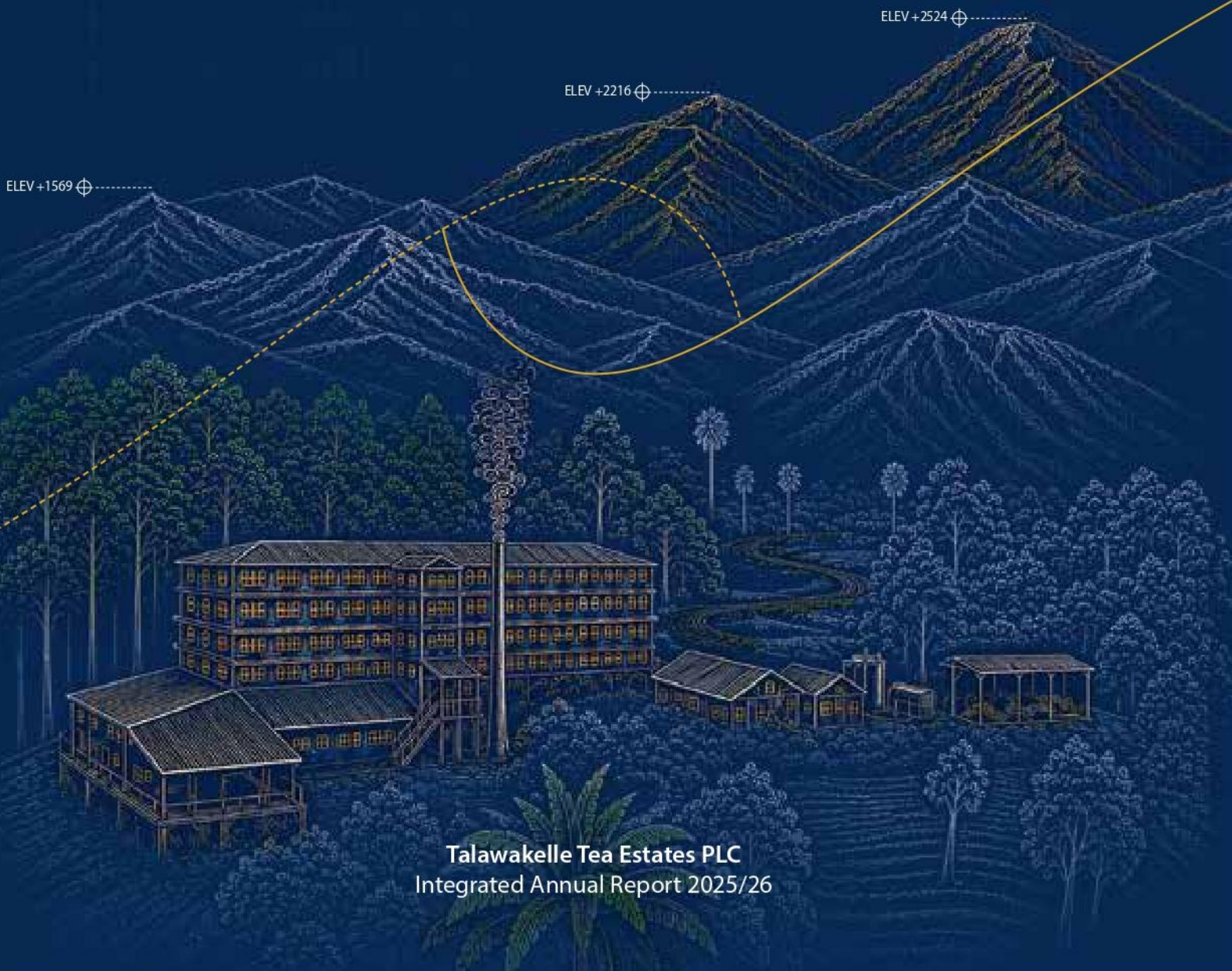


THE NEXT ASCENT



Talawakelle Tea Estates PLC
Integrated Annual Report 2025/26

Statement of Profit or Loss

For the year ended 31st March,	Notes	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs. '000	2025 Rs.'000
Revenue	6.1	7,851,079	7,805,693	7,787,769	7,711,657
Cost of Sales		(6,417,381)	(5,987,638)	(6,321,747)	(5,939,601)
Gross Profit		1,433,698	1,818,055	1,466,023	1,772,056
Change in Fair Value of Biological Assets & Investment Property	14 C.1a	(7,499)	24,011	(8,241)	24,011
Other Income	7	132,828	83,384	135,814	105,128
Administrative Expenses		(515,600)	(471,640)	(503,461)	(456,485)
Results from Operating Activities		1,043,427	1,453,810	1,090,135	1,444,710
Finance Income	8.1	378,842	384,380	369,615	376,528
Finance Expenses	8.2	(164)	(184)	(164)	(184)
Interest Paid to Government and Other on Leases	8.3	(69,717)	(67,423)	(69,717)	(67,423)
Net Finance Income		308,961	316,773	299,735	308,921
Profit Before Tax	9	1,352,388	1,770,583	1,389,869	1,753,631
Tax Expense	10.1	(426,336)	(535,745)	(419,338)	(522,387)
Profit for the Year		926,052	1,234,838	970,531	1,231,244
Attributable To:					
Equity holders of the Parent		926,052	1,234,838	970,531	1,231,244
Non- Controlling Interest		-	-	-	-
		926,052	1,234,838	970,531	1,231,244
Basic / Diluted Earnings Per Share (Rs.)	11	19.50	26.00	20.43	25.92
Dividend Per Share (Rs.)	11	7.89	7.15	7.89	7.15

Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Comprehensive Income

For the year ended 31st March,	Notes	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs. '000	2025 Rs.'000
Profit for the Year		926,052	1,234,838	970,531	1,231,244
Other Comprehensive Income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial Gain/(Loss) on Retirement Benefit Obligations	23	(54,515)	(232,021)	(54,890)	(231,894)
Tax effect on Other Comprehensive Income	10.2	16,392	69,594	16,467	69,568
Other Comprehensive Income for the year, net of tax		(38,123)	(162,427)	(38,423)	(162,326)
Total comprehensive income for the year, net of tax		887,928	1,072,411	932,108	1,068,918
Attributable to:					
Equity holders of the Parent		887,928	1,072,411	932,108	1,068,918
Non-controlling Interest		-	-	-	-
		887,928	1,072,411	932,108	1,068,918

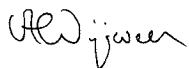
Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Financial Position

As at 31 March,	Notes	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
ASSETS					
Non Current Assets					
Right of Use Assets	12	452,017	455,855	443,055	455,794
Investment Property	13	-	-	8,162	-
Tangible Assets Other Than Immature/Mature Plantations	14A	1,882,717	1,765,364	1,680,988	1,547,392
Bearer Biological Assets	14B	2,381,278	2,205,728	2,381,278	2,205,728
Consumable Biological Assets	14C	679,515	678,715	679,515	678,715
Intangible Assets	14D	11,472	9,309	7,842	9,309
Investments in Subsidiaries	15	-	-	233,292	225,792
Non Current Financial Assets	16	1,850,000	-	1,850,000	-
Deferred Tax Asset	10.4	504	461	-	-
		7,257,503	5,115,432	7,284,132	5,122,730
Current Assets					
Produce on Bearer Biological Assets	17	20,268	32,049	20,268	32,049
Inventories	18	673,296	889,048	673,296	889,048
Trade and Other Receivables	19	735,075	434,537	730,956	422,983
Amounts due from Related Companies	20	10,978	10,178	12,963	12,041
Short Term Investments	21.1	3,023,326	4,346,278	2,885,191	4,234,419
Cash and Bank Balances	21.2	54,214	62,984	52,522	60,932
		4,517,157	5,775,074	4,375,196	5,651,472
Total Assets		11,774,660	10,890,506	11,659,328	10,774,202
EQUITY AND LIABILITIES					
Equity					
Stated Capital	22	350,000	350,000	350,000	350,000
Revenue Reserves		7,265,474	6,752,320	7,202,551	6,645,218
Total Equity		7,615,474	7,102,320	7,552,551	6,995,218
Non Current Liabilities					
Retirement Benefit Obligations	23	1,237,844	1,182,334	1,234,366	1,179,084
Deferred Tax Liability	10.4	668,604	635,269	668,604	635,269
Deferred Income	24	133,091	136,216	133,091	136,216
Lease Liability	25.3	469,543	454,923	469,464	454,844
		2,509,082	2,408,742	2,505,525	2,405,413
Current Liabilities					
Trade and Other Payables	26	1,241,873	1,043,764	1,193,837	1,043,994
Lease Liability	25.3	20,511	21,413	20,506	21,408
Amounts due to Related Companies	27	276,716	145,951	278,924	150,615
Income Tax Payable		106,849	153,215	103,828	142,453
Bank Overdraft	21.3	4,155	15,101	4,155	15,101
		1,650,104	1,379,444	1,601,251	1,373,571
Total Liabilities		4,159,187	3,788,186	4,106,776	3,778,984
Total Equity and Liabilities		11,774,660	10,890,506	11,659,328	10,774,202
Net Assets Per Share (Rs.)		160.33	149.52	159.00	147.27

Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements.

These Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.



Vindya Perera

Director-Finance

The Board of Directors is responsible for these Financial Statements.

Signed for and on behalf of the Board by,



Mohan Pandithage

Chairman/ Director



Roshan Rajadurai PhD, D.Sc.

Managing Director

Statement of Changes in Equity

For the year ended 31 March		Attributable to equity holders of the parent				Total Rs.'000	Total Equity Rs.'000
Group	Stated Capital Rs.'000	Revenue Reserves					
		Retained Earnings Rs.'000	Biological Crop Reserve Rs.'000	Timber Reserve Rs.'000			
Balance as at 01 April 2024	350,000	5,520,525	22,598	476,411	6,019,534	6,369,534	
Profit for the Year	-	1,234,839	-	-	1,234,839	1,234,839	
Other Comprehensive Income	-	(162,427)	-	-	(162,427)	(162,427)	
Transferred to the Timber Reserve	-	(14,561)	-	14,561	-	-	
Transferred to Biological Crop Reserve	-	(9,450)	9,450	-	-	-	
Realised Gain on Timber Sales	-	23,810	-	(23,810)	-	-	
Dividends to equity holders	-	(339,625)	-	-	(339,625)	(339,625)	
Balance As at 31 March 2025	350,000	6,253,110	32,048	467,162	6,752,320	7,102,320	
Profit for the Year	-	926,052	-	-	926,052	926,052	
Other Comprehensive Income	-	(38,123)	-	-	(38,123)	(38,123)	
Transferred to the Timber Reserve	-	(4,281)	-	4,281	-	-	
Derecognition due to falling under the reservation area	-	5,150	-	(5,150)	-	-	
Transferred to Biological Crop Reserve	-	11,781	(11,781)	-	-	-	
Realised Gain on Timber Sales	-	15,970	-	(15,970)	-	-	
Dividends to equity holders	-	(374,775)	-	-	(374,775)	(374,775)	
Balance As at 31 March 2026	350,000	6,794,883	20,268	450,323	7,265,474	7,615,474	
Company		Revenue Reserves				Total Rs.'000	Total Equity Rs.'000
Company	Stated Capital Rs.'000	Revenue Reserves					
		Retained Earnings Rs.'000	Biological Crop Reserve Rs.'000	Timber Reserve Rs.'000			
Balance as at 01 April 2024	350,000	5,416,915	22,598	476,411	5,915,924	6,265,924	
Profit for the Year	-	1,231,244	-	-	1,231,244	1,231,244	
Other Comprehensive Income	-	(162,325)	-	-	(162,325)	(162,325)	
Transferred to the Timber Reserve	-	(14,561)	-	14,561	-	-	
Transferred to Biological Crop Reserve	-	(9,450)	9,450	-	-	-	
Realised Gain on Timber Sales	-	23,810	-	(23,810)	-	-	
Dividends to equity holders	-	(339,625)	-	-	(339,625)	(339,625)	
Balance As at 31 March 2025	350,000	6,146,007	32,048	467,162	6,645,218	6,995,218	
Profit for the Year	-	970,531	-	-	970,531	970,531	
Other Comprehensive Income	-	(38,423)	-	-	(38,423)	(38,423)	
Transferred to the Timber Reserve	-	(4,281)	-	4,281	-	-	
Derecognition due to falling under the reservation area	-	5,150	-	(5,150)	-	-	
Transferred to Biological Crop Reserve	-	11,781	(11,781)	-	-	-	
Realised Gain on Timber Sales	-	15,970	-	(15,970)	-	-	
Dividends to equity holders	-	(374,775)	-	-	(374,775)	(374,775)	
Balance As at 31 March 2026	350,000	6,731,960	20,268	450,323	7,202,551	7,552,551	

The Timber Reserve relates to change in fair value of managed trees which includes commercial timber plantations cultivated on estates.

The Biological Crop Reserve relates to change in fair value of harvestable produces growing on bearer biological assets.

Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March,	Notes	Group		Company	
		2026 Rs.'000	2025 Rs.'000	2026 Rs. '000	2025 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit Before Tax		1,352,388	1,770,583	1,389,869	1,753,631
ADJUSTMENTS FOR					
Provision for Retirement Benefit Obligations	23	201,363	179,857	200,760	179,084
Depreciation/Amortisation	9	326,906	261,161	312,589	244,025
Amortisation of Grants	24	(5,951)	(9,046)	(5,951)	(9,046)
Dividend Income	7	-	-	(9,418)	(24,894)
Finance Costs	8.2	164	183	164	183
Interest Paid to Government and Other on Lease	8.3	69,812	67,423	69,717	67,423
Profit on disposal of Property, Plant & Equipments	7	(1,946)	(7,016)	(1,946)	(7,016)
Profit on Sale of Trees	7	(63,215)	(26,159)	(63,215)	(26,159)
Debtors/Stocks write off		1,737	5,682	1,737	5,682
Field Development Written-off	14B/14C	20,263	-	20,263	-
(Gains)/Loss on Fair Value of Biological Assets	14C.1a	7,499	(24,011)	8,241	(24,011)
Operating Profit before Working Capital Changes		1,901,753	2,218,657	1,915,543	2,158,902
(Increase)/Decrease in Inventories		215,752	(141,151)	215,752	(141,151)
(Increase)/Decrease in Trade and Other Receivables		(300,538)	16,561	(307,973)	19,932
(Increase)/Decrease in Amounts Due from Related Companies		(801)	(4,650)	(922)	(3,595)
Increase/(Decrease) in Trade and Other Payables		493,288	227,642	442,872	222,925
Increase/(Decrease) in Amounts Due to Related Companies		130,765	(72,714)	128,309	(75,193)
Cash Generated from Operations		2,447,486	2,244,345	2,400,849	2,181,820
Finance Costs Paid	8.2	(164)	(183)	(164)	(183)
Payment of Income Tax/VAT		(754,479)	(568,794)	(743,176)	(561,263)
Retirement Benefit Obligations Paid	23	(200,368)	(162,443)	(200,368)	(160,714)
Net Cash from Operating Activities		1,492,476	1,512,925	1,457,141	1,459,660
CASH FLOWS FROM INVESTING ACTIVITIES					
Grant Received	24	2,826	13,222	2,826	13,222
Proceeds from Sale of Trees		79,185	49,969	79,185	49,969
Proceeds from Disposal of Property, Plant & Equipments		1,739	8,112	1,739	8,112
Field Development Expenditure	Note A	(306,424)	(271,116)	(306,424)	(271,116)
Purchase of Property, Plant & Equipment	Note B	(375,331)	(362,486)	(375,331)	(362,486)
Dividend Income Received	7	-	-	9,418	24,894
Investment in Subsidiaries	15	(7,500)	-	(7,500)	-
Investment in Non Current Financial Assets	16	(1,850,000)	-	(1,850,000)	-
Net Cash used in Investing Activities		(2,455,504)	(562,299)	(2,446,086)	(537,405)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend Paid		(270,275)	(387,125)	(270,275)	(387,125)
Payment of Government lease rentals		(71,132)	(68,528)	(71,132)	(68,528)
Payment of Other lease rentals		(16,341)	(16,438)	(16,341)	(16,438)
Repayment of loans		-	(2,619)	-	(2,619)
Net Cash used in Financing Activities		(357,748)	(474,710)	(357,748)	(474,710)
Net Increase/(Decrease) in Cash & Cash Equivalents		(1,320,776)	475,916	(1,346,693)	447,546
Cash & Cash Equivalents at the beginning of the year (Note C)		4,394,161	3,918,245	4,280,251	3,832,705
Cash & Cash Equivalents at the end of the year (Note D)		3,073,385	4,394,161	2,933,557	4,280,251

Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

For the year ended 31 March	Group					
	Tea Rs.'000	Rubber Rs.'000	Cinnamon Rs.'000	Others Rs.'000	Hydro Rs.'000	Total Rs.'000
NOTE A: Investment in Field						
Development Expenditure						
Investment in Immature Plantations 2026 (Note 14.B.1 & 14.C)	203,471	2,029	64,471	36,452	-	306,424
Investment in Immature Plantations 2025	174,876	2,150	53,312	40,778	-	271,116
NOTE B: Investment in Property, Plant & Equipment						
Investment in Property, Plant & Equipment 2026 (Note 14.A)	375,331	-	-	-	-	375,331
Investment in Property, Plant & Equipment 2025	362,486	-	-	-	-	362,486
For the year ended 31 March	Company					
	Tea Rs.'000	Rubber Rs.'000	Cinnamon Rs.'000	Others Rs.'000	Hydro Rs.'000	Total Rs.'000
NOTE A: Investment in Field						
Development Expenditure						
Investment in Immature Plantations 2026 (Note 14.B.1 & 14.C)	203,471	2,029	64,471	36,452	-	306,424
Investment in Immature Plantations 2025	174,876	2,150	53,312	40,778	-	271,116
NOTE B: Investment in Property, Plant & Equipment						
Investment in Property, Plant & Equipment 2026 (Note 14.A)	375,331	-	-	-	-	375,331
Investment in Property, Plant & Equipment 2025	362,486	-	-	-	-	362,486
For the year ended 31st March,	Group		Company			
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000		
NOTE C						
Cash & Cash Equivalents at the beginning of the year						
Cash & Bank Balances	62,984	32,082	60,932	18,876		
Short Term Investments	4,346,278	3,924,891	4,234,420	3,852,557		
Bank Overdrafts	(15,101)	(38,728)	(15,101)	(38,728)		
	4,394,161	3,918,245	4,280,251	3,832,705		
NOTE D						
Cash & Cash Equivalents at the end of the year						
Cash & Bank Balances	54,214	62,984	52,522	60,932		
Short Term Investments	3,023,326	4,346,278	2,885,191	4,234,420		
Bank Overdrafts	(4,155)	(15,101)	(4,155)	(15,101)		
	3,073,385	4,394,161	2,933,557	4,280,251		

Notes to the Financial Statements from Pages 296 to 346 form an integral part of these Financial Statements. Figures in brackets indicate deductions.

Consolidated ESG Statement

	Note	2025/26	2024/25	2023/24	2022/23	2021/22
Environmental Performance						
Resources						
Energy consumption (GJ)	2.1	230,916	218,476	214,663	201,664	208,303
Renewable energy generation (GJ)	2.2	28,336	30,848	26,937	30,767	29,296
Water consumption (m ³)	2.3	487	555	521	1,742	2,492
Portion of renewable materials use of material mix (%)	2.4	82%	79.40%	83%	88%	89%
Waste						
Total solid non-hazardous waste generated (Tonnes)	2.5	700	225	145	135	239
Total solid hazardous waste generated (Tonnes)	2.5	0.125	0.167	1	1	1
Emission						
Scope 1 (Direct) tCO ₂ e	2.6	8,474	9,336	9,263	8,999	2388
Scope 2 (Indirect) tCO ₂ e	2.6	1,653	1,703	1,961	2,205	2606
Scope 3 (Indirect) tCO ₂ e	2.6	14,822	15,254	13,970	18,578	289
Investment in environment and biodiversity conservation						
Biodiversity conservation and protection (Rs. 000)	2.7	440	1,507	1,491	1,982	983
Environment friendly Agriculture practices (Rs. 000)	2.7	50,132	56,782	45,317	47,576	49,348
Environmental compliance						
Breaches of environmental regulatory	2.8	0	0	0	0	0
Social performance						
Employees						
Total employees	3.1	4,849	5,247	4,284	4,825	5279
Employee turnover (%)	3.2	7.59%	3.40%	11.2%	8.6%	8.6
Employee Trust Index (%)	3.3	98%	99%	99%	97%	96%
Frequency of occupational accidents (number per million working hours)	3.4	7	6.1	9.98	8.58	6.05
Average training hours per employee	3.5	2.17	1.91	2.3	2.5	2.05
Training Investment (Rs. Mn)	3.6	15.6	11	14.4	13.78	1.46
Gender in leadership positions (ratio men: women)	3.7	54:7	55:8	55:8	31:6	25:1
Gender in the Board of Directors (ratio men: women)	3.7	11:01	10:01	10:1	9:1	9:1
Community						
Investment on living environment (Rs. Mn)	3.8	37	36.9	8.2	5.7	65.5
Investment on capacity building (Rs. Mn)	3.8	23.2	21.2	24.5	20.1	33.8
Investment Youth Empowerment (Rs. Mn)	3.8	7.7	1.2	0.7	1.0	1
Investment on Health and Nutrition (Rs. Mn)	3.8	52.9	59.7	70.2	138.6	7.2
Value chain						
Customer satisfaction rate (%)	3.9	92	92	86%	86%	86%
Customer rejections and complaints	3.9	1	0	5	6	14
Supplier assessment on ESG performance and compliance	3.10	100.00	80	84%	82%	0
Social compliance						
Breaches of laws and regulation	3.11	0	0	0	0	0
Governance performance						
Board Quality						
Board position (ratio Independent:Non independent)	4.1	1:02	4:07	1:1	1:1	1:1
Code of conduct						
Employees trained on code of conduct (Head Hours)	4.2	1,317	1,139	1,134	1,023	377
Number of whistle-blower cases reported and solved	4.3	0	0	0	0	0
Management Systems						
Number of management system standardize and certified	4.4	7 out of 7	7 out of 7	7 out of 7	7 out of 7	7 out of 7
Major Nonconformities on system failure	4.5	0	0	0	0	0
Number of ESEG meeting conducted	4.6	5	4	3	1	0