

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the Year ended 31st March 2022**

Kotagala Plantations PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	<i>(Unaudited)</i> Quarter ended 31.03.2022 Rs.'000	<i>(Unaudited)</i> Quarter ended 31.03.2021 Rs.'000	<i>(Unaudited)</i> Year ended 31.03.2022 Rs.'000	<i>(Audited)</i> Year ended 31.03.2021 Rs.'000
Revenue	941,842	993,778	3,490,438	3,206,956
Cost of Sales	(769,028)	(891,491)	(3,117,964)	(2,995,503)
Gross Profit	172,814	102,287	372,475	211,453
Fair value gain on Biological Assets	35,316	198,130	35,316	198,130
Other Income / (Expenses)	39,156	36,868	176,698	98,139
Administration Expenses	(105,007)	(173,927)	(210,664)	(281,711)
Financing Income / (Cost)	(102,087)	(129,817)	(311,048)	(373,916)
Share of Profit / (Loss) of equity accounted investee, net of tax	-	(66,533)	-	(66,533)
Profit before Tax Expense	40,192	(32,992)	62,777	(214,438)
Tax Expense	-	(11,954)	-	(11,954)
Profit / (Loss) for the period	40,192	(44,946)	62,777	(226,392)
Other Comprehensive Income				
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	290,419	-	290,419	64,056
Tax effect on other comprehensive income	-	-	-	(8,968)
Fair value through OCI Investments - Net Change in Fair Value	4,787	15,225	4,787	20,074
Share of other comprehensive income of equity accounted investees	-	-	-	6,414
Foreign Currency Translation Loss	-	-	-	(60)
Total Comprehensive Income For The Period	335,397	(29,721)	357,983	(144,876)
Earnings per Share (Rs.)	0.10	(0.60)	0.26	(2.26)

Kotagala Plantations PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	<i>(Unaudited)</i> Quarter ended 31.03.2022 Rs.'000	<i>(Unaudited)</i> Quarter ended 31.03.2021 Rs.'000	<i>(Unaudited)</i> Year ended 31.03.2022 Rs.'000	<i>(Audited)</i> Year ended 31.03.2021 Rs.'000
Revenue	938,469	963,654	3,470,648	3,156,490
Cost of Sales	(766,031)	(866,705)	(3,101,159)	(2,957,653)
Gross Profit	172,438	96,949	369,490	198,837
Fair value gain on Biological Assets	35,316	198,130	35,316	198,130
Other Income	37,624	38,056	171,729	99,327
Distribution Costs	-	-	-	-
Administration Expenses	(57,693)	(212,949)	(154,900)	(312,892)
Net Finance Cost	(102,087)	(129,817)	(311,048)	(373,916)
Profit before Tax Expense	85,598	(9,631)	110,587	(190,514)
Tax Expense	-	(11,954)	-	(11,954)
Profit / (Loss) for the period	85,598	(21,585)	110,587	(202,468)
Other Comprehensive Income				
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	-	-	290,419	64,056
Tax effect on other comprehensive income	-	-	-	(8,968)
Fair value through OCI Investments - Net Change in Fair Value	-	15,225	4,787	20,074
Share of other comprehensive income of equity accounted investees	-	-	-	-
Total Comprehensive Income For The Period	85,598	(6,360)	405,793	(127,306)
Earnings per Share (Rs.)	0.22	(0.29)	0.46	(2.03)

Kotagala Plantations PLC

Statement of Financial Position						
Group As at 31.03.2021 Rs.'000 Audited	Company As at 31.03.2021 Rs.'000 Audited		Group		Company	
			As at 31.03.2022 Rs.'000 Unaudited	As at 31.03.2021 Rs.'000 Audited	As at 31.03.2022 Rs.'000 Unaudited	As at 31.03.2021 Rs.'000 Audited
ASSETS						
1,305,249	1,304,843	Tangible Assets (Other than Mature /Immature Plantations)	1,265,828	1,305,249	1,236,013	1,304,843
4,895,261	4,895,261	Biological Assets	4,888,167	4,895,261	4,888,167	4,895,261
636,081	636,081	Leasehold Properties	602,401	636,081	602,401	636,081
-	-	Investments in Subsidiaries	-	-	30,000	-
101,246	101,214	Investment in Associates	90,254	101,246	90,222	101,214
305,538	305,538	Fair value through OCI Investments	327,442	305,538	327,442	305,538
7,243,374	7,242,937	Total Non - Current Assets	7,174,091	7,243,374	7,174,244	7,242,937
260,816	255,091	Inventories	295,274	260,816	290,422	255,091
295,115	284,698	Trade and Other Receivables	323,463	295,115	314,796	284,698
6,526	6,526	Fair value of growing produce of bearer biological assets	7,808	6,526	7,808	6,526
22,960	26,063	Amounts due from Related Parties	48,027	22,960	59,899	26,063
72,947	67,767	Cash and Cash Equivalents	132,823	72,947	131,947	67,767
658,364	640,145	Total Current Assets	807,396	658,364	804,873	640,145
7,901,738	7,883,082	Total Assets	7,981,487	7,901,738	7,979,117	7,883,082
EQUITY						
781,500	781,500	Stated Capital	1,571,362	781,500	1,571,362	781,500
240,000	240,000	Capital Reserves	240,000	240,000	240,000	240,000
594,443	594,443	Revaluation Reserve	623,585	594,443	594,442	594,443
(10,799)	-	Foreign Exchange Translation Reserve	(10,799)	(10,799)	-	-
46,834	46,583	Fair Value through Other Comprehensive Income Reserve	51,621	46,834	51,370	46,583
(1,245,399)	(1,270,002)	Retained Earnings	(892,203)	(1,245,399)	(868,996)	(1,270,002)
406,579	392,524	Total Equity	1,583,566	406,579	1,588,179	392,524
LIABILITIES						
1,045,930	1,045,930	Interest bearing Borrowings	946,671	1,045,930	946,671	1,045,930
323,403	323,403	Deferred Income - Capital Grant	329,292	323,403	329,292	323,403
419,209	419,209	Deferred Tax Liabilities	419,209	419,209	419,209	419,209
654,595	654,595	Net Obligation to Lessor of JEDB/SLSPC	648,651	654,595	648,651	654,595
887,373	886,613	Retirement Benefit Obligations	663,196	887,373	658,470	886,613
3,330,510	3,329,750	Total Non - Current Liabilities	3,007,018	3,330,510	3,002,292	3,329,750
756,620	756,620	Interest bearing Borrowings	610,831	756,620	610,831	756,620
2,186,977	2,183,136	Trade & Other Payables	2,093,515	2,186,977	2,091,261	2,183,136
654,410	654,410	Amounts due to Related Parties	71,251	654,410	71,251	654,410
566,642	566,642	Bank Overdraft	615,303	566,642	615,303	566,642
4,164,649	4,160,808	Total Current Liabilities	3,390,901	4,164,649	3,388,646	4,160,808
7,495,159	7,490,558	Total Liabilities	6,397,919	7,495,159	6,390,938	7,490,558
7,901,738	7,883,082	Total Equity and Liabilities	7,981,487	7,901,738	7,979,117	7,883,082
5.40	5.22	Net Assets per Share (Rs.)	4.08	5.40	4.09	5.22

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
 Chief Financial Officer

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

Sgd.
S S Poholiyadde
 Director

Sgd.
M Madugalle
 Director

Colombo
 26th May 2022

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)	519,829	
Profit for the Period					(202,468)	(202,468)	
Other Comprehensive Income for the Period	-	-	20,074	-	55,088	75,162	
Balance as at 31.03.2021	781,500	594,442	46,583	-	(1,269,996)	392,523	
Balance as at 01.04.2021	781,500	594,442	46,583	240,000	(1,270,002)	392,523	
Right Issue	789,862					789,862	
Profit for the Period	-	-	-	-	110,587	110,587	
Other Comprehensive Income for the Period	-	-	4,787	-	290,419	295,206	
Balance as at 31.03.2022	1,571,362	594,442	51,370	-	(868,996)	1,588,179	

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	20,528	(10,739)	240,000	(1,074,277)	551,454
Profit for the Period						(226,392)	(226,392)
Other Comprehensive Income for the Period	-	-	26,306	(60)	-	55,270	81,516
Balance as at 31.03.2021	781,500	594,442	46,834	(10,799)	240,000	(1,245,399)	406,578
Balance as at 01.04.2021	781,500	594,443	46,834	(10,799)	240,000	(1,245,399)	406,579
Rights Issue	789,862						789,862
Revaluation		29,143					29,143
Profit for the Period						62,777	62,777
Other Comprehensive Income for the Period	-	-	4,787	-	-	290,419	295,206
Balance as at 31.03.2022	1,571,362	623,585	51,621	(10,799)	240,000	(892,203)	1,583,566

Kotagala Plantations PLC

CASH FLOW STATEMENT

For the year ended 31st March	Group		Company	
	2022 Rs.'000	2021 Rs.'000	2022 Rs.'000	2021 Rs.'000
Cash Flows from Operating Activities				
Profit before Taxation	62,777	(214,438)	110,587	(190,514)
Adjustments for :				
Depreciation /Amortization	288,525	289,138	285,212	289,024
Fair value gain of biological assets	(35,316)	(198,130)	(35,316)	(198,130)
Profit on disposal of property, plant & equipment	(2,900)	(3,731)	(2,900)	(3,731)
Provision for impairment of investments	-	-	-	-
Provision/(Reversal) for impairment of trade & other receivables	-	(3,388)	-	(3,388)
Interest Expenses	283,808	371,650	283,808	371,650
Interest Income	(4,874)	(424)	(4,874)	(424)
Exchange (gain)/loss	32,113	2,780	32,113	2,690
Provision/(Reversal) for impairment of amounts due from related parties	(872)	790	(44,985)	790
Provision for impairment of investment in associates	10,992	36,745	10,992	51,772
Defined Benefit Plan Cost - Retiring Gratuity	106,565	146,716	106,480	146,466
Share of profit equity accounted investee	-	66,533	-	-
Amortization of Deferred Income	(13,176)	(13,178)	(13,176)	(13,178)
Operating Profit before Working Capital Changes	727,643	481,063	727,942	453,027
(Increase)/Decrease in Inventories	(34,459)	(60,639)	(35,331)	(69,968)
(Increase)/Decrease in Trade & other Receivables	(35,225)	(109,192)	(30,098)	(79,346)
(Increase)/Decrease in Amounts due from Related Parties	12,155	31,392	11,149	28,288
Increase/(Decrease) in Trade & Other Payables	(190,889)	62,922	(190,129)	68,367
Increase/(Decrease) in Amounts due to Related Parties	(583,159)	214,124	(583,159)	214,124
Cash Flow from Operating Activities	(103,933)	619,670	(99,626)	614,492
Income Tax Paid		-	-	
Interest Income	4,874	424	4,874	424
Interest Paid	(241,498)	(334,259)	(241,498)	(334,259)
Retiring Gratuity Paid	(44,204)	(69,609)	(44,204)	(69,609)
Net Cash Flow from Operating Activities	(384,761)	216,226	(380,454)	211,048
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(13,263)	(37,132)	(13,263)	(37,132)
Investment in immature plantations	(78,310)	(47,059)	(78,310)	(47,059)
Proceeds from disposal of property, plant & equipment	2,900	3,731	2,900	3,731
Investment	(47,117)	-	(47,117)	-
Right Issue	789,862	-	789,862	-
Net Cash generated from/(used in) Investing Activities	654,073	(80,460)	654,073	(80,460)
Cash Flows from Financing Activities				
Payment of finance lease rentals	(12,936)	(10,886)	(12,936)	(10,886)
Capital Grants Received	19,066	6,272	19,066	6,272
Repayment of Debenture	(73,997)	(18,877)	(73,997)	(18,877)
Proceeds from Long Term Loans	92,500	78,524	92,500	78,524
Repayment of Long Term Loans	(284,548)	(108,964)	(284,548)	(108,964)
Net Cash generated from/(used in) Financing Activities	(259,915)	(53,931)	(259,915)	(53,931)
Net Increase in Cash & Cash Equivalents	9,396	81,835	13,704	76,657
Cash & Cash Equivalents at the beginning of the year	(493,695)	(575,470)	(498,875)	(575,622)
Effect of Exchange Rate Changes	1,819	(60)	1,819	90
Cash & Cash Equivalents at the end of the period	(482,480)	(493,695)	(483,353)	(498,875)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	132,823	72,947	131,947	67,767
Bank & Other Borrowings	(615,303)	(566,642)	(615,303)	(566,642)
	(482,480)	(493,695)	(483,353)	(498,875)

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	2,425,964
Rubber	607,741
Oil Palm	122,785
	3,156,490

Gross Profit

Tea	263,639
Rubber	(109,470)
Oil Palm	44,668
	198,837

Group		Company		Group		Company	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	12 Months ended	12 Months ended	12 Months ended	12 Months ended
31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
619,469	720,081	619,469	720,081	2,389,302	2,425,964	2,389,302	2,425,964
282,163	253,754	278,790	223,630	793,443	658,207	773,653	607,741
40,209	19,944	40,209	19,944	307,693	122,785	307,693	122,785
941,842	993,779	938,469	963,655	3,490,438	3,206,956	3,470,648	3,156,490
83,692	69,362	83,692	69,362	118,815	263,639	118,815	263,639
63,855	26,852	63,479	21,514	43,291	(96,854)	40,306	(109,470)
25,268	6,073	25,268	6,073	210,369	44,668	210,369	44,668
172,814	102,287	172,438	96,949	372,475	211,453	369,490	198,837

**Company
For the 12 months ended 31-03-2022**

	Tea	Rubber	Oil Palm	Total
Gross Profit/(Loss)	118,815	40,306	210,369	369,490
Fair Value Gain on Biological Assets	20,213	15,175	(72)	35,316
Other Operating Income	55,363	116,366	-	171,729
Administrative Expenses	(110,223)	(41,379)	(3,298)	(154,900)
Net Financing Costs	(195,190)	(93,149)	(22,708)	(311,048)
Profit/(Loss) Before Income Tax	(111,022)	37,319	184,290	110,587

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	11.73%
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Company - End March	
Debt/Equity Ratio	0.98
Quick asset Ratio	0.15
Interest Cover	0.75

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 31st March	2022	2021
Highest - (Rs.)	8.70	8.90
Lowest - (Rs.)	4.00	5.20
Last Traded - (Rs.)	4.30	5.30

- 5) The Stated Capital of the Company is Rs. 1,571,362,510.00/- represented by 338,512,500 Ordinary shares.
- 6) The percentage of Shares held by the public as at 31st March 2022 was 36.11% and the number of public shareholders are 15,797.
- 7) The applicable option under CSE Rule 7.14.1 on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 31.03.2022 was Rs.513,394,827.75
- 8) Details pertaining to Directors direct shareholdings as at 31.03.2022 are given below

Name of Director	No. of Shares
Mr. S. D. R. Arudpragasam	1,000,000
Mr. A M De S Jayaratne	50,000
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
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- 9) Major Shareholders as at 31st March 2022

	Name	No of Shares	%
1	CONSOLIDATED TEA PLANTATIONS LIMITED	183,823,231	54.30%
2	DARLEY BUTLER & COMPANY LTD	25,000,000	7.39%
3	HATTON NATIONAL BANK PLC/SUBRAMANIAM VASUDEVAN	19,807,251	5.85%
4	SECRETARY TO THE TREASURY	5,700,834	1.68%
5	LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	5,550,000	1.64%
6	HATTON NATIONAL BANK PLC/BISWAJITH UDAYAPRIYA HETTIARACHCHI	3,991,946	1.18%
7	MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	3,048,902	0.90%
8	HATTON NATIONAL BANK PLC/ARUNASALAM SITHAMPALAM	2,500,000	0.74%
9	MR. LOKU KATTOTAGE NIHAL KUMARA KULAWARDENA	2,439,946	0.72%
10	MR. NAVANEETHA RAJAH SELVADURAI	2,204,398	0.65%
11	DR. ABDUL RAHUMAN MOHAMED	1,994,409	0.59%
12	MR. ARUNASALAM SITHAMPALAM	1,372,569	0.41%
13	HATTON NATIONAL BANK PLC/RATNASABAPATHY IYER SHANMUGASARMA	1,300,000	0.38%
14	MR. THISE APPUHAMILAGE DON GAMINI SIRIWARDANE	1,181,900	0.35%
15	HATTON NATIONAL BANK PLC/PALANIYANDY MURALITHARAN	1,121,133	0.33%
16	MR. KAUARACHCHIGE SUDATH MALCOLM RODRIGO	1,100,000	0.32%
17	MR. RASIAH RANJITH LEON	1,022,170	0.30%
18	HATTON NATIONAL BANK/MR. SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,000,000	0.30%
19	HIRUZZI INVESTMENS (PVT) LTD	1,000,000	0.30%
20	MR. DINESH NIROSH PRADEEP RATHNAYAKE	1,000,000	0.30%
	Total	266,158,689	78.63%

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 as at 23rd May 2022 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.165,492,666/-	73%	Utilized for working capital needs and the balance funds are invested in a call deposit.