

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the Period ended 31st December 2021**

Kotagala Plantations PLC

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	<i>(Unaudited)</i> Quarter ended 31.12.2021 Rs.'000	<i>(Unaudited)</i> Quarter ended 31.12.2020 Rs.'000	<i>(Unaudited)</i> Nine months ended 31.12.2021 Rs.'000	<i>(Unaudited)</i> Nine months ended 31.12.2020 Rs.'000
Revenue	703,859	763,579	2,548,596	2,213,178
Cost of Sales	(693,304)	(681,925)	(2,348,936)	(2,104,012)
Gross Profit	10,555	81,654	199,660	109,166
Other Income / (Expenses)	35,674	22,929	137,542	61,271
Distribution Costs	-	-	-	-
Administration Expenses	(44,077)	(36,890)	(105,657)	(107,784)
Financing Income / (Cost)	(64,333)	(82,506)	(208,961)	(244,099)
Share of Profit / (Loss) of equity accounted investee, net of tax	-	-	-	-
Profit before Tax Expense	(62,181)	(14,813)	22,585	(181,446)
Tax Expense	-	-	-	-
Profit / (Loss) for the period	(62,181)	(14,813)	22,585	(181,446)
Other Comprehensive Income				
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	-	-	-	-
Tax effect on other comprehensive income	-	-	-	-
Fair value through OCI Investments - Net Change in Fair Value	-	-	-	4,849
Share of other comprehensive income of equity accounted investees	-	-	-	-
Total Comprehensive Income For The Period	(62,181)	(14,813)	22,585	(176,597)
Earnings per Share (Rs.)	(0.18)	(0.15)	0.11	(1.82)

Kotagala Plantations PLC

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	<i>(Unaudited)</i> Quarter ended 31.12.2021 Rs.'000	<i>(Unaudited)</i> Quarter ended 31.12.2020 Rs.'000	<i>(Unaudited)</i> Nine months ended 31.12.2021 Rs.'000	<i>(Unaudited)</i> Nine months ended 31.12.2020 Rs.'000
Revenue	699,840	761,445	2,532,179	2,192,836
Cost of Sales	(689,801)	(683,284)	(2,335,128)	(2,090,948)
Gross Profit	10,039	78,161	197,051	101,888
Other Income	37,251	22,929	134,105	61,271
Distribution Costs	-	-	-	-
Administration Expenses	(37,136)	(33,314)	(97,207)	(99,943)
Net Finance Cost	(67,159)	(82,506)	(208,961)	(244,099)
Profit before Tax Expense	(57,005)	(14,730)	24,989	(180,883)
Tax Expense	-	-	-	-
Profit / (Loss) for the period	(57,005)	(14,730)	24,989	(180,883)
Other Comprehensive Income				
Actuarial Gain/ (Loss) on Retirement Benefit Obligation	-	-	-	-
Tax effect on other comprehensive income	-	-	-	-
Fair value through OCI Investments - Net Change in Fair Value	-	-	-	4,849
Share of other comprehensive income of equity accounted investees	-	-	-	-
Total Comprehensive Income For The Period	(57,005)	(14,730)	24,989	(176,034)
Earnings per Share (Rs.)	(0.17)	(0.15)	0.12	(1.81)

Kotagala Plantations PLC

Statement of Financial Position						
Group	Company		Group		Company	
As at	As at		As at	As at	As at	As at
31.03.2021	31.03.2021		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS						
1,305,249	1,304,843	Tangible Assets (Other than Mature /Immature Plantations)	1,281,491	1,313,374	1,250,220	1,309,436
4,895,261	4,895,261	Biological Assets	4,856,063	4,740,352	4,856,063	4,740,352
636,081	636,081	Leasehold Properties	610,798	630,700	610,798	630,700
-	-	Investments in Subsidiaries	-	-	-	-
101,246	101,214	Investment in Associates	101,246	198,110	101,214	152,986
305,538	305,538	Fair value through OCI Investments	305,538	290,312	305,538	290,312
7,243,374	7,242,937	Total Non - Current Assets	7,155,136	7,172,848	7,123,833	7,123,787
260,816	255,091	Inventories	379,115	299,585	373,989	277,377
295,115	284,698	Trade and Other Receivables	314,388	240,571	296,645	260,716
6,526	6,526	Fair value of growing produce of bearer biological assets	6,526	937	6,526	937
22,960	26,063	Amounts due from Related Parties	70,699	26,642	74,331	30,239
72,947	67,767	Cash and Cash Equivalents	170,201	37,911	170,061	34,709
658,364	640,145	Total Current Assets	940,929	605,646	921,553	603,977
7,901,738	7,883,082	Total Assets	8,096,066	7,778,494	8,045,387	7,727,764
EQUITY						
781,500	781,500	Stated Capital	1,571,362	781,500	1,571,361	781,500
240,000	240,000	Capital Reserves	240,000	240,000	240,000	240,000
594,443	594,443	Revaluation Reserve	622,845	594,442	594,442	594,442
(10,799)	-	Foreign Exchange Translation Reserve	(10,799)	(10,739)	-	-
46,834	46,583	Fair Value through Other Comprehensive Income Reserve	46,834	25,377	46,584	31,358
(1,245,399)	(1,270,002)	Retained Earnings	(1,222,814)	(1,255,723)	(1,245,012)	(1,303,499)
406,579	392,524	Total Equity	1,247,428	374,857	1,207,377	343,801
LIABILITIES						
1,045,930	1,045,930	Interest bearing Borrowings	875,198	1,155,027	875,198	1,155,027
323,403	323,403	Deferred Income - Capital Grant	330,647	323,047	330,647	323,047
419,209	419,209	Deferred Tax Liabilities	419,209	403,004	419,209	403,004
654,595	654,595	Net Obligation to Lessor of JEDB/SLSPC	654,594	644,539	654,594	644,539
887,373	886,613	Retirement Benefit Obligations	982,261	919,450	977,409	914,201
3,330,510	3,329,750	Total Non - Current Liabilities	3,261,909	3,445,068	3,257,057	3,439,819
756,620	756,620	Interest bearing Borrowings	756,620	651,952	756,620	651,952
2,186,977	2,183,136	Trade & Other Payables	2,148,551	2,162,333	2,142,777	2,147,908
654,410	654,410	Amounts due to Related Parties	73,341	637,181	73,341	637,181
566,642	566,642	Bank Overdraft	608,215	507,102	608,215	507,102
4,164,649	4,160,808	Total Current Liabilities	3,586,727	3,958,568	3,580,953	3,944,143
7,495,159	7,490,558	Total Liabilities	6,848,636	7,403,636	6,838,010	7,383,962
7,901,738	7,883,082	Total Equity and Liabilities	8,096,066	7,778,494	8,045,387	7,727,764
5.40	5.22	Net Assets per Share (Rs.)	3.21	4.98	3.11	4.57

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

08th February 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)	
Impact on Initial application of SLFRS 16						-	
Profit for the Period					(180,883)	(180,883)	
Other Comprehensive Income for the Period	-	-	4,849			4,849	
Deferred tax on revaluation	-	-	-	-	-	-	
Balance as at 31.12.2020	781,500	594,442	31,358	-	(1,303,499)	343,801	
Balance as at 01.04.2021	781,500	594,443	46,583	240,000	(1,270,002)	392,524	
Right Issue	789,862					789,862	
Profit for the Period					24,989	24,989	
Other Comprehensive Income for the Period	-	-	-	-	-	-	
Dividend paid	-		-	-	-	-	
Balance as at 31.12.2021	1,571,362	594,443	46,584	-	(1,245,013)	1,207,377	

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	
Impact on Initial application of SLFRS 16						-	-
Profit for the Period						(181,446)	(181,446)
Other Comprehensive Income for the Period	-	-	4,849	-	-		4,849
Other Comprehensive Income for the Period							-
Dividend paid	-		-		-	-	-
Balance as at 31.12.2020	781,500	594,442	25,377	(10,739)	240,000	(1,255,723)	374,857
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		28,403					28,403
Profit for the Period						22,585	22,585
Other Comprehensive Income for the Period						-	-
Dividend paid							
Balance as at 31.12.2021	1,571,362	622,845	46,834	(10,799)	240,000	(1,222,814)	1,247,428

Kotagala Plantations PLC

CASH FLOW STATEMENT

For the Nine Months ended 31st December	Group		Company	
	2021	2020	2021	2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit before Taxation	22,585	(181,446)	24,989	(180,883)
Adjustments for :				
Depreciation /Amortization	217,570	216,338	216,768	215,703
Interest Expenses	211,787	244,172	211,787	244,172
Interest Income	(2,827)	(74)	(2,827)	(74)
Defined Benefit Plan Cost - Retiring Gratuity	100,451	59,720	100,451	59,648
Amortization of Deferred Income	(9,882)	(8,900)	(9,882)	(8,900)
Operating Profit before Working Capital Changes	539,685	329,810	541,287	329,666
(Increase)/Decrease in Inventories	(118,300)	(99,408)	(118,898)	(92,255)
(Increase)/Decrease in Trade & other Receivables	(19,273)	(58,036)	(11,947)	(58,752)
(Increase)/Decrease in Amounts due from Related Parties	(47,739)	28,500	(48,268)	24,903
Increase/(Decrease) in Trade & Other Payables	(107,201)	72,113	(109,960)	66,366
Increase/(Decrease) in Amounts due to Related Parties	(581,069)	196,894	(581,069)	196,894
Cash Flow from Operating Activities	(333,896)	469,873	(328,855)	466,823
Income Tax Paid		-	-	-
Interest Income	2,827	74	2,827	74
Interest Paid	(180,611)	(243,135)	(180,611)	(243,135)
Retiring Gratuity Paid	(9,654)	(19,259)	(9,654)	(19,259)
Net Cash Flow from Operating Activities	(521,335)	207,553	(516,294)	204,503
Cash Flows from Investing Activities				
Purchase & Construction of Property, Plant & Equipment	(11,679)	(24,814)	(11,679)	(24,814)
Investment in immature plantations	(47,560)	(30,721)	(47,560)	(30,721)
Right Issue	789,861	-	789,861	-
Net Cash generated from/(used in) Investing Activities	730,622	(55,535)	730,622	(55,535)
Cash Flows from Financing Activities				
Payment of finance lease rentals	-	-	-	-
Capital Grants Received	17,127	1,638	17,127	1,638
Repayment of Debenture	(65,906)	-	(65,906)	-
Proceeds from Long Term Loans	72,500	32,000	72,500	32,000
Repayment of Long Term Loans	(177,326)	(79,377)	(177,326)	(79,377)
Net Cash generated from/(used in) Financing Activities	(153,606)	(45,739)	(153,606)	(45,739)
Net Increase in Cash & Cash Equivalents	55,681	106,279	60,723	103,229
Cash & Cash Equivalents at the beginning of the year	(493,695)	(575,470)	(498,875)	(575,622)
Cash & Cash Equivalents at the end of the period	(438,014)	(469,191)	(438,152)	(472,393)
Analysis of Cash & Cash Equivalents at the end of the Period				
Cash in Hand & Bank	170,201	37,911	170,061	34,709
Bank & Other Borrowings	(608,215)	(507,102)	(608,215)	(507,102)
	(438,014)	(469,191)	(438,152)	(472,393)

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

Tea
Rubber
Oil Palm

Group		Company		Group		Company	
Quarter ended 31/12/2021 Rs. '000	Quarter ended 31/12/2020 Rs. '000	Quarter ended 31/12/2021 Rs. '000	Quarter ended 31/12/2020 Rs. '000	09 Months ended 31/12/2021 Rs. '000	09 Months ended 31/12/2020 Rs. '000	09 Months ended 31/12/2021 Rs. '000	09 Months ended 31/12/2020 Rs. '000
428,923	552,700	428,923	552,700	1,769,833	1,705,883	1,769,833	1,705,883
202,697	193,887	198,678	191,754	511,279	404,453	494,862	384,111
72,239	16,991	72,239	16,991	267,484	102,841	267,484	102,841
703,859	763,578	699,840	761,445	2,548,596	2,213,177	2,532,179	2,192,835
(52,013)	71,591	(52,013)	71,591	35,123	194,277	35,123	194,277
13,974	9,772	13,458	6,279	(20,563)	(123,706)	(23,172)	(130,984)
48,594	291	48,594	291	185,100	38,595	185,100	38,595
10,555	81,654	10,039	78,161	199,660	109,166	197,051	101,888

Company
For the 09 months ended 31-12-2021

	Tea	Rubber	Oil Palm	Total
Gross Profit/(Loss)	35,123	(23,172)	185,100	197,051
Fair Value Gain on Biological Assets	-	-	-	-
Other Operating Income	32,818	101,287	-	134,105
Administrative Expenses	(71,076)	(23,805)	(2,325)	(97,207)
Net Financing Costs	(132,455)	(58,378)	(18,128)	(208,961)
Profit/(Loss) Before Income Tax	(135,590)	(4,068)	164,647	24,989

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	8.39%
3 years	11.05%

Company - End December 2021	
Debt/Equity Ratio	1.35
Quick asset Ratio	0.15
Interest Cover	1.12

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 December		
	2021	2020
Highest - (Rs.)	9.10	12.50
Lowest - (Rs.)	5.50	6.70
Last Traded - (Rs.)	7.80	9.00

- 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 December 2021 was 36.12% and the number of public shareholders are 15,304.
- 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 31.12.2021 was Rs.941.48Mn
- 8) Details pertaining to Directors direct shareholdings as at 31.12.2021 are given below

Name of Director	No. of Shares
Mr. S. D. R. Arudpragasam	1,000,000
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 31st December 2021

	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	18,493,064	5.46%
4	SECRETARY TO THE TREASURY	5,700,834	1.68%
5	LANKEM TEA & RUBBER PLANTATIONS (PVT) LIMITED	5,550,000	1.64%
6	MR. WANNAKUWATTAWADUGE DON NIMAL HEMASIRI PERERA	5,000,000	1.48%
7	HATTON NATIONAL BANK PLC/BISWAIJITH UDAYAPRIYA HETTIARACHCHI	3,410,536	1.01%
8	HATTON NATIONAL BANK PLC/RATNASABAPATHY IYER SHANMUGASARMA	2,468,916	0.73%
9	MR. LOKU KATTOTAGE NIHAL KUMARA KULAWARDENA	2,439,946	0.72%
10	DR. ABDUL RAHUMAN MOHAMED	1,910,438	0.56%
11	MR. ARUNASALAM SITHAMPALAM	1,372,569	0.41%
12	MR. THISE APPUHAMILAGE DON GAMINI SIRIWARDANE	1,294,300	0.38%
13	MR. MOHAMEO ASIM YOUNOOS	1,260,000	0.37%
14	MR. KAUARACHCHIGE SUDATH MALCOLM RODRIGO	1,209,192	0.36%
15	MR. SUBRAMANIAM VASUDEVAN AND MRS. VASUDEVAN SARASWATHI	1,158,115	0.34%
16	MR. DINESH NIROSH PRADEEP RATHNAYAKE	1,138,371	0.34%
17	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/H.D.D. GAYAN	1,020,000	0.30%
18	MR. SRI DHAMAN RAJENDRAM ARUDPRAGASAM	1,000,000	0.30%
19	ACUITY PARTNERS (PVT) LIMITED/MR. ELAYATHAMBY THAVAGNANASOORIYAM/MR. ELAYATHAMBY THAVAGNANASUNDARAM	1,000,000	0.30%
20	PEOPLE'S MERCHANT FINANCE PLC/N.D.R. CASIE CHITTY	1,000,000	0.30%
21	MRS. REJINOLD MELWILLAGE NIMALKA WIJESEKARA	1,000,000	0.30%
Total		266,249,512	78.65%

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 08th February 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.115,285,339/-	51%	Utilized for working capital needs and the balance funds are invested in a call deposit.