

Evergreen Investment Opportunities With Sadaharitha



By Chamindra Warusawitharane

In a global environment where CSR based business models are gaining recognition within the business community, Sadaharitha Plantations is already one step ahead in the sustainable forestry industry. “Our business model itself is based on CSR, we safeguard nature and ensure sustainability,” affirmed H K Rohana, Group Chief Executive Director - Sadaharitha Plantations.

Sadaharitha Plantations which celebrated its 10th anniversary in 2012, engage in establishment and maintenance of private commercial forest plantations such as sandalwood, teak and mahogany to generate investment opportunities both locally and internationally. The company employs its expertise and commitment to continuously improve the effectiveness of its environmental management system

by preventing all types of pollution and wastage whilst complying with all applicable legal and other requirements to ensure the sustainability of its forest plantations.

Sadharitha Plantations involve a network of affiliated companies such as Sadharitha Research and Development, Sadharitha Property and "Sadharitha Irrigation Systems under its wing to reinforce the core business of sustainable forestry management.

"We are a very strong company. We have eight companies under our arm to support the main cause. Before purchasing the land, Sadharitha Research and Development looks into the suitability of the soil and the environment. Once we purchase the land Sadharitha Irrigation Systems take care of irrigation. Thus we have a strong team to ensure maximum benefits," stated H K Rohana, Group Chief Executive Director-Sadharitha Plantations.

Sadharitha Plantations in "Beragala, Diyaluma, Tangalle, "Puttalam, Udawalawe, Balangoda as well as the new properties in Matale, Beragala and Mahawa are managed by an extensive branch network throughout the island.

Sadharitha investment plans ensure the absolute ownership of a prime land with trees, continuous monitoring and improvements by Forestry Consultants, Forestry Insurance Cover, Harvest-Purchase back guarantee, additional tree planting as buffer stocks while providing other benefits to premier members.

"Sustainable forestry is a minimum risk investment since at the end of the maturity period of 17 or 20 years, investors will benefit from the dual earning capacity of owning valuable land along with the trees. The company will buy the mature trees for a guaranteed price and as the land value appreciates, the investor can either sell the land at a higher price to us or a third party," stated Rohana.

A third benefit would be the capacity to sell carbon credits to manufacturers on the strength of sustainable forestry plantations. Sadharitha Plantations is due to receive FSC (Forestry Stewardship Certificate) certification soon. "Once we receive the FSC certification, we will be able to sell our timber to manufacturers with the guarantee that the timber comes from a sustainable plantation where we replace each tree and ensure sustainability," elaborated Rohana.

As a company recognised for its sustainable approach and expertise, Sadaharitha Plantations has already signed a forward sales agreement with Wescorp Group in Australia (Wescorp Sandalwood) to sell an entire stock of sandalwood once they reach maturity.

“My advice to anyone who is interested in investing in forestry would be to judge the company you want to invest with by their plantations. If the company has the necessary know-how and technology to manage a plantation and if their existing plantations are well-managed, you are in good hands,” stated Rohana.

“At the moment, we are proud to say that we are “above” 40 to 50 percent ahead of the norm of tree growth compared to any other similar products or growth parameters due to our professional management practices. Being an undisputed market leader we produce the world’s number one sandalwood in this beautiful country in terms of quality which is known as “Sadaharitha Super Sandalwood” and has already created global demand in advance, concluded H K Rohana, Group Chief Executive Director - Sadaharitha Plantations.