

KOTAGALA PLANTATIONS PLC

**Interim Financial Statements
For the Period ended 31st December 2018**

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
(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.)

KOTAGALA PLANTATIONS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME							
Group		Company		Group		Company	
Quarter ended	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Nine Months ended	Nine Months ended
31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
801,357	1,889,241	759,077	860,568	2,413,802	6,265,588	2,389,313	2,787,591
(726,684)	(1,731,934)	(685,749)	(764,130)	(2,432,958)	(5,818,431)	(2,412,458)	(2,530,566)
74,673	157,307	73,328	96,438	(19,156)	447,157	(23,145)	257,025
42,869	15,870	42,869	42,923	146,670	171,796	146,670	157,015
(37,149)	(112,365)	(34,140)	(27,903)	-	(327,129)	(95,204)	(77,254)
(112,765)	(122,177)	(114,233)	(129,764)	-	(430,784)	(330,201)	(358,206)
(32,372)	(61,365)	(32,176)	(18,306)	(297,822)	(138,960)	(301,880)	(21,420)
-	-	-	-	-	-	-	-
	81	-	-	-	81	-	-
(32,372)	(61,284)	(32,176)	(18,306)	(275,200)	(138,879)	(301,880)	(21,420)
7,040	(3,998)	7,040	-	19,172	9,277	19,172	-
-	-	-	-	507	-	507	-
-	-	-	-	-	-	-	-
				-	-	-	-
				-			
7,040	(3,998)	7,040	-	19,679	9,277	19,679	-
(25,332)	(65,282)	(25,136)	(18,306)	(255,521)	(129,602)	(282,201)	(21,420)
(0.43)	(1.22)	(0.43)	(0.37)	(3.66)	(2.77)	(4.01)	(0.43)

KOTAGALA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION							
Group		Company	Group		Company		
As at	As at		As at	As at	As at	As at	
31.03.2018	31.03.2018		31.12.2018	31.12.2017	31.12.2018	31.12.2017	
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Audited	Audited						
ASSETS							
775,048	774,297	Property, Plant & Equipment	698,087	1,988,988	697,424	782,265	
4,512,744	4,512,744	Biological Assets	4,554,294	4,441,421	4,554,294	4,441,421	
217,946	217,946	Leasehold Properties	203,397	226,994	203,397	226,994	
-	-	Investment Property	-	112,557			
	-	Intangible Assets	-	20,954			
-	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	351,917	349,985	351,917	299,490	
		Investment Classified as Held to Maturity	-				
	-	Deferred Tax Assets	-	1,182			
6,136,536	6,141,153	Total Non - Current Assets	6,079,585	7,208,167	6,084,290	7,117,210	
392,746	390,820	Inventories	399,074	1,195,472	392,792	429,046	
884,998	388,979	Trade and Other Receivables	929,305	1,495,427	393,090	357,595	
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	134,836	291,960	572,862	539,999	
	-	Income Tax Recoverable	-	58,308			
130,319	109,966	Cash and Cash Equivalents	24,808	135,620	19,825	23,755	
1,667,162	1,583,207	Total Current Assets	1,494,955	3,183,811	1,385,501	1,357,419	
7,803,698	7,724,360	Total Assets	7,574,540	10,391,978	7,469,791	8,474,629	
EQUITY							
781,500	781,500	Stated Capital	781,500	781,500	781,500	781,500	
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	99,126	30,034	99,126	5,663	
660,433	589,709	Retained Earnings	385,233	519,916	287,829	728,539	
1,762,813	1,690,656	Equity Attributable to Equity Holders of the Parent	1,507,292	1,570,242	1,408,455	1,755,702	
-	-	Non-controlling Interests	-	-	-	-	
1,762,813	1,690,656	Total Equity	1,507,292	1,570,242	1,408,455	1,755,702	
LIABILITIES							
1,582,892	1,582,892	Interest bearing Borrowings	1,423,040	2,772,923	1,423,040	2,012,356	
333,814	333,814	Grants and Subsidies	334,377		334,377		
		Deferred Income	-	327,622		327,622	
203,083	203,083	Deferred Tax Liabilities	203,083	317,183	203,083	170,927	
356,072	356,072	Net Obligation to Lessor	350,355	360,695	350,355	360,695	
723,159	722,119	Retirement Benefit Obligations	792,954	718,349	791,703	693,581	
		Amounts Due to Related Parties	-			446,673	
3,199,020	3,197,980	Total Non - Current Liabilities	3,103,809	4,496,772	3,102,558	4,011,854	
819,989	819,989	Interest bearing Borrowings	819,989	2,354,647	819,989	486,644	
1,285,823	1,279,758	Trade & Other Payables	1,622,035	1,337,866	1,617,374	1,211,779	
225,113	225,037	Amounts due to Related Parties	172,580	146,838	172,580	547,750	
	-	Income Tax Payable	-				
510,940	510,940	Bank Overdraft	348,835	485,613	348,835	460,900	
2,841,865	2,835,724	Total Current Liabilities	2,963,439	4,324,964	2,958,778	2,707,073	
6,040,885	6,033,704	Total Liabilities	6,067,248	8,821,736	6,061,336	6,718,927	
7,803,698	7,724,360	Total Equity and Liabilities	7,574,540	10,391,978	7,469,791	8,474,629	
40.73	40.73	Net Assets per Share (Rs.)	20.04	31.31	18.72	35.01	

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

R Perera

Accountant

(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

13th February 2019

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	-	-	-	-	(21,420)	(263,034)
Other Comprehensive Income for the Period	-	-	-	-	-	-
Balance as at 31.12.2017	680,000	-	5,663	240,000	728,539	1,654,201
Balance as at 01.04.2018	781,500	-	79,447	240,000	589,709	1,690,656
Profit for the Period	-	-	-	-	(301,880)	(301,880)
Other Comprehensive Income for the Period	-	-	19,679	-	-	19,679
Balance as at 31.12.2018	781,500	-	99,126	240,000	287,829	1,408,455
			-	-	-	

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	-	-	-	-	(138,879)	-	(138,879)
Other Comprehensive Income for the Period	-	-	9,277	-	-	-	9,277
Balance as at 31.12.2017	680,000	-	30,034	240,000	519,916	(1,208)	1,468,743
 Balance as at 01.04.2018	 781,500	 -	 79,447	 240,000	 660,433	 1,433	 1,762,813
Profit for the Period	-	-	-	-	(275,200)	-	(275,200)
Other Comprehensive Income for the Period	-	-	19,679	-	-	-	19,679
Balance as at 31.12.2018	781,500	-	99,126	240,000	385,233	1,433	1,507,292

KOTAGALA PLANTATIONS PLC

CASH FLOW STATEMENT				
	Group		Company	
For the nine months ended 31st December	2018	2017	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from Operating Activities				
Profit / (Loss) before Tax	(275,200)	(138,960)	(301,880)	(21,420)
Adjustments for :				
Depreciation /Amortisation on Property, Plant & Equipment	171,694	232,484	171,694	175,836
Interest Expense	330,840	358,206	330,840	358,206
Stocks written off				
(Gain) / Loss on Disposal of Property, Plant & Equipment		(6,897)		
Interest Income	(639)		(639)	
Defined Benefit Plan Cost - Retiring Gratuity	89,795	93,577	89,795	87,378
Exchange Gain	(32,379)			
Provision for impairment of receivables		5,061		
Gain on market value changes				
Profit/loss on sale of shares	6,667	(1,682)	6,667	(620)
Deferred Income	(5,867)	(7,409)	(5,867)	(7,409)
Operating Profit before Working Capital Changes	284,911	534,380	290,610	591,971
(Increase) / Decrease in Inventories	(6,328)	(124,836)	(1,972)	(143,124)
(Increase) / Decrease in Trade and Other Receivables	(44,307)	(257,037)	(4,111)	(100,643)
(Increase) / Decrease in Amounts due from Related Parties	117,331	(72,280)	113,648	80,049
Increase / (Decrease) in Trade and Other Payables	292,622	(312,194)	261,348	(342,825)
Increase / (Decrease) in Amounts due to Related Parties	(52,533)	(3,493)	(52,457)	567,991
Net Cash Flow from Operating Activities	591,696	(235,460)	607,066	653,419
Income Tax Paid		(9,291)		(9,200)
Interest Paid	(239,668)	(303,908)	(239,668)	(303,908)
Retiring Gratuity Paid	(15,499)	(56,430)	(15,499)	(55,677)
Net Cash Flow from Operating Activities	336,529	(605,089)	351,899	284,634
Cash Flows from Investing Activities				
Purchase of property plant and equipment	(3,432)	(26,933)	(3,432)	(9,285)
Investment in immature plantations	(85,584)	(115,628)	(85,584)	(115,628)
Investment in Subsidiaries				
Interest Received				
Dividends Received				
Net Investment in Short Term Investments				
Proceeds on sale of investments	20,000	3,477	20,000	3,477
Proceeds on Disposal of Property, Plant & Equipment		12,289		
Net Cash generated from/(used in) Investing Activities	(69,016)	(126,795)	(69,016)	(121,436)
Cash Flows from Financing Activities				
Lease rental paid	(25,518)	(16,500)	(25,518)	(16,500)
Proceeds from Rights Issue		101,500		101,500
Share application money received				
Capital Grants Received				
Proceeds from Long Term Loans	150,000	1,303,967	150,000	543,400
Repayment of Long Term Loans	(335,401)	(1,000,964)	(335,401)	(1,000,964)
Dividend Paid				
Net Cash generated from/(used in) Financing Activities	(210,919)	388,003	(210,919)	(372,564)
Net Increase in Cash & Cash Equivalents	56,594	(343,881)	71,964	(209,366)
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	(324,027)	(349,993)	(329,010)	(437,144)

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		31.12.2018	31.12.2017	31.12.2018	31.12.2017
Rs. '000	Rs. '000		Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue						
3,108,485	3,108,485	Tea	630,163	710,222	630,163	710,222
726,867	668,224	Rubber	147,899	153,659	105,620	144,325
	-	Tea Exports		1,019,339		-
40,121	40,121	Oil palm	23,294	6,020	23,294	6,020
3,875,473	3,816,830		801,356	1,889,240	759,076	860,567
Gross Profit						
442,553	442,553	Tea	115,594	108,905	115,594	108,905
(91,488)	(99,907)	Rubber	(49,452)	(1,404)	(50,798)	(3,274)
	-	Tea Exports		58,999		-
(25,776)	(25,776)	Oil palm	8,531	(9,193)	8,531	(9,193)
325,289	316,870		74,673	157,307	73,328	96,438

Information on Debentures

Type of Debenture	CSE Listing	Interest Rate	Balance as at End Dec 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	100.00	100.00	100.00		12.02
Type C	Listed	14.75	250,000,000	100.00	100.00	100.00		12.12
Type D	Listed	15.00	250,000,000	100.00	100.00	100.00		12.57

** Type A debentures redeemed in may 2018

Company - End December 2018	
Debt/Equity Ratio	1.59
Quick asset Ratio	0.34
Interest Cover	0.09

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.289.6Mn. And the balance available in the sinking fund is Rs.181.9Mn

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
- 5) Market Prices Recorded during the quarter ended 31st December

	2018	2017
Highest - (Rs.)	8.30	21.00
Lowest - (Rs.)	6.50	9.80
Last Traded - (Rs.)	6.70	12.20
(Volume Weighted Average Price)		
- 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 31st December 2018 was 25.68% and the number of public shareholders is 12,588.
- 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 31.12.2018 was Rs. 129,429,126.00

9) Details pertaining to Directors direct shareholdings as at 31.12.2018 are given below	
Name of Director	No.of Shares
Mr. S D R Arudpragasam	150,375
Mr. A Rajaratnam	-
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 31st December 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 MR. DAVID KOTTHOFF	900,000	1.20%
8 PAN ASIA BANKING CORPORTION PLC/MRS.M.MATHEWS	897,937	1.19%
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	424,308	0.56%
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 AND MRS. RENUKA RAMANI JAYASUNDARA	259,319	0.34%
17 E.W. BALASURIYA & CO. (PVT) LTD	177,015	0.24%
18 FINANCIAL TRUST LIMITED	175,000	0.23%
19 MR. HIRAN ANTHONY CABRAAL	158,014	0.21%
20 SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	151,853	0.20%

Total	66,722,250	88.70
--------------	-------------------	--------------