

Plantations (Pvt) Ltd. After a study of publicly available information on the company, the writer has been able to establish that the company had been going through a major financial crisis that resulted in disposal of the company. Subsequent to a careful analysis of the company's financial statements since 2011, facts found on numerous news articles and paper articles that are available online (Colombo stock Exchange site, paper articles) and information obtained from public, the writer is of the view that the failure of the company could be attributed to number of reasons. The first reason being financial indiscipline by the company as it was notable that the company had not followed or concerned about the various rules and regulations issued by relevant authorities in the financial management context. The second main issue would be family involvement of strategic decision making process of the company while having conflicts among them, as a result it is highly doubtful whether they were able to effectively contribute to enhance the value of the company since their emotions will lead the decision making rather than rational decision making process. The third main issue is in the context of working capital management which led the company to a position where their daily operations were badly disturbed. Finally there is a major concern in the area of poor HR policy practices and people management by the company. In addition, the writer is in the view that the core values, competencies of the founders and knowledge sharing had not been transferred to the next generation of the company. Thus, they have failed to manage the company. This gap reflected the way they handle the current crisis in the tea industry whereas many competing companies apparently have effectively managed same which reflected in their financial performances. These companies have subsidized the losses incurred in the tea industry by operational excellence and diversification which is a hybrid strategy that had worked extremely well, thus contributed towards creating value for their shareholders.

In the traditional view of a company, only the owners or shareholders of the company are important, and the company has a binding fiduciary duty to put their needs first, to increase value for them. However subsequently this stance had changed and instead argues that there are other parties such as employees, customers, suppliers, communities and government etc.. who are connected to the business.

Finally due to above reasons Austin plantation was up for disposal and has been acquired by Green Company PLC., with a controlling shareholding of 60.8% that was previously held by Sheerwoods Plantation Private Limited. Further study of available information disclosed that Mr. Perera,