

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the Period ended 30th September 2020**

Kotagala Plantations PLC

Statement of Financial Position					
Group	Company		Group	Company	
As at	As at		As at	As at	
31.03.2020	31.03.2020		30.09.2019	30.09.2019	
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000
ASSETS					
1,356,630	1,356,110	Property, Plant & Equipment	1,338,638	1,277,995	1,334,343
4,761,482	4,761,482	Biological Assets	4,695,042	4,608,415	4,695,042
655,563	655,563	Leasehold Properties	638,991	194,101	638,991
-	-	Investments in Subsidiaries	-	-	115
198,110	152,986	Investment in Associates	198,110	258,354	152,986
285,464	285,464	Fair value through OCI Investments	290,312	290,864	290,312
7,257,249	7,211,605	Total Non - Current Assets	7,161,093	6,629,729	7,111,674
200,177	185,122	Inventories	195,899	202,777	182,657
182,535	201,964	Trade and Other Receivables	274,481	700,611	290,712
937	937	Fair value of growing produce of bearer biological assets	937	5,000	937
55,142	55,142	Amounts due from Related Parties	77,036	73,581	75,474
20,597	20,428	Cash and Cash Equivalents	20,781	27,125	19,011
459,388	463,592	Total Current Assets	569,134	1,009,094	568,791
7,716,638	7,675,199	Total Assets	7,730,228	7,638,823	7,680,466
EQUITY					
781,500	781,500	Stated Capital	781,500	781,500	781,500
240,000	240,000	Capital Reserves	240,000	240,000	240,000
594,442	594,442	Revaluation Reserve	594,442	509,810	594,442
(10,739)	-	Foreign Exchange Translation Reserve	(10,739)	(1,862)	-
20,527	26,508	Fair Value through Other Comprehensive Income Reserve	20,527	14,689	26,508
(1,074,260)	(1,122,622)	Retained Earnings	(1,240,893)	(657,191)	(1,288,774)
551,470	519,828	Total Equity	384,837	886,946	353,676
LIABILITIES					
1,186,219	1,186,219	Interest bearing Borrowings	1,162,439	933,370	1,162,439
330,309	330,309	Deferred Income - Capital Grant	331,008	333,899	331,008
403,003	403,003	Deferred Tax Liabilities	403,003	386,629	403,003
644,540	644,540	Net Obligation to Lessor of JEDB/SLSPC	644,540	348,146	644,540
874,322	873,812	Retirement Benefit Obligations	906,881	821,875	901,646
3,438,393	3,437,883	Total Non - Current Liabilities	3,447,870	2,823,919	3,442,635
668,042	668,042	Interest bearing Borrowings	653,872	951,221	653,872
2,022,396	2,013,109	Trade & Other Payables	2,225,880	2,019,386	2,212,513
440,287	440,287	Amounts due to Related Parties	444,695	406,847	444,695
596,050	596,050	Bank Overdraft	573,073	550,504	573,073
3,726,775	3,717,488	Total Current Liabilities	3,897,521	3,927,958	3,884,154
7,165,168	7,155,371	Total Liabilities	7,345,391	6,751,877	7,326,789
7,716,638	7,675,199	Total Equity and Liabilities	7,730,228	7,638,823	7,680,466
7.33	6.91	Net Assets per Share (Rs.)	5.12	11.79	4.70

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

M Kowdu
General Manager - Finance

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

S S Poholiyadde
Director
10th November 2020
Colombo

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 01.04.2019	781,500		17,944	240,000	(490,113)	549,331	
Profit for the Period					(314,442)	(314,442)	
Other Comprehensive Income for the Period	-	592,802				592,802	
Deffered tax on revaluation	-	(82,992)	-	-	-	(82,992)	
Balance as at 30.09.2019	781,500	509,810	17,944	-	240,000	(804,555)	
Balance as at 01.04.2020	781,500	594,442	26,508	240,000	(1,122,622)	519,829	
Profit for the Period					(166,153)	(166,153)	
Other Comprehensive Income for the Period			-			-	
Dividend paid	-		-	-	-	-	
Balance as at 30.09.2020	781,500	594,442	26,508	-	240,000	(1,288,775)	

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 01.04.2019	781,500		14,689	(1,862)	240,000	(349,623)	684,704
Net changes in fair value gain transferred							
Profit for the Period						(307,568)	(307,568)
Other Comprehensive Income for the Period	-	592,802					592,802
Other Comprehensive Income for the Period		(82,992)					(82,992)
Dividend paid	-		-		-	-	-
Balance as at 30.09.2019	781,500	509,810	14,689	(1,862)	240,000	(657,191)	886,946
Balance as at 01.04.2020	781,500	594,442	20,527	(10,739)	240,000	(1,074,260)	551,470
Profit for the Period						(166,633)	(166,633)
Other Comprehensive Income for the Period							
Dividend paid							
Balance as at 30.09.2020	781,500	594,442	20,527	(10,739)	240,000	(1,240,893)	384,837

Kotagala Plantations PLC

CASH FLOW STATEMENT

For the Six Month ended 30 th September	Group		Company	
	2020 Rs.'000	2019 Rs.'000	2020 Rs.'000	2019 Rs.'000
Cash Flows from Operating Activities				
Profit before Taxation	(166,633)	(307,568)	(166,153)	(314,442)
Adjustments for :				
Depreciation /Amortisation on Property, Plant & Equipment	141,755	126,851	140,805	126,851
Write - off of Immature Plantation	-	-	-	-
Dividend Income	-	-	-	-
Interest Expense	161,593	174,668	161,593	174,668
(Gain) / Loss on Disposal of Property, Plant & Equipment	-	-	-	-
(Gain)/Loss on Translation of Foreign Currency	-	-	-	-
Interest Income	-	-	-	-
Negative Goodwill	-	-	-	-
Deined Beneit Plan Cost - Retiring Gratuity	47,208	63,708	47,208	63,708
(Gain)/Loss on Disposal of Investments	-	-	-	-
Provision for fall in Value of Investments - Long Term	-	-	-	-
Impairment of Goodwill	-	-	-	-
Provision/ (Reversal of Provision) for Doubtful Debts - Trade & Other Rece	-	-	-	-
Provision /(Reversal of Provision) for Doubtful Debts - Related Parties	-	-	-	-
Provision for Obsolete Inventories	-	-	-	-
Fair value (Gain)/Loss on investments classified as FVTPL	-	-	-	-
Fair value (Gain)/Loss on investments classified as AFS	-	-	-	-
Creditors no longer payable written back	-	-	-	-
Amortisation of Deferred Income	-	(4,014)	-	(4,014)
Gain / (Loss) on change in Fair Value of Biological Assets	-	-	-	-
(Gain) / Loss on Disposal Investments Classified as FVTPL	-	-	-	-
(Gain) / Loss on Disposal Investments Classified as AFS	-	-	-	-
Operating Profit before Working Capital Changes	183,923	53,645	183,453	46,771
(Increase)/Decrease in Inventories	4,278	101,626	2,465	97,706
(Increase)/Decrease in Trade & other Receivables	(91,946)	(105,467)	(88,748)	(96,306)
(Increase)/Decrease in Amounts due from Related Parties	(21,894)	39,039	(20,332)	40,702
Increase/(Decrease) in Trade & Other Payables	198,636	111,593	194,557	109,250
Increase/(Decrease) in Amounts due to Related Parties	4,408	241,108	4,408	241,108
Net Cash Flow from Operating Activities	277,405	441,544	275,803	439,231
Income Tax Paid				
Interest Paid	(161,593)	(133,518)	(161,593)	(133,518)
Retiring Gratuity Paid	(19,375)	(7,207)	(19,375)	(7,207)
Net Cash Flow from Operating Activities	96,438	300,819	94,836	298,506
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(19,658)	(12,452)	(19,658)	(12,452)
Investment in immature plantations	(16,367)	(60,339)	(16,367)	(60,339)
Investment in Subsidiaries				
Interest Received				
Dividends Received				
Net Investments in Short Term Investments				
Proceeds on Disposal of Property, Plant & Equipment				
Net Proceeds on acquisition /Disposal of Investments classified as FVTPL				
Net Proceeds on Disposal of Investments				
Net Cash generated from/(used in) Investing Activities	(36,025)	(72,791)	(36,025)	(72,791)
Cash Flows from Financing Activities				
Payment of finance lease rentals		(71)		(71)
Payment to lessor on leasehold rights		(821)		(821)
Proceeds from Rights Issue of Shares				
Capital Grants Received	700	5,542	700	5,542
Long Term Loans obtained from Related Parties				
Long Term Loans Receipts/(granted) to Related Parties				
Repayment of Debeture		(250,000)		(250,000)
Proceeds from Long Term Loans				
Repayment of Long Term Loans	(37,951)	(53,525)	(37,951)	(53,525)
Settlement c				
Net Transactions with minority				
Direct cost on Right Issue				
Net Movement in Short Term Borrowings				
Net Cash generated from/(used in) Financing Activities	(37,251)	(298,875)	(37,251)	(298,875)
Net Increase in Cash & Cash Equivalents	23,162	(70,847)	21,560	(73,160)
Cash & Cash Equivalents at the beginning of the year	(575,454)	(452,532)	(575,622)	(452,868)
Cash & Cash Equivalents at the end of the period	(552,292)	(523,379)	(554,062)	(526,028)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	20,781	27,125	19,011	24,476
Bank & Other Borrowings	(573,073)	(550,504)	(573,073)	(550,504)
	(552,292)	(523,379)	(554,062)	(526,028)

Segmental Information

Group		Company		Group		Company		Group		Company	
Year ended	Year ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
3/31/2020	3/31/2020	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue											
2,097,311	2,138,475	528,224	524,576	528,224	524,576	1,153,183	1,125,033	1,153,183	1,125,033		
420,373	420,373	115,890	103,957	115,439	75,368	210,566	203,152	192,357	163,511		
84,095						-	-				
109,107	109,107	40,475	38,353	40,475	38,353	85,850	74,236	85,850	74,236		
2,710,886	2,667,956	684,589	666,886	684,138	638,297	1,449,599	1,402,421	1,431,390	1,362,780		
Gross Profit											
	(141,031)	17,262	(94,376)	17,262	(94,376)	122,686	(112,660)	122,686	(112,660)		
	(242,186)	(52,332)	(67,174)	(53,930)	(70,410)	(133,478)	(145,182)	(137,263)	(152,368)		
	41,605	16,572	20,518	16,572	20,518	38,304	34,063	38,304	34,063		
	(341,612)	(18,498)	(141,032)	(20,097)	(144,268)	27,512	(223,779)	23,727	(230,966)		

Information on Debentures

Type of Debenture	CSE Listing	Interest Rate	Balance as at End September 2020 - Rs.	Market Value - Rs.			Interest rate of comparable government security
				Highest	Lowest	Close	
Type A	Listed	14.25	-				
Type B	Listed	14.50	-		Not Traded		
Type C	Listed	14.75	250,000,000				
Type D	Listed	15.00	250,000,000				

Company - End September 2020	
Debt/Equity Ratio	5.14
Quick asset Ratio	0.10
Interest Cover	0.03

The sinking fund for the Debenture issue is reflected under "Fair value through OCI Investments" in the Statement of Financial Position.

The Company has made a request for a redemption of the Units on 19th May 2020 which has not been satisfied as yet by the Fund Manager of the Unit Trust.

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.

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) The business operation of the third quarter too is likely to get impacted again by the second wave of the pandemic with curfew restrictions imposed in certain parts of the Island from October 2020 onwards
- There has been no material events subsequent to the interim period which require disclosure in the provisional Interim Financial Statements other than the above.
- 4) There has not been a significant change in the nature of contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2019

5) Market Prices Recorded during the quarter ended 30th September

	2020	2019
Highest - (Rs.)	9.00	8.00
Lowest - (Rs.)	5.30	6.00
Last Traded - (Rs.)	8.40	7.00

- 6) The Stated Capital of the Company of Rs.781,500,010/- is represented by 75,225,000 Ordinary Shares and 01 Golden Share.
- 7) The percentage of Shares held by the public as at 30th September 2020 was 25.67% and the number of public shareholders is 12,818.
- 8) The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.09.2020 was Rs. 162.206Mn
- 9) Details pertaining to Directors direct shareholdings as at 30.09.2020 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	7,185
	Aggregate of 2,603 Fractional Shares held in trust consequent to subdivision of shares in 2018.
Mr. G D V Perera	600
Mr. S S Poholiyadde	1,500

- 10) Major Shareholders as at 30th September 2020

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 NATIONAL DEVELOPMENT BANK PLC/LANKEM TEA AND RUBBER PLANTATIONS (PVT) LTD	6,820,787	9.07%
4 SECRETARY TO THE TREASURY	5,700,834	7.58%
5 NATIONAL DEVELOPMENT BANK PLC/CONSOLIDATED TEA PLANTATIONS LTD	4,467,500	5.94%
6 LANKEM CEYLON PLC	1,100,221	1.46%
7 BANK OF CEYLON NO. 1 ACCOUNT	729,997	0.97%
8 MR. MERRILL JOSEPH FERNANDO	705,300	0.94%
9 SAMPATH BANK PLC/ DR.T.SENTHILVERL	385,363	0.51%
10 COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	302,625	0.40%
11 SEYLAN BANK PLC/CHANNA NALIN RAJAHMONEY	274,074	0.36%
12 MRS. SHIELA IRANGANIE HEENETIMULLA	270,000	0.36%
13 MR. DAVID KOTTHOFF	209,600	0.28%
14 FINANCIAL TRUST LIMITED	205,000	0.27%
15 MERCHANT BANK OF SRI LANKA & FINANCE PLC/G.E. WEERASINGHE AND L.K.H.P. ERANGA	189,900	0.25%
16 MR. SRI DHAMAN RAJENDRAM ARUDPRAGASAM	150,375	0.20%
17 MR. MORARJI MEGHJI UDESHI AND MRS. ASHA AJAY MERCHANT	146,250	0.19%
18 PERSHING LLC S/A AVERBACH GRAUSON & CO.	136,500	0.18%
19 J.B. COCOSHELL (PVT) LTD	133,318	0.18%
20 PEOPLE'S LEASING & FINANCE PLC/MR.E.J.B.U.FERNANDO	131,000	0.17%
Total	64,811,794	86.14%