

# **KOTAGALA PLANTATIONS PLC**

**Interim Financial Statements  
For the Period ended 30th September 2021**



## 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	30.09.2021	30.09.2020	30.09.2021	30.09.2020	30.09.2021	30.09.2020
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)	<b>1,274,033</b>	1,338,638	<b>1,270,898</b>	1,334,343	
4,895,261	4,895,261	Biological Assets	<b>4,880,221</b>	4,695,042	<b>4,880,221</b>	4,695,042	
636,081	636,081	Leasehold Properties	<b>619,226</b>	638,991	<b>619,226</b>	638,991	
-	-	Investments in Subsidiaries	-	-	-	-	
101,246	101,214	Investment in Associates	<b>101,246</b>	198,110	<b>101,214</b>	152,986	
305,538	305,538	Fair value through OCI Investments	<b>305,538</b>	290,312	<b>305,538</b>	290,312	
<b>7,243,374</b>	<b>7,242,937</b>	<b>Total Non - Current Assets</b>	<b>7,180,264</b>	<b>7,161,093</b>	<b>7,177,097</b>	<b>7,111,674</b>	
260,816	255,091	Inventories	<b>241,950</b>	195,899	<b>236,419</b>	182,657	
295,115	284,698	Trade and Other Receivables	<b>263,801</b>	274,481	<b>268,123</b>	290,712	
6,526	6,526	Fair value of growing produce of bearer biological assets	<b>6,526</b>	937	<b>6,526</b>	937	
22,960	26,063	Amounts due from Related Parties	<b>73,005</b>	77,036	<b>73,005</b>	75,474	
72,947	67,767	Cash and Cash Equivalents	<b>195,765</b>	20,781	<b>192,625</b>	19,011	
<b>658,364</b>	<b>640,145</b>	<b>Total Current Assets</b>	<b>781,047</b>	<b>569,134</b>	<b>776,698</b>	<b>568,791</b>	
<b>7,901,738</b>	<b>7,883,082</b>	<b>Total Assets</b>	<b>7,961,311</b>	<b>7,730,228</b>	<b>7,953,795</b>	<b>7,680,466</b>	
<b>EQUITY</b>							
781,500	781,500	Stated Capital	<b>1,571,362</b>	781,500	<b>1,571,362</b>	781,500	
240,000	240,000	Capital Reserves	<b>240,000</b>	240,000	<b>240,000</b>	240,000	
594,443	594,443	Revaluation Reserve	<b>594,442</b>	594,442	<b>594,442</b>	594,442	
(10,799)	-	Foreign Exchange Translation Reserve	<b>(10,799)</b>	(10,739)	-	-	
46,834	46,583	Fair Value through Other Comprehensive Income Reserve	<b>46,834</b>	20,527	<b>46,584</b>	26,508	
(1,245,399)	(1,270,002)	Retained Earnings	<b>(1,160,634)</b>	(1,240,893)	<b>(1,188,008)</b>	(1,288,774)	
<b>406,579</b>	<b>392,524</b>	<b>Total Equity</b>	<b>1,281,206</b>	<b>384,837</b>	<b>1,264,381</b>	<b>353,676</b>	
<b>LIABILITIES</b>							
1,045,930	1,045,930	Interest bearing Borrowings	<b>913,171</b>	1,162,439	<b>913,171</b>	1,162,439	
323,403	323,403	Deferred Income - Capital Grant	<b>323,198</b>	331,008	<b>323,198</b>	331,008	
419,209	419,209	Deferred Tax Liabilities	<b>419,209</b>	403,003	<b>419,209</b>	403,003	
654,595	654,595	Net Obligation to Lessor of JEDB/SLSPC	<b>654,594</b>	644,540	<b>654,594</b>	644,540	
887,373	886,613	Retirement Benefit Obligations	<b>944,754</b>	906,881	<b>944,754</b>	901,646	
<b>3,330,510</b>	<b>3,329,750</b>	<b>Total Non - Current Liabilities</b>	<b>3,254,926</b>	<b>3,447,870</b>	<b>3,254,926</b>	<b>3,442,635</b>	
756,620	756,620	Interest bearing Borrowings	<b>756,620</b>	653,872	<b>756,620</b>	653,872	
2,186,977	2,183,136	Trade & Other Payables	<b>2,019,148</b>	2,225,880	<b>2,028,457</b>	2,212,513	
654,410	654,410	Amounts due to Related Parties	<b>55,428</b>	444,695	<b>55,428</b>	444,695	
566,642	566,642	Bank Overdraft	<b>593,982</b>	573,073	<b>593,982</b>	573,073	
<b>4,164,649</b>	<b>4,160,808</b>	<b>Total Current Liabilities</b>	<b>3,425,178</b>	<b>3,897,521</b>	<b>3,434,487</b>	<b>3,884,154</b>	
<b>7,495,159</b>	<b>7,490,558</b>	<b>Total Liabilities</b>	<b>6,680,105</b>	<b>7,345,391</b>	<b>6,689,414</b>	<b>7,326,789</b>	
<b>7,901,738</b>	<b>7,883,082</b>	<b>Total Equity and Liabilities</b>	<b>7,961,311</b>	<b>7,730,228</b>	<b>7,953,795</b>	<b>7,680,466</b>	
5.40	5.22	Net Assets per Share (Rs.)	<b>3.30</b>	5.12	<b>3.25</b>	4.70	

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

10th November 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	594,442	26,508	240,000	(1,122,622)	
Impact on Initial application of SLFRS 16						-	
Profit for the Period					(166,153)	(166,153)	
Other Comprehensive Income for the Period	-	-	-	-	-	-	
Deferred tax on revaluation	-	-	-	-	-	-	
Balance as at 30.09.2020	781,500	594,442	26,508	-	(1,288,775)	353,676	
<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>392,524</b>	
Right Issue	789,862					789,862	
Profit for the Period					81,994	81,994	
Other Comprehensive Income for the Period			-		-	-	
Dividend paid	-		-	-	-	-	
Balance as at 30.09.2021	1,571,362	594,443	46,584	-	(1,188,008)	1,264,381	

**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	General Reserves Rs. '000	Retained Profit / (Loss) Rs. '000	
	Balance as at 01.04.2020	781,500	594,442	20,527	(10,739)	240,000	
Impact on Initial application of SLFRS 16						-	-
Profit for the Period						(166,633)	(166,633)
Other Comprehensive Income for the Period	-	-	-	-	-	-	-
Other Comprehensive Income for the Period						-	-
Dividend paid	-		-		-	-	-
Balance as at 30.09.2020	781,500	-	20,527	(10,739)	240,000	(1,240,893)	384,837
<b>Balance as at 01.04.2021</b>	<b>781,500</b>	<b>594,443</b>	<b>46,834</b>	<b>(10,799)</b>	<b>240,000</b>	<b>(1,245,399)</b>	<b>406,579</b>
Rights Issue	789,862						789,862
Profit for the Period						84,765	84,765
Other Comprehensive Income for the Period						-	-
Dividend paid							
Balance as at 30.09.2021	1,571,362	594,442	46,834	(10,799)	240,000	(1,160,634)	1,281,206

Kotagala Plantations PLC

**CASH FLOW STATEMENT**

For the Six Months ended 30th September	Group		Company	
	2021 Rs.'000	2020 Rs.'000	2021 Rs.'000	2020 Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before Taxation	84,765	(166,633)	81,994	(166,153)
<b>Adjustments for :</b>				
Depreciation /Amortization	136,007	141,755	135,473	140,805
Interest Expenses	144,799	161,593	144,799	161,593
Interest Income	(172)		(172)	
Defined Benefit Plan Cost - Retiring Gratuity	59,746	47,208	59,746	47,208
Amortization of Deferred Income	(6,588)		(6,588)	
<b>Operating Profit before Working Capital Changes</b>	<b>418,557</b>	<b>183,923</b>	<b>415,253</b>	<b>183,453</b>
(Increase)/Decrease in Inventories	18,866	4,278	18,672	2,465
(Increase)/Decrease in Trade & other Receivables	27,288	(91,946)	16,575	(88,748)
(Increase)/Decrease in Amounts due from Related Parties	(50,045)	(21,894)	(46,942)	(20,332)
Increase/(Decrease) in Trade & Other Payables	(214,175)	198,636	(201,025)	194,557
Increase/(Decrease) in Amounts due to Related Parties	(598,982)	4,408	(598,982)	4,408
<b>Cash Flow from Operating Activities</b>	<b>(398,491)</b>	<b>277,405</b>	<b>(396,449)</b>	<b>275,803</b>
Income Tax Paid			-	-
Interest Income	172		172	
Interest Paid	(125,302)	(161,593)	(125,302)	(161,593)
Retiring Gratuity Paid	(1,605)	(19,375)	(1,605)	(19,375)
<b>Net Cash Flow from Operating Activities</b>	<b>(525,226)</b>	<b>96,437</b>	<b>(523,183)</b>	<b>94,835</b>
<b>Cash Flows from Investing Activities</b>				
Purchase & Construction of Property, Plant & Equipment	(10,257)	(19,658)	(10,257)	(19,658)
Investment in immature plantations	(32,529)	(16,367)	(32,529)	(16,367)
Right Issue	789,862		789,862	
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>747,076</b>	<b>(36,025)</b>	<b>747,076</b>	<b>(36,025)</b>
<b>Cash Flows from Financing Activities</b>				
Payment of finance lease rentals				-
Capital Grants Received	6,384	700	6,384	700
Repayment of Debenture	(57,816)		(57,816)	-
Proceeds from Long Term Loans	7,500		7,500	-
Repayment of Long Term Loans	(82,441)	(37,951)	(82,441)	(37,951)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(126,373)</b>	<b>(37,251)</b>	<b>(126,373)</b>	<b>(37,251)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>95,477</b>	<b>23,161</b>	<b>97,520</b>	<b>21,559</b>
Cash & Cash Equivalents at the beginning of the year	(493,695)	(575,454)	(498,875)	(575,622)
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>(398,218)</b>	<b>(552,293)</b>	<b>(401,355)</b>	<b>(554,063)</b>
<b>Analysis of Cash &amp; Cash Equivalents at the end of the Period</b>				
Cash in Hand & Bank	195,765	20,781	192,625	19,011
Bank & Other Borrowings	(593,982)	(573,073)	(593,982)	(573,073)
	<b>(398,218)</b>	<b>(552,293)</b>	<b>(401,355)</b>	<b>(554,063)</b>

Segmental Information

Group	Company
Year ended 31/03/2021 Rs. '000	Year ended 31/03/2021 Rs. '000
2,425,964	2,425,964
658,207	607,741
122,785	122,785
3,206,956	3,156,490

Revenue

Tea  
Rubber  
Oil Palm

Gross Profit

263,639	263,639
(96,854)	(109,470)
44,668	44,668
211,453	198,837

Gross Profit/(Loss)

Fair Value Gain on Biological Assets  
Other Operating Income  
Administrative Expenses  
Net Financing Costs

Profit/(Loss) Before Income Tax

Group		Company		Group		Company	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	06 Months ended	06 Months ended	06 Months ended	06 Months ended
30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
620,721	528,224	620,721	528,224	1,340,910	1,153,183	1,340,910	1,153,183
192,225	115,890	186,807	115,439	308,582	210,566	296,184	192,357
112,055	40,475	112,055	40,475	195,245	85,850	195,245	85,850
925,000	684,589	919,582	684,138	1,844,737	1,449,599	1,832,339	1,431,390
(24,496)	17,262	(24,496)	17,262	87,136	122,686	87,136	122,686
3,052	(52,332)	2,016	(53,930)	(34,537)	(133,478)	(36,630)	(137,263)
80,575	16,572	80,575	16,572	136,506	38,304	136,506	38,304
59,131	(18,498)	58,095	(20,097)	189,105	27,512	187,012	23,727

Company  
For the 06 months ended 30-09-2021

	Tea	Rubber	Oil Palm	Total
Gross Profit/(Loss)	87,136	(36,630)	136,506	187,012
Fair Value Gain on Biological Assets	-	-	-	-
Other Operating Income	22,053	77,629	-	99,681
Administrative Expenses	(45,706)	(12,903)	(1,462)	(60,071)
Net Financing Costs	(110,042)	(31,067)	(3,519)	(144,628)
Profit/(Loss) Before Income Tax	(46,560)	(2,971)	131,525	81,994

Information on Debentures

Trading at Colombo Stock Exchange

Debenture Type	Highest Value (Rs.)	Lowest Value (Rs.)	Last Traded Value (Rs.)
D1 - D6	Not Traded	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	5.18%
3 years	6.50%
5 years	7.25%

Company - End September 2021	
Debt/Equity Ratio	1.32
Quick asset Ratio	0.16
Interest Cover	1.57

**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) Market Prices Recorded during the quarter ended 30th September	<b>2021</b>	<b>2020</b>
Highest - (Rs.)	9.20	9.00
Lowest - (Rs.)	4.20	5.30
Last Traded - (Rs.)	5.70	8.40

- 5) The Stated Capital of the Company is Rs. 1,571,362,510/- represented by 338,512,500 Ordinary shares.
- 6) The percentage of Shares held by the public as at 30th September 2021 was 32.067% and the number of public shareholders are 15,206.
- 7) The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.09.2021 was Rs.607.75Mn
- 8) Details pertaining to Directors direct shareholdings as at 30.09.2021 are given below

Name of Director	No.of Shares
Mr. S. D. R. Arudpragasam	799,275
Mr. C. P. R. Perera	506,250
Mr. M. S. Madugalle	23,222*
*Aggregate of 2,603 Fractional Shares held in trust consequent to subdivision of shares in 2018	
Mr. S. S. Poholiyadde	7,972

- 9) Major Shareholders as at 30th September 2021

Name	No of Shares	%
1 CONSOLIDATED TEA PLANTATIONS LIMITED	168,227,710	49.70%
2 LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	58,816,011	17.37%
3 MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	10,000,000	2.95%
4 SECRETARY TO THE TREASURY	5,700,834	1.68%
5 MR. WEERATHUNGA ARACHCHIGE SAMPATH PALITHA DE SARAM	3,035,165	0.90%
6 MR. LOKU KATTOTAGE NIHAL KUMARA KULAWARDENA	2,239,946	0.66%
7 HATTON NATIONAL BANK PLC/RATNASABAPATHY IYER SHANMUGASARMA	1,732,056	0.51%
8 NATIONAL DEVELOPMENT BANK PLC/LANKEM TEA AND RUBBER PLANTATIONS (PVT) LTD	1,292,615	0.38%
9 MERCHANT BANK OF SRI LANKA & FINANCE PLC/P.W.G.A.K. DISSANAYAKE	1,285,983	0.38%
10 MR. THISE APPUHAMILAGE DON GAMINI SIRIWARDANE	1,202,275	0.36%
11 SEYLAN BANK PLC/W.D.N.H.PERERA	1,200,000	0.35%
12 MRS. MOHAMMADU JAUFER NIHARA	1,194,499	0.35%
13 MR. GONALAGODAGE BUWANeka DINUWAN TILAKARATHNE	1,067,981	0.32%
14 MRS. HARSHANI NELUSHIKA ROSEMARY BHARATI	1,050,000	0.31%
15 MR. MOHAMED THASIM RAJABKHAN	1,049,181	0.31%
16 MRS. HERATH MUDIYANSELAGE ANOMA RAMANI KUMARI KALUHENDIWELA	1,000,000	0.30%
17 DR. MOHAMED AKRAM MOHAMED ARAFATH AKRAM	965,000	0.29%
18 MR. SRI DHAMAN RAJENDRAM ARUDPRAGASAM	799,275	0.24%
19 MR. DINESH NIROSH PRADEEP RATHNAYAKE	788,725	0.23%
20 MR. KASILINGAM LINKESAN	743,922	0.22%
<b>Total</b>	<b>263,391,178</b>	<b>77.81%</b>

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.93,000,000/-	41%	Utilized for working capital needs and the balance fund are invested in a call deposit.