

# **Interim Financial Statements**

Quarter Ended September 30, 2019

Watawala Plantations PLC



## Managing Director's Message

**Dear Shareholder,**

### **Watawala Plantations PLC (CSE: WATA)**

Watawala Plantations PLC posted a profit after tax (PAT) of LKR 603 Mn at group level for the six months period ended 30th September 2019, compared to a PAT LKR 478 Mn in the same period last year. The palm oil sector revenue increase stems from the shifts in the yield curve and improvements made to the fertilizer regime. The dairy sector recorded a revenue growth as a result of higher milk selling prices and volumes. WATA company recorded LKR 709 Mn profit after tax in comparison to the LKR 554 Mn in the same period last year.

During the second quarter (Q2), WATA company paid a scrip dividend of LKR 0.30 per share to its existing shareholders. As a result, WATA company's total number of shares increased to 203,308,634 and Stated Capital increased to LKR 512 Mn.

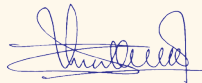
The Net assets per share increased to LKR 21.33 from LKR 18.59, reported as at 30th September 2019 due to higher profitability recorded during the period.

### **Watawala Dairy Limited (WDL)**

The revenue showed a continuous improvement during the period, as the milk volumes and prices have increased significantly. WDL reported an improved performance at EBIT level in comparison to the same period last year. The improved milk yield was driven by majority of the herd moving into the second lactation cycle, while the stringent cost optimization measures resulted in improved performance during the period.

### **Outlook**

The volatility in the global oil palm market will remain and the excess supply of coconut oil into the domestic market will have some bearing on the demand for the palm oil in the remaining period of the year. The dairy segment will further consolidate its operations with more focus on rationalizing feed costs with increasing the milk yields.



**Vish Govindasamy**  
Managing Director  
07th November 2019

## Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 30 September			Six months ended 30 September		
	2019	2018	Change	2019	2018	Change
<b>Revenue</b>	932,001	867,166	7%	1,811,942	1,540,344	18%
Cost of sales	(465,971)	(445,840)	-5%	(960,718)	(881,607)	-9%
<b>Gross profit</b>	<b>466,030</b>	<b>421,326</b>	<b>11%</b>	<b>851,224</b>	<b>658,737</b>	<b>29%</b>
Other Income	42,776	45,348	-6%	76,610	66,782	15%
Administrative Expenses	(54,554)	(48,954)	-11%	(108,705)	(97,369)	-12%
<b>Operating profit</b>	<b>454,252</b>	<b>417,720</b>	<b>9%</b>	<b>819,129</b>	<b>628,150</b>	<b>30%</b>
Finance Income	3,747	11,951	-69%	7,370	13,837	-47%
Finance Costs	(49,086)	(27,132)	-81%	(104,522)	(45,769)	-128%
<b>Net Finance (Cost)/Income</b>	<b>(45,339)</b>	<b>(15,181)</b>	<b>-199%</b>	<b>(97,152)</b>	<b>(31,932)</b>	<b>-214%</b>
Profit before income tax	408,913	402,539	2%	721,977	596,218	21%
Income tax expense	(66,456)	(74,517)	11%	(119,456)	(118,517)	1%
<b>Profit for the period</b>	<b>342,457</b>	<b>328,022</b>	<b>4%</b>	<b>602,521</b>	<b>477,701</b>	<b>26%</b>
<b>Profit is attributable to:</b>						
Owners of the Company	342,457	335,881		617,580	499,821	
Non-controlling interests	-	(7,859)		(15,059)	(22,120)	
	<b>342,457</b>	<b>328,022</b>		<b>602,521</b>	<b>477,701</b>	
Earning per share (LKR)	1.68	1.67		2.96	2.49	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	342,457	328,022	4%	602,521	477,701	26%
Other comprehensive income						
<b>Total comprehensive income for the period</b>	<b>342,457</b>	<b>328,022</b>	<b>4%</b>	<b>602,521</b>	<b>477,701</b>	<b>26%</b>
<b>Total comprehensive income attributable to</b>						
Owners of the Company	342,457	335,881		617,580	499,821	
Non-controlling interests	-	(7,859)		(15,059)	(22,120)	
<b>Total comprehensive income for the period</b>	<b>342,457</b>	<b>328,022</b>		<b>602,521</b>	<b>477,701</b>	

## Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 30 September			Six months ended 30 September		
	2019	2018	Change	2019	2018	Change
<b>Revenue</b>	783,635	739,297	6%	1,527,454	1,318,263	16%
Cost of sales	(298,698)	(287,505)	-4%	(629,673)	(583,209)	-8%
<b>Gross profit</b>	<b>484,937</b>	<b>451,792</b>	<b>7%</b>	<b>897,781</b>	<b>735,054</b>	<b>22%</b>
Other Income	25,585	31,567	-19%	51,626	38,297	35%
Administrative Expenses	(53,456)	(48,241)	-11%	(106,230)	(93,835)	-13%
<b>Operating profit</b>	<b>457,066</b>	<b>435,118</b>	<b>5%</b>	<b>843,177</b>	<b>679,516</b>	<b>24%</b>
Finance Income	2,473	11,875	-79%	16,145	13,148	23%
Finance Costs	(16,266)	(14,108)	-15%	(31,319)	(20,065)	-56%
<b>Net Finance (Cost)/Income</b>	<b>(13,793)</b>	<b>(2,233)</b>	<b>-518%</b>	<b>(15,174)</b>	<b>(6,917)</b>	<b>-119%</b>
<b>Profit before income tax</b>	<b>443,273</b>	<b>432,885</b>	<b>2%</b>	<b>828,003</b>	<b>672,599</b>	<b>23%</b>
Income tax expense	(66,456)	(74,517)	11%	(119,456)	(118,517)	1%
<b>Profit for the period</b>	<b>376,817</b>	<b>358,368</b>	<b>5%</b>	<b>708,547</b>	<b>554,082</b>	<b>28%</b>
Earning per share (LKR)	1.85	1.78		3.49	2.76	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	376,817	358,368	5%	708,547	554,082	28%
Other comprehensive income						
<b>Total comprehensive income for the period</b>	<b>376,817</b>	<b>358,368</b>	<b>5%</b>	<b>708,547</b>	<b>554,082</b>	<b>28%</b>
<b>Total comprehensive income attributable to</b>						
Equity holders of the company	376,817	358,368		708,547	554,082	28%
<b>Total comprehensive income for the period</b>	<b>376,817</b>	<b>358,368</b>	<b>5%</b>	<b>708,547</b>	<b>554,082</b>	<b>28%</b>

## Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

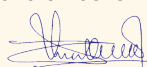
As at	Group		Company	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
<b>Assets</b>				
<b>Non-Current Assets</b>				
Right to use of land	179,149	77,120	173,048	70,898
Property, plant and equipment	2,204,881	2,200,469	698,782	667,751
Intangible assets	22,086	24,925	16,575	18,839
Bearer biological assets	2,699,047	2,673,393	2,582,338	2,546,832
Biological assets - consumable	33,404	38,356	-	-
Biological assets -livestock	679,280	662,620	-	-
Investment fund	330,199	312,051	330,199	312,051
Investment in subsidiaries	-	-	1,868,242	627,352
Investment in debenture	-	-	-	174,088
<b>Total Non-Current Assets</b>	<b>6,148,046</b>	<b>5,988,934</b>	<b>5,669,184</b>	<b>4,417,811</b>
<b>Current Assets</b>				
Inventories	168,186	143,089	126,629	100,790
Biological assets-produce on bearer plants	41,467	31,271	41,358	30,831
Trade and other receivables	306,584	313,198	255,070	258,619
Loan given to related party	-	-	79,820	222,259
Amount due from related parties	-	21,918	20,076	21,918
Cash and cash equivalents	46,603	204,001	44,331	199,064
<b>Total Current Assets</b>	<b>562,840</b>	<b>713,477</b>	<b>567,284</b>	<b>833,481</b>
<b>Total Assets</b>	<b>6,710,886</b>	<b>6,702,411</b>	<b>6,236,468</b>	<b>5,251,292</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Stated capital	511,848	460,000	511,848	460,000
Retained earnings	3,824,653	3,275,437	4,191,980	3,543,722
Equity attributable to the equity holders of the parent	4,336,501	3,735,437	4,703,828	4,003,722
Non controlling interests	-	187,074	-	-
<b>Total Equity</b>	<b>4,336,501</b>	<b>3,922,511</b>	<b>4,703,828</b>	<b>4,003,722</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Interest bearing borrowings	694,940	1,111,324	253,253	63,382
Lease Liability to -SLSPC and JEDB	228,140	125,976	228,140	125,976
Retirement benefit obligations	238,227	242,717	207,087	211,653
Deferred income and capital grants	167,828	193,105	47,336	48,515
Deferred tax liabilities	388,417	376,417	388,417	376,417
<b>Total Non-Current Liabilities</b>	<b>1,717,552</b>	<b>2,049,539</b>	<b>1,124,233</b>	<b>825,943</b>
<b>Current Liabilities</b>				
Interest bearing borrowings	190,471	144,483	129,572	33,890
Lease Liability to -SLSPC and JEDB	2,897	2,911	2,897	2,911
Trade and other payables	212,810	411,150	152,589	351,463
Amount due to related parties	-	27,614	-	-
Current tax liabilities	62,720	33,450	62,634	33,363
Bank overdrafts	187,935	110,753	60,715	-
<b>Total Current Liabilities</b>	<b>656,833</b>	<b>730,361</b>	<b>408,407</b>	<b>421,627</b>
<b>Total Liabilities</b>	<b>2,374,385</b>	<b>2,779,900</b>	<b>1,532,640</b>	<b>1,247,570</b>
<b>Total Equity and Liabilities</b>	<b>6,710,886</b>	<b>6,702,411</b>	<b>6,236,468</b>	<b>5,251,292</b>
Net assets per share	21.33	18.59	23.14	19.92

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.



**Manager-Finance**

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of Directors of Watawala Plantations PLC.



**Manager Director**

07 November 2019  
Colombo



**Chairman**

## Statement of changes in equity - Group

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total	Non controlling interests	Total Equity
Balance at 1 April 2018	460,000	2,911,785	3,371,785	262,971	3,634,756
Net profit for the period	-	499,821	499,821	(22,120)	477,701
Total comprehensive income for the period	-	499,821	499,821	(22,120)	477,701
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Final dividends paid for the year ended 31 March 2018	-	(50,241)	(50,241)	-	(50,241)
Total transactions with owners	-	(50,241)	(50,241)	-	(50,241)
Balance at 30 September 2018	460,000	3,361,365	3,821,365	240,851	4,062,216
Net profit for the period	-	337,674	337,674	(52,364)	285,310
Actuarial gain/(loss) on gratuity	-	(24,711)	(24,711)	(1,413)	(26,124)
Tax on actuarial gain/(loss) on gratuity	-	3,034	3,034		3,034
Total comprehensive income for the period	-	315,997	315,997	(53,777)	262,220
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Interim dividend paid for the year ended 31 March 2019	-	(401,925)	(401,925)	-	(401,925)
Total transactions with owners	-	(401,925)	(401,925)	-	(401,925)
<b>Balance at 31 March 2019</b>	<b>460,000</b>	<b>3,275,437</b>	<b>3,735,437</b>	<b>187,074</b>	<b>3,922,511</b>
Balance as at 1 April 2019	460,000	3,275,437	3,735,437	187,074	3,922,511
Net profit for the period	-	617,580	617,580	(15,059)	602,521
Total comprehensive income for the period	-	617,580	617,580	(15,059)	602,521
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Scrip dividend issued	51,848	-	51,848	-	51,848
Loss on acquisition of non-controlling interest	-	(8,075)	(8,075)	8,075	-
Acquisition of non-controlling interest	-	-	-	(180,090)	(180,090)
Gross scrip dividends	-	(60,289)	(60,289)		(60,289)
Total transactions with owners	51,848	(68,364)	(16,516)	(172,015)	(188,531)
<b>Balance at 30 September 2019</b>	<b>511,848</b>	<b>3,824,653</b>	<b>4,336,501</b>	<b>-</b>	<b>4,336,501</b>

## Statement of changes in equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total
Balance at 1 April 2018	460,000	2,992,979	3,452,979
Net profit for the period	-	554,082	554,082
Total comprehensive income for the period	-	554,082	554,082
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Dividends paid for the year ended 31 March 2018	-	(50,241)	(50,241)
Total transactions with owners	-	(50,241)	(50,241)
Balance at 30 September 2018	460,000	3,496,820	3,956,820
Net profit for the period	-	467,467	467,467
Actuarial gain/(loss) on gratuity	-	(21,674)	(21,674)
Tax on actuarial gain/(loss) on gratuity	-	3,034	3,034
Total comprehensive income for the period	-	448,827	448,827
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Interim dividend paid for the year ended 31 March 2019	-	(401,925)	(401,925)
Total transactions with owners	-	(401,925)	(401,925)
<b>Balance at 31 March 2019</b>	<b>460,000</b>	<b>3,543,722</b>	<b>4,003,722</b>
Balance as at 1 April 2019	460,000	3,543,722	4,003,722
Net profit for the period	-	708,547	708,547
Total comprehensive income for the period	-	708,547	708,547
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Scrip dividend issued	51,848	-	51,848
Gross scrip dividends	-	(60,289)	(60,289)
Total transactions with owners	51,848	(60,289)	(8,441)
<b>Balance at 30 September 2019</b>	<b>511,848</b>	<b>4,191,980</b>	<b>4,703,828</b>

## Consolidated Statement of cash flow

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Period ended 30 September		Period ended 30 September	
	2019	2018	2019	2018
Net profit before taxation	721,977	596,218	828,003	672,599
<b>Adjustments for:</b>				
Depreciation & amortisation	147,022	105,506	99,827	70,697
Provision for retirement benefit obligations	9,308	9,361	7,070	8,378
Loss/(Profit) on sale of property, plant and equipment	471	(11,428)	-	(9,298)
Profit on sale of bearer plants	-	(14,372)	-	(14,372)
Loss on fair value on consumable biological assets	4,909	-	-	-
Loss/(Gain) on Fair Value of Live stocks	(12,321)	-	-	-
Income from investment fund	(18,148)	(10,720)	(18,148)	(10,720)
Amortisation of capital grants	(25,277)	(24,721)	(1,179)	(623)
Net finance cost	97,152	31,932	15,174	6,917
<b>Profit before working capital changes</b>	<b>925,093</b>	<b>681,776</b>	<b>930,747</b>	<b>723,578</b>
<b>Changes in working capital</b>				
- Inventories	(25,097)	82,590	(25,839)	42,803
- Biological assets-produce on bearer plants	(10,196)	(7,642)	(10,527)	(7,642)
- Trade and other receivables	6,614	(61,855)	3,549	(75,563)
- Loan from Related parties	-	-	142,439	-
- Amount due from Related parties	21,918	(61,124)	1,842	(157,304)
- Trade and other payables	(234,397)	(95,698)	(207,316)	(100,273)
<b>Cash generated from operations</b>	<b>684,935</b>	<b>538,047</b>	<b>834,895</b>	<b>425,599</b>
Net finance cost	(97,152)	(31,932)	(15,174)	(6,917)
Income Tax paid	(78,185)	(71,103)	(78,185)	(71,060)
Retirement benefit obligations paid	(13,798)	(10,664)	(11,637)	(9,060)
	(189,135)	(113,699)	(104,996)	(87,037)
<b>Net cash generated from operating activities</b>	<b>494,800</b>	<b>424,348</b>	<b>729,899</b>	<b>338,562</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(72,916)	(179,308)	(61,691)	(32,786)
Additions to Bearer plants	(98,633)	(139,347)	(98,633)	(126,630)
Proceeds from sale of bearer plants	2,694	14,372	-	14,372
Proceeds from sale of property, plant and equipment	725	39,095	-	9,298
Additions to livestock	(6,990)	(144,418)	-	-
Investment in NCI	(180,090)	-	-	-
Investment in WDL	-	-	(456,802)	-
Investment in Debenture	-	-	-	(166,952)
<b>Net cash used in investing activities</b>	<b>(355,210)</b>	<b>(409,606)</b>	<b>(617,126)</b>	<b>(302,698)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	-	(50,241)	-	(50,241)
Proceeds from borrowings	-	68,363	-	5,077
Repayment of borrowings	(370,395)	(82,611)	(324,446)	(15,625)
Repayment of lease principal	(3,775)	(1,481)	(3,775)	(936)
<b>Net cash used in financing activities</b>	<b>(374,170)</b>	<b>(65,970)</b>	<b>(328,221)</b>	<b>(61,725)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(234,580)</b>	<b>(51,228)</b>	<b>(215,448)</b>	<b>(25,861)</b>
<b>Movement in cash and cash equivalents</b>				
At the beginning of year	93,248	180,264	199,064	147,834
(Decrease) / Increase for the period	(234,580)	(51,228)	(215,448)	(25,861)
<b>At end of period</b>	<b>(141,332)</b>	<b>129,036</b>	<b>(16,384)</b>	<b>121,973</b>
Cash & cash equivalents	46,603		44,331	
Bank over draft	(187,935)		(60,715)	
<b>At end of period</b>	<b>(141,332)</b>		<b>(16,384)</b>	



## Segmental Analysis - Group

(All values are in Rupees '000s, unless otherwise stated)

Six months ended 30 September	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	1,527,454	1,229,449	284,488	222,081	-	88,814	-	-	1,811,942	1,540,344
Cost of sales	(629,673)	(500,290)	(331,045)	(298,398)	-	(82,919)	-	-	(960,718)	(881,607)
Gross profit/(loss)	897,781	729,159	(46,557)	(76,317)	-	5,895	-	-	851,224	658,737
									-	-
Other operating income	-	-	28,220	34,069	51,626	38,298	(3,236)	(5,585)	76,610	66,782
Administrative expenses	(106,230)	(91,014)	(2,475)	(3,016)	-	(2,822)	-	(517)	(108,705)	(97,369)
Operating profit/(loss)	791,551	638,145	(20,812)	(45,264)	51,626	41,371	(3,236)	(6,102)	819,129	628,150
									-	-
Net finance expenses	(15,174)	(4,879)	(81,978)	(24,415)	-	(2,038)	-	(600)	(97,152)	(31,932)
Profit/(Loss) before tax	776,377	633,266	(102,790)	(69,679)	51,626	39,333	(3,236)	(6,702)	721,977	596,218
									-	-
Tax expenses	(112,228)	(104,840)	-	-	(7,228)	(13,677)	-	-	(119,456)	(118,517)
Net profit / (loss)	664,149	528,426	(102,790)	(69,679)	44,398	25,656	(3,236)	(6,702)	602,521	477,701

## Segmental Analysis - Group

(All values are in Rupees '000s, unless otherwise stated)

Three months ended 30 September	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	783,635	720,059	148,366	127,869	-	19,238	-	-	932,001	867,166
Cost of sales	(298,698)	(264,756)	(167,273)	(158,334)	-	(22,750)	-	-	(465,971)	(445,840)
Gross profit/(loss)	484,937	455,303	(18,907)	(30,465)	-	(3,512)	-	-	466,030	421,326
Other operating income	-	-	17,191	19,366	25,585	31,567	-	(5,585)	42,776	45,348
Administrative expenses	(53,456)	(46,605)	(1,098)	(712)	-	(1,639)	-	2	(54,554)	(48,954)
Operating profit/(loss)	431,481	408,698	(2,814)	(11,811)	25,585	26,416	-	(5,583)	454,252	417,720
Net finance expenses	(13,793)	(610)	(31,546)	(12,947)	-	(1,619)	-	(5)	(45,339)	(15,181)
Profit/(Loss) before tax	417,688	408,088	(34,360)	(24,758)	25,585	24,797	-	(5,588)	408,913	402,539
Tax expenses	(62,874)	(64,652)	-	-	(3,582)	(9,865)	-	-	(66,456)	(74,517)
Net profit / (loss)	354,814	343,436	(34,360)	(24,758)	22,003	14,932	-	(5,588)	342,457	328,022

## Segmental Analysis - Company

(All values are in Rupees '000s, unless otherwise stated)

Six months ended 30 September	Palm Oil		Others		Total	
	2019	2018	2019	2018	2019	2018
Revenue	1,527,454	1,229,449	-	88,814	1,527,454	1,318,263
Cost of sales	(629,673)	(500,290)	-	(82,919)	(629,673)	(583,209)
Gross profit/(loss)	897,781	729,159	-	5,895	897,781	735,054
Other operating income	-	-	51,626	38,297	51,626	38,297
Administrative expenses	(106,230)	(91,014)	-	(2,821)	(106,230)	(93,835)
Operating profit/(loss)	791,551	638,145	51,626	41,371	843,177	679,516
Net finance expenses	(15,174)	(4,879)	-	(2,038)	(15,174)	(6,917)
Profit/(Loss) before tax	776,377	633,266	51,626	39,333	828,003	672,599
Tax expenses	(112,228)	(104,840)	(7,228)	(13,677)	(119,456)	(118,517)
Net profit / (loss)	664,149	528,426	44,398	25,656	708,547	554,082

## Segmental Analysis - Company

(All values are in Rupees '000s, unless otherwise stated)

Three months ended 30 September	Palm Oil		Others		Total	
	2019	2018	2019	2018	2019	2018
Revenue	783,635	720,059	-	19,238	783,635	739,297
Cost of sales	(298,698)	(264,756)	-	(22,749)	(298,698)	(287,505)
Gross profit/(loss)	484,937	455,303	-	(3,511)	484,937	451,792
Other operating income	-	-	25,585	31,567	25,585	31,567
Administrative expenses	(53,456)	(46,605)	-	(1,636)	(53,456)	(48,241)
Operating profit/(loss)	431,481	408,698	25,585	26,420	457,066	435,118
Net finance expenses	(13,793)	(610)	-	(1,623)	(13,793)	(2,233)
Profit/(Loss) before tax	417,688	408,088	25,585	24,797	443,273	432,885
Tax expenses	(62,874)	(64,652)	(3,582)	(9,865)	(66,456)	(74,517)
Net profit / (loss)	354,814	343,436	22,003	14,932	376,817	358,368

## 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 and processing of palm oil 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 2019 comprised the Company and subsidiaries Watawala Dairy Ltd and Watawala Tea Australia Pty Ltd.

### 03. Approval of financial statement

The Interim Financial Statements of the Group and the Company for the period ended 30 September 2019 were authorised to be published by the Board of Directors on 7 November 2019.

### 04. Basis of preparation

These Interim Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS).

Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing these Interim Financial Statements. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2018/19, except 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.

SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS.

The Company adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's Financial Statements.

SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('Lessee') and the supplier ('Lessor'). SLFRS 16 replaced Sri Lanka Accounting Standard - LKAS 17 (Leases) and related interpretations. The Company has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparative information. Instead, it has recognized the cumulative effect of initially applying this standard as an adjustment to the opening balance of Retained earnings at the date of initial application, as permitted under the specific transitional provisions in the standard.

### 05. Scrip Dividend

2,346,078 ordinary voting shares of the company were listed with effect from 29th August 2019, pursuant to a Scrip Dividend in the proportion of 1:85.65894058.

### 06. Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at the Statement of Financial Position date.

07. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial Statements.

08. There has been no change in the contingent liabilities at the quarter end as compared to 31 March 2019.

09. Fair value adjustments are done quarterly as per the policy of the Company. Hence, interim financial statements reflect any such changes.

10. All amounts expressed are in Sri Lankan Rupees (LKR.) thousands unless otherwise stated.

11. The Interim Financial Statements are not audited.

## Shareholder details for the period ending 30 September 2019

### 1 Public Shareholdings

	As at 30.09.2019	As at 31.03.2019
The percentage of shares held by the public	25.76	25.76
Number of Shareholders representing public shareholding	15,534	15,579

	Minimum public holding requirement			
	Option	Float adjusted market capitalisation	Public Holding percentage	Number of Public Shareholders
Listing rule 7.13.1	5	Less than LKR 2.5 Bn	20%	500
Compliance by Watawala	-	LKR 1.23 Bn	25.76%	15,534

### 2 Directors' Shareholding as at 30th September 2019

The number of Shares held by the Board of Directors are as follows

	As at 30.09.2019	As at 31.03.2019
S G Wijesinha (Chairman)	1	1
G Sathasivam	Nil	Nil
V Govindasamy (Managing Director)	Nil	Nil
A N Fernando	1	1
N B Weerasekara	Nil	Nil
S Mawzoon	Nil	Nil
Predeep Karunagaran	Nil	Nil

### 3 Twenty (20) largest shareholders as at

Name	30th September 2019		31 st March 2019	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
Estate Management Services (Pvt) Ltd	150,937,043	74.24	149,195,309	74.24
Sampath Bank PLC/ Seylan Bank PLC/ DR.T.Senthilvel	23,902,886	11.76	23,576,097	11.73
K.C. Vignarajah	2,173,776	1.07	2,148,684	1.07
SSBT-Deutsche Bank AG Singapore A/C 01	1,381,399	0.68	1,365,459	0.68
Vjyayanthi & Company Limited	1,011,674	0.50	1,000,000	0.50
N. Muljie	559,354	0.28	552,900	0.28
M.I. Abdul Hameed	354,085	0.17	350,000	0.17
S. Vignarajah	261,831	0.13	258,811	0.13
Cocoshell Activated Carbon Company Limited	254,604	0.13	251,666	0.13
Union Investments Private LTD	220,881	0.11	218,333	0.11
Best Real Invest Co Services (Private) Limited	162,843	0.08	160,964	0.08
C M Holdings PLC	143,320	0.07	141,667	0.07
Adamjee Lukmanjee & Sons (Pvt) Ltd	118,502	0.06	117,135	0.06
D.C.D.L.S.D. Perera	116,342	0.06	115,000	0.06
M.M. Hashim	111,486	0.05	100,000	0.05
M.P.R.Silva	110,241	0.05	-	-
V.V.Appoo	109,516	0.05	-	-
M.N.Aththas	107,320	0.05	-	-
K.G.M. Pieris	106,141	0.05	104,917	0.05
<b>Sub Total</b>	<b>182,143,244</b>	<b>89.59</b>	<b>179,656,942</b>	<b>89.40</b>
<b>Other Shareholders</b>	<b>21,165,390</b>	<b>10.41</b>	<b>21,305,614</b>	<b>10.60</b>
<b>Grand Total</b>	<b>203,308,634</b>	<b>100.00</b>	<b>200,962,556</b>	<b>100.00</b>

#### 4 Stated Capital

Stated capital is represented by share in issue as given below

	As at 30.09.2019	As at 31.03.2019
Ordinary Shares	203,308,634	200,962,556
Golden Share	1	1

#### 5 Market Price & Trading Informations

	As at 30.09.2019	As at 31.03.2019
Highest during the period(LKR)	26.90	23.30
lowest during the period(LKR)	19.50	18.00
Closing price (LKR)	23.40	18.50

	Quarter ended 30 Sep 2019	Quarter ended 31 Mar 2019
No. of Transactions	706	524
No. of shares traded	548,791	284,057
Value of Shares Traded(LKR)	12,407,425	5,799,721

## 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 N Fernando  
N B Weerasekara  
S Mawzoon  
Predeepan Karunagaran (Alternate:  
Thanveer Siddique)

**Secretaries**

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

**Auditors**

KPMG (Chartered Accountants)  
No: 32A, Sir Mohomad Macan Markar  
Mawatha, Colombo.

**Bankers**

Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
ICICI Bank  
MCB Bank Ltd  
Nations Trust Bank  
Seylan Bank

**Lawyers**

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

Nithya Partners  
(Attorneys-at-Law)  
97/A Galle Rd, Colombo 03

**Registered Office**

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