,680	71,514	(60,000)	1,153,194

Depreciation	Balance as at 01.04.2024 Rs. 000	Charge for the Year Rs. 000	Accumulated depreciation on Transferred out Rs. 000	Balance as at 31.03.2025
Buildings	102,629	7,172	-	109,801
Motor Vehicles	219,656	29,227	(19,367)	229,517
Plant & Machinery	305,082	14,152	-	319,234
Furniture & Fittings	5,612	113	-	5,725
Equipment	27,873	2,808	-	30,680
Computers	19,816	2,596	-	22,413
	680,668	56,068	(19,367)	717,369
Written Down Value	461,012			435,825

13. FREEHOLD PROPERTY, PLANT & EQUIPMENT (Contd...)

	Balance as at 01.04.2024	Additions for the Year	Transferred during the Year	Balance as at 31.03.2025
Capital Work-in-Progress	19,036	6,655	(21,855)	3,836
TOTAL WRITTEN DOWN VALUE	480,048			439,660

The assets shown above are those movable assets vested in the Company by gazette notification at the date of formation of the Company (22 June 1992) and all investments in tangible assets by the Company since its formation. The assets taken over by way of estate leases are set out in notes 12.1 & 12.2.

The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at the date of the Statement of Financial Position is Rs. 463,525,188/- (2023/24 - Rs. 402,336,242/-).

14. BEARER BIOLOGICAL ASSETS

Cost	Immature Plantations Rs. 000	Mature Plantations Rs. 000	Total Rs. 000
At the beginning of the year	837,459	4,083,468	4,920,927
Additions	332,967	-	332,967
Disposing/Uprooting	(22)	(3,607)	(3,629)
Transfers	(488,391)	438,995	(49,397)
At the end of the year	682,014	4,518,855	5,200,869
Depreciation			
At the beginning of the year	-	1,515,378	1,515,378
Charge for the year	-	193,337	193,337
Disposing/Uprooting	-	(3,607)	(3,607)
At the end of the year	-	1,705,108	1,705,108
Written Down Value - as at 31.03.2025	682,014	2,813,747	3,495,761
Written Down Value - as at 31.03.2024	837,459	2,568,090	3,405,549

Note:

These are investments in immature/mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 12.1 and 12.2. Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity will be moved from immature to mature under this note. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the leases is shown under Note 12.2.

Borrowing costs were not incurred during the year (2023/24 - Nil) to meet expenses relating to immature plantations of the year.

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS

	2025 Rs. 000	2024 Rs. 000
Beginning of the year	273,160	267,330
Gain/(loss) arising from changes in fair value of biological assets	70,329	5,578
Increase due to development	1,373	252
Transfers	49,397	-
End of the year	394,259	273,160

Notes to the Financial Statements

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS (Contd...)

The Managed timber plantation include commercial timber plantations cultivated in the estates of administrative district of badulla & managed timber plantations is measured at fair value other than young trees which are recorded at cost as the significant biological transformation has not taken place.

The fair value of managed trees was ascertained in accordance with LKAS 41. The valuation was carried by Mr. W.M Chandrasena, FIV(SL) MRICS (Chartered Valuation surveyor,) using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates and the valuation has considered the different species, size, condition and location of timber trees.

15.1 Fair Value Hierarchy

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

15.2 Information about Fair Value Measurements using significant unobservable inputs (Level 3)

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average.)		Relationship of Unobservable inputs to Fair Value
			2024/2025	2023/2024	
Consumable Biological Assets - Timber	Discounted Cash Flow Method	Discounting Rate	16.0%	16.6%	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	25 - 35 Years	25 - 35 Years	Lower the rotation period, the higher the fair value
		Price per Cubic ft.	Rs.300 - 900	Rs.200 - 800	The higher the price per cu. ft., the higher the fair value
		Price per Rubber Tree	Rs. 3,000	-	The higher the price per tree, the higher the fair value

Other Key assumption used in the Valuation:

1. The harvesting is approved by the PMMD and Forestry Department Based on the Forestry Development Plan.
2. The Current Market Prices used are net of selling expenditure.

15.3 Sensitivity Analysis

The valuations, as presented in the external valuation models based on net present values, take into account the long-term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the SLFRS 13 against their own assumptions.

It does, nevertheless, concern the Directors that no estimate of fair value can ever be completely accurate. Moreover, in the case of the company's biological assets, small differences in valuation assumptions can have a quite disproportionate effect on results. Another concern is that, as shown from an international benchmark, there is currently no uniform approach within the plantation sector when it comes to defining the major variables, such as selling price and/or discount rates, in the DCF models.

a) Sensitivity Analysis - discount rate & Selling Price

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied and price changes with regard to average sale prices applied. Simulations made for timber trees show that an increase or decrease by 1.5 % of the discount rate and increase or decrease by 10% of estimated future selling prices have the following effect on the net present value of biological assets:

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS (Contd...)

Company	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Managed Timber	-10%	+10%	-1.5%	+1.5%
As at 31 March 2025	(22,064)	22,064	18,163	(27,740)
As at 31 March 2024	(27,289)	27,289	7,994	(6,914)

15.4 PRODUCE ON BEARER BIOLOGICAL ASSETS

	2025 Rs. 000	2024 Rs. 000
Beginning of the year	30,556	33,966
Gain/(loss) arising from change in fair value of biological assets	26,312	(3,409)
End of the year	56,868	30,556

15.5 Non Financial Assets - Biological Assests

Assets measured at fair value	Date of valuation	Level 1 (Quoted prices in active markets) Rs. 000"	Level 2 (Significant observable inputs) Rs. 000"	Level 3 (Significant unobservable inputs) Rs. 000"
Consumable Biological Assets - Timber (Note No 15)	31st March 2025	-	-	394,259
Produce on Bearer Biological Assets (Note No 15.4)	31st March 2025	-	56,868	-

15.6 Gain/(Loss) On Fair Value Changes Of Biological Assets

	2025 Rs. 000	2024 Rs. 000
Gain/(loss) on fair value changes of consumable biological assets (Note 15)	70,329	5,578
Gain/(loss) on fair value changes of produce on bearer biological assets (Note 15.4)	26,312	(3,409)
	96,641	2,168

16. INVESTMENT IN JOINT VENTURE

		2025	2024
Investee	Holding %	33.33%	33.33%
AEN Palm Oil Processing (Pvt) Ltd.	No .of Shares Invested	699,027	699,027

	2025 Rs. 000	2024 Rs. 000
At the beginning of the year	458,129	423,365
Previous year tax adjustment	-	(8,881)
Share of Profit from the Joint Venture (Note 16.1)	119,819	93,976
Dividend Received	(50,330)	(50,330)
Total Carrying Value of Investment	527,618	458,129

Notes to the Financial Statements

16. INVESTMENT IN JOINT VENTURE (Contd...)

The above investment in Joint Venture represents investment in AEN Palm Oil Processing (Pvt) Ltd, which is a joint venture established with Namunukula Plantations PLC, Elpitiya Plantations PLC and Agalawatte Plantations PLC.

The Company has a 33.33% interest in AEN Palm Oil Processing (Pvt) Ltd a joint venture where the Company can influence upto 33.33 % of voting rights of AEN Palm Oil Processing (Pvt) Ltd. This joint venture involved in the business of processing crude Palm Oil.

The Company's interest in AEN Palm Oil Processing (Pvt) Ltd is accounted for using equity method in the financial statements. Summarized financial information of this joint venture are set out below.

16.1 Summarised Statement of Profit or Loss of AEN Palm Oil Processing (Pvt) Ltd.

	2025 Rs. 000	2024 Rs. 000
Revenue from contracts with customers	8,778,183	8,204,870
Cost of Sales	(8,070,708)	(7,214,163)
Gross Profit	707,475	990,707
Other Income including Interest Income Rs. 27,964,516 - (2024 - Rs. 29,524,588/)	29,645	31,512
Administration expenses including depreciation Rs. 2,085,458 (2024- Rs. 1,735,245/-)	(312,303)	(674,891)
Selling & Distribution Expenses	(2,075)	(506)
Finance Cost	(1,815)	(8,416)
Profit Before Tax	420,926	338,407
Tax Expense	(61,469)	(56,480)
Net Profit for the Year	359,457	281,927
Total Comprehensive Income	359,457	281,927
Company's share of profit before tax	140,309	112,802
Company's share of profit after tax (Note 16)	119,819	93,976
Statement of Financial Position		
Non-Current Assets		
Property, Plant & Equipment	1,120,427	1,177,836
Right to use of assets	1,592	1,690
Total Non-Current Assets	1,122,020	1,179,526
Current Assets		
Inventories	249,245	239,208
Income Tax Receivable	-	10,436
Trade & Other Receivables	211,755	118,664
Cash & Bank balances	516,216	308,032
Total Current Assets	977,216	676,340
Total Assets	2,099,236	1,855,866
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	89,880	89,880
Accumulated Profits	1,496,676	1,288,209
Total Equity	1,586,556	1,378,089

16. INVESTMENT IN JOINT VENTURE (Contd...)

16.1 Summarised Statement of Profit or Loss of AEN Palm Oil Processing (Pvt) Ltd. (Contd...)

	2025 Rs. 000	2024 Rs. 000
Non-Current Liabilities		
Interest Bearing Borrowings		
Retirement Benefit Obligation	36,130	30,935
Deferred Tax Liability	94,588	77,357
Liability to make lease payments	1,963	1,963
	132,681	110,255
Current Liabilities		
Trade & Other Payables	376,436	307,892
Amounts due to related Parties	3,563	9,585
Interest Bearing Borrowings	-	50,000
Liability to make lease payments	-	46
Income Tax Payable	-	-
	379,998	367,522
Total Equity and Liabilities	2,099,236	1,855,866
Company's carrying amount of the investment	528,852	459,363
Cash Flows		
Net Cash Flows from Operating Activities	472,284	242,203
Net Cash Flows used in Investment Activities	(53,888)	(231,123)
Net Cash Flows used in Financing Activities	(200,990)	(210,990)
Total Net Cash Flows	217,406	(199,910)

17. INTANGIBLE ASSETS (GOODWILL ON BUSINESS COMBINATIONS)

	2025 Rs. 000	2024 Rs. 000
Goodwill on business combinations	305,915	305,915
Impairment	-	-
As at 31 March	305,915	305,915

17.1 Goodwill arising on business combinations

Company had a sub lease agreement with Tusker Bottling Company (Pvt) Ltd where estates of the Uva Region has sub leased to said company. However the Sub Lease agreement with Tusker Bottling Company (Pvt) Ltd (Under Liquidator) has been terminated for breach effective from 05 July 2013. Consequently, Assets and Liabilities are reacquired passing board resolution by the company. Based on the information available, the Board is of the opinion that this reacquision of subleased assets will not have any further contingent Liabilities as at reporting date except accounted at the date of acquired and disclosed under Note 33. The above balance represent the Goodwill on acquisition of Sub leased Property.

17.2 Impairment testing of goodwill

The recoverable amount as at 31 March 2025, has been determined based on the value in use calculation using expected future cash flow projections based on financial budgets which are approved by management and the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the Financial Statements

17. INTANGIBLE ASSETS (GOODWILL ON BUSINESS COMBINATIONS) (Contd...)

17.2 Impairment testing of goodwill (Contd...)

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and to the company. The key assumptions used to determine the recoverable amount are as follows,

Discount rates

Discount rate represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC of 14.25 % (2023/24 - 11.37 %) takes into account both debt and equity. Segment-specific risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Growth rate estimates

Volume growth of 5 % (2023/24 - 5%) has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year based on industrial growth rates. Cash flows beyond five year period are extrapolated using 0% growth rate.

Gross margins

Gross margins are based on average values achieved in the preceding years beginning of the budget period. These are adjusted over the estimate period for anticipated efficiency improvements and projected market conditions.

The rise in general inflation rate, discounting rate and decrease in gross margin & growth rates, individually or jointly will result in a further impairment.

18. INVENTORIES

	2025 Rs. 000	2024 Rs. 000
Produce Stock	190,260	185,979
Biological Assets - Nurseries	2,876	7,802
Spares & Consumables	73,803	174,023
	266,940	367,804

19. TRADE AND OTHER RECEIVABLES

	2025 Rs. 000	2024 Rs. 000
Produce Debtors (Related Companies, Note 19.1)	141,543	58,299
Produce Debtors (Others)	23,386	33,537
Advances & Prepayments	53,628	51,571
Other Debtors	62,310	81,156
	280,868	224,562
Provision for impairment of doubtful receivables	(40,488)	(40,488)
	240,380	184,074
Receivable from Liquidator - for uva range		
Current account balance	533,052	533,052
Less: Provision for impairment of doubtful receivables	(533,052)	(533,052)
	-	-
	240,380	184,074

The above "receivable from the liquidator - Uva range" amount, is the due balance from the liquidator appointed by the court in the winding up proceeding of Tusker Bottling Company (Pvt) Ltd to which the Company has sub leased 6 estates. These expenses were incurred by the Company net of income on behalf of the liquidator who has acknowledged the fact.

The amount outstanding from liquidator was Rs. 533,052,236/-, for which total provision has been made.

19.1 Trade Receivables from Related Companies.

	Relationship	2025 Rs. 000	2024 Rs. 000
AEN Palm-Oil Processing (Pvt) Ltd	Joint Venture	141,543	58,299
		141,543	58,299

The age analysis of produce debtors is as follows;

	Neither past due nor impaired					
	0 - 7 days Rs. 000	8 - 30 days Rs. 000	31 - 90 days Rs. 000	91-364 days Rs. 000	> 365 days Rs. 000	Total Rs. 000
Balance as at 31 March 2025						
Produce Debtors (Related Companies)	141,543	-	-	-	-	141,543
Produce Debtors (Others)	23,386	-	-	-	-	23,386
Balance as at 31 March 2024						
Produce Debtors (Related Companies)	58,299	-	-	-	-	58,299
Produce Debtors (Others)	33,537	-	-	-	-	33,537

Notes to the Financial Statements

20. AMOUNTS DUE FROM RELATED COMPANIES

	Relationship	2025 Rs. 000	2024 Rs. 000
Richard Pieris & Company PLC	Ultimate Parent Company	64,419	485,405
RPC Management Services (Pvt) Ltd	Parent Company	28,180	152,077
Kegalle Plantations PLC	Fellow Subsidiary Company	306,654	179,466
Maskeliya Plantations PLC	Fellow Subsidiary Company	41,835	106,144
Maskeliya Tea Garden Ceylon Ltd	Fellow Subsidiary Company	5,558	5,348
Richard Pieris Distributors (Pvt) Ltd	Fellow Subsidiary Company	-	332
BGN Industries Ltd	Fellow Subsidiary Company	6,055	6,382
Richard Pieris Natural Foams Ltd.	Fellow Subsidiary Company	152,723	87,052
		605,423	1,022,205

21. FINANCIAL ASSETS

	2025 Rs. 000	2024 Rs. 000
Loan given to Richard Pieris Finance Limited	-	200,000
	-	200,000

The Company granted a long-term loan of Rs. 200 million to RP Finance Limited in May 2020 at an interest rate of 12.44% per annum. The loan has been fully settled as of September 2024, including all outstanding interest and principal amounts.

21.1 Unquoted Investment

The Company held an equity investment in RP Finance Limited comprising 33,333,334 unquoted ordinary shares with a face value of Rs. 12 per share, representing a 13.47% equity stake in the investee company. The total cost of the investment amounts to Rs. 400 million.

		2025	2024
Non-Quoted Equity Shares held by the Company			
Non-Quoted Ordinary Shares of Richard Pieris Finance Ltd			
No of Shares	No	33,333,334	-
% Holding	%	13.47%	-
Face Value Per Share	Rs.	12.00	-
Carrying Value as at 01 April	Rs.	-	-
Invested During the year	Rs. 000	400,000	-
Carrying Value as at 31 March	Rs. 000	400,000	-
Equity Value Per Share as at 31 March	Rs.	12.80	-
Gain/(Loss) on FVTOCI Financial Asset	Rs. 000	26,667	-
Carrying Value as at 31 March	Rs. 000	426,667	-

21. FINANCIAL ASSETS (Contd...)

21.2 Information about Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Financial Asset	Valuation methodology	Unobservable inputs	Range of unobservable inputs 2025
Investment in non-quoted Ordinary Shares of Richard Pieris Finance Ltd	Market Approach (trading multiples) - Primary methodology	Price to Book Value multiple	Price to Book multiple range of 0.77 - 0.91

Key assumptions used in valuation;

01. Screening was conducted on similar companies listed on the Colombo Stock Exchange based on similiarities in Net Asset Value and total Revenue.
02. Results of screening based on publicly available information as at the latest practicable date
03. Valuation exercise was concluded on Price to Book Value multiplses of identified similar Companies.

The fair value of the retained interest of the Richard Pieris Finance Ltd on initial recognition identified in profit or loss statement and Gain or Loss on subsequent fair valuation recognised in Other Comprehensive income.

22. CASH AND CASH EQUIVALENTS

22.1 Favourable balance

	2025 Rs. 000	2024 Rs. 000
Cash at Bank	6,579,243	5,077,959
Cash in Hand	499	189
Short-term Investment	-	216,255
	6,579,742	5,294,402
22.2 Unfavourable balance		
Bank Overdraft	-	-
	6,579,742	5,294,402

23. STATED CAPITAL

	2025	2024
Issued and Fully Paid Number of Shares		
Fully paid ordinary shares including One Golden Share	23,750,001	23,750,001
Value of Issued and Fully Paid Shares		
23,750,000 Ordinary Shares and a Golden Share		
which has special rights, held by the Secretary to the Treasury (Rs.)	350,000,010	350,000,010

Notes to the Financial Statements

24. RETIRING BENEFIT OBLIGATIONS

	2025 Rs. 000	2024 Rs. 000
At the beginning of the year	476,060	477,796
Interest Cost	61,888	81,225
Current Service Cost	35,105	24,564
Actuarial (Gain) / Loss due to changes in financial assumptions	105,907	47,987
Actuarial (Gain) / Loss due to experience adjustments	36,452	(11,416)
Gratuity Paid/Payables for the year	(79,861)	(144,097)
At the end of the year	635,550	476,060

The employee benefit liability is based on the actuarial valuation carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd .

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods using the Projected Unit Credit Method and discount that benefit in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

Adopting Method :

Company used Projected Unit Credit Method (PUC) as the method of valuation. The PUC is the benchmark method recommended by Sri Lanka Accounting Standard as per LKAS 19.

Input Used for the valuation

Basic input data used for the retirement benefit obligation is employee date who were expected to be in service as at 31st March 2025. Such as retirement Age , Wage Rate etc. This input data mainly used to conduct the valuation.

Assumptions used for valuation

In order to carry out the valuation, there are two main assumptions regarding the future experience and trends of two groups of elements.

i. Demographic Assumptions -

This assumptions covers item such as mortality rates, ill health retirement rate and staff turnover rate and these are generally referred to as the demographic assumptions. Sudden Changes in these are rare and the past experience can provide a reasonable guide to the future.

ii . Financial Assumption -

This assumption covers the financial elements such as the rate of increase in salaries / Wages, the rate of discount (i.e. the rate of interest used to discount future cash flows in order to determine the present value). The assumptions regarding the financial elements , of necessity, have to be based on more general considerations of long-term economic trends and outlook.

According to the actuarial valuation report issued by the Messer Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2025, the actuarial present value of promised retirement benefits amounted to Rs. 676,600,188/-. If the Company had provided for gratuity on the basis of 14 days wages & half months salary for each completed year of service, the liability would have been Rs. 980,603,359/-.

24. RETIRING BENEFIT OBLIGATIONS (Contd...)

The key assumptions used by the actuary is as follows,

	2025 Rs. 000	2024 Rs. 000
(I) Rate of discount	12 % p.a.	13 % p.a.
(II) Salary increment rate -		
Workers	8% (Per annum)	8% (Per annum)
Staff	8% (Per annum)	8% (Per annum)
(III) Retirement age		
Workers (Male & Female)	60 Years	60 Years
Estate Staff (Male & Female)	60 Years	60 Years
Head Office Staff (Male & Female)	60 Years	60 Years
(IV) The Company will continue in business as a going concern.		

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

	Staff Rs. 000	Workers Rs. 000	Company Rs. 000
Within the next 12 Months	10,564	116,956	127,520
Between 02 to 05 Years	46,016	180,797	226,813
After 05 Years	36,978	244,239	281,217
	93,557	541,993	635,550

The weighted average duration of defined benefit obligation for the Namunukula Plantations PLC is 6.47 years (2023/24) - 7.07 years).

The Retirement Benefit Plan of the Company was amended due to the increase in retirement age enacted by the **Minimum Retirement Age of Workers Act No. 28 of 2021.**

24.1 Sensitivity of Assumptions Employed in Actuarial Valuation

The following tables are demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

Simulation made for retirement obligation show that, a rise or decrease by 1% of the rate of salaries & wages or discount rate has the following effect on the retirement benefit obligation.

Refer to Note 35 Events after Reporting Period, which describes a proposed revision to wage rate after the year end. As this determination is yet to be finalised, we have considered the reasonable possible change for wage rate as 1% for the purpose of sensitivity analysis

	Sensitivity Effect on,			
	Statement of Profit or Loss			Statement of Financial Position
	(Benefit Obligation to Staff) Rs. 000	(Benefit Obligation to Workers) Rs. 000	Total Rs. 000	Total Rs. 000
1 % Increase in discounting Rate -2024/25	**5,784**	**35,266**	**41,050**	**(41,050)**
1 % Increase in discounting Rate -2023/24	4,481	22,005	26,486	(26,486)
1 % Decrease in discounting Rate - 2024/25	**(6,521)**	**(39,911)**	**(46,432)**	**46,432**
1 % Decrease in discounting Rate - 2023/24	(5,010)	(24,708)	(29,718)	29,718
1 % Increase in salary/Wages escalation rate -2024/25	**(7,108)**	**(39,557)**	**(46,666)**	**46,666**
1 % Increase in salary/Wages escalation rate -2023/24	(5,569)	(24,905)	(30,474)	30,474
1 % Decrease in salary/Wages escalation rate -2024/25	**6,395**	**35,497**	**41,892**	**(41,892)**
1 % Decrease in salary/Wages escalation rate -2023/24	5,041	22,479	27,520	(27,520)

Notes to the Financial Statements

25. DEFERRED GRANTS AND SUBSIDIES

	2025 Rs. 000	2024 Rs. 000
At the beginning of the year	120,410	121,570
Add : Grants received for the year - Monetory	7,811	5,042
Less : Amortisation for the year	(6,525)	(6,202)
At the end of the year	121,696	120,410

The Company has received funds from Asian Development Bank - Plantation Reform Project (ADB - PRP), Plantation Devolopment Support Programme (PDSP) and Plantation Human Development Trust (PHDT) for the development of worker facilities such as construction of worker housing, re-roofing of line rooms, latrines, water supply and sanitation etc. Funds received from Rubber Development Department are utilized for Rubber replanting.

The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies.

26. LEASE LIABILITY

		2025 Rs. 000	2024 Rs. 000
Lease liability on Right of use Asset - Land	26.1	780,860	671,827
Lease liability on Right of use Asset - Other Assets	26.2	2,897	3,732
		783,756	675,558

26.1 Lease liability on Right of use Asset - Land

	2025 Rs. 000	2024 Rs. 000
Balance as at the beginning of the year	671,827	455,817
Reassessment Adjustment	117,570	222,439
Accretion of interest	102,622	88,173
Payments	(111,158)	(94,603)
Balance as at the end of the year	780,860	671,827

26.1.1 Maturity analysis of lease liabilities are as follows;

Lease liability on right of use Asset - Land

	2025 Rs. 000	2024 Rs. 000
Repayable after 5 years		
Gross Liability	1,667,375	1,513,646
Less : Finance Charges	(949,028)	(888,900)
Net Liability	718,347	624,745
Repayable after 1 year less than 5 years		
Gross Liability	444,633	378,411
Less : Finance Charges	(391,768)	(338,595)
Net Liability	52,866	39,816
Repayable after 1 year	771,213	664,562
Repayable within 1 year		
Gross Liability	111,158	94,603
Less : Finance Charges	(101,512)	(87,337)
Net Liability	9,647	7,265
Total	780,860	671,827

26. LEASE LIABILITY (Contd...)

26.2 Lease liability on right of use Asset - Other Assets

	2025 Rs. 000	2024 Rs. 000
Balance as at the beginning of the year	3,732	3,659
Reassessment Adjustment	1,140	-
Accretion of interest	619	871
New Leases obtained	-	1,795
Repayments during the year	(2,594)	(2,594)
Balance as at the end of the year	2,897	3,732
26.3 Current versus non-current classification of lease liability		
Current	9,685	8,988
Non - Current	774,072	666,570

27. DIVIDENDS PAYABLE

	2025 Rs. 000	2024 Rs. 000
Dividend payable		
Dividend for Rs. 15.00 per Share (2023/24 - Rs. 13.00 per share)	-	196,798
Number of Ordinary Shares (No's)	23,750,001	23,750,001
Dividend per share (Rs.)	15.00	14.00

28. TRADE AND OTHER PAYABLES

	2025 Rs. 000	2024 Rs. 000
Trade Creditors	194,801	237,166
Accrued Expenses	88,244	96,930
Payable to Employees	196,930	142,069
Others	42,877	64,932
	522,852	541,097

29. AMOUNTS DUE TO RELATED COMPANIES

	Relationship	2025 Rs. 000	2024 Rs. 000
RPC Plantation Management Services (Pvt) Ltd	Parent Company	86,058	51,552
Richard Pieris Tyre Company (Pvt) Ltd	Fellow Subsidiary Company	693	1,121
Richard Pieris Distributors (Pvt) Ltd	Fellow Subsidiary Company	-	3,374
		86,751	56,047

Notes to the Financial Statements

30. SECURITIES PLEDGED

Following assets have been pledged as security for liabilities.

Nature of Liability	Facility Rs. Mn	Loan Outstanding Rs. Mn	Security	Carrying amount pledged 2025 Rs. Mn.	2024 Rs. Mn.
Overdraft and Short-term Loans					
Bank of Ceylon	90	-	Floating mortgage bond over stock in trade and movables of the Company	237.78	237.78
Hatton National Bank PLC	150	-	Corporate guarantee	-	-
Nations Trust Bank PLC	150	-	Floating mortgage bond over stock in trade and movables of the Company	237.78	237.78
Sampath Bank PLC	50	-	Corporate guarantee	-	-

31. CAPITAL EXPENDITURE COMMITMENTS

	2025 Rs. 000	2024 Rs. 000
Followings are the capital expenditure commitments as at the reporting date,		
Approved by the Board & Contracted for	Nil	Nil
Approved by the Board & not Contracted for	937,801	922,495

32. RELATED PARTY DISCLOSURES

Transactions with related parties were made at terms equivalent to those that prevail in arm's length transactions. Details of Significant Related Party Disclosures are as follows.

32.1 Recurrent Transactions with the Parent and Ultimate Parent Company.

Name of the Company	Relationship	Name of Director	Nature of Transaction	2025 Rs. 000	2024 Rs. 000
Richard Pieris & Company PLC	Ultimate Parent Company	Dr. Sena Yaddehige	Interest Income	519,558	642,618
		Mr. Shaminda Yaddehige	Administrative Services	(179,039)	(206,788)
			Other Expenses	(9,832)	(8,058)
			Receipts	751,674	300,000
RPC Plantation Management Services (Pvt) Ltd	Parent Company	Dr. Sena Yaddehige	Management Fees	345,502	342,238
		Mr. Shaminda Yaddehige	Other Expenses	103	324
			Settlemet	(311,099)	(327,013)

Interest Income

Under the RPC (Richard Pieris & Company PLC) pooling arrangement, an aggregate amount of Rs. 519 Mn (compared to Rs. 643 Mn in 2023-24) earned from day-to-day operations of the Company is deposited into the designated Richard Pieris & Company PLC pooling account during the fiscal year. These transactions collectively exceed 16% (12%) of the gross revenue/income of the Company as per the latest audited financial statements.

Management Fee

The Management agent shall be paid for each fiscal year fifteen percent (15%) of the earnings of the Company before interest received/paid corporate tax, depreciation and amortization of land and management fees (EBIDTA) applicable in that fiscal year.

32. RELATED PARTY DISCLOSURES (Contd...)

32.1. Recurrent Transactions with the Joint Venture Company.

Name of the Related Party	Relationship	Nature of the Transaction	Terms and Conditions of the Related Party Transactions	2025 Rs. 000	2024 Rs. 000
AEN Palm oil processing (Pvt) Ltd	Joint Venture	Amounts Receivable	Sale of Fresh Fruit Bunches (FFB) as day to day operations of the Company - Price will decide based on Ripe & Unripe weight of bunches.	141,543	58,299
		Sale of Goods		2,490,253	2,583,318
		Reimbursement of Transport Cost		201,707	227,955
		Vehicle Lease rental & Insurance charged		(268)	(360)
		Settlements of dues		(2,608,448)	(2,774,761)

During the year Company was supplied Rs. 2,490 Mn (2023-24 - Rs. 2,583 Mn) worth of Oil palm FFB to AEN Palm oil processing (Pvt) Ltd in day to day operations of the Company and aggregate value of these transactions are exceed 55% (59%) of the gross revenue/ income of the Company as per latest audited financial statements.

32.1.2 Recurrent Transactions with Other Related Companies

Name of the Company	Relationship	Name of Director	Nature of Transaction	2025 Rs. 000	2024 Rs. 000
Kegalle Plantations PLC	Affiliates	Dr. Sena Yaddehige	Latex Supply	153,109	112,341
		Mr. Shaminda Yaddehige	Administrative Services	1,401	4,235
			Receipts	27,321	25,679
Maskeliya Plantations PLC	Affiliates	Dr. Sena Yaddehige	Administrative Services	4,485	18,664
		Mr. Shaminda Yaddehige	Purchase of Green Leaf	-	1,744
			Purchase of Made Tea	633	426
			Receipts	10,000	-
Richard Pieris Distributors Ltd	Affiliates	Dr. Sena Yaddehige	Purchase of goods	3,876	3,499
		Mr. Shaminda Yaddehige	Receipts	332	-
			Settlement	(3,876)	(3,499)
Richard Pieris Tyre Company	Affiliates	Dr. Sena Yaddehige	Purchase of Tyres	3,227	3,501
(Pvt) Ltd.		Mr. Shaminda Yaddehige	Settlement	(3,655)	(3,514)
Arpico Insurance PLC	Affiliates	Dr. Sena Yaddehige	Insurance Premium	1,650	1,506
			Settlement	(1,650)	(1,506)
Richard Pieris Natural Forms	Affiliates	Dr. Sena Yaddehige	Sale of Firewood	148,550	130,373
(Pvt) Ltd		Mr. Shaminda Yaddehige	Receipts	82,879	55,492
Richard Pieris Finance Limited	Affiliates	Dr. Sena Yaddehige	Interest Income Term Loan/FD	46,027	24,948
			Receipts	62,282	24,948
Maskeliya Tea Garden	Affiliates	Dr. Sena Yaddehige	Purchase of Tea	2,956	319
Ceylon Ltd			Settlement	(3,167)	-
BGN Industries Ltd	Affiliates	Dr. Sena Yaddehige	Sale of Firewood	8,892	9,333
		Mr. Shaminda Yaddehige	Settlement	(9,219)	(8,810)

Notes to the Financial Statements

32. RELATED PARTY DISCLOSURES (Contd...)

32.2 Terms and Conditions

Transaction with related parties are carried out in the ordinary course of business on relevant commercial terms. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

Non recurrent related party transactions

There were no non recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets which ever is lower.

32.3 Transactions with the key management personnel

The Company Key Management Personnel include members of the Board of Director of Namunukula Plantations PLC and members of Board of Director of Richard Pieris and Company PLC.

	2025 Rs. 000	2024 Rs. 000
Short-term employee benefits	9,580	12,615

32.4 Related Party Transactions

There are no related party transactions other than those disclosed in Notes 16, 20, 21, 29 & 32 to the Financial Statements.

33. CONTINGENCIES

33.1 Supreme Court Case No: SC/SPL/LA/260/2023

There were 30 cases outstanding filed at Magitrates court Passara and Bandarawela by the Commissioner of Labour (Badulla) against Tusker Bottling Co. (Pvt) Ltd, the Company and the Superintendents of these Estates regarding the payment of employees' statutory dues for the amounts which the Sub Lessee has failed to pay in respect of the sub leased 6 estates. The Company has filed objections that the Company is not liable to pay such dues. However Magistrate has ordered Company to pay.

The Company filed revision to that in High court and further Company was deposited 14.75 Mn as refundable security deposit in the court. The Company won the case No. 59/2015 in HC Badulla, and the Labour Commissioner subsequently filed an appeal against the decision of the High Court Judge in favor of the company. The dates of the balance 29 cases (Case No: 60/2015 to 88/2015) are being moved forward pending a decision from a higher court.Next day of hearing is 14th Nov 2025.

34. RECONCILIATION FOR CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from 2024/25 are disclosed below together with the comparative figures for the year ended 2023/24.

	Non-Current Interest Bearing Loans & Borrowings Rs. 000	Non-Current Lease Creditor Rs. 000	Current Interest Bearing Loans & Borrowings Rs. 000	Current Lease Creditor Rs. 000	Total Rs. 000
Balance as at 1st April 2023	-	453,438	-	6,039	459,477
Net cash flows from financing activities	-	-	-	(6,039)	(6,039)
Reclassification to current liabilities	-	212,908	-	9,213	222,121
Balance as at 31st March 2024	-	666,346	-	9,213	675,558
Balance as at 1st April 2024	-	666,346	-	9,213	675,558
Net cash flows from financing activities	-	-	-	(9,213)	(9,213)
Reclassification to current liabilities	-	107,726	-	9,685	117,411
Balance as at 31st March 2025	-	774,072	-	9,685	783,756

35. EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the reporting date which require adjustments to or disclosure in the financial statements.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the company's financial risk management framework which includes developing and monitoring the company's financial risk management policies.

The company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. Accordingly the Company has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments.

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

36.2 Credit Risk

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

36.2.1 Trade and Other Receivables

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

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

The Company's main customers (Brokers) have been transacting with the Company more than 10 years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

The maximum exposure to credit risk for trade receivables at the reporting date is Rs. 165 Mn (2023/24 – Rs. 92 Mn).

Company has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven to ten days by the Tea and Rubber auction systems.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held);

  or
- the financial asset is more than 21 days past due.

36.2.2 Trade & Other Receivables Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirely or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

36.2.3 Trade & Other Receivables Write-off

The Movement of in the allowance for the impairment for trade and other receivables during the year was,

	2025 Rs. 000	2024 Rs. 000
Balance as at 01 April	573,540	573,540
Charge for the year	-	-
Write-off	-	-
Recoveries	-	-
Balance as at 31 March	573,540	573,540

Notes to the Financial Statements

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

36.2.4 Cash and Cash Equivalents

The Company held cash and Cash Equivalents of Rs. 6,580 Mn as at 31st March 2025 (2023/24 – Rs. 5,294 Mn) which represents its maximum credit exposure on these assets.

36.3 Liquidity Risk

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

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

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

As at 31st March 2025	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	> 5 years	Total
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Interest bearing loans & borrowing	-	-	-	-	-	-
Liability to make Lease payment within one year	-	-	9,685	55,724	718,347	783,756
Dividend Payable	-	-	-	-	-	-
Amounts Due to Related Companies	-	-	86,751	-	-	86,751
Bank Overdraft	-	-	-	-	-	-
	-	-	96,435	55,724	718,347	870,507
As at 31st March 2024						
Interest bearing loans & borrowing	-	-	-	-	-	-
Liability to make Lease payment within one year	-	-	6,039	25,621	643,899	675,558
Dividend Payable	-	196,798	-	-	-	196,798
Amounts Due to Related Companies	-	-	56,047	-	-	56,047
Bank Overdraft	-	-	-	-	-	-
	-	-	43,864	25,621	427,817	928,404

36.4 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, currency risk, interest rate risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings.

36.5 Interest Rate Risk

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

The Company don't have long-term borrowings with floating interest rates at end of the year 2024/25 (2023/24 – Nil).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

36.6 Capital Management

The Company's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earning. The Board of Directors monitors the return on capital, interest cover ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

	As at 31.03.2025 Rs. 000	As at 31.03.2024 Rs. 000
Interest bearing borrowing		
Current portion of long-term interest bearing borrowings	-	-
Payable within 1 and 5 years	-	-
Bank Overdraft	-	-
	-	-
Equity		
Equity & debts	10,555,179	8,236,256
Gearing ratio	0%	0%

Supplementary Information

"Empowering Engagement: Building Lasting Relationships with Stakeholders and Investors to Drive Organizational Success and Sustainable Growth."



Shareholder & Investor Relations Information

The Company is maintaining healthy relationship with its key shareholders (Individual and Institutional) while maintaining a dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, principal methods of communication of Company include the corporate website, the Annual Report, quarterly Financial Statements and press releases.

Also the Company wants to maintain an effective dialogue with its valued investors since they are an important part of stakeholder engagement in recognition of their vital support to the success of the Company. We believe that investors will actively seek to influence the behaviour of the entity to improve the performance of areas such as environmental, social and governance using the stakeholder engagement structures in place. Consequently, Company provides timely, transparent, accurate and consistent information to the investing public to create a productive dialogue to address their concerns and thereby, improve long term corporate performance. Information provided in this section provides useful insights as to the performance of investors' investment in the Company.

Rs. 380.75
NPPLC Share Price (Rs.)

5,287
Share Trading (No of times)

23,750,001
Total No of Shares

9,043
Market Capitalization (mn)

12,180
Total Shareholders

Compliance Report on the Contents of Annual Report in Terms of the Listing Rules of the CSE

The Company is pleased to inform you that Company has duly complied with all the requirements of the Section 7.6 of the Listing Rules of the CSE on the contents of the Annual Report and Accounts of a listed entity.

The table below provides reference to the relevant sections of this Annual Report where specified information is disclosed together with page references for the convenience of the readers.



Content Index of Annual Report disclosure requirements in terms of Listing Rule 7.6

Listing	Information required to be disclosed	Report Commentary Title	Page No(s) Rule
7.6 (i)	Names of persons who were Directors of the Company during the financial year	Corporate Governance & Board of Directors	28 to 36
7.6 (ii)	Principal activities of the Company and its subsidiaries during the year and any changes therein.	About us	4 to 12
7.6 (iii)	The names and the number of shares held by the 20 largest shareholders and the percentage of such shares held.	Shareholders & Investor relations information Item 9	272
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Company complies with the Minimum Public Holding requirement.	Shareholders & Investor relations information Item 8.b	271
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in shares of the Company at the beginning and end of financial year.	Annual Report of the Board of Directors Item 4.3	211 to 212
7.6 (vi)	Information pertaining to material foreseeable risk factors	Risk Management	54 to 71
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Company.	Shareholders & Investor relations information Item 17	277
7.6 (viii)	Information on buildings/land holding of the Company as at end of the year	Estates Profile	20 to 22
7.6 (ix)	Number of shares representing the Company's stated capital.	Shareholders & Investor relations information Item 8	271
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Shareholders & Investor relations information Item 7	270
7.6 (xi)	Ratios and market price information on equity securities	Decade at a Glance/ Shareholder & Investor information Item 6	280 to 285 270
7.6 (xii)	Significant changes in the Company's fixed assets	Financial Statement note 12,13,14,15	242 to 247
7.6 (xiii)	If during the financial year the Company has raised funds through an Initial Public Offering and/or a further issue of Securities (as applicable);	Shareholders & Investor relations information Item 18	277
7.6 (xiv)	Employee Share Option Schemes/Employee Share Purchase Schemes	Shareholders & Investor relations information Item 19	277
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Rules.	Annual report of the board of Directors Item 4/ Profile of Directors/ Remuneration Committee Report/ Audit Committee Report	209 to 213 28 to 30 39 & 40
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Financial Statement Note 32	258 to 260

Shareholder & Investor Relations Information

1. Stock Exchange

The issued Ordinary Shares of Namunukula Plantations PLC is listed on the Main Board of the Colombo Stock Exchange (CSE) of Sri Lanka under the ticker symbol of "NAMU.N0000".

The Company duly submitted the unaudited Interim Financial Statements for the year 2024/25 to CSE within applicable statutory deadlines as required by the Rule No. 7.4 (a) (i) of the Listing Rules of the CSE. The Audited Accounts of the Company for the year ended 31 March 2025 have been submitted to the Colombo Stock Exchange within three months from the year end, which is well within the required deadline as required by the Rule No 7.5. (a) of the Listing Rules of the CSE.

2. NPPLC Share Information

NPPLC share Information from CSE website: Log on to Colombo Stock Exchange - website: www.cse.lk Enter Company code (NAMU.N0000) in the box at the top right hand corner of CSE home page and go to the Company description.

3. Public Holding

The percentage of shares held by the public is 32.02%of the issued Share Capital of the Company.

4. Golden Shareholder

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

1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/ to be leased to the Company by the Janatha Estate Development Board / Sri Lanka State Plantations.

2) The concurrence of the Golden Shareholder will be required to amend any clause in the Article of Association of the Company which grants specific right to the Golden Shareholders.

3) The Golden Shareholder or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks of written notice.

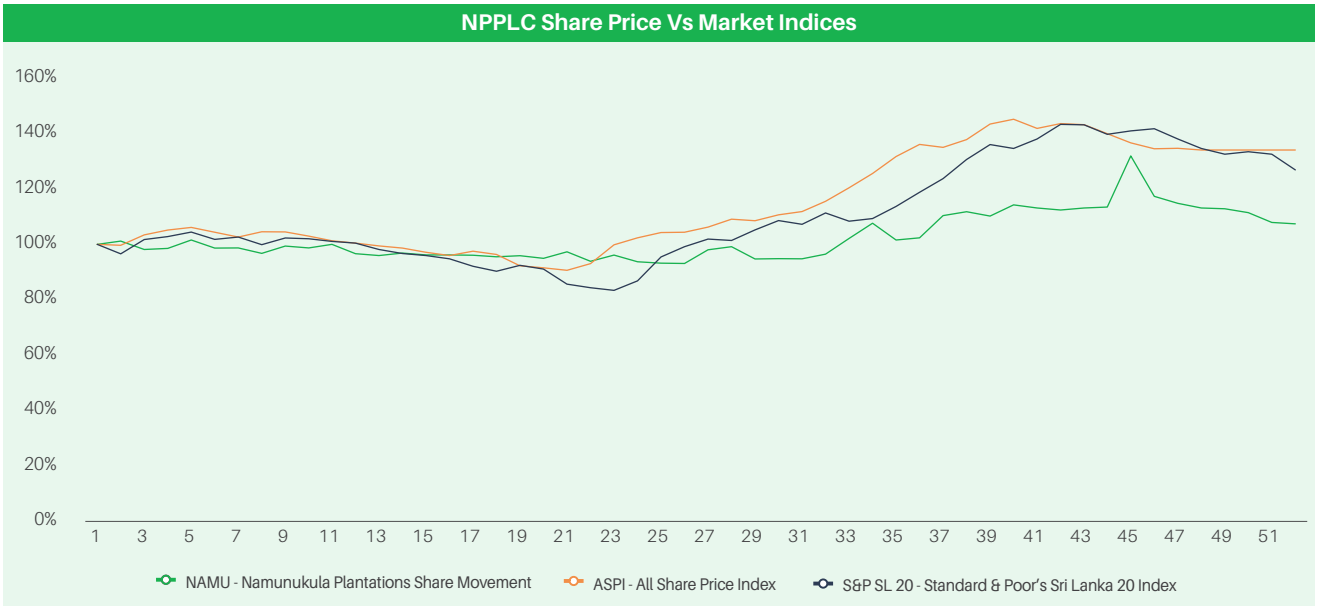
4) The Company will be required to submit a detailed accounts report to the Golden Shareholder.

5) The Golden Shareholder can request the Board of Directors of the Company to meet with him/ his Nominee, once every quarter to discuss issues related to the Company's operation of interest to the Government.

5. The Share of NPPLC

The Performance of Namunukula Plantations PLC's Share is as follows compared to the Performances of All Share Price Index (ASPI), Plantations Share Price Index (PLT) and Standard & Poor's Sri Lanka 20 (S&P SL 20) in the Share Market during the year.

(a) NPPLC Share Price Vs Market Indices



(b) Performance of Share Relative to ASPI

	As at 31st March 2025	As at 31st March 2024	Change %
NPPLC Share price	380.75	354.5	7%
ASPI	15,814.22	11,795.47	34%
S & P SL 20	4,533.35	3,481.54	30%

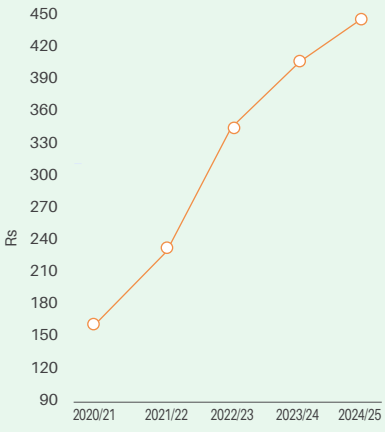
Performance of Share Relative to ASPI



(C) Value Creation for Share

		2024/25	2023/24	2022/23	2021/22	2020/21
Turnover	Rs. '000	4,190,311	4,517,433	5,360,825	3,888,486	2,739,070
Net Profit After income tax	Rs. '000	1,526,069	1,922,833	2,813,817	1,937,332	863,243
Total Comprehensive income	Rs. '000	1,445,084	1,897,232	2,772,897	1,944,240	890,608
Total Assets	Rs. '000	14,041,578	12,648,118	10,423,076	7,569,307	5,784,115
Net Assets	Rs. '000	10,555,179	9,466,345	7,877,863	5,449,137	3,742,397
Net assets per share	Rs.	444.43	398.58	331.70	229.44	157.57

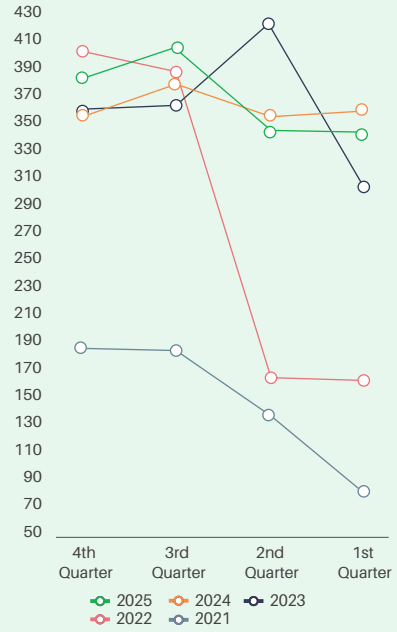
Net Assets per share



(D) Five Years Quarterly Trend of the Share Price (Rs.)

Year	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
2025	380.75	400.00	344.50	343.25
2024	354.50	380.50	355.00	360.00
2023	362.75	365.00	420.50	306.75
2022	398.75	389.75	161.50	160.00
2021	184.50	184.00	131.40	80.10

Five Years Quarterly Trend of the Share Price (Rs.)



Shareholder & Investor Relations Information

6 Market Information

(a) Key Information

		2025/24	2023/24	2022/23	2021/22	2020/21
Market Value per share						
Highest	Rs.	484.75	399.00	599.75	1100.00	202.00
Lowest	Rs.	320.00	337.50	195.00	148.00	165.00
As at the year end	Rs.	380.75	354.50	362.75	398.75	184.50
Trading Activities						
Market Capitalization	Rs. Million	9,043	8,419	8,615	9,470	4,382
No. of Transaction	No. of times	5,287	3164	8,250	16,277	3898
No. of Shares Traded	Million	0.59	0.29	0.71	2.28	1.22
No. of days traded	Days	225	229	235	239	202
Value of Shares Traded	Rs. Million	228	108	278	953	174
Exchange Rates- USD						
As at the year end	Rs.	228.47	300.40	327.29	299.00	196.01

(b) Quarterly results

		4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	Rs.'000	1,040,373	1,030,559	1,101,225	1,018,155
Cost of sales	Rs.'000	(604,402)	(621,609)	(580,074)	(583,964)
Gross Profit	Rs.'000	435,971	408,950	521,151	434,191
Other income	Rs.'000	50,646	54,111	61,649	39,373
Net Profit for the period	Rs.'000	338,677	399,670	447,979	339,742
Total Comprehensive income for the period	Rs.'000	338,677	399,670	447,979	339,742
Total Assets	Rs.'000	14,041,578	13,704,980	13,281,323	12,723,631
Net assets	Rs.'000	10,555,179	10,653,737	10,254,066	9,806,087
EPS	Rs.	14.26	16.83	18.86	14.30
Market price of Share	Rs.	380.75	400.00	344.50	343.25
Market capitalization	Rs.'000	9,042,813	9,500,000	8,181,875	8,152,188
Net Assets per share	Rs.	444.43	448.58	431.75	412.89

7 Distribution of Shareholding

	As at 31.03.2025				As at 31.03.2024			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Less than or equal to 1,000	11,969	98.27%	1,835,672	7.73%	12,017	98.38%	1,842,049	7.76%
1,001-10,000	188	1.54%	557,098	2.35%	175	1.43%	517,217	2.18%
10,001-100,000	19	0.16%	482,785	2.03%	19	0.16%	516,289	2.17%
100,001-1000,000	2	0.02%	966,096	4.07%	2	0.02%	966,096	4.07%
1,000,001 & above	2	0.02%	19,908,350	83.82%	2	0.02%	19,908,350	83.82%
Grand total	12,180	100%	23,750,001	100%	12,215	100%	23,750,001	100%

8 Composition of Shareholders

(a) Resident & Non-Resident

	As at 31.03.2025				As at 31.03.2024			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Resident	12,165	99.88%	22,989,592	96.80%	12,201	99.89%	23,657,460	99.61%
Non Resident	15	0.12%	760,409	3.20%	14	0.11%	92,541	0.39%
Total Shreholding	12,180	100%	23,750,001	100%	12,215	100%	23,750,001	100%

(b) Public & Other Holding

	As at 31.03.2025				As at 31.03.2024			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Public Holding	12,179	99.99%	7,604,951	32.02%	12,214	99.99%	7,604,951	32.02%
Other Holding	1	0.01%	16,145,050	67.98%	1	0.01%	16,145,050	67.98%
Total Shreholding	12,180	100%	23,750,001	100%	12,215	100%	23,750,001	100%

As per the rule No 7.6 (iv) of the Listing Rules of the Colombo Stocks Exchange, Percentage of public holding as at 31st March 2025 is 32.02% (2024 - 32.02%) complying the Minimum Public Holding requirement.

MINIMUM PUBLIC HOLDING REQUIREMENT			
Options	Float Adjusted Market Capitalization	Public Holding percentage	Number of public Shareholders
3	Rs. 5.0Bn	7.5%	500
NPPLC	2,761 Mn (2021/22- 3,080 Mn)	32.06%	12,337

The Company complies with option 5 of the Listing Rules 7.13.1 (a)- Less than Rs. 5 billion float adjusted Market Capitalization which requires 7.5% minimum Public holdings & 500 minimum Public shareholders.

(C) Individuals and Institutions

	As at 31.03.2025				As at 31.03.2024			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Individual	12,073	99.12%	3,280,401	13.81%	12,108	99.12%	3,263,752	13.74%
Institutions	107	0.88%	20,469,600	86.19%	107	0.88%	20,486,249	86.26%
Total Shreholding	12,180	100%	23,750,001	100%	12,215	100%	23,750,001	100%

Shareholder & Investor Relations Information

9 Twenty Largest Shareholders

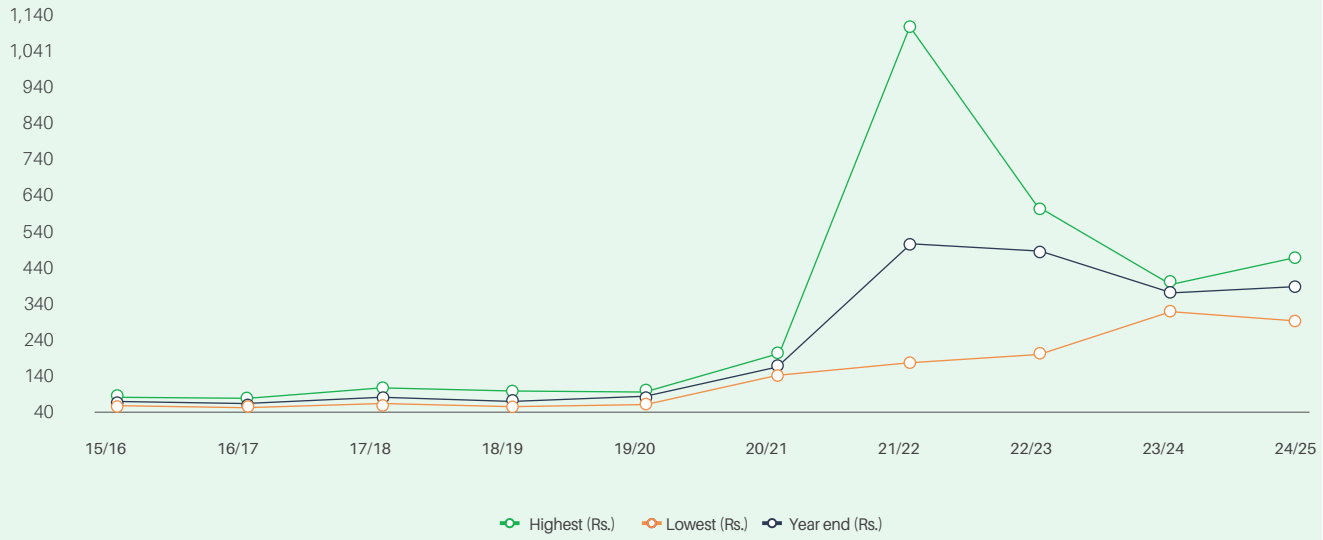
		As at 31st March 2025		As at 31st March 2024	
		No. of shares held	% of the holding	No. of shares held	% of the holding
1	RPC Plantation Management Services (Pvt) Ltd	16,145,050	67.98%	16,145,050	67.98%
2	The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3	Mr. T.T.T Al Nakib	667,100	2.81%	667,100	2.81%
4	Sakuvi Investment Trust (Private) Limited	298,996	1.26%	298,996	1.26%
5	Mr.H.A.A.H.Algharabally	71,573	0.30%	71,573	0.30%
6	Mr.K.C.Vignarajah	68,974	0.29%	68,974	0.29%
7	Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
8	Bansei Securities Capital (Pvt) Ltd/I.S.P. Perera	42,382	0.18%	371	0.00%
9	Tsttt-Sathe Secretary To The Treasury - Sundry	38,298	0.16%	38,298	0.16%
10	MRA.V.Emmanuel	27,260	0.11%		0.00%
11	People's Leasing and Finance Plc/U.L.B.Ariyaratna	22,013	0.09%		0.00%
12	Mrs.Z.M.Adamally	21,600	0.09%	21,600	0.09%
13	Cocoshell Activated Carbon Company (Private) Ltd	20,700	0.09%	20,700	0.09%
14	Mr.C.P.G.Punchihewa	18,902	0.08%	16,543	0.07%
15	Mr.T.P.Ambagahakumburage	15,000	0.06%	13,330	0.06%
16	Mrs.S.Vignarajah	14,500	0.06%	14,514	0.06%
17	Mr.R.G.De Livera	13,072	0.06%	13,072	0.06%
18	Mr.I.D.S.P.Rupasingha	11,849	0.05%	11,849	0.05%
19	Mr.V.C.Mahtani	11,363	0.05%	9,099	0.04%
20	Mr.H.A.R.Pieris	11,000	0.05%	15,000	0.06%
	Sub Total	21,326,132	89.79%		
	Balance held by 12,160 (2023/24 - 12,195) Shareholders	2,423,869	10.21%		
	Total No. of shares	23,750,001	100%	23,750,001	100.00%

* There were no non-voting shares as at 31 March 2025.

10 Market Value

Market Value	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Highest (Rs.)	484.75	399.00	599.75	1100.00	202.00	90.00	95.00	114.90	87.00	85.00
Lowest (Rs.)	320.00	339.00	195.00	148.00	165.00	58.00	55.50	72.10	55.00	51.00
Year end (Rs.)	380.75	354.50	362.75	398.75	184.50	78.00	64.00	87.70	74.00	59.50

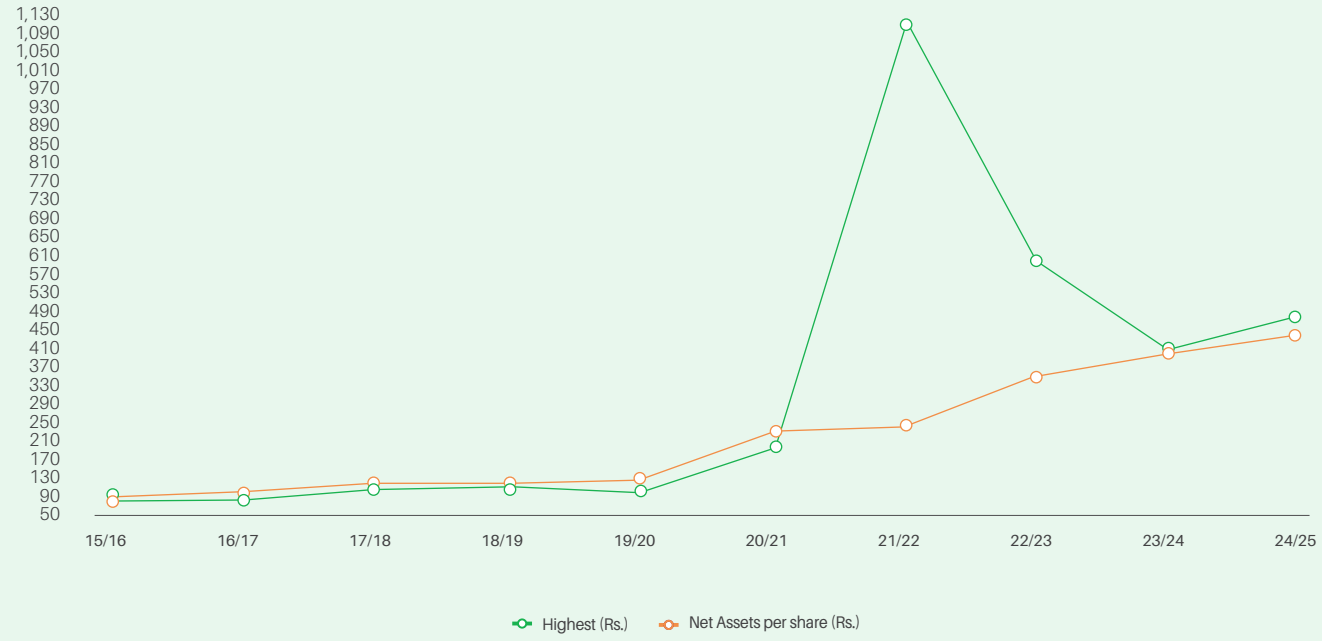
Market Value



11 Net Assets Per Share Vs Highest Market Prices Per Share

Market Value	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Highest (Rs.)	484.75	399.00	599.75	1100.00	202.00	90.00	95.00	114.90	87.00	85.00
Net Assets per share	444.43	398.58	331.70	229.44	157.57	128.58	112.17	108.93	107.87	97.16

Net Assets Per Share Vs Highest Market Prices Per Share

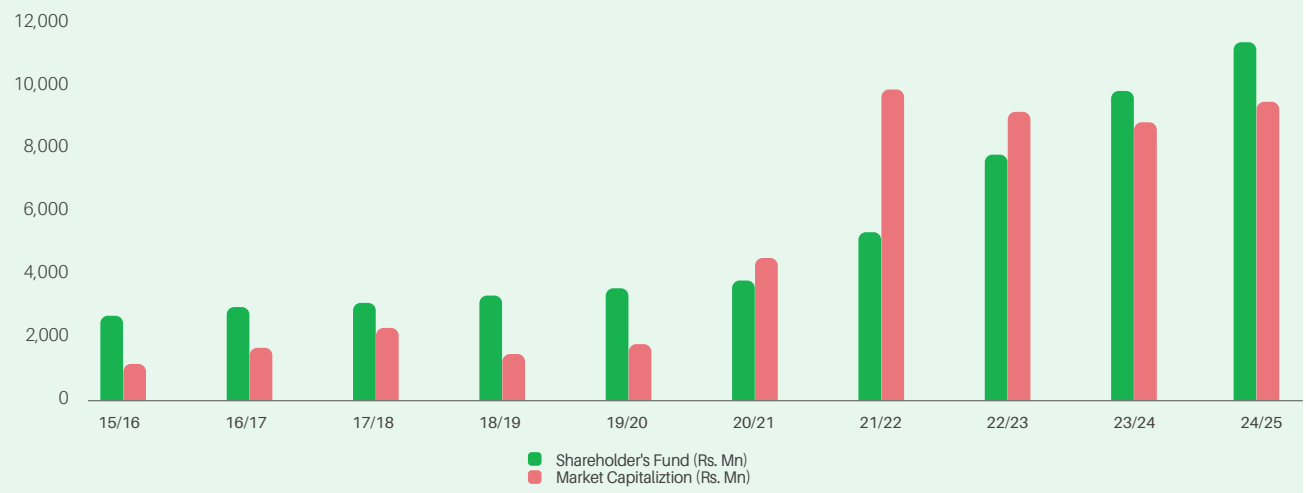


Shareholder & Investor Relations Information

12 Shareholders' Fund and Market Capitalization

Year	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Shareholder's Fund (Rs. Mn)	10,555.18	9,466.34	7,877.86	5,317.95	3,742.40	3,053.66	2,663.92	2,587.09	2,561.82	2,319.40
Market Capitaliztion (Rs. Mn)	9,042.81	8,419.38	8,615.31	9,470.31	4,381.88	1,852.50	1,520.00	2,082.88	1,757.50	1,413.10

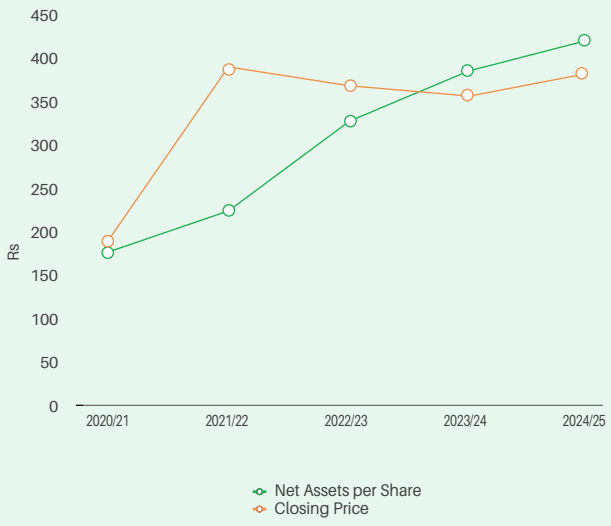
Shareholders' Fund and Market Capitalization



13 Net Assets & Closing Price per Share (Rs.)

	2024/25	2023/24	2022/23	2021/22
Net Assets per share	444.43	398.58	331.70	229.44
Closing Price	380.75	354.50	362.75	398.75

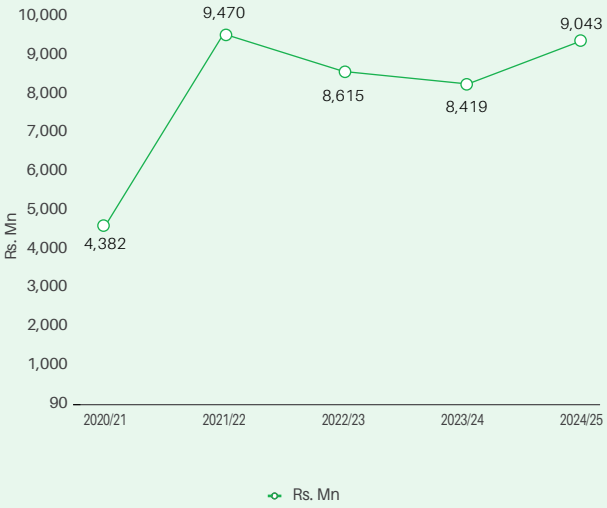
Net Assets & Closing Price per Share



14 Market Capitalization (Mn)

	2024/25	2023/24	2022/23	2021/22	2020/21
Rs. Mn	9,043	8,419	8,615	9,470	4,382

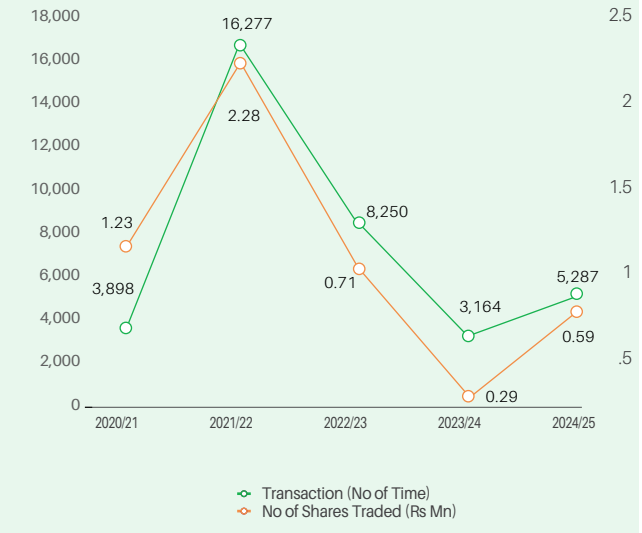
Market Capitalization



15. Share Trading (Nos.)

		2024/25	2023/24	2022/23	2021/22	2020/21
Transaction	No. of times	5,287	3,164	8,250	16,277	3,898
No. of Shares Traded	Million	0.59	0.29	0.71	2.28	1.23

Share Trading



Shareholder & Investor Relations Information

16. Horizontal & Vertical Analysis of Financial Statement

(a). Statement of Financial Position

	Horizontal Analysis				Vertical Analysis			
	2024/25 %	2023/24 %	2022/23 %	2021/22 %	2024/25 %	2023/24 %	2022/23 %	2021/22 %
Leasehold Property, Plant & Equipment	57%	-7%	166%	139%	5%	4%	4%	6%
Freehold Property, Plant & Equipment	39%	41%	24%	-34%	3%	5%	5%	4%
Bearer Biological Assets	18%	15%	22%	21%	25%	31%	31%	41%
Consumable Biological Assets	80%	39%	60%	69%	3%	3%	3%	3%
Long-term Investments - (Unquoted)	148%	143%	216%	204%	4%	4%	4%	4%
Financial Assets	113%	0%	-20%	-20%	3%	2%	2%	3%
Intangible Assets	0%	0%	-3%	-6%	2%	3%	3%	4%
Total Non-Current Assets	35%	25%	31%	23%	45%	52%	52%	64%
Current Assets								
Produce on bearer Biological assets	164%	95%	143%	192%	0%	0.33%	0.33%	0.51%
Inventories	51%	120%	68%	-25%	2%	4%	4%	3%
Trade and Other Receivables	169%	24%	29%	31%	2%	1%	1%	2%
Amounts Due from Related Companies	291%	281%	1369%	2271%	4%	7%	7%	3%
ESC Recoverable	-100%	-100%	-100%	-70%	0%	0.00%	0.00%	0.07%
Income Tax Receivable	42%	48%	77%	86%	0%	0.15%	0.15%	0.15%
Cash and Cash Equivalents	894%	5464%	16359%	5402%	47%	35.24%	35.24%	26.85%
Total Current Assets	586%	706%	964%	450%	55%	48%	48%	36%
TOTAL ASSETS	143%	111%	129%	70%	100%	100%	100%	100%
Stated Capital	0%	0%	0%	0%	2%	3%	3%	5%
Retained Earnings	201%	178%	225%	128%	73%	72%	72%	67%
Total Equity	182%	158%	196%	111%	75%	76%	76%	72%
Interest Bearing Loans & Borrowings	-100%	0%	-100%	-100%	0%	0%	0.00%	0%
Retirement Benefit Obligations	24%	-13%	-1 3%	-16%	5%	5%	5%	6%
Deferred Tax Liability	281%	232%	274%	54%	7%	9%	9%	4%
Deferred Income	-6%	-9%	-8%	-4%	1%	1%	1%	2%
Liability to make Lease payment after one year	87%	11%	121%	101%	6%	4%	4%	6%
Total Non-Current Liabilities	93%	46%	75%	14%	18%	19%	19%	18%
Trade and Other Payables	-19%	19%	7%	0%	4%	4%	4%	3%
Dividend Payable	-	-	-	-	0%	0.00%	0%	6.10%
Liability to make Lease payment within one year/JEDB	111%	-8%	28%	17%	0%	0.06%	0.06%	0.07%
Interest Bearing Loans & Borrowings	-100%	-100%	-100%	-90%	0%	0%	0%	0%
Amounts Due to Related Companies	759%	10%	-25%	69%	1%	0%	0%	0%
Income Tax Liabilities	2470%	1140%	-	-	2%	0.59%	0.59%	0%
Total Current Liabilities	29%	6%	-28%	12%	6%	5%	5%	10%
TOTAL LIABILITIES	71%	35%	34%	13%	25%	24%	24%	28%
TOTAL EQUITY AND LIABILITIES	143%	111%	129%	70%	100%	100%	100%	100%

(b). **Income Statement**

	Horizontal Analysis				Vertical Analysis			
	2024/25 %	2023/24 %	2022/23 %	2021/22 %	2024/25 %	2023/24 %	2022/23 %	2021/22 %
Total Revenue	53%	110%	122%	37%	100%	100%	100%	100%
Cost of Sales	20%	50%	13%	-12%	-57%	-60%	-44%	-51%
Gross Profit	140%	424%	794%	236%	43%	40%	56%	49%
Other Income	205%	859%	613%	41%	18%	21%	19%	7%
Gain on change in fair value of Biological Assets	291%	-90%	-32%	48%	2%	0%	0%	1%
Administrative Expenses	271%	213%	91%	1%	-5%	-4%	-2%	-2%
Management Fee	111%	297%	541%	141%	-8%	-7%	-9%	-8%
Finance Cost	77%	58%	-2%	12%	-2%	-2%	-1%	-1%
Impairment of Goodwill	-	-100%	-100%	-100%	0%	0.00%	0.00%	0.00%
Share of Profit from the Joint Venture	23%	25%	911%	2610%	3%	2%	4%	6%
Profit before taxation	151%	581%	1092%	264%	51%	49%	67%	52%
Income Tax (Expense) / Reversal	5717%	661%	1644%	-62%	-15%	-7%	-14%	-2%
Net Profit for the Year	80%	570%	998%	1082%	36%	43%	52%	50%

17. Details of material issues pertaining to employees and Industrial relations of the company.

There were no material issues pertaining to employees and industrial relations pertaining to the Company that occurred during the year under review.

18. Details of fund raised through a public issue, right issue and private placement (If any)

As per the Rule No. 7.6 (xiii) of the Listing Rules of CSE Company should disclosed details relevant to fund raised through a public issue, right issue and private placement (If any) in the Annual report of the company. However, during the year of 2024/25 Company does not raised funds through any public issue, right issue and private placement.

19. Information in respect of Employee Share Option Schemes and Employee Share Purchase Scheme.

As per the Rule No. 7.6 (xiv) of the Listing Rules of CSE Company should disclosed details relevant to Employee Share Option Schemes and Employee Share Purchase Scheme (If any) in the Annual Report of the company. However Company does not have any Employee Share Option Schemes and Employee Share Purchase Scheme.

Historical Landmarks



2005/06

RPC plantation management Services (Pvt) Ltd acquired 58.74% shares held by Keells plantation management services (Pvt) Ltd on 13 September 2005.

2002/03

In August 2002, the company converted Rs.150 mn worth convertible debentures into 3,750,000 ordinary shares and issued. There by increasing no of shares up to 3,750,000 and 1 golden share issued to the secretary to the treasury. A joint venture project named AEN Palm Oil Processing (Pvt) Ltd formed with equal shares of Agalawatte, Elpitiya and Namunukula Plantations PLCs to manage the Oil Palm processing factory.

1997/98

From the time of incorporation up to 31 December 1996, the "Financial Year End" of company was 31st December. However from the initial year of 1997/98 company's "Financial Year End" was changed as 31st March. The ownership of the company was privatized in June 1997 with the sale of 51% of the issued share capital to Keells Plantations Management Services (Pvt) Ltd, a joint venture company between John Keells Holdings Limited, Commonwealth Development Corporation, Tea Plantation Investment Trust and Regent Ceylon Planters Limited.

1998/99

In October 1998, 10% of the issued share capital amounting 2,000,000 shares were distributed among the employees free of charge. Over 11,800 eligible employees qualified to receive shares. In 10th of March 1999 NPPLC was registered as a listed quoted company in the CSE of Sri Lanka.

1992

Namunukula Plantations Limited (NPL) was incorporated on 22 June 1992, and registered with company registrar under the company registration No. of – N (PBS/CGB) 139. The company took over all movable assets and liabilities of the 24 estates including 9 tea estates, 3 rubber estates, 11 tea cum rubber estates & 1 coconut cum rubber estate with 12,600 total hectares and other operational units constituting the company with net asset of 417.98 mn including share capital of 5 mn (500,000 ordinary shares).

1995

The leasehold right to bare land and immovable assets was reduced from 99 years to 53 years from July 1995. The issued share capital of the company increased by the allotment of 19,500,000 ordinary shares and 1 golden share issued to the secretary to the treasury as at 1st August 1995 as bonus shares.



2023/24

Namunukula Plantations PLC was awarded the Silver Award in the Plantation Companies category (Group Turnover up to LKR 5 Billion) at the TAGS Awards 2024, organized by the Institute of Chartered Accountants of Sri Lanka.

2022/23

In a remarkable achievement, the company has reached its highest-ever profit, amounting to an impressive Rs. 2.81 billion. This significant milestone underscores the company's exceptional financial performance and highlights the effective execution of its business strategies.

2021/22

The company recorded its highest share price this year as a company listed on the Colombo Stock Exchange (CSE) That value is Rs. Marked as 1,150.00.

2014/15

The Uva range six estates were eacquired by Namunukula Plantations PLC and continued their operations under the legal entity of Namunukula Plantations PLC. Accordingly, the assets and liabilities of the Uva range six estates were amalgamated with Namunukula Plantations PLC.

2019/20

NPPLC was the Winner of Gold award for best presented Annual Report awarded by South Asian Federation of Accounts (SAFA) in Colombo Sri Lanka for the Annual Report for the year 2019/20.

2006/07

The management of the Namunukula Plantations limited was decided to sublease the six estates in the Namunukula region. The lease was affected from 15 June 2006. AEN oil palm processing (Pvt) Ltd commenced its operations in January 2007.

2007/08

1st Dividend payment since privatization of Namunukula Plantations PLC at Rs.2 per share was paid. Total dividend paid Rs. 47, 500,002/-.

2008/09

The company was re-registered under the companies Act No. 07 of 2007 and new company registration no is PQ 136.

Decade at a Glance

STATEMENT OF FINANCIAL POSITION		SLRFS 2024/25	2023/24	2022/23
ASSETS				
Non-Current Assets				
Leasehold Property, Plant & Equipment	Rs. '000	686,651	610,582	424,238
Freehold Property, Plant & Equipment	Rs. '000	439,660	480,048	481,506
Bearer Biological Assets	Rs. '000	3,495,761	3,405,549	3,268,429
Consumable Biological Assets	Rs. '000	394,259	273,160	267,330
Long-term Investments - (Unquoted)	Rs. '000	527,618	458,129	423,365
Financial Assets	Rs. '000	426,667	200,000	200,000
Intangible Assets	Rs. '000	305,915	305,915	305,915
Total Non-Current Assets	Rs. '000	6,276,531	5,733,383	5,370,782
Current Assets				
Produce on bearer Biological assets	Rs. '000	56,868	30,556	33,966
Inventories	Rs. '000	266,940	367,804	424,180
Trade and Other Receivables	Rs. '000	240,380	184,074	150,208
Amounts Due from Related Companies	Rs. '000	605,423	1,022,205	755,236
Financial Assets	Rs. '000			-
ESC Recoverable	Rs. '000			-
Income Tax Receivable	Rs. '000	15,693	15,693	15,693
Cash and Cash Equivalents	Rs. '000	6,579,742	5,294,402	3,673,011
Total Current Assets	Rs. '000	7,765,047	6,914,735	5,052,294
TOTAL ASSETS	Rs. '000	14,041,578	12,648,118	10,423,076
EQUITY AND LIABILITIES				
Capital and Reserves				
Stated Capital	Rs. '000	350,000	350,000	350,000
Timber Reserves	Rs. '000	219,801	149,471	143,894
Retained Earnings	Rs. '000	9,985,378	8,966,874	7,383,969
Total Equity	Rs. '000	10,555,179	9,466,345	7,877,863
Non-Current Liabilities				
Interest Bearing Loans & Borrowings	Rs. '000	-	-	-
Retirement Benefit Obligations	Rs. '000	635,550	476,060	477,796
Deferred Tax Liabilty	Rs. '000	1,047,866	1,035,944	954,239
Deferred Income	Rs. '000	121,696	120,410	121,570
Liability to make Lease payment after one year	Rs. '000	774,072	666,570	453,438
Total Non-Current Liabilities	Rs. '000	2,579,184	2,298,984	2,007,043
Current Liabilities				
Dividend Payable	Rs. '000	-	196,798	-
Trade and Other Payables	Rs. '000	522,852	541,097	433,089
Liability to make Lease payment within one year	Rs. '000	9,685	8,988	6,039
Interest Bearing Loans & Borrowings	Rs. '000	-	-	-
Amounts Due to Related Companies	Rs. '000	86,751	56,047	37,825
Income Tax Liabilities	Rs. '000	287,928	79,857	61,217
Total Current Liabilities	Rs. '000	907,215	882,788	538,170
TOTAL LIABILITIES	Rs. '000	3,486,399	3,181,773	2,545,214
TOTAL EQUITY AND LIABILITIES	Rs. '000	14,041,578	12,648,118	10,423,076

*Uva Range estates were reacquired in year 2014/15.

2021/22	2020/21	2019/20	2019/20	2017/18	2016/17	2015/16
416,338	436,313	457,353	159,598	174,330	189,525	207,016
278,469	316,622	342,488	388,341	419,792	363,197	387,591
3,077,094	2,962,870	2,836,700	2,670,638	2,543,083	2,390,071	2,252,918
251,179	218,540	192,717	167,391	148,866	125,318	113,684
336,484	212,554	174,423	134,101	110,573	102,288	107,365
200,000	200,000	-	-	250,000	250,000	250,000
305,915	305,915	305,915	316,415	324,515	328,015	332,015
4,865,479	4,652,814	4,309,595	3,836,484	3,971,159	3,748,414	3,650,589
38,499	21,558	17,456	14,006	13,187	8,809	5,542
217,518	176,443	193,063	251,792	291,688	231,505	212,330
151,959	89,453	120,684	116,629	116,279	114,883	119,456
247,735	154,780	198,118	51,409	10,447	19,790	7,075
-	-	-	250,000	-	-	-
5,114	16,319	21,211	9,617	16,970	2,143	3,565
11,028	11,028	10,594	8,854	5,943	5,943	5,943
2,032,016	661,744	66,014	22,316	36,929	10,107	20,975
2,703,869	1,131,323	627,141	724,623	491,443	393,180	374,886
7,569,348	5,784,137	4,936,736	4,561,107	4,462,602	4,141,594	4,025,475
350,000	350,000	350,000	350,000	350,000	350,000	350,000
131,192	106,712	86,102	68,208	57,096	33,565	21,117
4,967,945	3,285,685	2,617,562	2,245,716	2,179,990	2,178,252	1,936,414
5,449,137	3,742,397	3,053,664	2,663,924	2,587,086	2,561,817	2,307,531
-	6,667	-	6,939	67,226	99,576	134,276
474,022	512,743	549,688	550,482	564,766	534,771	545,170
318,681	274,871	287,247	254,944	206,413	52,958	26,348
127,404	129,128	133,676	132,079	132,860	132,598	130,438
422,444	413,746	407,104	205,498	210,208	214,737	219,092
1,342,551	1,337,154	1,377,715	1,149,942	1,181,473	1,034,640	1,055,324
237,500	201,875	-	201,875	-	-	-
461,783	443,570	364,978	404,373	397,653	403,509	404,974
5,309	4,595	6,599	4,710	4,529	4,355	4,187
25,137	33,239	94,599	85,882	255,223	133,602	197,754
24,935	10,102	34,244	50,401	14,759	3,671	55,705
22,995	11,205	4,937	-	21,879	-	-
777,659	704,586	505,358	747,241	694,043	545,137	662,620
2,120,211	2,041,740	1,883,073	1,897,183	1,875,516	1,579,777	1,717,944
7,569,348	5,784,137	4,936,736	4,561,107	4,462,602	4,141,594	4,025,475

Decade at a Glance

INCOME STATEMENT		SLRFS		
		2024/25	2023/24	2022/23
REVENUE				
Tea	Rs. '000	1,443,547	1,708,442	1,755,010
Rubber	Rs. '000	193,811	176,526	277,177
Oil Palm	Rs. '000	2,490,253	2,583,318	3,268,127
Other Crops	Rs. '000	62,700	49,147	60,511
Total Revenue	Rs. '000	4,190,311	4,517,433	5,360,825
Cost of Sales	Rs. '000	(2,390,050)	(2,709,286)	(2,355,008)
Gross Profit	Rs. '000	1,800,262	1,808,147	3,005,818
Other Income	Rs. '000	762,076	932,383	1,006,420
Gain on change in fair value of Biological Assets	Rs. '000	96,641	2,168	8,169
Administrative Expenses	Rs. '000	(200,741)	(188,122)	(117,840)
Management Fee	Rs. '000	(323,727)	(337,392)	(498,811)
Finance Cost	Rs. '000	(104,228)	(90,159)	(63,850)
Impairment of Goodwill	Rs. '000	-	-	-
Share of Profit from the Joint Venture	Rs. '000	119,819	93,976	237,867
Profit/(Loss) before taxation	Rs. '000	2,150,101	2,221,001	3,577,772
Income Tax (Expense) / Reversal	Rs. '000	(624,033)	(298,168)	(763,955)
Net Profit/(Loss) for the Year	Rs. '000	1,526,069	1,922,833	2,813,817
Other Comprehensive Income				
Actuarial Gain/(Loss) on defined benefit plans	Rs. '000	(142,359)	(36,572)	(58,458)
Tax effect	Rs. '000	42,708	10,972	17,537
Net Gain/(Loss) on FVTOCI financial assets	Rs. '000	26,667	-	-
Tax effect	Rs. '000	(8,000)	-	-
Net Other Comprehensive Income/(Loss)	Rs. '000	(80,984)	(25,600)	(40,921)
Total Comprehensive Income/(Loss) for the year	Rs. '000	1,445,084	1,897,232	2,772,897
KEY INDICATORS				
PRODUCTION				
Tea	kg'000	1,459	1,860	1,610
Rubber	kg'000	295	301	432
Oil Palm	kg'000	29,034	31,375	30,282
YIELD				
Tea	kg./ha	737	803	706
Rubber	kg./ha	449	384	490
Oil Palm	kg./ha	12,303	13,844	14,023
NSA				
Tea	Rs./kg	975	910	1,104
Rubber	Rs./kg	670	562	657
Oil Palm	Rs./kg	86	82	108
COP				
Tea	Rs./kg	822	812	822
Rubber	Rs./kg	478	421	383
Oil Palm	Rs./kg	20	16	22

*Uva Range estates were reacquired in year 2014/15.

2021/22	2020/21	2019/20	2019/20	2017/18	2016/17	2015/16
1,115,873	1,169,043	873,829	1,157,244	1,509,036	1,253,767	1,025,243
299,379	284,354	186,550	243,732	292,259	313,135	285,885
2,409,254	1,230,214	1,049,363	957,760	973,985	897,501	566,079
63,980	55,459	37,616	55,590	63,777	47,871	35,869
3,888,486	2,739,070	2,147,359	2,414,326	2,839,057	2,512,274	1,913,076
(1,990,412)	(1,988,072)	(1,802,350)	(2,077,972)	(2,274,579)	(2,068,996)	(1,848,269)
1,898,074	750,998	345,009	336,354	564,478	443,278	64,807
284,899	250,103	97,208	141,114	202,721	117,131	90,947
41,421	24,711	21,344	11,933	27,909	15,715	4,089
(63,346)	(54,047)	(60,013)	(61,779)	(62,815)	(55,496)	(44,340)
(322,517)	(153,204)	(85,050)	(77,811)	(133,721)	(91,524)	(25,478)
(57,776)	(58,971)	(57,161)	(65,130)	(51,812)	(58,825)	(52,799)
-	-	(10,500)	(8,100)	(3,500)	(4,000)	(8,500)
224,590	97,548	75,273	23,528	8,286	70,001	31,240
2,005,345	857,139	326,109	300,109	551,546	436,280	59,966
(68,013)	6,104	(39,200)	(43,816)	(177,994)	(34,330)	7,502
1,937,332	863,243	286,910	256,293	373,552	401,950	67,468
8,033	31,820	(10,900)	26,070	(18,353)	36,160	90,969
(1,125)	(4,455)	1,526	(3,650)	2,570	(5,699)	(13,191)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,908	27,365	(9,374)	22,420	(15,783)	30,461	77,778
1,944,240	890,608	277,535	278,713	357,769	432,411	145,246
2,160	2,174	1,889	2,306	2,769	2,684	3,011
596	757	675	948	952	1,275	1,160
28,267	21,387	22,823	22,273	22,496	20,169	16,588
850	729	-	641	674	570	715
626	754	618	814	735	793	699
14,014	11,235	12,130	12,108	13,203	13,358	12,466
514	520	443	487	558	445	344
499	365	285	256	306	245	243
85	58	46	43	43	45	34
517	512	536	546	550	465	397
323	280	276	251	257	238	243
13	14	13	13	13	12	10

Decade at a Glance

		2024/25	2023/24	2022/23
CASH FLOW				
Net Cash Flow From Operating Activities	Rs. '000	2,331,391	2,052,336	2,688,897
Net Cash Flow From Investing Activities	Rs. '000	(482,491)	(310,841)	(447,177)
Net Cash Flow From Financing Activities	Rs. '000	(563,560)	(120,104)	(582,255)
Net Increase/(Decrease) in Cash and Cash Equivalents	Rs. '000	1,285,340	1,621,391	1,659,465
RATIO ANALYSIS				
Liquidity Ratios				
Current ratio	No. of times	8.56	7.83	9.39
Acid-test ratio	No. of times	8.20	7.38	8.54
Cash ratio	No. of times	7.25	6.00	6.82
Operating cash flow ratio	No. of times	2.57	2.32	5.00
Leverage Ratios				
Debt ratio	%	0.0%	0.0%	0.0%
Debt to equity/Gearing ratio	%	0.0%	0.0%	0.0%
Interest coverage ratio	No. of times	21.63	25.63	57.03
Debt service coverage ratio	No. of times	-	-	-
Profitability Ratios				
Gross margin ratio	%	43%	40%	56%
Operating margin ratio	%	54%	51%	52%
Net profit margin	%	36%	43%	68%
Return on assets ratio	%	11%	15%	27%
Return on capital employed	%	17%	20%	37%
Return on equity ratio	%	14%	20%	36%
Efficiency Ratios				
Asset turnover ratio	No. of times	0.30	0.36	0.51
Inventory turnover ratio	No. of times	7.53	9.26	7.34
Receivable turnover ratio	No. of times	19.74	26.89	35.48
Days sales in inventory ratio	Days	48.47	39.43	49.73
Market value Ratios				
Net asset per share ratio	Rs.	444.43	398.58	331.70
Divident per share	Rs.	15.00	13.00	14.00
Dividend yield ratio	%	4%	4%	4%
Earnings per share	Rs.	64.26	80.96	118.48
Price Earnings ratio	No. of times	5.93	4.38	3.06
Earnings Yield	%	17%	23%	33%
Dividend Payout Ratio	%	23%	16%	12%
Revenue Growth				
Normal	%	8%	16%	38%
Compounding (CAGR)	%	10%	11%	12%
Profit Growth				
Gross Profif				
Normal	%	-5%	-5%	58%
Compounding (CAGR)	%	15%	15%	23%
Net profit				
Normal	%	-21%	-1%	45%
Compounding (CAGR)	%	18%	21%	26%
Employee related				
Revenue per employee	Rs. '000	1,408	1,393	1,462
Gross Profit per employee	Rs. '000	605	557	820
Net Profit per employee	Rs. '000	513	593	768

*Uva Range estates were reacquired in year 2014/15.

2021/22	2020/21	2019/20	2019/20	2017/18	2016/17	2015/16
1,750,210	1,117,948	308,484	526,313	667,294	456,946	214,388
(158,596)	(405,542)	(10,904)	(257,837)	(324,111)	(143,147)	(234,237)
(224,906)	(44,785)	(314,956)	(130,420)	(416,851)	(258,290)	(102,050)
1,366,708	667,620	(17,376)	138,056	(73,668)	55,509	(121,899)
3.48	1.61	1.24	0.97	0.71	0.72	0.57
3.15	1.32	0.82	0.61	0.27	0.28	0.24
2.61	0.94	0.13	0.03	0.05	0.02	0.03
2.25	1.59	0.61	0.7	0.96	0.84	0.32
0.3%	1%	2%	2%	7%	6%	8%
0.5%	1%	3%	3%	12%	9%	14%
35.71	15.53	6.71	5.61	11.65	8.42	2.14
82.07	22.96	4.05	3.93	1.87	2.12	0.34
49%	27%	16%	14%	20%	18%	3%
53%	33%	18%	15%	21%	20%	6%
50%	32%	13%	11%	13%	16%	4%
26%	15%	6%	6%	8%	10%	2%
30%	18%	13%	14%	21%	15%	5%
36%	23%	9%	10%	14%	16%	3%
0.51	0.47	0.43	0.53	0.64	0.61	0.48
10.10	10.76	8.1	7.65	8.69	9.32	8.73
32.21	24.99	18.1	20.73	24.56	21.44	14.92
36.12	33.92	45.04	47.73	41.98	39.15	41.82
229.44	157.57	128.58	112.17	108.93	107.87	97.16
10.00	8.50	-	8.50	14.00	7.5	-
3%	10%	-	13%	16%	10%	0%
81.57	36.35	12.08	10.79	15.73	16.92	2.84
4.72	5.08	6.46	5.93	5.58	4.37	20.95
21%	20%	15%	17%	18%	23%	5%
12%	51%	-	79%	89%	44%	0%
42%	28%	-11%	-15%	13%	31%	-13%
7%	7%	0%	2%	5%	3%	-2%
153%	118%	3%	-40%	27%	584%	-25%
15%	1%	-7%	-8%	-2%	-7%	-37%
132%	201%	12%	-31%	-7%	496%	-55%
21%	9%	-4%	-6%	-1%	0%	-30%
986.93	651.54	461.20	499.34	537.39	433.15	305.41
481.74	178.64	74.10	69.57	106.85	76.43	10.35
508.97	205.34	61.62	53.01	70.71	69.30	10.77

Glossary

A

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Accrual Basis
Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Actuarial Gains and Losses
Is the effects of difference between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

Agricultural Activity
Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets.

Agricultural Produce
Agricultural produce is the harvested produce of the entity's biological assets.

AGM
Annual General Meeting.

ASPI
All Share Price Index, a stock indices of the Colombo Stock Exchange in Sri Lanka.

Asset Turnover Ratio
Total Revenue divided by Total assets

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AWPLR
Average Weighted Prime Lending Rate.

B

Basic Earnings per Share (EPS)
Profit after tax divided by the weighted average number of ordinary shares outstanding during the period.

Bearer Biological Assets
Biological assets those are not to be harvested as agricultural produce or sold as biological assets. The biological assets other than the consumable biological assets.

Biological Assets
Is a living animal or plant.

Biological Transformation
It comprises the process of growth, degeneration, production, and procreation that cause qualitative or quantitative change in a biological assets.

Borrowing Costs
Borrowing Costs are interest and other costs incurred by an enterprise in connection with borrowing of funds.

BOP
Balance of Payment.

B2B Sales
Business to Business Sales.

BOD
Board of Directors

C

CAGR
Compound Average Growth Rate

CAPEX
Capital Expenditure

Cash Equivalents
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Ratio
Cash and Cash equivalents divided by Current Liabilities

CASL
The Institute of Chartered Accountants of Sri Lanka.

CBSL
Central Bank of Sri Lanka

CEA
Central Environment Authority

Capital Employed
Total equity and interest bearing borrowings.

Capital Reserves
Part of earnings reserved without distributing in current year, for future specified purpose or future business commitment or distributions.

CIS
Common wealth of Independent states.

CGU
Cash Generating Units.

Consumable Biological Assets
The biological assets those that are to be harvested as agricultural produce or sold as biological assets.

Contingent Liabilities
Conditions or situations at the reporting date, the financial effect of which are to be determined by future events which may or may not occur.

Cost of production (COP)
Cost of producing a kilo/unit of Tea/ Rubber/ Coconut/Oil palm at estate level.

CPO
Crude Palm Oil

CRRO
Climate Related Risk & Opportunities

CRTA
Colombo Rubber Trader's Association.

CRI
Coconut Research Institute.

CSR
Corporate Social Responsibility.

CTA
Colombo Tea Auction

CTC
Crush, Tear and Curl - Method of Black Tea Processing.

CTR
Colombo Tea Auction

Current ratio
Current assets divided by Current liabilities.

CSE
Colombo Stock Exchange

D

DCF
Discounted Cash Flow.

Debt Equity Ratio
Total liabilities divided by its shareholders' equity.

Debt Ratio
Total borrowings divided by Total assets

Deferred taxation
The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

Derivative
Is a financial instrument or other contract whose prices is dependent upon or derived from one or another underline asset.

Diluted Earnings per Share
Diluted Earnings per Share calculated by net income minus Preferred Dividends divided by Weighted Average Shares Outstanding plus Conversion of Dilutive Securities.

Dividends
Distribution of profits to holders of equity investments.

DPS
Dividend per Share

Dividend cover
Profits after tax divided by dividends.

Dividend Payout
The Percentage of Earnings paid to shareholders in dividends.

Dividend Yield
Annual dividend divided by current stock price.

Discount Rate
The discount rate refers to the interest rate used in discounted cash flow analysis to determine the present value of future cash flows.

E

EBIT
Earnings before Interest and Tax

EBITDA
Earnings before Interest, Tax, Depreciation, and Amortization.

Effective Tax Rate
Income tax expenses divided by profit from ordinary activities before tax

Earnings Yield
The earnings per share for the most recent 12 months period divided by the current market price per share.

EPS
Profit attributable to ordinary shareholders divided by the number of ordinary shares in ranking for dividend.

Equity
The value of an ownership interest in property, including shareholders' equity, in a business. Equity or shareholders' equity is part of the total capital of a business.

Equity / Assets ratio
Shareholders' funds divided by Non-current assets plus current assets.

Equity Instruments
Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity method
The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post acquisition changes in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

EIR
Effective Interest Rate

ESG
Environment, Social & Governance

ESMS
Environmental and Social Management System

ESMP
Environmental and Social Management Plan

F

Fair value
Fair value is the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in arm's length transaction.

Fair Value Through Profit and Loss
A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term, part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or a derivative (except for a derivative that is a financial guarantee contract).

Fellow Subsidiary
A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

FFB
Fresh Fruit Bunch

Field
A unit extent of land. Estates are divided into fields in order to facilitate management

Financial Asset
Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

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

Financial liability
Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Float Adjusted Market Capitalization
Float Adjusted Market Capitalization is calculated by multiplying the Public Holding Percentage of the Company by the Market Capitalization.

G

GDP
Gross Domestic Production.

Gearing ratio
Total interest bearing loans & borrowings as a percentage of total Shareholders' funds plus total interest bearing loans & borrowings.

GHG
Green House Gas

GICS
Global Industry Classification Standards

Goodwill
Goodwill in accounting is an intangible asset that arises when a buyer acquires an existing business.

GOSL
Government of Sri Lanka

GRI
Global Reporting Initiatives

Gross dividends
Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

GSA
Gross Sale Average. Average sale price obtained (over a period of time, for a kilo of produce) before any deductions such as brokerage, etc.

Glossary

H

HACCP
Hazard Analysis Critical Control Point system. Internationally accepted food safety standard.

Ha
Hectare.

I

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards.

IIRC
International Integrated Reporting Council

Immature plantation
The extent of plantation that is under development and is not being harvested.

Infilling
A method of field development whereby planting of individual plants is done in order to increase the yield of a given field, whilst allowing the field to be harvested.

Interest cover ratio
Profit before tax and interest divided by interest charge.

Inventory Turnover Ratio
Cost of goods sold divided by Average inventory

ISO
International Standards Organization.

J

JEDB
Janatha Estate Development Board.

JV Profit
Joint Venture Profit.

K

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KPI
Key Performance indicators.

L

Liquidity
An asset or security can be quickly bought or sold in the market without affecting the asset's price.

LKR
Sri Lanka Rupee

M

Mature plantation
The area of land developed with a perennial crop, which has been brought into bearing ready for commercial harvesting. A perennial crop is a crop with a useful economic life which extends over more than one accounting period.

Market capitalization
Number of shares in issue multiplied by the market value of each share at the reporting date.

MCPA
MCPA is a powerful, selective, widely used phenoxy herbicide. The pure compound is a brown-colored powder.

N

NAMU.N0000 Share
CSE stock code for the Company.

Net assets
Total assets less Current liabilities and non-current liabilities.

Net assets per share
Net assets at the end of period divided by the number of Ordinary Shares issued.

Net Profit Margin Ratio
Profit after tax divided by Total Revenue

Net sale average (NSA)
This is the average sale price obtained (Over a period of time) after deducting brokerage fees and cost of gratis from Gross Sale Average (GSA).

Net Tangible Assets per share
Total Tangible Assets less Intangible Assets, divided by total no. of shares.

NIPM
National Institute of Plantation Management.

NOx
Nitrogen Oxide

O

Operating Cash Flow Ratio
Operating cash flow divided by Current liabilities

Other Comprehensive Income
Items of income and expenses that are not recognized in profit or loss as required or permitted by other SLFRS's.

P

PAT
Profit After Tax

PHDT
Plantation Human Development Trust.

PMMD
Plantation Management Monitoring Division.

PPE
Property, Plant & Equipment

Price earnings
Market price of a share divided by Earnings per Share.

Public shareholding
Shares of a listed entity held by any person other than those directly or indirectly held by;

a) its parent, subsidiary or associate companies or any subsidiaries or associates of its parent Company; and,
b) its Directors who are holding office as Directors of the entity, their spouses and children under 18 years of age; and'
c) Chief Executive Officer, his/her spouse and children under 18 years of age; and'
d) Any single shareholder who holds 10% or more of the shares.

PLT
Plantations share price index, a stock indices of the Colombo stock exchange in Sri Lanka

PBT
Profit before Tax

Q

Quick Ratio
Current asset other than inventory divided by current liability

R

Receivables Turnover Ratio
Total Revenue divided by Average accounts receivable.

Related parties
One party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Replanting
A method of field development where an entire unit of land is taken out of "bearing" and developed by way of uprooting the existing trees/bushes and replanting with new trees/bushes.

Retirement Benefits
Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

- Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.
- Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period

Return on assets
Profit after tax as a percentage of total assets.

Return on capital employed
Profit before interest and tax as a percentage of total Capital Employed. (Shareholders' funds plus total Interest bearing borrowings).

Return on equity
Profit after tax as a percentage of shareholder's funds.

Revenue Reserves
Reserves considered as being available for distributions and investments.

ROI
Return on Investment

RPTs
Related Party Transactions

RRI
Rubber Research Institute.

RSS - 1
Ribbed Smoked Sheet - Grade 1.

S

Segments
Constituent business units grouped in terms of similarity of operations and location.

Shareholders' Funds
Funds attributable to Shareholders and comprising of share capital, reserves and retained profit.

SIC
Standard Interpretations Committee.

SLFRS/LKAS
Sri Lanka Accounting standards corresponding to international Financial Reporting Standards.

SLSPC
Sri Lanka State Plantations Corporation.

SORP
Statement of Recommended Practice issued by the Institute of Chartered Accountants of Sri Lanka.

SOX
Sulfur Oxide

S&P SL20
Standard & Poor's Sri Lanka 20 covers the largest and most liquid stocks from the Sri Lankan Equity market.

SBU
Specified Business Unit

SEC
Security Exchange Commission of Sri Lanka

SIA
Social Impact Assessment

SRRO
Sustainability Related Risk & Opportunities

T

TASL
Tea Association of Sri Lanka.

TRI
Tea Research Institute.

U

UITF
Urgent Issues Task Force of the Institute of Chartered Accountants of Sri Lanka

V

Value addition
The quantum of wealth generated by the activities of the Company and its application.

Value Creation
Value creation is the process that results in increases, decreases or transformations of the capitals caused by the organization's business activities and outputs.

W

WACC
Weighted Average Cost of Capital.

Working capital
Capital required financing the day to day operations computed as the excess of current assets over current liabilities.

Y

Yield (YPH)
Average Periodical output of produce from hectare of plantation.

YOY
Year on Year

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting of Namunukula Plantations PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 26th September, 2025 at 12.00 noon and the business to be brought before the meeting will be as follows;

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.

2. To approve the appointment of Dr. Sena Yaddehige as a Director

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

   "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 79 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

3. To re- elect Mr. Gerard Amerasinghe, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director

4. To elect Mr. Ranil Goonetilleke, who retires in terms of Article 98 at the Annual General Meeting, a Director

5. To elect Mr. Bandara Rekogama, who retires in terms of Article 98 at the Annual General Meeting, a Director

6. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

7. To authorize the Directors to determine contributions to charities

8. To consider any other business of which due notice has been given

By Order of the Board
(Sgd.)
Richard Pieris Group Services (Private) Limited
Secretaries
No. 310, High Level Road, Nawinna, Maharagama

28th August 2025

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.

b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report

c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama. not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) ..... of ..... being a member / members of the NAMUNUKULA PLANTATIONS PLC , hereby appoint.....of .....

whom failing DR. SENA YADDEHIGE whom failing SHAMINDA YADDEHIGE whom failing SHIRLY GERARD DEVINDA AMERASINGHE whom failing RANIL GOONETILLEKE whom failing BANDARA REKOGAMA whom failing MRS. CHRISTINE PERERA *as my/our proxy to represent me/us and to vote on my/our behalf at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Friday, 26th September 2025 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.		
2 To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at the Annual General Meeting, a Director		
3 To re – elect Mr. Gerard Amerasinghe, who retires by rotation in terms of Article 92 at the Annual General Meeting , a Director		
4 To elect Mr. Ranil Goonetilleke, who retires in terms of Article 98 at the Annual General Meeting, a Director		
5 To elect Mr. Bandara Rekogama , who retires in terms of Article 98 at the Annual General Meeting, a Director		
6 To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.		
7 To authorize the Directors to determine contributions to charities		
8 To consider any other business of which due notice has been given		

Dated this ..... day of..... 2025.

.....
Signature of shareholder

Notes:

(i) Please delete the inappropriate words

(ii) A proxy need not be a member of the Company.

(iii) Instruction as to completion appear on the reverse of this form.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama, not later than 12.00 noon on Wednesday, 24th September 2025

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointor or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Notes

Notes

Corporate Information

Name of Company	:	Namunukula Plantations PLC
Legal Form	:	A Quoted Public Limited Liability Company Incorporated in Sr Lanka.
Date of incorporation	:	22 June 1992
Company Registration	:	PQ136
Tax Identification No.	:	294001395
Principal Business Activities	:	Cultivation, manufacture & sale of Tea, Rubber, Oil palm, Coconut & Cinnamon Plantations.
Ultimate Parent Enterprise	:	Richard Pieris & Company PLC.
Board of Directors	:	Dr. S Yaddehige - Chairman Mr. N C Peiris (Retired from the directorate W.E.F. 15th July 2025) Mr. Shaminda Yaddehige Mr. Gerard Amerasinghe Ms. D.N.S.Welikala (Ceased to be a director W.E.F. 17th February 2025) Mr. Ranil Goonetilleke (Appointed on 30th September 2024) Ms. C.S. Perera (Appointed on 17th February 2025) Mr. Bandara Rekogama (Appointed on 16th July 2025)
Stock Exchange Listings.	:	The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Registered / Head Office	:	No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Company Secretaries	:	Richard Pieris Group Services (Pvt) Ltd Secretaries, No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka. Telephone: + (94) 114310564
Auditors	:	Messrs. Ernst & Young, Chartered Accountants, Rotunda Towers, No 109, Galle Road, P.O. Box 101, Colombo 03, Sri Lanka.
Bankers	:	Bank of Ceylon - Corporate Branch & Regional Branches People's Bank - Pelawatta Branch Hatton National Bank PLC - City Branch Sampath Bank PLC - Head Office Branch National Development Bank PLC Indian Overseas Bank / Indian Bank Nations Trust Bank PLC
Contact Details	:	Telephone : + (94) 11 4310500 Fax : + (94) 11 2801400 Website : www.arpico.com Email : npl.rpk@arpico.com

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