

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the Period ended 30th September 2018**

KOTAGALA PLANTATIONS PLC

Group	Company	
Year ended 31.03.2018	Year ended 31.03.2018	
Rs.'000	Rs.'000	
Audited	Audited	
3,875,473	3,816,830	Revenue
(3,550,184)	(3,499,960)	Cost of Sales
325,289	316,870	Gross Profit
139,486	139,486	Fair Value gain on Biological assets
455,426	202,868	Other Income
-	-	Distribution Costs
(270,185)	(299,503)	Administration Expenses
-	-	Other Expenses
(378,249)	(461,925)	Net Finance Cost
271,767	(102,204)	Profit / (Loss) before Tax
23,704	-	Share of profit/(loss) of associate company
(39,619)	(39,619)	Income Tax expenses
255,852	(141,823)	Profit / (Loss) for the Period
(235,506)		Profit/(loss) from discontinued operation, net of tax
73,421	73,421	Available for Sale Financial Assets - Net Change in Fair Value
363	363	Available for Sale Financial Assets - Reclassified to Profit or Loss
(21,427)	(21,427)	Actuarial gains/(losses) on Defined Benefit Obligations
3,000	3,000	Tax effect on other comprehensive income
2,641		Foreign Currency Translation Loss
(39,238)		Other Comprehensive expense from discontinued operation, net of Tax
18,760	55,357	Other Comprehensive Income for the period, net of Tax
39,106	(86,466)	Total Comprehensive Income
0.47	(3.28)	Earnings/ (Loss) per Share (Rs.)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
Group		Company		Group		Company	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	Six Months ended	Six Months ended	Six Months ended	Six Months ended
30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
722,234	2,128,518	720,321	854,661	1,638,954	4,376,347	1,630,236	1,927,023
(769,307)	(2,013,404)	(768,383)	(814,889)	(1,732,783)	(4,086,497)	(1,726,709)	(1,766,436)
(47,073)	115,114	(48,062)	39,772	(93,829)	289,850	(96,473)	160,587
24,950	140,895	24,950	101,740	103,801	155,926	103,801	114,092
-	-	-	-	-	-	-	-
(37,402)	(111,637)	(33,861)	(25,405)	(67,743)	(214,764)	(61,061)	(49,351)
-	-	-	-	-	-	-	-
(87,662)	(158,085)	(118,573)	(114,222)	(185,057)	(308,607)	(215,968)	(228,442)
(147,187)	(13,713)	(175,546)	1,885	(242,828)	(77,595)	(269,701)	(3,114)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(147,187)	(13,713)	(175,546)	1,885	(242,828)	(77,595)	(269,701)	(3,114)
12,132	(3,697)	12,132	-	12,132	13,275	12,132	-
507	-	507	-	507	-	507	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,639	(3,697)	12,639	-	12,639	13,275	12,639	-
(134,548)	(17,410)	(162,907)	1,885	(230,189)	(64,320)	(257,062)	(3,114)
(1.96)	(0.34)	(2.33)	0.05	(3.23)	(2.73)	(3.59)	(0.08)

KOTAGALA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION							
Group	Company		Group	Company			
As at 31.03.2018 Rs.'000 Audited	As at 31.03.2018 Rs.'000 Audited		As at 30.09.2018 Rs.'000	As at 30.09.2017 Rs.'000	As at 30.09.2018 Rs.'000	As at 30.09.2017 Rs.'000	
		ASSETS					
775,048	774,297	Property, Plant & Equipment	715,792	2,045,553	715,101	817,661	
4,512,744	4,512,744	Biological Assets	4,512,998	4,457,142	4,512,998	4,457,142	
217,946	217,946	Leasehold Properties	208,537	233,849	208,537	233,849	
-	-	Investment Property	-	113,172	-	-	
-	-	Intangible Assets	-	21,582	-	-	
-	405	Investments in Subsidiaries	-	-	405	1,272,287	
271,890	276,853	Investment in Associates	271,890	66,086	276,853	94,753	
358,908	358,908	Investment Classified as Available for Sale	344,877	353,277	344,877	294,688	
		Investment Classified as Held to Maturity	-	18,700	-	18,700	
	-	Deferred Tax Assets	-	1,182	-	-	
6,136,536	6,141,153	Total Non - Current Assets	6,054,094	7,310,543	6,058,771	7,189,080	
392,746	390,820	Inventories	311,344	1,088,637	298,938	367,831	
884,998	388,979	Trade and Other Receivables	969,154	1,533,439	423,722	292,251	
6,932	6,932	Fair value of growing produce of bearer Biological Assets	6,932	7,024	6,932	7,024	
252,167	686,510	Amounts due from Related Parties	139,386	276,802	588,770	548,571	
	-	Income Tax Recoverable	-	51,293	-	-	
130,319	109,966	Cash and Cash Equivalents	16,297	106,782	11,116	34,694	
1,667,162	1,583,207	Total Current Assets	1,443,113	3,063,977	1,329,478	1,250,371	
7,803,698	7,724,360	Total Assets	7,497,207	10,374,521	7,388,249	8,439,451	
		EQUITY					
781,500	781,500	Stated Capital	781,500	680,000	781,500	680,000	
240,000	240,000	Capital Reserves	240,000	240,000	240,000	240,000	
1,433		Foreign Exchange Translation Reserve	1,433	(1,208)			
79,447	79,447	Available for Sale Reserve	92,086	34,033	92,086	5,663	
660,433	589,709	Retained Earnings	417,605	581,200	320,008	746,844	
1,762,813	1,690,656	Equity Attributable to Equity Holders of the Parent	1,532,624	1,534,025	1,433,594	1,672,507	
-	-	Non-controlling Interests	-	-	-	-	
1,762,813	1,690,656	Total Equity	1,532,624	1,534,025	1,433,594	1,672,507	
		LIABILITIES					
1,582,892	1,582,892	Interest bearing Borrowings	1,470,072	1,540,875	1,470,072	1,540,875	
333,814	333,814	Grants and Subsidies	335,285	333,309	335,285	333,309	
203,083	203,083	Deferred Tax Liabilities	203,083	317,183	203,083	170,927	
356,072	356,072	Net Obligation to Lessor	352,261	360,695	352,261	360,695	
723,159	722,119	Retirement Benefit Obligations	768,120	709,984	766,939	685,771	
3,199,020	3,197,980	Total Non - Current Liabilities	3,128,821	3,262,046	3,127,640	3,091,577	
819,989	819,989	Interest bearing Borrowings	819,989	3,190,822	819,989	668,125	
1,285,823	1,279,758	Trade & Other Payables	1,430,829	1,757,742	1,422,081	1,541,738	
225,113	225,037	Amounts due to Related Parties	196,231	157,827	196,232	1,034,608	
	-	Income Tax Payable	-	-	-	-	
510,940	510,940	Bank Overdraft	388,713	472,057	388,713	430,896	
2,841,865	2,835,724	Total Current Liabilities	2,835,762	5,578,448	2,827,015	3,675,367	
6,040,885	6,033,704	Total Liabilities	5,964,583	8,840,494	5,954,655	6,766,944	
7,803,698	7,724,360	Total Equity and Liabilities	7,497,207	10,374,521	7,388,249	8,439,451	
40.73	40.73	Net Assets per Share (Rs.)	20.37	38.35	19.06	40.42	

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

K Mohideen

General Manager - Finance

(Lankem Tea & Rubber Plantations Pvt Ltd - Managing Agents)

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

S S Poholiyadde

Director

R C Peries

Director

Colombo

9th November 2018

KOTAGALA PLANTATIONS PLC

STATEMENT OF CHANGES IN EQUITY

COMPANY

COMPANY	Attributable to Owners of the Company					Total
	Stated Capital	Other Capital Reserves	Available for Sale Reserves	General Reserves	Retained Profit / (Loss)	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.04.2017	680,000	-	5,663	240,000	749,959	1,589,156
Profit for the Period	-	-	-	-	(3,114)	(263,034)
Other Comprehensive Income for the Period	-	-	-	-	-	-
Balance as at 30.09.2017	680,000	-	5,663	240,000	746,845	1,672,507
Balance as at 01.04.2018	781,500	-	79,447	240,000	589,709	1,690,656
Profit for the Period	-	-	-	-	(269,701)	(269,701)
Other Comprehensive Income for the Period	-	-	12,639	-	-	12,639
Balance as at 30.09.2018	781,500	-	92,086	240,000	320,008	1,433,594
			-	-	-	

KOTAGALA PLANTATIONS PLC

STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to Owners of the Company						
	Stated Capital	Other Capital Reserves	Available for Sale Reserves	General Reserves	Retained Profit / (Loss)	Foreign Translation Reserve	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 01.04.2017	680,000	-	20,757	240,000	658,795	(1,208)	1,598,344
Profit for the Period	-	-	-	-	(77,595)	-	(77,595)
Other Comprehensive Income for the Period	-	-	13,275	-	-	-	13,275
Balance as at 30.09.2017	680,000	-	34,032	240,000	581,200	(1,208)	1,534,025
 Balance as at 01.04.2018	 781,500	 -	 79,447	 240,000	 660,433	 1,433	 1,762,813
Profit for the Period	-	-	-	-	(242,828)	-	(242,828)
Other Comprehensive Income for the Period	-	-	12,639	-	-	-	12,639
Balance as at 30.09.2018	781,500	-	92,086	240,000	417,605	1,433	1,532,624

KOTAGALA PLANTATIONS PLC

CASH FLOW STATEMENT				
	Group		Company	
For the six months ended 30 th September	2018 Rs.'000	2017 Rs.'000	2018 Rs.'000	2017 Rs.'000
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	(242,828)	(77,595)	(269,701)	(3,116)
Adjustments for :				
Depreciation /Amortisation on Property, Plant & Equipment	109,791	152,055	109,791	117,663
Interest Expense	215,968	192,243	215,968	192,243
Stocks written off	-			
(Gain) / Loss on Disposal of Property, Plant & Equipment	-	(4,623)		
Interest Income	-			
Defined Benefit Plan Cost - Retiring Gratuity	58,114	64,024	58,114	58,380
Exchange Gain	(30,911)			
Provision for obsolete stocks	-	5,093		
Gain on market value changes	-			
Profit/loss on sale of shares	6,667		6,667	
Deferred Income	(3,941)	(4,940)	(3,941)	(4,940)
Operating Profit before Working Capital Changes	112,860	326,257	116,898	360,230
(Increase) / Decrease in Inventories	81,403	(27,034)	91,882	(81,909)
(Increase) / Decrease in Trade and Other Receivables	(37,978)	(278,978)	(34,743)	(28,920)
(Increase) / Decrease in Amounts due from Related Parties	112,781	(57,122)	97,740	71,477
Increase / (Decrease) in Trade and Other Payables	184,939	30,054	197,323	36,234
Increase / (Decrease) in Amounts due to Related Parties	(28,882)	7,496	(28,805)	608,176
Net Cash Flow from Operating Activities	425,123	673	440,295	965,288
Income Tax Paid	-	(5,091)		(5,000)
Interest Paid	(159,779)	(177,592)	(159,779)	(177,592)
Retiring Gratuity Paid	(14,112)	(35,242)	(14,112)	(34,489)
Net Cash Flow from Operating Activities	251,232	(217,252)	266,404	748,207
Cash Flows from Investing Activities				
Purchase of property plant and equipment	(61,588)	(31,861)	(61,588)	(14,781)
Investment in immature plantations	(3,139)	(83,712)	(3,139)	(83,712)
Investment in Subsidiaries	-	-		
Interest Received	-	-		
Dividends Received	-	-		
Net Investment in Short Term Investments		(56,100)		(56,100)
Proceeds on sale of investments	20,000		20,000	3,476
Proceeds on Disposal of Property, Plant & Equipment	-	29,777		
Net Cash generated from/(used in) Investing Activities	(44,727)	(141,896)	(44,727)	(151,117)
Cash Flows from Financing Activities				
Lease rental paid	(27,170)	(10,500)	(27,170)	(10,500)
Share application money received	-	-		
Capital Grants Received	-	-		
Proceeds from Long Term Loans	150,000	808,900	150,000	43,400
Repayment of Long Term Loans	(321,130)	(798,415)	(321,130)	(798,415)
Dividend Paid	-	-		
Net Cash generated from/(used in) Financing Activities	(198,300)	(15)	(198,300)	(765,515)
Net Increase in Cash & Cash Equivalents	8,205	(359,163)	23,377	(168,425)
Effect of exchange rate changes				
Cash & Cash Equivalents at the beginning of the year	(380,621)	(6,112)	(400,974)	(227,778)
Cash & Cash Equivalents at the end of the period	(372,416)	(365,275)	(377,597)	(396,203)

KOTAGALA PLANTATIONS PLC

SEGMENTAL INFORMATION

Group	Company		Group	Company	Group	Company
Twelve Months ended	Twelve Months ended		Quarter ended	Quarter ended	Quarter ended	Quarter ended
31.03.2018	31.03.2018		30.09.2018	30.09.2017	30.09.2018	30.09.2017
	Rs. '000		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue						
3,108,485	3,108,485	Tea	534,299	658,435	534,299	658,435
726,867	668,224	Rubber	164,935	205,431	163,023	182,834
	-	Tea Exports		1,251,260	-	-
40,121	40,121	Oil palm	23,000	13,393	23,000	13,393
3,875,473	3,816,830		722,234	2,128,519	720,321	854,662
					1,638,954	4,376,347
					1,630,236	1,927,023
Gross Profit						
442,553	442,553	Tea	(42,460)	52,023	(42,460)	52,023
(91,488)	(99,907)	Rubber	(10,546)	(3,399)	(11,535)	(6,398)
	-	Tea Exports		72,343	-	-
(25,776)	(25,776)	Oil palm	5,931	(5,853)	5,931	(5,853)
325,289	316,870		(47,073)	115,114	(48,062)	39,772
					(93,829)	289,850
					(96,473)	160,587

Information on Debentures

Type of Debenture	CSE Listing	Interest Rate	Balance as at End Sep 2018 - Rs.	Market Value - Rs.			Interest rate of comparable government security
				Highest	Lowest	Close	
Type A **	Listed	14.25	-				
Type B	Listed	14.50	250,000,000	Not traded			10.43
Type C	Listed	14.75	250,000,000	Not traded			10.46
Type D	Listed	15.00	250,000,000	Not traded			10.51

** Type A debentures redeemed in may 2018

Company - End September 2018	
Debt/Equity Ratio	1.60
Quick asset Ratio	0.36
Interest Cover	(0.25)

The sinking fund for the Debenture issue is reflected under "Investment Classified as Available for Sale" in the statement of Financial Position
The Sinking fund balance as per the schedule to the trust deed is Rs.279.3Mn. And the balance available in the sinking fund is Rs.184.5Mn

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 have been no events subsequent to the interim period, which require disclosure in the interim financial statements.

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 2018

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

	2018	2017
Highest - (Rs.)	9.80	20.00
Lowest - (Rs.)	7.40	13.60
Last Traded - (Rs.)	7.90	18.60
(Volume Weighted Average Price)		

7) The Stated Capital of the Company of Rs.781,500,010/- is represented by 75,225,000 Ordinary Shares and 01 Golden Share.

8) The percentage of Shares held by the public as at 30th September 2018 was 25.69% and the number of public shareholders is 12,549. The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market Capitalization as of 30.09.2018 was Rs. 152,669,889.75

9) Details pertaining to Directors direct shareholdings as at 30.09.2018 are given below

Name of Director	No.of Shares
Mr. S D R Arudpragasam	150,375
Mr. A Rajaratnam	14,400
Mr. C P R Perera	112,500
R C Peries	562
Mr. M S Madugalle	7,185
	In personal capacity - 4,582
	Aggregate of Fractional Shares
	held in trust consequent to
	subdivision of shares - 2603
Mr. G D V Perera	600
Mr. S S Poholiyadde	1,500

10) Major Shareholders as at 30th September 2018

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	6,900,787	9.17
4 SECRETARY TO THE TREASURY	5,700,834	7.58
5 NATIONAL DEVELOPMENT BANK PLC/CONSOLIDATED TEA PLANTATIONS LTD	4,537,500	6.03
6 LANKEM CEYLON PLC	977,899	1.30
7 PAN ASIA BANKING CORPORTION PLC/MRS.M.MATHEWS	897,937	1.19
8 MR. DAVID KOTTHOFF	842,582	1.12
9 BANK OF CEYLON NO. 1 ACCOUNT	729,997	0.97
10 PEOPLE'S LEASING & FINANCE PLC/MR.A.RAJARATNAM	678,516	0.90
11 SEYLAN BANK PLC/DR.THIRUGNANASAMBANDAR SENTHILVERL	648,102	0.86
12 PERSHING LLC S/A AVERBACH GRAUSON & CO.	375,400	0.50
13 SAMPATH BANK PLC/ DR.T.SENTHILVERL	343,096	0.46
14 COMMERCIAL BANK OF CEYLON PLC A/C NO. 04	302,625	0.40
15 SAMPATH BANK PLC/MR. PRABODHA LASANTHA ELANGASINGHA	279,000	0.37
16 MR. LANSAKARA JAYASUNDARA MUDIYANSELAGE ABEYRATNE JAYASUNDARA	259,319	0.34
MRS. RENUKA RAMANI JAYASUNDARA		
17 E.W. BALASURIYA & CO. (PVT) LTD	177,015	0.24
18 MR. HIRAN ANTHONY CABRAAL	158,014	0.21
19 FINANCIAL TRUST LIMITED	157,468	0.21
20 SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	151,853	0.20
Total	66,871,094	88.89