

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the period ended 30th June 2023**

Kotagala Plantations PLC

STATEMENT OF COMPREHENSIVE INCOME

	Group		Company	
	<i>(Unaudited)</i> 03 Months ended 30.06.2023 Rs.'000	<i>(Unaudited)</i> 03 Months ended 30/06/2022 (Restated) Rs.'000	<i>(Unaudited)</i> 03 Months ended 30.06.2023 Rs.'000	<i>(Unaudited)</i> 03 Months ended 30/06/2022 (Restated) Rs.'000
Revenue	1,311,830	1,067,552	1,302,743	1,062,680
Cost of Sales	(1,084,348)	(747,267)	(1,079,951)	(743,965)
Gross Profit	<u>227,482</u>	<u>320,284</u>	<u>222,792</u>	<u>318,715</u>
Fair value gain on Biological Assets			-	-
Other Income	6,384	10,624	6,384	9,839
Administration Expenses	(74,995)	(42,825)	(68,954)	(39,343)
Net Finance Cost	(83,131)	(73,510)	(83,073)	(73,510)
Share of Loss of equity accounted investee				
Profit before Tax Expense	<u>75,740</u>	<u>214,573</u>	<u>77,149</u>	<u>215,701</u>
Tax Expense				
Profit / (Loss) for the period	<u>75,740</u>	<u>214,573</u>	<u>77,149</u>	<u>215,701</u>
Other Comprehensive Income				
Actuarial Gain/ (Loss) on Retirement Benefit Obligation			-	-
Tax effect on Actuarial (Gain) / Loss on Retirement Benefit Obligation			-	-
Fair value through OCI Investments - Net Change in Fair Value			-	-
Share of other comprehensive income of equity accounted investees			-	-
Revaluation Gain			-	-
Foreign Currency Translation Loss			-	-
Total Comprehensive Income For The Period	<u>75,740</u>	<u>214,573</u>	<u>77,149</u>	<u>215,701</u>
Earnings per Share (Rs.)	0.22	0.63	0.23	0.64

Kotagala Plantations PLC

Statement of Financial Position

Group As at 31.03.2023 Rs.'000 (Unaudited)	Company As at 31.03.2023 Rs.'000 (Unaudited)		Group		Company		
			As at 30.06.2023 Rs.'000 (Unaudited)	As at 30.06.2022 Rs.'000 (Unaudited)	As at 30.06.2023 Rs.'000 (Unaudited)	As at 30.06.2022 Rs.'000 (Unaudited)	
ASSETS							
1,207,030	1,206,782	Tangible Assets (Other than Mature /Immature Plantations)	1,198,453	1,251,266	1,198,453	1,220,766	
5,028,865	5,028,865	Biological Assets	5,038,729	4,877,716	5,038,729	4,877,716	
638,193	638,193	Leasehold Properties	629,088	614,408	629,088	614,408	
-	27,485	Investments in Subsidiaries	-	-	27,485	29,030	
97,832	91,442	Investment in Associates	97,832	91,484	91,442	91,443	
122,881	122,881	Fair value through OCI Investments	122,881	327,442	122,881	327,442	
7,094,801	7,115,648	Total Non - Current Assets	7,086,983	7,162,316	7,108,078	7,160,804	
527,168	508,369	Inventories	521,171	291,388	495,758	290,275	
420,065	400,259	Trade and Other Receivables	289,861	279,722	284,801	272,191	
20,014	20,014	Fair value of growing produce of bearer biological assets	20,014	7,841	20,014	7,841	
67,624	102,122	Amounts due from Related Parties	60,333	59,536	84,285	75,223	
156,512	148,684	Cash and Cash Equivalents	146,769	165,868	136,560	157,826	
1,191,383	1,179,448	Total Current Assets	1,038,149	804,354	1,021,418	803,356	
8,286,184	8,295,096	Total Assets	8,125,132	7,966,671	8,129,496	7,964,160	
EQUITY							
1,571,362	1,571,362	Stated Capital	1,571,362	1,571,361	1,571,362	1,571,361	
240,000	240,000	General Reserves	240,000	240,000	240,000	240,000	
506,903	459,656	Revaluation Reserve	506,902	670,832	459,656	594,442	
(11,540)	-	Foreign Exchange Translation Reserve	(11,540)	(11,377)	-	-	
65,480	68,395	Fair Value through Other Comprehensive Income Reserve	65,480	48,456	68,395	51,371	
(572,622)	(523,172)	Retained Earnings	(496,882)	(672,883)	(446,023)	(606,281)	
1,799,583	1,816,241	Total Equity	1,875,322	1,846,390	1,893,390	1,850,894	
LIABILITIES							
1,392,787	1,392,787	Interest bearing Borrowings	1,392,896	880,012	1,392,896	880,012	
316,081	316,081	Deferred Income - Capital Grant	312,810	325,399	312,810	325,399	
1,053,074	1,053,074	Deferred Tax Liabilities	1,053,073	358,102	1,053,073	358,102	
720,953	720,953	Net Obligation to Lessor of JEDB/SLSPC	720,953	672,689	720,953	672,689	
598,544	597,732	Retirement Benefit Obligations	602,539	666,708	601,679	661,835	
4,081,439	4,080,627	Total Non - Current Liabilities	4,082,271	2,902,909	4,081,411	2,898,036	
321,942	321,942	Interest bearing Borrowings	321,942	602,796	321,942	602,796	
1,916,043	1,909,109	Trade & Other Payables	1,455,652	1,920,460	1,442,808	1,918,318	
80,795	80,795	Amounts due to Related Parties	295,354	51,628	295,354	51,628	
86,382	86,382	Bank Overdraft	94,592	642,488	94,592	642,488	
2,405,162	2,398,228	Total Current Liabilities	2,167,539	3,217,372	2,154,695	3,215,230	
6,486,601	6,478,855	Total Liabilities	6,249,810	6,120,281	6,236,107	6,113,266	
8,286,184	8,295,096	Total Equity and Liabilities	8,125,132	7,966,671	8,129,496	7,964,160	
5.32	5.37	Net Assets per Share (Rs.)	5.54	5.45	5.59	5.47	

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

Sgd.
R Perera
General Manager Finance

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

Sgd.
Sunil Poholiyadde
Director

Sgd.
K Mohideen
Director

Colombo
14th August 2023

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	Fair value through Other Comprehensive Income Rs. '000		General Reserves Rs. '000	Retained Profit / (Loss) Rs. '000	
Balance as at 01.04.2022	1,571,361	594,443	51,371		240,000	(821,981)	1,635,195
Right Issue							-
Profit for the Period						215,700	215,700
Other Comprehensive Income for the Period							-
Deferred tax on revaluation							-
Balance as at 30.06.2022	1,571,361	594,443	51,371	-	240,000	(606,281)	1,850,895
Balance as at 01.04.2023	1,571,362	459,656	68,395		240,000	(523,172)	1,816,241
Right Issue							-
Profit for the Period	-	-	-	-	-	77,149	77,149
Other Comprehensive Income for the Period	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-
Balance as at 30.06.2023	1,571,362	459,656	68,395	-	240,000	(446,023)	1,893,390

STATEMENT OF CHANGES IN EQUITY

Group

	Attributable to Owners of the Company						Total Rs. '000	
	Stated Capital Rs. '000	Revaluation Reserve Rs.000	Fair value through Other Comprehensive Income Rs. '000		Foreign Currency translation reserve	General Reserves Rs. '000		Retained Profit / (Loss) Rs. '000
Balance as at 01.04.2022	1,571,361	670,833	48,456		(11,377)	240,000	(887,456)	1,631,817
Rights Issue								-
Revaluation								-
Profit for the Period							214,573	214,573
Other Comprehensive Income for the Period								-
Balance as at 30.06.2022	1,571,361	670,833	48,456	(11,377)	240,000	(672,883)	1,846,390	
Balance as at 01.04.2023	1,571,362	506,903	65,480	(11,540)	240,000	(572,622)	1,799,583	
Revaluation								-
Profit for the Period							75,740	75,740
Other Comprehensive Income for the Period								-
Dividend paid								-
Balance as at 30.06.2023	1,571,362	506,902	65,480	(11,540)	240,000	(496,882)	1,875,323	

Kotagala Plantations PLC

CASH FLOW STATEMENT

For the three months ended as at 30th June	Group		Company	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before Taxation	75,740	214,573	77,149	215,700
Adjustments for :	-	-	-	-
Depreciation /Amortization	72,673	73,605	72,425	72,032
Fair value gain on biological assets	-	-	-	-
Profit on disposal of assets	-	-	-	-
Interest Expenses	89,073	75,468	89,015	75,468
Interest Income	(5,942)	(1,957)	(5,942)	(1,957)
Exchange gain/loss	-	-	-	-
Provision for impairment of amount due from related parties	-	-	-	-
Reversal of impairment of amount due to related parties	-	-	-	-
Provision for impairment of investment in subsidiaries	-	-	-	-
Provision for impairment of investment in associates	-	-	-	-
Defined Benefit Plan Cost - Retiring Gratuity	26,744	26,789	26,697	26,742
Share of profit/loss of equity accounted investee	-	-	-	-
Amortization of Deferred Income	(3,294)	(3,294)	(3,294)	(3,294)
Operating Profit before Working Capital Changes	254,994	385,184	256,050	384,691
(Increase)/Decrease in Inventories	5,997	4,222	12,611	599
(Increase)/Decrease in Trade & other Receivables	130,204	40,787	115,458	36,439
(Increase)/Decrease in Amounts due from Related Parties	7,291	(18,657)	17,837	(19,885)
Increase/(Decrease) in Trade & Other Payables	(97,604)	(175,395)	(103,514)	(172,867)
Increase/(Decrease) in Amounts due to Related Parties	214,559	(18,720)	214,559	(18,720)
Cash Flow from Operating Activities	515,442	217,422	513,002	210,257
Income Tax Paid			-	-
Interest Income	5,942	1,957	5,942	1,957
Interest Paid	(78,644)	(64,235)	(78,586)	(64,235)
Retiring Gratuity Paid	(22,751)	(23,378)	(22,751)	(23,378)
Net Cash Flow from Operating Activities	419,988	131,766	417,606	124,601
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(11,641)	(5,346)	(11,641)	(5,346)
Investment in immature plantations	(38,215)	(21,860)	(38,215)	(21,860)
Proceeds from disposal of assets	-	-	-	-
Investment in subsidiary	-	-	-	-
Investment in fair value through OCI investment	-	-	-	-
Right Issue	-	-	-	-
Net Cash generated from/(used in) Investing Activities	(49,856)	(27,205)	(49,856)	(27,205)
Cash Flows from Financing Activities				
Payment of lease rentals	(320,976)	(24,767)	(320,976)	(24,767)
Capital Grants Received	23	560	23	560
Repayment of Debenture	(8,090)	(8,091)	(8,090)	(8,091)
Proceeds from Long Term Loans	67,347	-	67,347	-
Repayment of Long Term Loans	(126,387)	(66,310)	(126,387)	(66,310)
Proceeds from right issue	-	-	-	-
Net Cash generated from/(used in) Financing Activities	(388,084)	(98,608)	(388,084)	(98,608)
Net Increase in Cash & Cash Equivalents	(17,952)	5,952	(20,334)	(1,213)
Cash & Cash Equivalents at the beginning of the year	70,130	(482,572)	62,302	(483,449)
Effect of Exchange Rate Changes				
Cash & Cash Equivalents at the end of the period	52,178	(476,620)	41,969	(484,662)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	146,769	165,868	136,560	157,826
Bank & Other Borrowings	(94,592)	(642,488)	(94,592)	(642,488)
	52,178	(476,620)	41,969	(484,662)

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
31/03/2023	31/03/2023	30/06/2023	30/06/2022 (Restated)	30/06/2023	30/06/2022 (Restated)	30/06/2023	30/06/2022 (Restated)
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue							
3,707,438	3,707,438	1,062,399	876,660	1,062,399	876,660	876,660	876,660
917,846	844,529	143,189	124,188	134,102	119,316	119,316	119,316
394,120	394,120	106,241	66,704	106,241	66,704	66,704	66,704
5,019,404	4,946,087	1,311,829	1,067,552	1,302,742	1,062,680	1,062,680	1,062,680
Gross Profit							
1,044,410	1,044,410	229,755	303,524	229,755	303,524	303,524	303,524
(987)	(18,784)	(62,994)	(26,030)	(67,684)	(27,600)	(27,600)	(27,600)
238,123	238,123	60,721	42,791	60,721	42,791	42,791	42,791
1,281,546	1,263,749	227,482	320,284	222,792	318,715	318,715	318,715

	Company			
	Tea	Rubber	Oil Palm	Total
Gross Profit/(Loss)	229,755	(67,684)	60,721	222,792
Fair Value Gain on Biological Assets	-	-	-	-
Other Operating Income	180	6,204	-	6,384
Administrative Expenses	(50,928)	(15,646)	(2,381)	(68,954)
Net Financing Costs	(55,583)	(21,040)	(6,451)	(83,073)
Profit/(Loss) Before Income Tax	123,424	(98,166)	51,890	77,149

Information on Debentures

Trading at Colombo Stock Exchange

Debenture Type	Highest Value (Rs.)	Lowest Value (Rs.)
D1 - D6	Not Traded	Not Traded

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	16.99%
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Company - End June 2023	
Debt/Equity Ratio	0.91
Quick asset Ratio	0.24
Interest Cover	2.82

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 significant change in the nature of the contingent liabilities which were disclosed in the audited financial statements for the year ended 31st March 2022
- 4) There has been no material events subsequent to the interim period which require disclosure in the provisional Interim Financial Statements.
- 5) Market Prices Recorded during the quarter ended 30th June

	2023	2022
Highest - (Rs.)	6.60	4.80
Lowest - (Rs.)	5.60	3.50
Last Traded - (Rs.)	5.90	3.90
- 6) The Stated Capital of the Company is Rs. 1,571,362,510.00 represented by 338,512,500 Ordinary shares.
- 7) The percentage of Shares held by the public as at 30th June 2023 was 40.15% and the number of public shareholders are 16,630.
- 8) The applicable option under CSE Rule 7.14.1 (i) (a) on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.06.2023 was Rs.788,294,058.75.
- 9) Details pertaining to Directors direct shareholdings as at 30.06.2023 are given below

Name of Director	No.of Shares
Mr. A.M.de.S. Jayaratne	50,000
Mr. C. P. R. Perera	506,250
Mr. S. S. Poholiyadde	7,972

- 10) Major Shareholders as at 30th June 2023

Name	No of Shares	%
1 CONSOLIDATED TEA PLANTATIONS LIMITED	183,823,231	54.30%
2 AMANA BANK PLC/DARLEY BUTLER AND COMPANY LIMITED	10,487,299	3.10%
3 HATTON NATIONAL BANK PLC/SUBRAMANIAM VASUDEVAN	9,929,476	2.93%
4 SECRETARY TO THE TREASURY	5,700,834	1.68%
5 LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	5,550,000	1.64%
6 NUWARA ELIYA PROPERTY DEVELOPERS (PVT) LTD	4,963,662	1.47%
7 HATTON NATIONAL BANK PLC/ALMAS HOLDINGS (PRIVATE) LIMITED	3,348,511	0.99%
8 MR. LOKU KATTOTAGE NIHAL KUMARA KULAWARDENA	2,577,469	0.76%
9 MR. NAVANEETHA RAJAH SELVADURAI	2,504,398	0.74%
10 HATTON NATIONAL BANK PLC/ARUNASALAM SITHAMPALAM	2,500,000	0.74%
11 MR. MOHAMED ISMAIL MOHAMED SHAFIE AND MRS. FATHIMA RAZANA SHAFIE	2,050,128	0.61%
12 MRS. PATTINIDEVA ASOKA SWARNA KANTHIE BERUWALAGE	1,700,000	0.50%
13 HATTON NATIONAL BANK PLC/ALMAS CAPITAL (PRIVATE) LIMITED	1,676,596	0.50%
14 MR. ARUNASALAM SITHAMPALAM	1,372,569	0.41%
15 MR. KAUARACHCHGE SUDATH MALCOLM RODRIGO	1,300,000	0.38%
16 MRS. FATHIMA SALMA SHAFIE AND MR. SILMY AHMED MOHAMED BASHEER	1,186,610	0.35%
17 HATTON NATIONAL BANK PLC/PALANIYANDY MURALITHARAN	1,121,133	0.33%
18 MR. DARSHANA SHASTHRI NAKANDALA	1,100,000	0.32%
19 DFCC BANK PLC/B. SUTHARSHAN	1,050,000	0.31%
20 HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,000,000	0.30%
Total	244,941,916	72.36%

10). Rights Issue

The Company made a Rights Issue of 263,287,500 Ordinary Shares at a price of Rs. 3/- per Share to the holders of the Issued Ordinary Shares of the Company as at end of trading on 19th July, 2021, in the proportion of Seven (7) new Ordinary Shares for every Two (2) existing issued Ordinary Shares held in the Capital of the Company. The Issue closed on 17th August, 2021. The Issue was fully subscribed and the consideration received was Rs. 789,862,500/-

Subsequent to the Rights Issue of Shares the Company's Stated Capital amounts to Rs.1,571,362,510/- represented by 338,512,500 Ordinary Shares and One Golden Share

The utilization of proceeds is as follows;

Objective Number	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilization as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of proceeds utilized against allocation (B/A)	Clarification, if not fully utilized including where funds are invested (eg. Whether lent to related party etc.)
1	To settle funds amounting to Rs,564,369,834/- already advanced and arranged by the major shareholders to support the working capital requirements of the company	Rs.564,369,834/-	Immediately after the conclusion and finalization of the Right Issue	Rs.564,369,834/-	71.5%	Rs.564,369,834/-	100%	Fully utilized for the purpose.
2	Funds amounting to Rs.225,492,666/- to be utilized to further support the working capital needs of the ongoing operations of the company	Rs.225,492,666/-	Will be deposited into a Call Deposit Account for periodic utilization as and when required over a period of approximately 12 months depending on the monthly deficit.	Rs.225,492,666/-	28.5%	Rs.225,492,666/-	100%	Fully utilized for the purpose.