

# **KOTAGALA PLANTATIONS PLC**

**Interim Financial Statements  
For the period ended 30th June 2022**

## Kotagala Plantations PLC

### STATEMENT OF COMPREHENSIVE INCOME

	<b>Group</b>		<b>Company</b>	
	<i>(Unaudited)</i> <b>03 Months</b> ended <b>30.06.2022</b> Rs.'000	<i>(Unaudited)</i> 03 Months ended 30.06.2021 Rs.'000	<i>(Unaudited)</i> <b>03 Months</b> ended <b>30.06.2022</b> Rs.'000	<i>(Audited)</i> 03 Months ended 30.06.2021 Rs.'000
Revenue	<b>1,028,634</b>	919,737	<b>1,023,762</b>	912,757
Cost of Sales	<b>(747,267)</b>	(789,763)	<b>(743,965)</b>	(783,840)
<b>Gross Profit</b>	<b>281,366</b>	129,974	<b>279,796</b>	128,917
Fair value gain on Biological Assets				
Other Income	<b>49,542</b>	25,665	<b>48,757</b>	25,231
Administration Expenses	<b>(42,825)</b>	(40,841)	<b>(39,343)</b>	(38,489)
Net Finance Cost	<b>(73,510)</b>	(77,323)	<b>(73,510)</b>	(77,323)
Share of Loss of equity accounted investee				
<b>Profit before Tax Expense</b>	<b>214,573</b>	37,475	<b>215,700</b>	38,336
Tax Expense				
<b>Profit / (Loss) for the period</b>	<b>214,573</b>	37,475	<b>215,700</b>	38,336
<b>Other Comprehensive Income</b>				
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				
<b>Total Comprehensive Income For The Period</b>	<b>214,573</b>	37,475	<b>215,700</b>	38,336
<b>Earnings per Share (Rs.)</b>	<b>0.63</b>	0.50	<b>0.64</b>	0.51

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
31.03.2022	31.03.2022	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>ASSETS</b>							
1,263,126	1,235,939	1,251,266	1,293,471	1,220,766	1,290,068		
4,886,239	4,886,239	4,877,716	4,882,641	4,877,716	4,882,641		
623,056	623,056	614,408	627,655	614,408	627,655		
-	29,030	-	-	29,030	-		
91,484	91,442	91,484	101,246	91,442	101,214		
327,442	327,442	327,442	305,538	327,442	305,538		
7,191,347	7,193,148	7,162,316	7,210,551	7,160,804	7,207,117		
<b>Total Non - Current Assets</b>							
295,610	290,874	291,388	347,587	290,275	341,362		
320,509	308,630	279,722	250,280	272,191	259,286		
7,841	7,841	7,841	6,526	7,841	6,526		
40,879	55,338	59,536	21,446	75,223	29,375		
132,731	131,854	165,868	100,096	157,826	96,341		
797,570	794,537	804,354	725,935	803,356	732,890		
7,988,917	7,987,685	7,966,670	7,936,487	7,964,160	7,940,006		
<b>Total Current Assets</b>							
<b>Total Assets</b>							
<b>EQUITY</b>							
1,571,361	1,571,361	1,571,361	781,500	1,571,361	781,500		
240,000	240,000	240,000	240,000	240,000	240,000		
670,833	594,443	670,832	589,678	594,442	594,442		
(11,377)	-	(11,377)	(10,799)	-	-		
48,456	51,370	48,456	46,834	51,371	46,584		
(887,456)	(821,981)	(672,883)	(1,228,619)	(606,281)	(1,231,666)		
1,631,817	1,635,193	1,846,390	418,594	1,850,894	430,860		
<b>Total Equity</b>							
<b>LIABILITIES</b>							
954,413	954,413	880,012	1,003,862	880,012	1,003,862		
328,132	328,132	325,399	324,752	325,399	324,752		
358,102	358,102	358,102	419,209	358,102	419,209		
672,689	672,689	672,689	654,594	672,689	654,594		
659,181	658,471	666,708	912,365	661,835	907,534		
2,972,517	2,971,807	2,902,909	3,314,782	2,898,036	3,309,951		
<b>Total Non - Current Liabilities</b>							
602,796	602,796	602,796	756,620	602,796	756,620		
2,096,136	2,092,238	1,920,460	2,203,256	1,918,318	2,199,341		
70,348	70,348	51,628	666,467	51,628	666,467		
615,303	615,303	642,488	576,768	642,488	576,768		
3,384,583	3,380,685	3,217,372	4,203,111	3,215,230	4,199,195		
6,357,100	6,352,492	6,120,281	7,517,893	6,113,266	7,509,146		
<b>Total Current Liabilities</b>							
<b>Total Liabilities</b>							
<b>Total Equity and Liabilities</b>							
21.69	21.74	5.45	5.56	5.47	5.73		
<b>Net Assets per Share (Rs.)</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**  
Chief Financial Officer

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

Sgd.

**S S Poholiyadde**  
Director

12th August 2022  
Colombo

Sgd.

**M Madugalle**  
Director

**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 01.04.2021	781,500	594,443	46,583	240,000	(1,270,002)	392,525	
Profit for the Period					38,336	38,336	
Other Comprehensive Income for the Period	-	-	-	-	-	-	
Balance as at 30.06.2021	781,500	594,443	46,584	240,000	(1,231,666)	430,860	
<b>Balance as at 01.04.2022</b>	<b>1,571,361</b>	<b>594,443</b>	<b>51,371</b>	<b>240,000</b>	<b>(821,981)</b>	<b>1,635,195</b>	
Right Issue	-					-	
Profit for the Period	-	-	-	-	215,700	215,700	
Other Comprehensive Income for the Period	-	-	-	-	-	-	
Balance as at 30.06.2022	1,571,361	594,443	51,371	240,000	(606,281)	1,850,894	

**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 01.04.2021	781,500	589,678	46,834	(10,799)	240,000	(1,266,094)	381,119
Profit for the Period						37,475	37,475
Other Comprehensive Income for the Period	-	-	-	-	-	-	-
Balance as at 30.06.2021	781,500	589,678	46,834	(10,799)	240,000	(1,228,619)	418,594
<b>Balance as at 01.04.2022</b>	<b>1,571,361</b>	<b>670,833</b>	<b>48,456</b>	<b>(11,377)</b>	<b>240,000</b>	<b>(887,456)</b>	<b>1,631,817</b>
Revaluation							-
Profit for the Period						214,573	214,573
Other Comprehensive Income for the Period	-	-	-	-	-	-	-
Balance as at 30.06.2022	1,571,361	670,832	48,456	(11,377)	240,000	(672,883)	1,846,390

## Kotagala Plantations PLC

## CASH FLOW STATEMENT

For the period ended 30th June	Group		Company	
	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Cash Flows from Operating Activities</b>				
Profit before Taxation	214,573	37,475	215,700	38,336
<b>Adjustments for :</b>				
Depreciation /Amortization	73,605	72,522	72,032	72,255
Fair value gain of biological assets	-	-	-	-
Profit on disposal of property, plant & equipment	-	-	-	-
Provision for impairment of investments	-	-	-	-
Provision/(Reversal) for impairment of trade & other receivables	-	-	-	-
Interest Expenses	75,468	77,334	75,468	77,334
Interest Income	(1,957)	(11)	(1,957)	(11)
Exchange (gain)/loss	-	-	-	-
Provision/(Reversal) for impairment of amounts due from related parties	-	-	-	-
Provision for impairment of investment in associates	-	-	-	-
Defined Benefit Plan Cost - Retiring Gratuity	26,789	24,450	26,742	24,450
Share of profit equity accounted investee	-	-	-	-
Amortization of Deferred Income	(3,294)	(3,294)	(3,294)	(3,294)
<b>Operating Profit before Working Capital Changes</b>	<b>385,184</b>	<b>208,476</b>	<b>384,691</b>	<b>209,070</b>
(Increase)/Decrease in Inventories	4,222	(86,772)	599	(86,271)
(Increase)/Decrease in Trade & other Receivables	40,787	20,184	36,439	25,412
(Increase)/Decrease in Amounts due from Related Parties	(18,657)	1,514	(19,885)	(3,312)
Increase/(Decrease) in Trade & Other Payables	(175,395)	(6,782)	(172,867)	(6,854)
Increase/(Decrease) in Amounts due to Related Parties	(18,720)	12,057	(18,720)	12,057
<b>Cash Flow from Operating Activities</b>	<b>217,422</b>	<b>148,677</b>	<b>210,257</b>	<b>150,102</b>
Income Tax Paid	-	-	-	-
Interest Income	1,957	11	1,957	11
Interest Paid	(64,235)	(69,547)	(64,235)	(69,547)
Retiring Gratuity Paid	(23,378)	(3,529)	(23,378)	(3,529)
<b>Net Cash Flow from Operating Activities</b>	<b>131,766</b>	<b>75,611</b>	<b>124,601</b>	<b>77,036</b>
<b>Cash Flows from Investing Activities</b>				
Purchase & Construction of Property, Plant & Equipment	(5,346)	(7,327)	(5,346)	(7,327)
Investment in immature plantations	(21,860)	(13,836)	(21,860)	(13,836)
Proceeds from disposal of property, plant & equipment	-	-	-	-
Investment	-	-	-	-
Right Issue	-	-	-	-
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(27,205)</b>	<b>(21,164)</b>	<b>(27,205)</b>	<b>(21,164)</b>
<b>Cash Flows from Financing Activities</b>				
Payment of finance lease rentals	-	(7,012)	-	(7,012)
Payment of JEDB lease rentals	(24,767)	-	(24,767)	-
Capital Grants Received	560	4,643	560	4,643
Repayment of Debenture	(8,091)	(8,090)	(8,091)	(8,090)
Proceeds from Long Term Loans	-	7,500	-	7,500
Repayment of Long Term Loans	(66,310)	(34,466)	(66,310)	(34,466)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(98,608)</b>	<b>(37,425)</b>	<b>(98,608)</b>	<b>(37,425)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>5,952</b>	<b>17,023</b>	<b>(1,213)</b>	<b>18,448</b>
Cash & Cash Equivalents at the beginning of the year	(482,572)	(493,695)	(483,449)	(498,875)
Effect of Exchange Rate Changes	-	-	-	-
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>(476,620)</b>	<b>(476,672)</b>	<b>(484,662)</b>	<b>(480,427)</b>
<b>Analysis of Cash &amp; Cash Equivalents at the end of the Period</b>				
Cash in Hand & Bank	165,868	100,096	157,826	96,341
Bank & Other Borrowings	(642,488)	(576,768)	(642,488)	(576,768)
	<b>(476,620)</b>	<b>(476,672)</b>	<b>(484,662)</b>	<b>(480,427)</b>

## Segmental Information

Group		Company		Group		Company	
Year ended	Year ended	03 Months	03 Months	03 Months	03 Months	03 Months	03 Months
31/03/2022	31/03/2022	ended	ended	ended	ended	ended	ended
Rs. '000	Rs. '000	30/06/2022	30/06/2021	30/06/2022	30/06/2021	30/06/2022	30/06/2021
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
		<b>Revenue</b>					
2,389,302	2,389,302	<b>837,742</b>	720,189	<b>837,742</b>	720,189		
799,789	775,025	<b>124,188</b>	116,357	<b>119,316</b>	109,377		
307,693	307,693	<b>66,704</b>	83,190	<b>66,704</b>	83,190		
<b>3,496,784</b>	<b>3,472,020</b>	<b>1,028,634</b>	919,737	<b>1,023,762</b>	912,757		
		<b>Gross Profit</b>					
116,774	116,774	<b>264,605</b>	111,632	<b>264,605</b>	111,632		
49,026	41,186	<b>(26,030)</b>	(37,589)	<b>(27,600)</b>	(38,646)		
210,367	210,367	<b>42,791</b>	55,931	<b>42,791</b>	55,931		
<b>376,166</b>	<b>368,326</b>	<b>281,366</b>	129,974	<b>279,796</b>	128,917		

	Company			
	For the 03 months ended 30-06-2022			
	Tea	Rubber	Oil Palm	Total
<b>Gross Profit/(Loss)</b>	<b>264,605</b>	<b>(27,600)</b>	<b>42,791</b>	<b>279,796</b>
Fair Value Gain on Biological Assets	-	-	-	-
Other Operating Income	42,838	5,919	-	48,757
Administrative Expenses	(29,490)	(9,037)	(817)	(39,343)
Net Financing Costs	(47,401)	(21,717)	(4,392)	(73,510)
<b>Profit/(Loss) Before Income Tax</b>	<b>230,552</b>	<b>(52,435)</b>	<b>37,582</b>	<b>215,700</b>

## 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	23.84%
3 Year	23.77%
5 Year	21.18%

Company - End June	
Debt/Equity Ratio	0.80
Quick asset Ratio	0.16
Interest Cover	3.93

**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 June

	<b>2022</b>	<b>2021</b>
Highest - (Rs.)	4.80	6.80
Lowest - (Rs.)	3.50	5.00
Last Traded - (Rs.)	3.90	5.90

- 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 June 2022 was 36.07% and the number of public shareholders are 15,991.
- 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 30.06.2022 was Rs.451,775,397.37
- 8) Details pertaining to Directors direct shareholdings as at 30.06.2022 are given below

<b>Name of Director</b>	<b>No.of Shares</b>
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

- 9) Major Shareholders as at 30th June 2022

	<b>Name</b>	<b>No of Shares</b>	<b>%</b>
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	19,495,638	5.76%
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	2,590,173	0.77%
7	HATTON NATIONAL BANK PLC/ARUNASALAM SITHAMPALAM	2,500,000	0.74%
8	MR. NAVANEETHA RAJAH SELVADURAI	2,454,398	0.73%
9	MR. LOKU KATTOTAGE NIHAL KUMARA KULAWARDENA	2,439,946	0.72%
10	DR. ABDUL RAHUMAN MOHAMED	1,736,916	0.51%
11	MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	1,400,000	0.41%
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. KAUARACHCHGE SUDATH MALCOLM RODRIGO	1,100,000	0.32%
17	MR. RASIAH RANJITH LEON	1,022,170	0.30%
18	HATTON NATIONAL BANK PLC/SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,000,000	0.30%
19	HIRUZZI INVESTMENTS (PVT) LTD	1,000,000	0.30%
20	MR. DINESH NIROSH PRADEEP RATHNAYAKE	1,000,000	0.30%
<b>Total</b>		<b>262,788,908</b>	<b>77.63%</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 as at 30th June 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.