

# **KOTAGALA PLANTATIONS PLC**

**Interim Financial Statements  
For the Quarter ended 30th June 2021**

**Kotagala Plantations PLC**  
**Statement of Profit or Loss and Other Comprehensive Income**

Group	Company		Group	Company
Year ended	Year ended		03 Months ended	03 Months ended
31.03.2021	31.03.2021		30.06.2021	30.06.2021
Rs.'000	Rs.'000		Rs.'000	Rs.'000
<b>3,206,956</b>	<b>3,156,490</b>	Revenue	<b>919,737</b>	765,010
<b>(2,995,503)</b>	<b>(2,957,653)</b>	Cost of Sales	<b>(789,763)</b>	(719,000)
			<b>912,757</b>	747,252
<b>211,453</b>	<b>198,837</b>	<b>Gross Profit</b>	<b>129,974</b>	46,010
<b>198,130</b>	<b>198,130</b>	Fair Value Gain on Biological Assets	-	-
<b>98,139</b>	<b>99,327</b>	Other Operating Income	<b>25,665</b>	6,470
<b>(306,088)</b>	<b>(312,892)</b>	Administrative Expenses	<b>(40,841)</b>	(27,087)
<b>(1,082)</b>	-	Distribution Expenses	-	-
<b>(373,916)</b>	<b>(373,916)</b>	Net Financing Costs	<b>(77,323)</b>	(49,938)
<b>(66,533)</b>	-	Share of Profit / (Loss) of equity accounted investee, net of tax	-	-
<b>(239,897)</b>	<b>(190,514)</b>	<b>Loss before Income Tax Expenses</b>	<b>37,475</b>	(24,545)
-	-		-	-
<b>(11,954)</b>	<b>(11,954)</b>	Income Tax Expenses	-	-
<b>(251,851)</b>	<b>(202,468)</b>	<b>Profit / (loss) from continued operation</b>	<b>37,475</b>	(24,545)
<b>(251,851)</b>	<b>(202,468)</b>	<b>Profit / (Loss) for the year</b>	<b>37,475</b>	(24,545)
<b>Other Comprehensive Income /(Expense) from continued operation</b>				
<b>Items that will not be reclassified to profit or loss</b>				
<b>64,056</b>	<b>64,056</b>	Actuarial Gain/ (Loss) on Retirement Benefit Obligation	-	-
<b>(8,968)</b>	<b>(8,968)</b>	Tax effect on other comprehensive income	-	-
<b>20,074</b>	<b>20,074</b>	Fair value through OCI Investments - Net Change in Fair Value	4,848	4,848
<b>6,414</b>	-	Share of other comprehensive income of equity accounted investees	-	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
<b>(60)</b>	-	Foreign Currency Translation gain/ (Loss)	-	-
<b>81,516</b>	<b>75,162</b>	Other Comprehensive Income/(Expense) for the year, net of tax from continued operation	-	4,848
<b>81,516</b>	<b>75,162</b>	Other Comprehensive Income/(Expense) for the Year, net of tax	-	4,848
<b>(170,335)</b>	<b>(127,306)</b>	<b>Total Comprehensive Income /(Expense) for the Year</b>	<b>37,475</b>	(19,697)
<b>(3.35)</b>	<b>(2.69)</b>	<b>Profit/(Loss) Per Share (Rs.)</b>	<b>0.50</b>	(0.33)

## Kotagala Plantations PLC

Statement of Financial Position							
Group		Company		Group		Company	
As at	As at	As at	As at	As at	As at	As at	As at
31.03.2021	31.03.2021	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>							
1,305,249	1,304,843	Tangible Assets (Other than Mature /Immature Plantations)	1,293,471	1,366,981	1,290,068	1,357,768	
4,895,261	4,895,261	Biological Assets	4,882,641	4,738,487	4,882,641	4,738,487	
636,081	636,081	Leasehold Properties	627,655	647,277	627,655	647,277	
-	-	Investments in Subsidiaries	-	-	-	115	
101,246	101,214	Investment in Associates	101,246	258,354	101,214	206,784	
305,538	305,538	Fair value through OCI Investments	305,538	310,158	305,538	310,158	
7,243,375	7,242,937	<b>Total Non - Current Assets</b>	<b>7,210,551</b>	<b>7,321,257</b>	<b>7,207,117</b>	<b>7,260,589</b>	
260,816	255,091	Inventories	347,587	228,872	341,362	208,761	
269,656	284,698	Trade and Other Receivables	250,280	273,480	259,286	266,515	
6,526	6,526	Fair value of growing produce of bearer biological assets	6,526	5,000	6,526	5,000	
22,960	26,063	Amounts due from Related Parties	21,446	62,919	29,375	73,141	
72,947	67,767	Cash and Cash Equivalents	100,096	18,948	96,341	15,150	
632,904	640,145	<b>Total Current Assets</b>	<b>725,935</b>	<b>589,220</b>	<b>732,890</b>	<b>568,567</b>	
7,876,280	7,883,082	<b>Total Assets</b>	<b>7,936,487</b>	<b>7,910,477</b>	<b>7,940,006</b>	<b>7,829,156</b>	
<b>EQUITY</b>							
781,500	781,500	Stated Capital	781,500	781,500	781,500	781,500	
240,000	240,000	Capital Reserves	240,000	240,000	240,000	240,000	
589,678	594,443	Revaluation Reserve	589,678	612,432	594,442	612,432	
(10,799)	-	Foreign Exchange Translation Reserve	(10,799)	(1,862)	-	-	
46,834	46,583	Fair Value through Other Comprehensive Income Reserve	46,834	47,948	46,584	51,203	
(1,266,094)	(1,270,002)	Retained Earnings	(1,228,619)	(908,080)	(1,231,666)	(970,955)	
381,119	392,524	<b>Total Equity</b>	<b>418,594</b>	<b>771,938</b>	<b>430,860</b>	<b>714,180</b>	
<b>LIABILITIES</b>							
1,045,930	1,045,930	Interest bearing Borrowings	1,003,862	1,066,364	1,003,862	1,066,364	
323,403	323,403	Deferred Income - Capital Grant	324,752	330,309	324,752	330,309	
419,209	419,209	Deferred Tax Liabilities	419,209	403,335	419,209	403,335	
654,595	654,595	Net Obligation to Lessor of JEDB/SLSPC	654,594	646,906	654,594	646,906	
887,373	886,613	Retirement Benefit Obligations	912,365	903,542	907,534	897,805	
-	-	Lease Liability	-	3,519	-	-	
3,330,510	3,329,750	<b>Total Non - Current Liabilities</b>	<b>3,314,782</b>	<b>3,353,975</b>	<b>3,309,951</b>	<b>3,344,719</b>	
756,620	756,620	Interest bearing Borrowings	756,620	766,957	756,620	766,957	
2,186,979	2,183,136	Trade & Other Payables	2,203,256	1,965,926	2,199,341	1,952,807	
654,410	654,410	Amounts due to Related Parties	666,467	454,444	666,467	454,444	
-	-	Lease Liability	-	1,188	-	-	
566,642	566,642	Bank Overdraft	576,768	596,050	576,768	596,050	
4,164,651	4,160,808	<b>Total Current Liabilities</b>	<b>4,203,111</b>	<b>3,784,564</b>	<b>4,199,195</b>	<b>3,770,257</b>	
7,495,161	7,490,558	<b>Total Liabilities</b>	<b>7,517,893</b>	<b>7,138,539</b>	<b>7,509,146</b>	<b>7,114,976</b>	
7,876,280	7,883,082	<b>Total Equity and Liabilities</b>	<b>7,936,487</b>	<b>7,910,477</b>	<b>7,940,006</b>	<b>7,829,156</b>	
5.07	5.22	<b>Net Assets per Share (Rs.)</b>	<b>5.56</b>	<b>10.26</b>	<b>5.73</b>	<b>9.49</b>	

I certify that the financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007

sgd.  
**M Kowdu**  
 General Manager - Finance

Signed on behalf of the Board of Directors of Kotagala Plantations PLC

sgd.  
**S S Poholiyadde**  
 Director

sgd.  
**M Madugalle**  
 Director

Colombo  
 09th August 2021

**Kotagala Plantations PLC**

**COMPANY**

**STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Company						Total Rs. '000
	Stated Capital Rs. '000	Revaluation Reserve Rs.000	Available for Sale Reserves Rs. '000	General Reserves Rs. '000	Retained Profit / (Loss) Rs. '000		
Balance as at 01.04.2020	781,500	612,432	46,355	240,000	(946,475)	733,812	
Impact on Initial application of SLFRS 16						-	
Profit for the Period					(24,480)	(24,480)	
Other Comprehensive Income for the Period	-	-	4,848		-	4,848	
Deferred tax on revaluation	-	-	-	-	-	-	
<b>Balance as at 30.06.2020</b>	<b>781,500</b>	<b>612,432</b>	<b>51,203</b>	<b>-</b>	<b>240,000</b>	<b>(970,955)</b>	
<b>Balance as at 01.04.2021</b>	<b>781,500</b>	<b>594,443</b>	<b>46,583</b>	<b>240,000</b>	<b>(1,270,002)</b>	<b>392,525</b>	
<b>Profit for the Period</b>					<b>38,336</b>	<b>38,336</b>	
<b>Other Comprehensive Income for the Period</b>			<b>-</b>		<b>-</b>	<b>-</b>	
<b>Dividend paid</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Balance as at 30.06.2021</b>	<b>781,500</b>	<b>594,443</b>	<b>46,584</b>	<b>-</b>	<b>240,000</b>	<b>(1,231,666)</b>	

**STATEMENT OF CHANGES IN EQUITY**

**Group**

	Attributable to Owners of the Company						Total Rs. '000
	Stated Capital Rs. '000	Revaluation Reserve Rs.000	Available for Sale Reserves Rs. '000	Foreign Currency translation reserve Rs. '000	General Reserves Rs. '000	Retained Profit / (Loss) Rs. '000	
Balance as at 01.04.2020	781,500	612,432	43,100	(1,862)	240,000	(883,535)	791,635
Impact on Initial application of SLFRS 16						-	-
Profit for the Period						(24,545)	(24,545)
Other Comprehensive Income for the Period	-	-	4,848	-		-	4,848
Other Comprehensive Income for the Period		-					-
Dividend paid	-		-		-	-	-
<b>Balance as at 31.06.2020</b>	<b>781,500</b>	<b>-</b>	<b>47,948</b>	<b>(1,862)</b>	<b>240,000</b>	<b>(908,080)</b>	<b>771,938</b>
<b>Balance as at 01.04.2021</b>	<b>781,500</b>	<b>589,678</b>	<b>46,834</b>	<b>(10,799)</b>	<b>240,000</b>	<b>(1,266,094)</b>	<b>381,119</b>
<b>Profit for the Period</b>						<b>37,475</b>	<b>37,475</b>
<b>Other Comprehensive Income for the Period</b>						<b>-</b>	<b>-</b>
<b>Dividend paid</b>							
<b>Balance as at 30.06.2021</b>	<b>781,500</b>	<b>589,677</b>	<b>46,834</b>	<b>(10,799)</b>	<b>240,000</b>	<b>(1,228,619)</b>	<b>418,594</b>

## Kotagala Plantations PLC

## CASH FLOW STATEMENT

For the Three Months ended 30th June	Group		Company	
	2021 Rs.'000	2020 Rs.'000	2021 Rs.'000	2020 Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before Taxation	37,475	(24,545)	38,336	(24,480)
<b>Adjustments for :</b>				
Depreciation /Amortization	72,522	60,324	72,255	60,324
Interest Expenses	77,334	49,938	77,334	49,938
Interest Income	(11)		(11)	-
Defined Benefit Plan Cost - Retiring Gratuity	24,450	23,993	24,450	23,993
Amortization of Deferred Income	(3,294)		(3,294)	-
<b>Operating Profit before Working Capital Changes</b>	<b>208,476</b>	<b>109,710</b>	<b>209,070</b>	<b>109,775</b>
(Increase)/Decrease in Inventories	(86,772)	(29,016)	(86,271)	(24,363)
(Increase)/Decrease in Trade & other Receivables	20,184	(6,392)	25,412	(5,450)
(Increase)/Decrease in Amounts due from Related Parties	1,514	-	(3,312)	(3,750)
Increase/(Decrease) in Trade & Other Payables	(6,782)	(18,567)	(6,854)	(24,124)
Increase/(Decrease) in Amounts due to Related Parties	12,057	14,158	12,057	14,158
<b>Cash Flow from Operating Activities</b>	<b>148,677</b>	<b>69,893</b>	<b>150,102</b>	<b>66,246</b>
Income Tax Paid		(4,500)	-	(4,500)
Interest Income	11		11	-
Interest Paid	(69,547)	(44,992)	(69,547)	(44,992)
Retiring Gratuity Paid	(3,529)	(2,600)	(3,529)	(2,600)
<b>Net Cash Flow from Operating Activities</b>	<b>75,611</b>	<b>17,801</b>	<b>77,036</b>	<b>14,154</b>
<b>Cash Flows from Investing Activities</b>				
Purchase & Construction of Property, Plant & Equipment	(7,327)		(7,327)	-
Investment in immature plantations	(13,836)	(6,061)	(13,836)	(6,061)
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(21,164)</b>	<b>(6,061)</b>	<b>(21,164)</b>	<b>(6,061)</b>
<b>Cash Flows from Financing Activities</b>				
Payment of finance lease rentals	(7,012)		(7,012)	-
Capital Grants Received	4,643		4,643	-
Repayment of Debenture	(8,090)		(8,090)	-
Proceeds from Long Term Loans	7,500		7,500	-
Repayment of Long Term Loans	(34,466)	(17,000)	(34,466)	(17,000)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(37,425)</b>	<b>(17,000)</b>	<b>(37,425)</b>	<b>(17,000)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>17,023</b>	<b>(5,260)</b>	<b>18,448</b>	<b>(8,907)</b>
Cash & Cash Equivalents at the beginning of the year	(493,695)	(571,842)	(498,875)	(571,993)
Effect of Exchange Rate Changes				
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>(476,672)</b>	<b>(577,102)</b>	<b>(480,427)</b>	<b>(580,900)</b>
<b>Analysis of Cash &amp; Cash Equivalents at the end of the Period</b>				
Cash in Hand & Bank	100,096	18,948	96,341	15,150
Bank & Other Borrowings	(576,768)	(596,050)	(576,768)	(596,050)
	<b>(476,672)</b>	<b>(577,102)</b>	<b>(480,427)</b>	<b>(580,900)</b>

## Segmental Information

Group		Company		Group		Company	
Year ended	Year ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended
31/03/2021	31/03/2021	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Revenue</b>							
2,425,964	2,425,964	<b>720,189</b>	624,959	<b>720,189</b>	624,959		
658,207	607,741	<b>116,357</b>	94,676	<b>109,377</b>	76,918		
122,785	122,785	<b>83,190</b>	45,375	<b>83,190</b>	45,375		
<b>3,206,956</b>	<b>3,156,490</b>	<b>919,737</b>	765,010	<b>912,757</b>	747,252		

Group		Company		Group		Company	
Year ended	Year ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended	03 Months ended
31/03/2021	31/03/2021	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Gross Profit</b>							
258,405	258,405	<b>111,632</b>	105,424	<b>111,632</b>	105,424		
(91,621)	(104,237)	<b>(37,589)</b>	(81,146)	<b>(38,646)</b>	(83,333)		
44,669	44,669	<b>55,931</b>	21,732	<b>55,931</b>	21,732		
<b>211,454</b>	<b>198,838</b>	<b>129,974</b>	46,010	<b>128,917</b>	43,823		

	Company			
	Tea	Rubber	Oil Palm	Total
<b>Gross Profit/(Loss)</b>	<b>111,632</b>	<b>(38,646)</b>	<b>55,931</b>	<b>128,917</b>
Fair Value Gain on Biological Assets	-	-	-	-
Other Operating Income	5,467	19,764	-	25,231
Administrative Expenses	(30,694)	(7,044)	(751)	(38,489)
Net Financing Costs	(38,803)	(22,374)	(16,145)	(77,323)
<b>Profit/(Loss) Before Income Tax</b>	<b>47,602</b>	<b>(48,301)</b>	<b>39,035</b>	<b>38,336</b>

## Information on Debentures

The company successfully rescheduled the entire debenture outstanding of Rs.500m for a period of 5 years at a reduced interest rate of 7.5%, with a defined monthly payment plan.

### Comparable Interest Rate on Government Securities

1 year	5.18%
3 years	6.50%
5 years	7.25%

Company - End June 2021	
Debt/Equity Ratio	4.09
Quick asset Ratio	0.09
Interest Cover	1.50

**Kotagala Plantations PLC**  
**Notes to the Financial Statements**

- 1) Accounting policies and methods of computation adopted in the above interim accounts are same as those in the previous Audited Financial Statements and also in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting.
- 2) The above figures are provisional and subject to audit.
- 3) There has been no material events subsequent to the interim period which require disclosure in the provisional Interim Financial Statements.
- 4) The Company on 30.12.2020 announced a Rights Issue of Two Hundred and Sixty Three Million Two Hundred and Eighty Seven Thousand Five Hundred (263,287,500) Ordinary Shares at a price of Rs.3/- per share in the proportion of Seven (07) new Ordinary Shares for every Two(02) existing issued Ordinary Shares held, which was approved by the Shareholders of the Company at the EGM held on 19th July 2021. The issue closes on 11th August 2021.
- 5) The retirement benefit obligation as at 31st march 2021 has been arrived based on worker basic wage at Rs.700/- due to the fact that the Wage rate of Rs.1000/= is in abeyance, as the Court decision is still pending. However, if the Court decision is in favour of Rs.1000/=, there will be a contingent liability of Rs.303Mn based on the projected actuarial valuation carried out by Ms. Actuarial and Management Consultants (Pvt) Ltd
- 6) Market Prices Recorded during the quarter ended 30th June

	2021	2020
Highest - (Rs.)	6.80	7.20
Lowest - (Rs.)	5.00	4.10
Last Traded - (Rs.)	5.90	5.80
- 7) The Stated Capital of the Company of Rs.781,500,010/- is represented by 75,225,000 Ordinary Shares and 01 Golden Share.
- 8) The percentage of Shares held by the public as at 30th June 2021 was 32.77% and the number of public shareholders are 13,439.
- 9) The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.06.2021 was Rs.145.44Mn
- 10) Details pertaining to Directors direct shareholdings as at 30.06.2021 are given below

Name of Director	No. of Shares
Mr. S. D. R. Arudpragasam	150,375
Mr. C. P. R. Perera	112,500
Mr. M. S. Madugalle	7185*
*Aggregate of 2,603 Fractional Shares held in trust consequent to subdivision of shares in 2018	
Mr. S. S. Poholiyadde	1,500

- 11) Major Shareholders as at 30th June 2021

Name	No of Shares	%
1 CONSOLIDATED TEA PLANTATIONS LIMITED	31,650,000	42.07%
2 LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	11,103,150	14.76%
3 SECRETARY TO THE TREASURY	5,700,834	7.58%
4 NATIONAL DEVELOPMENT BANK PLC/LANKEM TEA AND RUBBER PLANTATIONS (PVT) LTD	5,251,960	6.98%
5 NATIONAL DEVELOPMENT BANK PLC/CONSOLIDATED TEA PLANTATIONS LTD	2,223,980	2.96%
6 MR. SIVAN GNANASEKARAN and MRS. MANIMEKALANI GNANASEKARAN	810,000	1.08%
7 BANK OF CEYLON NO. 1 ACCOUNT	729,997	0.97%
8 SEYLAN BANK PLC/ K.S. BALASURIYA	400,000	0.53%
9 SAMPATH BANK PLC/ DR.T.SENTHILVERL	375,363	0.50%
10 MR. KANDASAMY PARAMESWARAN	352,749	0.47%
11 MR. MUHAMED NALEEM MUHAMMED ABDUL CAADER and MRS. MAZEENA MUHAMMED ABDUL CAADER	352,468	0.47%
12 COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	302,625	0.40%
13 MRS. SHIELA IRANGANIE HEENETIMULLA	270,000	0.36%
14 MR. WEERATHUNGA ARACHCHIGE SAMPATH PALITHA DE SARAM	233,373	0.31%
15 POLGAHAWELA SANASA SOCIETIES UNION LTD	227,000	0.30%
16 MR. SENAKA JAYANTHA RANASINGHE	210,634	0.28%
17 MR. PELI ARACHCHIGE LUKSHAMAN	187,350	0.25%
18 MR. MAPA MUDIYANSELAGE SAMANTHA INDUNIL	181,917	0.24%
19 MR. SEMASINGHE NAWARATHNE MUDIYANSELAGE SEMASINGHE	165,349	0.22%
20 MERCHANT BANK OF SRI LANKA AND FINANCE PLC/R R S ANANDA	160,104	0.21%
<b>Total</b>	<b>60,888,853</b>	<b>80.94%</b>