

# Interim Financial Statements

Quarter Ended 30 September 2016

Watawala Plantations PLC



## Managing Director's Message

### Dear Shareholder,

Watawala Plantations PLC (CSE: WATA) reported Total Comprehensive Income of LKR 543 Mn for the 1HFY17 compared to LKR 272 Mn reported in the same period last year (1HFY16). The revenue for the current period remained flat at LKR 3.2 Bn compared to 1HFY16.

### Palm Oil

Palm Oil segment registered a revenue growth of 42% YoY to reach LKR 1.2 Bn in 1HFY17. The growth in revenue is primarily due to the higher NSA recorded as result of increase in duty component and 15% growth recorded in volume. Further the segment made a significant contribution to the company's profitability, having made a net profit of LKR 741 Mn for 1HFY17.

### Tea

Tea segment reported a revenue of LKR 1.8 Bn for 1HFY17, declined 6% YoY. The management made a decision to

change the tea sector strategy and adopted the quality drive instead of quantity drive in order to gain advantage in a sliding market. The change of strategy has reaped the benefit by gaining the NSA over the BUD and LY. However the sector faced with many challenges and the key factor which contributed the most is the adverse weather condition resulting a crop loss of 873,098 kgs YoY.

### Exports

The net profit on export was reported a 9% reduction YOY due to less orders compared to 1HFY16.

### Outlook

Our Company continues to enhance the quality of its teas in order to gain a price advantage, while continuing to increase the palm oil yield. As proposed and agreed by the PRCs, a performance based wage agreement was signed on 18th October 2016, effective from 15th October 2016.



V. Govindasamy  
Managing Director  
24 October 2016



## Report on Review of Interim Financial Information

### To the Directors of Watawala Plantations PLC

#### Introduction

We have reviewed the accompanying condensed statements of financial position of Watawala Plantations PLC and its subsidiaries as at 30 September 2016, and the related condensed statements of income, comprehensive income, change in equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with Sri Lanka Accounting Standard 34 [LKAS 34] - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with Sri Lanka Standard on Review Engagements 2410, Review of interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, preliminarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Sri Lanka Auditing Standards and consequently does not enable us to become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects in accordance with Sri Lanka Accounting Standard 34 [LKAS 34] - Interim Financial Reporting.

24 October 2016  
COLOMBO

  
CHARTERED ACCOUNTANTS

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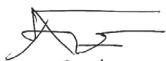
**Partners** Y. Kanagasabai FCA, D.T.S.H. Mudalige FCA, C.S. Manoharan FCA, N.R. Gunasekera FCA,  
S. Gajendran FCA, Ms. S. Hadgie FCA, Ms. S. Perera ACA, T.U. Jayasinghe ACA

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## Statement of Financial Position

As at	GROUP		COMPANY	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
<b>ASSETS</b>				
<b>Non current assets</b>				
Leasehold right to land of JEDB / SLSPC estates	195,052	205,508	195,052	205,508
Immovable estate assets on finance lease	111,196	124,574	111,196	124,574
Property, plant and equipment	1,999,860	1,835,454	1,760,619	1,835,454
Biological assets - bearer	2,871,414	2,794,625	2,784,034	2,794,625
Biological assets - Consumable	630,833	608,995	589,675	608,995
Biological assets - livestock	27,535	27,535	-	27,535
Gratuity fund investments	248,150	234,369	248,150	234,369
Investment in subsidiaries	-	-	627,352	852
Investment-others	21,645	21,645	21,645	21,645
Total non-current assets	6,105,685	5,852,705	6,337,723	5,853,557
<b>Current assets</b>				
Inventories	569,417	637,773	557,065	637,773
Trade and other receivables	549,485	560,954	450,940	560,866
Short term investments	439,802	-	201,274	-
Cash and cash equivalent	854,433	694,775	615,826	678,327
Total current assets	2,413,137	1,893,502	1,825,105	1,876,966
Total assets	8,518,822	7,746,207	8,162,828	7,730,523
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Stated capital	460,000	460,000	460,000	460,000
Retained earnings and other reserves	4,689,423	4,320,050	4,686,256	4,320,409
	5,149,423	4,780,050	5,146,256	4,780,409
Non - Controlling interest	292,978			
Total equity	5,442,401	4,780,050	5,146,256	4,780,409
<b>Non-current liabilities</b>				
Borrowings	342,095	388,741	342,095	388,741
Lease hold rights - SLSPC and JEDB	336,233	336,296	336,233	336,296
Retirement benefit obligations	997,388	976,639	969,256	976,639
Deferred income and capital grants	197,256	203,569	197,256	203,569
Net deferred tax liability	296,914	267,005	297,040	267,040
Total non-current liabilities	2,169,886	2,172,250	2,141,880	2,172,285
<b>Current liabilities</b>				
Borrowings	157,094	148,751	157,094	148,751
Lease hold rights - SLSPC and JEDB	6,720	6,460	6,720	6,460
Trade and other payables	662,411	610,617	630,878	594,618
Current income tax liabilities	80,310	28,079	80,000	28,000
Total current liabilities	906,535	793,907	874,692	777,829
Total liabilities	3,076,421	2,966,157	3,016,572	2,950,114
Total equity and liabilities	8,518,822	7,746,207	8,162,828	7,730,523
	Rs.		Rs.	
Net assets per share	21.76	20.20	21.74	20.20

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.



Senior Manager-Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.



Managing Director  
24 October 2016



Director

Note : All values are in Rupees '000s, unless otherwise stated.

## Consolidated Income Statement

	Quarter ended 30 September 2016			Six months ended 30 September		
	2016	2015	Change %	2016	2015	Change %
<b>Continuing operations</b>						
<b>Revenue</b>	1,648,096	1,565,885	5	3,307,435	3,251,370	2
Cost of sales	(1,226,386)	(1,330,242)	8	(2,535,233)	(2,813,401)	10
<b>Gross profit</b>	421,710	235,643	79	772,202	437,969	76
Other operating income	24,852	16,581	50	35,143	64,228	(45)
Administrative expenses	(74,334)	(76,263)	3	(143,413)	(159,259)	10
<b>Operating profit</b>	372,228	175,961	112	663,932	342,938	94
Finance cost	(30,138)	(22,182)	(36)	(59,589)	(45,345)	(31)
Finance income	6,277	(555)	1,231	25,508	2,023	1,161
Net finance cost	(23,861)	(22,737)	(5)	(34,081)	(43,322)	21
<b>Profit/(loss) before tax</b>	348,367	153,224	127	629,851	299,616	110
Income tax expenses	(39,030)	(22,147)	(76)	(82,000)	(37,990)	(116)
<b>Profit/(loss) for the period</b>	309,337	131,077	136	547,851	261,626	109
Earning per share (Rs.)	1.31	0.55		2.31	1.11	

Note : All values are in Rupees '000s, unless otherwise stated.  
 Figures in brackets indicate deductions.

## Consolidated Statement of Comprehensive Income

	Quarter ended 30 September 2016			Six months ended 30 September		
	2016	2015	Change %	2016	2015	Change %
Profit/(loss) for the period	309,337	131,077	136	547,851	261,626	109
<b>Other comprehensive income</b>						
Items that may not be subsequently reclassified to profit or loss						
Available for sale investment	-	10,763	(100)	-	10,763	(100)
Actuarial gain on gratuity	-	-	-	-	-	-
Tax on actuarial gain on gratuity	-	-	-	-	-	-
Total other comprehensive income for the period (net of tax)	-	10,763	(100)	-	10,763	-
<b>Total comprehensive income for the period</b>	309,337	141,840	118	547,851	272,389	101
<b>Total comprehensive income attributable to:</b>						
Equity holders of the company	309,337	141,840	118	547,851	272,389	101
<b>Total comprehensive income for the period</b>	309,337	141,840	118	547,851	272,389	101
<b>Attributable to</b>						
Equity holders of the parent company	307,341			546,873		
Non-controlling interest	1,996			978		
Total comprehensive income for the period	309,337			547,851		

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## Company Income Statement

	Quarter ended 30 September 2016			Six month ended 30 September 2016		
	2016	2015	Change %	2016	2015	Change %
<b>Continuing operations</b>						
<b>Revenue</b>	1,629,418	1,548,552	5	3,271,376	3,212,654	2
Cost of sales	(1,199,822)	(1,313,430)	9	(2,485,794)	(2,775,847)	10
<b>Gross profit</b>	429,596	235,122	83	785,582	436,807	80
Other operating income	24,852	16,581	50	35,143	64,228	(45)
Administrative expenses	(75,083)	(75,744)	1	(144,958)	(158,284)	8
<b>Operating profit/(loss)</b>	379,365	175,959	116	675,767	342,751	97
Finance cost	(36,970)	(22,183)	(67)	(59,589)	(45,345)	(31)
Finance income	-	(559)	100	9,169	2,012	356
Net finance cost	(36,970)	(22,742)	(63)	(50,420)	(43,333)	(16)
<b>Profit/(loss) before tax</b>	342,395	153,217	123	625,347	299,418	109
Tax expenses	(39,030)	(22,150)	(76)	(82,000)	(37,920)	(116)
<b>Profit/(loss) for the period</b>	303,365	131,067	131	543,347	261,498	108
				Rs.	Rs.	
Earning per share	1.28	0.55		2.30	1.10	

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## Company Statement of Comprehensive Income

	Quarter ended 30 September 2016			Six month ended 30 September 2016		
	2016	2015	Change %	2016	2015	Change %
Profit/(loss) for the period	303,365	131,067	131	543,347	261,498	108
<b>Other comprehensive income</b>						
Items that may not be subsequently reclassified to profit or loss						
Available for sale investment	-	10,763	(100)	-	10,763	(100)
Actuarial gain on gratuity	-	-	-	-	-	-
Tax on actuarial gain on gratuity	-	-	-	-	-	-
Total other comprehensive income for the period (net of tax)	-	10,763	(100)	-	10,763	(100)
Total comprehensive income for the period	303,365	141,830	114	543,347	272,261	100
<b>Total comprehensive income attributable to:</b>						
Equity holders of the company	303,365	141,830	114	543,347	272,261	100
Total comprehensive income for the period	303,365	141,830	114	543,347	272,261	100



## Consolidated Statement of Changes in Equity

	Stated capital	Retained earnings	Total	Non controlling interest	Total Equity
<b>Balance at 1 April 2015</b>	460,000	3,822,741	4,282,741		4,282,741
Net profit for the period		261,626	261,626		261,626
Available for sale investment		10,763	10,763		10,763
Final dividends paid for the year 2014/15		(118,333)	(118,333)		(118,333)
<b>Balance at 30 September 2015</b>	460,000	3,976,797	4,436,797	-	4,436,797
Net profit for the period		256,124	256,124		256,124
Actuarial gain / (loss) on gratuity		102,714	102,714		102,714
Tax on actuarial gain / (loss) on gratuity		(15,585)	(15,585)		(15,585)
Total comprehensive income		343,253	343,253		343,253
<b>Balance at 31 March 2016</b>	460,000	4,320,050	4,780,050	-	4,780,050
Balance at 1 April 2016	460,000	4,320,050	4,780,050	-	4,780,050
Shares issued to NCI				292,000	292,000
Net profit for the period	-	546,873	546,873	978	547,851
Final dividends paid for the year 2015/16		(177,500)	(177,500)		(177,500)
<b>Balance as at 30 September 2016</b>	460,000	4,866,923	5,149,423	292,978	5,442,401

## Company Statement of Changes in Equity

	Stated capital	General reserve	Stated capital	Retained earnings	Total
<b>Balance at 1 April 2015</b>			460,000	3,822,629	4,282,629
Net profit for the period				261,498	261,498
Available for sale investment				10,763	10,763
Final dividends paid for the year 2014/15				(118,333)	(118,333)
<b>Balance at 30 September 2015</b>			460,000	3,976,557	4,436,557
Net profit for the period				256,723	256,723
Actuarial gain / (loss) on gratuity				102,714	102,714
Tax on actuarial gain / (loss) on gratuity				(15,585)	(15,585)
Total comprehensive income	-	-	-	343,852	343,852
<b>Balance at 31 March 2016</b>	-	-	460,000	4,320,409	4,780,409
Balance at 1 April 2016	-	-	460,000	4,320,409	4,780,409
Net profit for the period				543,347	543,347
Final dividends paid for the year 2015/16				(177,500)	(177,500)
<b>Balance as at 30 September 2016</b>	-	-	460,000	4,686,256	5,146,256

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## Statement of Cash Flows

	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Six months ended 30 September</b>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit(loss) before tax	629,851	299,616	625,347	299,418
Adjustments for :				
Depreciation of property, plant and equipment	153,376	153,894	151,739	153,894
Profit on sale of property, plant and equipment	-	(11,519)	-	(11,519)
Provision for retirement benefit obligations	81,408	35,909	78,789	35,909
Amortization of lease hold right to bare land	3,517	3,517	3,517	3,517
Profit on sale of consumable biological assets	-	(21,557)	-	(21,557)
Change in fair value of live stock		16,150	-	16,150
Loss on disposal of assets	6,666		6,666	
Dividend Income	(4,165)		(4,165)	
Amortization of capital grants	(6,313)	(6,311)	(6,313)	(6,311)
Interest on leases	33,820	33,820	33,820	33,820
Net finance cost	261	9,513	16,600	9,513
Profit before working capital changes	898,421	513,032	906,000	512,834
(Increase)/ Decrease in inventories	64,682	62,133	77,035	62,133
(Increase)/ Decrease in trade and other receivables	9,734	(22,380)	108,190	(19,705)
Increase/ (Decrease) in trade and other payables	50,871	(10,680)	35,336	(21,029)
Cash generated from operations	1,023,708	542,105	1,126,561	534,233
Finance income received	25,508	2,012	9,169	2,012
Finance costs paid	(59,589)	(45,345)	(59,589)	(45,345)
Retirement benefit obligations paid	(60,658)	(46,013)	(59,761)	(46,013)
Tax paid	140	(14,000)	-	(14,000)
Net cash flow from operating activities	929,109	438,759	1,016,380	430,887
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>				
Dividend received	4,165	-	4,165	-
Field development expenditure	(161,885)	(92,846)	(142,421)	(92,846)
Purchase of property plant and equipment	(234,542)	(23,150)	(71,965)	(23,150)
Proceeds from sale of property plant and equipment	-	17,904	-	17,904
Proceeds from sale of consumable biological assets	-	37,220	-	37,220
Investment in gratuity fund	(13,781)	(8,772)	(13,781)	(8,772)
Proceeds from issue of shares to NCI	292,000	-	-	-
Short term investments	(439,803)	-	(201,274)	-
investment in subsidiary	-	-	(438,000)	-
Net cash flows from/(used in) investing activities	(553,846)	(69,644)	(863,276)	(69,644)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Dividends paid	(177,500)	(118,333)	(177,500)	(118,333)
Repayment of lease principal	-	(2,990)	-	(2,990)
Proceeds from bank borrowings	38,000	-	38,000	-
Repayment of bank borrowings	(64,842)	(25,800)	(64,842)	(25,800)
Net cash flows from/(used in) financing activities	(204,342)	(147,123)	(204,342)	(147,123)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	170,921	221,992	(51,238)	214,120
CASH AND CASH EQUIVALENTS AT THE BEGINNING	657,669	(62,020)	641,221	(66,219)
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	828,590	159,972	589,983	147,901
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank overdrafts	(25,843)	(106,005)	(25,843)	(106,005)
Cash in hand and bank	854,433	265,977	615,826	253,906
<b>CASH AND CASH EQUIVALENTS</b>	828,590	159,972	589,983	147,901

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## SEGMENTAL ANALYSIS - GROUP

Three months ended	Tea		Rubber		Palm Oil		Export		Dairy Farm		Others		Inter-Segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>30 September</b>																
<b>Revenue</b>	818,552	896,439	-	14,588	719,633	396,661	101,584	258,197	13,250	7,521	-	(12,444)	-	1,648,096	1,565,885	
Cost of sales	(907,300)	(926,275)	-	(19,496)	(213,561)	(150,863)	(89,084)	(233,608)	(21,364)	(7,521)	-	12,444	-	(1,226,386)	(1,330,242)	
<b>Gross profit/(loss)</b>	(88,748)	(29,836)	-	(4,908)	506,072	245,798	12,500	24,589	(8,114)	-	-	-	-	421,710	235,643	
Other operating income	-	-	-	-	-	-	-	-	-	24,852	16,581	-	-	24,852	16,581	
Administrative expenses	(43,737)	(47,049)	-	(3,394)	(31,346)	(26,379)	(9)	839	-	-	-	758	(280)	(74,334)	(76,263)	
<b>Operating profit/(loss)</b>	(132,485)	(76,885)	-	(8,302)	474,726	219,419	12,491	25,428	(8,114)	24,852	16,581	758	(280)	372,228	175,961	
Net finance expenses	(26,425)	(16,351)	-	(2,216)	(10,545)	(4,175)	3	5	13,106	-	-	-	-	(23,861)	(22,737)	
<b>Profit/(Loss) before tax</b>	(158,910)	(93,236)	-	(10,518)	464,181	215,244	12,494	25,433	4,992	24,852	16,581	758	(280)	348,367	153,224	
Tax expenses	(19,399)	(13,045)	-	(204)	(17,477)	(5,773)	(2,154)	(3,125)	-	-	-	-	-	(39,030)	(22,147)	
<b>Net profit / (loss)</b>	(178,309)	(106,281)	-	(10,722)	446,704	209,471	10,340	22,308	4,992	24,852	16,581	758	(280)	309,337	131,077	

Note : All values are in Rupees '000s unless otherwise stated.  
Figures in brackets indicate deductions.

## SEGMENTAL ANALYSIS - GROUP

Six months ended	Tea		Rubber		Palm Oil		Export		Dairy Farm		Others		Inter-Segment		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>30 September</b>	1,831,536	1,955,671	-	28,418	1,228,104	865,582	230,954	401,699	29,285	-	-	-	(12,444)	-	3,307,435	3,251,370
Revenue	(1,922,269)	(2,047,329)	-	(44,646)	(381,679)	(356,384)	(200,559)	(365,042)	(43,170)	-	-	-	12,444	-	(2,535,233)	(2,813,401)
Cost of sales	(90,733)	(91,658)	-	(16,228)	846,425	509,198	30,395	36,657	(13,885)	-	-	-	-	-	772,202	437,969
<b>Gross profit/(loss)</b>	-	-	-	-	-	-	-	-	-	-	35,143	64,228	-	-	35,143	64,228
Other operating income	(84,440)	(97,244)	-	(7015)	(60,518)	(54,521)	(407)	193	-	-	-	-	1,952	(672)	(143,413)	(159,259)
Administrative expenses	(175,173)	(188,902)	-	(23,243)	785,907	454,677	29,988	36,850	(13,885)	-	35,143	64,228	1,952	(672)	663,932	342,938
<b>Operating profit/(loss)</b>	(36,313)	(31,008)	-	(4,415)	(14,107)	(7,910)	8	11	16,331	-	-	-	-	-	(34,081)	(43,322)
Net finance expenses	(211,486)	(219,910)	-	(27,658)	771,800	446,767	29,996	36,861	2,446	-	35,143	64,228	1,952	(672)	629,851	299,616
<b>Profit/(Loss) before tax</b>	(45,909)	(23,083)	-	(335)	(30,784)	(10,217)	(5,307)	(4,355)	-	-	-	-	-	-	(82,000)	(37,990)
Tax expenses	(257,395)	(242,993)	-	(27,993)	741,016	436,550	24,689	32,506	2,446	-	35,143	64,228	1,952	(672)	547,851	261,626
<b>Net profit / (loss)</b>																

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## SEGMENTAL ANALYSIS - COMPANY

	Tea		Rubber		Palm Oil		Export		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Three months ended 30 September</b>												
<b>Revenue</b>	818,552	896,439	-	14,588	719,633	396,661	91,233	240,864	-	-	1,629,418	1,548,552
Cost of sales	(907,300)	(926,275)	-	(19,496)	(213,561)	(150,863)	(78,961)	(216,796)	-	-	(1,199,822)	(1,313,430)
<b>Gross profit/(loss)</b>	(88,748)	(29,836)	-	(4,908)	506,072	245,798	12,272	24,068	-	-	429,596	235,122
Other operating income	-	-	-	-	-	-	-	-	24,852	16,581	24,852	16,581
Administrative expenses	(43,737)	(47,049)	-	(3,394)	(51,346)	(26,379)	-	1,078	-	-	(75,083)	(75,744)
<b>Operating profit/(loss)</b>	(132,485)	(76,885)	-	(8,302)	474,726	219,419	12,272	25,146	24,852	16,581	379,365	175,959
Net finance expenses	(26,425)	(16,351)	-	(2,216)	(10,545)	(4,175)	-	-	-	-	(36,970)	(22,742)
<b>Profit/(Loss) before tax</b>	(158,910)	(93,236)	-	(10,518)	464,181	215,244	12,272	25,146	24,852	16,581	342,395	153,217
Tax expenses	(19,399)	(13,045)	-	(204)	(17,477)	(5,773)	(2,154)	(3,128)	-	-	(39,030)	(22,150)
Net profit / (loss)	(178,309)	(106,281)	-	(10,722)	446,704	209,471	10,118	22,018	24,852	16,581	303,365	131,067

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

## SEGMENTAL ANALYSIS - COMPANY

	Tea		Rubber		Palm Oil		Export		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Six months ended 30 September</b>												
<b>Revenue</b>	1,831,536	1,955,671	-	28,418	1,228,104	865,582	211,736	362,983	-	-	3,271,376	3,212,654
Cost of sales	(1,922,269)	(2,047,329)	-	(44,646)	(381,679)	(356,384)	(181,846)	(327,488)	-	-	(2,485,794)	(2,775,847)
<b>Gross profit/(loss)</b>	(90,733)	(91,658)	-	(16,228)	846,425	509,198	29,890	35,495	-	-	785,582	436,807
Other operating income	-	-	-	-	-	-	-	-	35,143	64,228	35,143	64,228
Administrative expenses	(84,440)	(97,244)	-	(7,015)	(60,518)	(54,521)	-	496	-	-	(144,958)	(158,284)
Management fees	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating profit/(loss)</b>	(175,173)	(188,902)	-	(23,243)	785,907	454,677	29,890	35,991	35,143	64,228	675,767	342,751
Net finance expenses	(36,313)	(31,008)	-	(4,415)	(14,107)	(7,910)	-	-	-	-	(50,420)	(43,333)
<b>Profit/(Loss) before tax</b>	(211,486)	(219,910)	-	(27,658)	771,800	446,767	29,890	35,991	35,143	64,228	625,347	299,418
Tax expenses	(45,909)	(23,083)	-	(335)	(30,784)	(10,217)	(5,307)	(4,285)	-	-	(82,000)	(37,920)
<b>Net profit / (loss)</b>	(257,395)	(242,993)	-	(27,993)	741,016	436,550	24,583	31,706	35,143	64,228	543,347	261,498

Note : All values are in Rupees '000s, unless otherwise stated.  
Figures in brackets indicate deductions.

# Notes to the Interim Financial Statements

## 01. Corporate information

Watawala Plantations PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka. It is listed on the Colombo Stock Exchange,. The registered office of the Company is located at No 60, Dharmapala Mawatha, Colombo 3.

The principal activities of the Group during the period continued to be cultivation, manufacture, sale of tea, palm oil, direct exports of tea, promoting branded tea business and Dairy farming.

## 02. Interim consolidated financial statement

The Consolidated interim financial statements of the Watawala Plantations PLC as at and for the period ended 30 September 2016 comprised the Company and its fully-owned subsidiary Watawala Tea Australia Pty Ltd and 68% owned Watawala Dairy Ltd.

## 03. Approval of financial statement

The Interim Financial Statements of the Group and the Company for the period ended 30 September 2016 were authorised for issue by the Board of Directors on 24 October 2016.

## 04. Basis of preparation

These Interim Financial Statement of the Company and the Group have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2015/16. Further, these Interim Financial Statements have been prepared

in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

The presentation and classification of the financial statements of the previous period have been adjusted where relevant, for better presentation and to be comparable with the current reporting.

## 05. Post balance sheet events

'The new plantations workers' wages collective agreement was signed on 18th October 2016, effective from 15th October 2016. The current daily wage of Rs 687.50 has been increased to Rs 805.00 with an increase of 17%.

There have been no any other events subsequent to the Balance sheet date, which require disclosure in the interim financial statements.

## 06. Transfer of Assets to Watawala Dairy Limited.

The value of net Assets transferred to Watawala Dairy Limited is Rs. 195mn, in exchange of Shares.

## 07. Net assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at the Balance Sheet date.

## 08. All amounts expressed are in Sri Lankan Rupees thousands unless otherwise stated.

## 09. The Interim Financial Statement are not audited.

## Share Trading Information

### 1 Public share holdings

	As at 30.09.2016	As at 31.03.2016
The percentage of shares held by the public	13.42	13.42
Number of shareholders representing public share holdings	16,203	16,205

### 2 Directors' share holdings

The number of shares held by the Board of Directors are as follows:

	As at 30.09.2016	As at 31.03.2016
S.G.Wijesinha-Chairman	Nil	Nil
G.Sathasivam (Alternate-S.G.Sathasivam)	Nil	Nil
V. Govindasamy - Managing Director	Nil	Nil
A.K. Misra	Nil	Nil
K. Venkataramanan	Nil	Nil
A.N.Fernando	Nil	Nil
M.S.Mawzoon	Nil	Nil
L.Ramanayake	Nil	Nil
C.P. Thomas	Nil	Nil
N.B.Weerasekara	Nil	Nil
B. A. Hulangamuwa	Nil	Nil

### 3 TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	30th September 2016		31st March 2016	
	No of Shares held	% of the holding	No of Shares held	% of the holding
Estate Management Services (Pvt) Ltd	179,034,370	75.65	179,034,370	75.65
Sampath bank Plc/Seylan Bank Plc/Dr.T.Senthil Verl	25,869,224	10.93	25,869,224	10.93
K.C.Vignarajah	2,145,617	0.91	2,118,883	0.90
HSBC International Nominees Ltd-SSBT-Deutsche Bank	1,800,000	0.76	1,800,000	0.76
Vyjayanthi & Company Limited	1,000,000	0.42	1,000,000	0.42
N.Muljie	552,900	0.23	552,900	0.23
Bank of Ceylon No.1 Account	350,100	0.15	350,100	0.15
M.I.Abdul Hameed	350,000	0.15	350,000	0.15
M.M.Hashim, M.Z.H.Hashim & A.Z.Hashim	331,082	0.14	300,900	0.13
S.Vignarajah	262,539	0.11	262,539	0.11
Union investments private Ltd	262,000	0.11	-	-
Commercial Bank of Ceylon Plc/S.A.Gulamhusein	239,799	0.10	237,500	0.10
Harnam Holdings SDN BHD	201,344	0.09	201,344	0.09
Cocoshell Activated Carbon Company Limited	201,002	0.08	201,002	0.08
Sampath bank Plc/Govindasamy Ramanan	195,497	0.08	-	-
M.M.Hashim	170,000	0.07	170,000	0.07
C.M.Holdings PLC	170,000	0.07	170,000	0.07
M.H.M.Nazeer	169,000	0.07	169,000	0.07
Best Real Invest Co Services (Private) Limited	158,257	0.07	158,257	0.07
K.Chandran and U.Chandran	139,635	0.06	-	-
<b>Sub Total</b>	213,602,366	90.25	212,946,019	89.98
Others	22,978,095	9.75	23,720,652	10.02
<b>Grand Total</b>	236,666,671	100.00	236,666,671	100.00



## Share Trading Information (Contd)

**4 Stated capital**

Stated capital is represented by shares in issue as given below:

As at	As at 30.09.2016	As at 31.03.2016
Ordinary Shares	236,666,670	236,666,670
Golden Share	1	1

**5 Market price per share**

As at	As at 30.09.2016	As at 31.03.2016
Highest during the period	20.00	24.60
Lowest during the period	17.70	17.00
Closing price	19.20	19.30
No. of Transactions	577	534
No. of Shares Traded	567,255	440,094
Value of Shares Traded (Rs)	10,723,054.60	8,608,739.80

# Corporate Information

## Name of the Company

Watawala Plantations PLC

## Legal form

Companies Act No 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 and quoted on the Colombo Stock Exchange.

## Date of incorporation

18 June 1992

## Registration No

PQ 65

## Accounting Year

31 March

## Directors

S.G.Wijesinha - Chairman  
 G.Sathasivam (Alternate-S.G.Sathasivam)  
 V. Govindasamy - Managing Director  
 A.K. Misra  
 K. Venkataramanan  
 A.N.Fernando  
 M.S.Mawzoon  
 L.Ramanayake  
 C.P. Thomas  
 N. B. Weerasekara  
 B. A. Hulangamuwa

## Secretaries

Corporate Advisory Services (Pvt) Ltd.  
 47, Alexandra Place, Colombo 7, Sri Lanka.

## Auditors

PricewaterhouseCoopers (Chartered Accountants)  
 PO Box 918,100, Braybrooke Place, Colombo 02

## Bankers

Hatton National Bank PLC  
 Commercial Bank of Ceylon PLC  
 People's Bank  
 Amana Bank Ltd  
 ICICI Bank  
 Citi Bank N A  
 MCB Bank Ltd  
 Nations Trust Bank  
 Standard Chartered Bank  
 Public Bank Berhad  
 Seylan Bank

## Lawyers

FJ & G de Saram  
 (Attorneys-at-Law)  
 No 216, de Saram Place, Colombo 10

## Registered Office

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 E-mail: watawala@wpl.sunshineholdings.lk