

Watawala Plantations PLC



# CONDENSED INTERIM FINANCIAL STATEMENTS

Quarter ended 31 December, 2020

## CEO's Message

**Dear Shareholder,**

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

Watawala Plantations PLC posted a profit after tax (PAT) of LKR 1,263 Mn at group level for the nine months ended 31st December 2020 (9MFY21), compared to a PAT of LKR 777 Mn in the same period last year. The palm oil sector revenue increase stems from the increase in the NSA. The dairy sector recorded a revenue growth as a result of higher production and milk selling prices.

The Net assets per share increased to LKR 22.83 as at 31st December 2020 from LKR 22.62 as at 31st March 2020 due to increase in retained earnings during 9MFY21 partly off set with the interim dividend paid during the 3QFY21.

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

The revenue grew by 12.2% YoY for 9MFY21, with the increase in volume and milk prices. WDL reported an improved performance at Gross Profit level in comparison to the same period last year due to the stringent cost optimization measures whilst measuring the volume and improved milk prices.

### **COVID-19 Impact**

During 1QFY21, the Palm oil plantation has been operating at sub-par capacity due to some labor shortage as a result of lock down. However, the operations conducted at the optimal level during 2QFY21 and 3QFY21. Nevertheless, the Dairy business has been operating at optimal capacity, however sourcing of local feed was challenged under the curfew situation.

### **Outlook**

The volatility in the global palm oil market will have some bearing on the NSA for the palm oil segment during the next quarter. The dairy segment will further consolidate its operations with better prices, due to the increase in demand for fresh milk in Sri Lanka. Furthermore, the segment will focus on rationalizing feed costs, and increasing the milk yields.



**Binesh Pananwala**  
CEO  
02nd February 2021

## Condensed Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 December			Nine months ended 31 December		
	2020	2019	Change	2020	2019	Change
<b>Revenue</b>	846,105	775,381	9%	2,971,533	2,587,323	15%
Cost of sales	(425,972)	(493,342)	-14%	(1,385,267)	(1,454,060)	-5%
<b>Gross profit</b>	<b>420,133</b>	<b>282,039</b>	<b>49%</b>	<b>1,586,266</b>	<b>1,133,263</b>	<b>40%</b>
Other income	35,815	22,778	57%	105,424	91,976	15%
Gain/(loss) on changes in fair value of biological assets	-	-	-	(3,767)	7,412	-151%
Administrative expenses	(61,593)	(54,615)	13%	(191,261)	(163,320)	17%
<b>Operating profit</b>	<b>394,355</b>	<b>250,202</b>	<b>58%</b>	<b>1,496,662</b>	<b>1,069,331</b>	<b>40%</b>
Finance income	6,967	1,305	434%	16,925	8,675	95%
Finance costs	(14,702)	(39,439)	-63%	(81,120)	(143,961)	-44%
<b>Net finance income/(costs)</b>	<b>(7,735)</b>	<b>(38,134)</b>	<b>-80%</b>	<b>(64,195)</b>	<b>(135,286)</b>	<b>-53%</b>
Profit before income tax	386,620	212,068	82%	1,432,467	934,045	53%
Income tax expenses	(41,032)	(38,000)	8%	(169,379)	(157,456)	8%
<b>Profit for the period</b>	<b>345,588</b>	<b>174,068</b>	<b>99%</b>	<b>1,263,088</b>	<b>776,589</b>	<b>63%</b>
<b>Profit is attributable to:</b>						
Equity holders of the parent	345,588	174,068		1,263,088	791,648	
Non-controlling interests	-	-		-	(15,059)	
	<b>345,588</b>	<b>174,068</b>		<b>1,263,088</b>	<b>776,589</b>	
Basic earning per share (LKR)	1.70	0.86		6.21	3.82	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	345,588	174,068	99%	1,263,088	776,589	63%
Other comprehensive income	-	-		-	-	
<b>Total comprehensive income for the period</b>	<b>345,588</b>	<b>174,068</b>	<b>99%</b>	<b>1,263,088</b>	<b>776,589</b>	<b>63%</b>
<b>Total comprehensive income attributable to</b>						
Equity holders of the parent	345,588	174,068		1,263,088	791,648	
Non-controlling interests	-	-		-	(15,059)	
<b>Total comprehensive income for the period</b>	<b>345,588</b>	<b>174,068</b>		<b>1,263,088</b>	<b>776,589</b>	

## Condensed Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 December			Nine months ended 31 December		
	2020	2019	Change	2020	2019	Change
<b>Revenue</b>	674,392	628,216	7%	2,488,111	2,155,670	15%
Cost of sales	(274,575)	(317,609)	-14%	(957,048)	(947,282)	1%
<b>Gross profit</b>	<b>399,817</b>	<b>310,607</b>	<b>29%</b>	<b>1,531,063</b>	<b>1,208,388</b>	<b>27%</b>
Other income	19,086	15,377	24%	63,074	56,476	12%
Gain/(loss) on changes in fair value of biological assets	-	-		(6,349)	10,527	-160%
Administrative expenses	(58,135)	(52,811)	10%	(184,353)	(159,041)	16%
<b>Operating profit</b>	<b>360,768</b>	<b>273,173</b>	<b>32%</b>	<b>1,403,435</b>	<b>1,116,350</b>	<b>26%</b>
Finance income	10,709	4,371	145%	29,204	20,516	42%
Finance costs	(13,206)	(23,328)	-43%	(52,049)	(54,647)	-5%
<b>Net finance income/(costs)</b>	<b>(2,497)</b>	<b>(18,957)</b>	<b>-87%</b>	<b>(22,845)</b>	<b>(34,131)</b>	<b>-33%</b>
<b>Profit before income tax</b>	<b>358,271</b>	<b>254,216</b>	<b>41%</b>	<b>1,380,590</b>	<b>1,082,219</b>	<b>28%</b>
Income tax expenses	(41,032)	(38,000)	8%	(169,379)	(157,456)	8%
<b>Profit for the period</b>	<b>317,239</b>	<b>216,216</b>	<b>47%</b>	<b>1,211,211</b>	<b>924,763</b>	<b>31%</b>
Basic earning per share (LKR)	1.56	1.06		5.96	4.55	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	317,239	216,216	47%	1,211,211	924,763	31%
Other comprehensive income						
<b>Total comprehensive income for the period</b>	<b>317,239</b>	<b>216,216</b>	<b>47%</b>	<b>1,211,211</b>	<b>924,763</b>	<b>31%</b>
<b>Total comprehensive income attributable to</b>						
Equity holders of the parent	317,239	216,216	47%	1,211,211	924,763	31%
<b>Total comprehensive income for the period</b>	<b>317,239</b>	<b>216,216</b>	<b>47%</b>	<b>1,211,211</b>	<b>924,763</b>	<b>31%</b>

## Condensed Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

As at	Group		Company	
	31.12.2020	31.03.2020	31.12.2020	31.03.2020
<b>Assets</b>				
<b>Non-current assets</b>				
Right to use of land	239,434	241,440	233,632	235,459
Property, plant and equipment	2,105,926	2,173,402	675,999	695,786
Intangible assets	18,301	23,533	13,869	18,224
Bearer biological assets	2,699,178	2,722,149	2,607,099	2,615,292
Biological assets-Consumable	31,657	31,657	-	-
Biological assets -Livestock	739,340	695,538	-	-
Investment fund	299,382	343,725	299,382	343,725
Investment in subsidiaries	-	-	1,867,390	1,868,242
<b>Total non-current assets</b>	<b>6,133,218</b>	<b>6,231,444</b>	<b>5,697,371</b>	<b>5,776,728</b>
<b>Current assets</b>				
Inventories	127,793	151,314	75,429	105,851
Biological assets-produce on bearer plants	35,448	41,797	35,362	41,711
Trade and other receivables	293,706	302,533	234,904	259,639
Loan given to related company	-	-	262,000	200,195
Amount due from related companies	18,950	73,902	49,435	100,225
Cash and cash equivalents	181,320	186,553	175,385	185,147
<b>Total current assets</b>	<b>657,217</b>	<b>756,099</b>	<b>832,515</b>	<b>892,768</b>
<b>Total assets</b>	<b>6,790,435</b>	<b>6,987,543</b>	<b>6,529,886</b>	<b>6,669,496</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Stated capital	511,848	511,848	511,848	511,848
Retained earnings	4,129,530	4,086,294	4,507,729	4,516,370
<b>Total equity</b>	<b>4,641,378</b>	<b>4,598,142</b>	<b>5,019,577</b>	<b>5,028,218</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing borrowings	472,573	572,748	82,026	208,450
Lease Liability to -SLSPC and JEDB	247,255	242,897	247,255	242,897
Retirement benefit obligations	274,105	278,340	237,452	243,760
Deferred income and capital grants	104,635	142,550	44,389	46,157
Deferred tax liability	384,915	379,335	384,915	379,335
<b>Total non-current liabilities</b>	<b>1,483,483</b>	<b>1,615,870</b>	<b>996,037</b>	<b>1,120,599</b>
<b>Current liabilities</b>				
Interest bearing borrowings	240,036	190,987	146,250	98,723
Lease Liability to -SLSPC and JEDB	1,102	1,078	1,102	1,078
Trade and other payables	317,078	316,613	262,067	270,199
Amount due to related companies	6,804	321	6,804	321
Current tax liabilities	98,049	52,560	98,049	52,560
Bank overdrafts	2,505	211,972	-	97,798
<b>Total current liabilities</b>	<b>665,574</b>	<b>773,531</b>	<b>514,272</b>	<b>520,679</b>
<b>Total liabilities</b>	<b>2,149,057</b>	<b>2,389,401</b>	<b>1,510,309</b>	<b>1,641,278</b>
<b>Total equity and liabilities</b>	<b>6,790,435</b>	<b>6,987,543</b>	<b>6,529,886</b>	<b>6,669,496</b>
Net assets per share	22.83	22.62	24.69	24.73

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.

  
**Director**

02 February 2021  
Colombo

  
**Chairman**

## Condensed 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 2019	460,000	3,275,437	3,735,437	187,074	3,922,511
Net profit for the period	-	791,648	791,648	(15,059)	776,589
Scrip dividend issued	51,848	(60,289)	(8,441)	-	(8,441)
Acquisition of NCI without a change in control	-	(8,075)	(8,075)	(172,015)	(180,090)
<b>Total transactions with owners</b>	<b>51,848</b>	<b>(68,364)</b>	<b>(16,516)</b>	<b>(172,015)</b>	<b>(188,531)</b>
Balance at 31 December 2019	511,848	3,998,721	4,510,569	-	4,510,569
Profit for the period	-	39,911	39,911	-	39,911
Actuarial loss on retirement benefit obligations	-	(11,976)	(11,976)	-	(11,976)
Deferred tax on actuarial loss on retirement benefit obligations	-	1,649	1,649	-	1,649
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>29,584</b>	<b>29,584</b>	<b>-</b>	<b>29,584</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Adjustment due to initial application of SLFRS 16	-	57,989	57,989	-	57,989
<b>Total transactions with owners</b>	<b>-</b>	<b>57,989</b>	<b>57,989</b>	<b>-</b>	<b>57,989</b>
Balance at 31 March 2020	511,848	4,086,294	4,598,142	-	4,598,142
Balance at 1 April 2020	511,848	4,086,294	4,598,142	-	4,598,142
Net profit for the period	-	1,263,088	1,263,088	-	1,263,088
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,263,088</b>	<b>1,263,088</b>	<b>-</b>	<b>1,263,088</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Final dividend paid for the year ended 31 March 2020		(609,926)	(609,926)	-	(609,926)
Interim dividend paid for the year ended 31 March 2021		(609,926)	(609,926)	-	(609,926)
<b>Total transactions with owners</b>		<b>(1,219,852)</b>	<b>(1,219,852)</b>	<b>-</b>	<b>(1,219,852)</b>
Balance at 31 December 2020	511,848	4,129,530	4,641,378	-	4,641,378

## Condensed Statement of changes in equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total
Balance at 1 April 2019	460,000	3,543,722	4,003,722
Net profit for the period		924,763	924,763
Scrip dividend issued	51,848	(60,289)	(8,441)
<b>Total transactions with owners</b>	<b>51,848</b>	<b>(60,289)</b>	<b>(8,441)</b>
<b>Balance at 31 December 2019</b>	<b>511,848</b>	<b>4,408,196</b>	<b>4,920,044</b>
Net profit for the period	-	60,318	60,318
Actuarial loss on retirement benefit obligations	-	(11,782)	(11,782)
Deferred tax on actuarial loss on retirement benefit obligations	-	1,649	1,649
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>50,185</b>	<b>50,185</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Adjustment due to initial application of SLFRS 16	-	57,989	57,989
<b>Total transactions with owners</b>	<b>-</b>	<b>57,989</b>	<b>57,989</b>
<b>Balance at 31 March 2020</b>	<b>511,848</b>	<b>4,516,370</b>	<b>5,028,218</b>
Balance as at 1 April 2020	511,848	4,516,370	5,028,218
Net profit for the period		1,211,211	1,211,211
<b>Total comprehensive income for the period</b>		<b>1,211,211</b>	<b>1,211,211</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Final dividend paid for the year ended 31 March 2020		(609,926)	(609,926)
Interim dividend paid for the year ended 31 March 2021		(609,926)	(609,926)
<b>Total transactions with owners</b>		<b>(1,219,852)</b>	<b>(1,219,852)</b>
<b>Balance at 31 December 2020</b>	<b>511,848</b>	<b>4,507,729</b>	<b>5,019,577</b>

## Condensed Consolidated Statement of cash flows

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Period ended 31 December 2020	2019	Period ended 31 December 2020	2019
<b>Cash flows from operating activities</b>				
Net profit before taxation	1,432,467	934,045	1,380,590	1,082,219
<b>Adjustments for:</b>				
Depreciation & amortisation	240,472	217,700	168,491	146,824
Provision for retirement benefit obligations	20,714	14,154	16,377	10,796
Provision for nursery write off	8,000		8,000	
Loss/(Profit) on sale of property, plant and equipment	(11,905)	471	(10,985)	-
Gain on disposal of WTA			(416)	
Loss on fair value on consumable biological assets	-	4,909	-	-
Loss/(Gain) on fair value of live stocks	(2,582)	(12,321)	-	-
Income from investment fund	(13,393)	(26,360)	(13,393)	(26,360)
Amortisation of capital grants	(37,915)	(37,916)	(1,768)	(1,769)
Net finance costs/(income)	64,195	135,286	22,845	34,131
<b>Profit before working capital changes</b>	<b>1,700,053</b>	<b>1,229,968</b>	<b>1,569,741</b>	<b>1,245,841</b>
<b>Changes in working capital</b>				
- Inventories	23,521	(4,433)	30,422	6,717
- Biological assets-produce on bearer plants	6,349	(10,196)	6,349	(10,527)
- Trade and other receivables	8,827	(30,376)	24,735	(43,508)
- Loan from related parties	-	-	(61,805)	77,666
- Amount due to related parties	6,483	-	6,483	-
- Amount due from related parties	54,952	21,918	50,790	2,308
- Trade and other payables	463	(228,221)	(8,132)	(185,778)
<b>Cash generated from operations</b>	<b>1,800,648</b>	<b>978,660</b>	<b>1,618,583</b>	<b>1,092,719</b>
Net finance cost	(54,400)	(135,286)	(25,330)	(34,131)
Income Tax paid	(118,310)	(114,704)	(118,310)	(114,704)
Retirement benefit obligations paid	(24,949)	(17,379)	(22,685)	(14,835)
	(197,659)	(267,369)	(166,325)	(163,670)
<b>Net cash generated from operating activities</b>	<b>1,602,989</b>	<b>711,291</b>	<b>1,452,258</b>	<b>929,049</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(71,879)	(87,371)	(63,423)	(70,998)
Additions to bearer plants	(100,281)	(149,244)	(100,281)	(149,244)
Proceeds from sale of property, plant and equipment	38,647	725	37,727	-
Proceed from disposal of biological assets	3,509	3,312	-	-
Proceeds from disposal of WTA	-	-	1,268	-
Addition to livestock	(44,729)	(15,005)	-	-
Investment in NCI	-	(180,090)	-	-
Interest received	16,925		29,204	
Disposal of WTA	-	-	-	-
Investment in WDL	-	-	-	(456,802)
<b>Net cash used in investing activities</b>	<b>(157,808)</b>	<b>(427,673)</b>	<b>(95,505)</b>	<b>(677,044)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,219,852)	-	(1,219,852)	-
Proceeds from borrowings	247,887	6,992	218,000	6,992
Investment made through investment fund	(100,000)		(100,000)	
Withdrawals made through investment fund	157,736		157,736	
Repayment of borrowings	(296,897)	(432,572)	(296,897)	(386,119)
Repayment of lease principal	(29,821)	(2,462)	(27,704)	(2,462)
<b>Net cash used in financing activities</b>	<b>(1,240,947)</b>	<b>(428,042)</b>	<b>(1,268,717)</b>	<b>(381,589)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>204,234</b>	<b>(144,424)</b>	<b>88,036</b>	<b>(129,584)</b>
<b>Movement in cash and cash equivalents</b>				
At the beginning of year	(25,419)	93,248	87,349	199,064
Increase/(decrease) for the period	204,234	(144,424)	88,036	(129,584)
<b>At the end of period</b>	<b>178,815</b>	<b>(51,176)</b>	<b>175,385</b>	<b>69,480</b>
Cash & cash equivalents	181,320	70,365	175,385	69,480
Bank over draft	(2,505)	(121,541)	-	-
<b>At the end of period</b>	<b>178,815</b>	<b>(51,176)</b>	<b>175,385</b>	<b>69,480</b>



## Condensed Segmental Analysis - Group

(all amounts in Sri Lankan Rupees thousands, unless otherwise stated)

Nine months ended 31 December	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	2,488,111	2,155,670	484,488	431,653	-	-	(1,066)	-	2,971,533	2,587,323
Cost of sales	(957,048)	(947,282)	(429,285)	(506,778)	-	-	1,066	-	(1,385,267)	(1,454,060)
Gross profit/(loss)	1,531,063	1,208,388	55,203	(75,125)	-	-	-	-	1,586,266	1,133,263
Other operating income	-	-	54,495	35,621	47,642	67,003	(480)	(3,236)	101,657	99,388
Administrative expenses	(184,353)	(159,041)	(6,908)	(4,279)	-	-	-	-	(191,261)	(163,320)
Operating profit/(loss)	1,346,710	1,049,347	102,790	(43,783)	47,642	67,003	(480)	(3,236)	1,496,662	1,069,331
Net finance expenses	(22,845)	(34,131)	(41,350)	(101,155)	-	-	-	-	(64,195)	(135,286)
Profit/(Loss) before tax	1,323,865	1,015,216	61,440	(144,938)	47,642	67,003	(480)	(3,236)	1,432,467	934,045
Tax expenses	(161,438)	(148,075)	-	-	(7,941)	(9,381)	-	-	(169,379)	(157,456)
Net profit / (loss)	1,162,427	867,141	61,440	(144,938)	39,701	57,622	(480)	(3,236)	1,263,088	776,589

## Condensed Segmental Analysis - Group

(all amounts in Sri Lankan Rupees thousands, unless otherwise stated)

Three months ended 31 December	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	674,392	628,216	171,914	147,165	-	-	(201)	-	846,105	775,381
Cost of sales	(274,575)	(317,609)	(151,598)	(175,733)	-	-	201	-	(425,972)	(493,342)
Gross profit/(loss)	399,817	310,607	20,316	(28,568)	-	-	-	-	420,133	282,039
Other operating income	-	-	18,558	7,401	17,287	15,377	(30)	-	35,815	22,778
Administrative expenses	(58,135)	(52,811)	(3,458)	(1,804)	-	-	-	-	(61,593)	(54,615)
Operating profit/(loss)	341,682	257,796	35,416	(22,971)	17,287	15,377	(30)	-	394,355	250,202
Net finance expenses	(2,497)	(18,957)	(5,238)	(19,177)	-	-	-	-	(7,735)	(38,134)
Profit/(Loss) before tax	339,185	238,839	30,178	(42,148)	17,287	15,377	(30)	-	386,620	212,068
Tax expenses	(38,360)	(35,847)	-	-	(2,672)	(2,153)	-	-	(41,032)	(38,000)
Net profit / (loss)	300,825	202,992	30,178	(42,148)	14,615	13,224	(30)	-	345,588	174,068

## Condensed Segmental Analysis - Company

(all amounts in Sri Lankan Rupees thousands, unless otherwise stated)

Nine months ended 31 December	Palm Oil		Others		Total	
	2020	2019	2020	2019	2020	2019
Revenue	2,488,111	2,155,670	-	-	2,488,111	2,155,670
Cost of sales	(957,048)	(947,282)	-	-	(957,048)	(947,282)
Gross profit/(loss)	1,531,063	1,208,388	-	-	1,531,063	1,208,388
Other operating income	-	-	56,725	67,003	56,725	67,003
Administrative expenses	(184,353)	(159,041)	-	-	(184,353)	(159,041)
Operating profit/(loss)	1,346,710	1,049,347	56,725	67,003	1,403,435	1,116,350
Net finance expenses	(22,845)	(34,131)	-	-	(22,845)	(34,131)
Profit/(Loss) before tax	1,323,865	1,015,216	56,725	67,003	1,380,590	1,082,219
Tax expenses	(161,438)	(148,075)	(7,941)	(9,381)	(169,379)	(157,456)
Net profit / (loss)	1,162,427	867,141	48,784	57,622	1,211,211	924,763

## Condensed Segmental Analysis - Company

(all amounts in Sri Lankan Rupees thousands, unless otherwise stated)

Three months ended 31 December	Palm Oil		Others		Total	
	2020	2019	2020	2019	2020	2019
Revenue	674,392	628,216	-	-	674,392	628,216
Cost of sales	(274,575)	(317,609)	-	-	(274,575)	(317,609)
Gross profit/(loss)	399,817	310,607	-	-	399,817	310,607
Other operating income	-	-	19,086	15,377	19,086	15,377
Administrative expenses	(58,135)	(52,811)	-	-	(58,135)	(52,811)
Operating profit/(loss)	341,682	257,796	19,086	15,377	360,768	273,173
Net finance expenses	(2,497)	(18,957)	-	-	(2,497)	(18,957)
Profit/(Loss) before tax	339,185	238,839	19,086	15,377	358,271	254,216
Tax expenses	(38,360)	(35,847)	(2,672)	(2,153)	(41,032)	(38,000)
Net profit / (loss)	300,825	202,992	16,414	13,224	317,239	216,216

## Notes to the Condensed 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 and sale of crude palm oil and Dairy farming.

### 02. Condensed Interim consolidated financial statements

The Consolidated Condensed Interim Financial Statements of the Watawala Plantations PLC as at and for the period ended 31 December 2020 comprised the Company and subsidiary Watawala Dairy Ltd.

### 03. Approval of financial statements

The Condensed Interim Financial Statements of the Group and the Company for the period ended 31 December 2020 were authorised to be published by the Board of Directors on 2 February 2021.

### 04. Basis of preparation

These Condensed 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 Condensed Interim Financial Statements. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report 2019/20, except these Condensed 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.

### 05. 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.

### 06. Events after reporting date

No circumstance has arisen since the reporting date which would require adjustment to or disclosure in the interim financial statements.

07. There has been no change in the contingent liabilities at the quarter end as compared to 31 March 2020.

08. Fair value adjustments are done bi-annually as per the policy of the Company. Hence, Condensed Interim Financial Statements reflected any such changes.

### 09. Fair values of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

**Level 1:** Quoted market price (unadjusted) in an active market for an identical instrument.

**Level 2:** Valuation techniques based on observable inputs, either directly – i.e. as prices or indirectly – i.e. derived from prices. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

**Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Group - As at 31 December 2020 'Rs. '000	Classification	Carrying amount	Level 1	Level 2	Level 3	Total Fair value
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	299,382	-	299,382	-	299,382
		- 299,382	-	299,382	-	299,382
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	293,706	-	-	293,706	293,706
Amounts due from related party	Amortised cost	18,950	-	-	18,950	18,950
Cash at banks and in hand	Amortised cost	181,320	-	-	181,320	181,320
		- 493,976	-	-	493,976	493,976
<b>Total financial assets</b>		- 793,358	-	299,382	493,976	793,358
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	712,609	-	-	712,609	712,609
Trade and other payables	Other financial liabilities	317,078	-	-	317,078	317,078
Amount due to related parties	Other financial liabilities	6,804	-	-	6,804	6,804
Lease liability to - SLSPC and JEDB	Other financial liabilities	248,357	-	-	248,357	248,357
Bank overdrafts	Other financial liabilities	2,505	-	-	2,505	2,505
		- 1,287,353	-	-	1,287,353	1,287,353
<b>Total financial liabilities</b>		- 1,287,353	-	-	1,287,353	1,287,353

Group - As at 31 March 2020 Rs. '000	Classification	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	343,725	-	343,725	-	343,725
		- 343,725	-	343,725	-	343,725
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	302,533	-	-	302,533	302,533
Amounts due from related party	Amortised cost	73,902	-	-	73,902	73,902
Cash at banks and in hand	Amortised cost	186,553	-	-	186,553	186,553
		- 562,988	-	-	562,988	562,988
<b>Total financial assets</b>		- 906,713	-	343,725	562,988	906,713
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	763,735	-	-	763,735	763,735
Trade and other payables	Other financial liabilities	316,603	-	-	316,603	316,603
Amount due to related company	Other financial liabilities	321	-	-	321	321
Lease liability to - SLSPC and JEDB	Other financial liabilities	243,975	-	-	243,975	243,975
Bank overdrafts	Other financial liabilities	211,972	-	-	211,972	211,972
		- 1,536,606	-	-	1,536,606	1,536,606
<b>Total financial liabilities</b>		- 1,536,606	-	-	1,536,606	1,536,606

Company - As at 31 December 2020 'Rs. '000	Classification	Carrying amount	Level 1	Level 2	Level 3	Total Fair value
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	299,382	-	299,382	-	299,382
		-	-	299,382	-	299,382
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	234,904	-	-	234,904	234,904
Loans given to related party	Amortised cost	262,000	-	-	262,000	262,000
Amounts due from related party	Amortised cost	49,435	-	-	49,435	49,435
Cash at banks and in hand	Amortised cost	175,385	-	-	175,385	175,385
		-	-	-	721,724	721,724
<b>Total financial assets</b>		-	-	299,382	721,724	1,021,106
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	228,276	-	-	228,276	228,276
Trade and other payables	Other financial liabilities	262,067	-	-	262,067	262,067
Amount due to related parties	Other financial liabilities	6,804	-	-	6,804	6,804
Lease liability to - SLSPC and JEDB	Other financial liabilities	248,357	-	-	248,357	248,357
		-	-	-	745,504	745,504
<b>Total financial liabilities</b>		-	-	-	745,504	745,504

Company - As at 31 March 2020 'Rs. '000	Classification	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	343,725	-	343,725	-	343,725
		-	-	343,725	-	343,725
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	259,639	-	-	259,639	259,639
Loans given to related party	Amortised cost	200,195	-	-	200,195	200,195
Amounts due from related party	Amortised cost	100,225	-	-	100,225	100,225
Cash at banks and in hand	Amortised cost	185,147	-	-	185,147	185,147
		-	-	-	745,206	745,206
<b>Total financial assets</b>		-	-	343,725	745,206	1,088,931
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	307,173	-	-	307,173	307,173
Trade and other payables	Other financial liabilities	270,189	-	-	270,189	270,189
Amount due to related parties	Other financial liabilities	321	-	-	321	321
Lease liability to - SLSPC and JEDB	Other financial liabilities	243,975	-	-	243,975	243,975
Bank overdrafts	Other financial liabilities	97,798	-	-	97,798	97,798
<b>Total financial liabilities</b>		-	-	-	919,456	919,456

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

11. The Condensed Interim Financial Statements are not audited.

## Shareholder details for the period ending 31 December 2020

### 1 Public Shareholdings

	As at 31 December 2020	As at 31 March 2020
The percentage of shares held by the public	25.76	25.76
Number of Shareholders representing public shareholding	15,701	15,484

	Requirement by CSE	As at 31 December 2020	Requirement by CSE	As at 31 March 2020
Option [Listing rule 7.13.1(a)]	4	4	5	5
Float adjusted market capitalization	Above LKR 2.5Bn	LKR 2.964 Bn	Less than LKR 2.5Bn	LKR 1.047Bn
The percentage of shares held by the public	10%	25.76%	20%	25.76%
Number of shareholders representing public holding	500	15,701	500	15,484

### 2 Directors' Shareholding as at 31 December 2020

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

	As at 31 December 2020	As at 31 March 2020
S G Wijesinha (Chairman)	1	1
G Sathasivam (Alternate: S. G. Sathasivam)	Nil	Nil
V Govindasamy	Nil	Nil
A N Fernando	1	1
N B Weerasekara	Nil	Nil
S Mawzoon	Nil	Nil
Predeep Karunakaran (Resigned w.e.f. 03 April 2020)	Nil	Nil
H D Abeywickrama (Appointed w.e.f, 03 April 2020)	Nil	Nil
M R Rao (Appointed w.e.f. 03 April 2020)	Nil	Nil
K H Kuok (Appointed w.e.f. 26 June 2020) (Alternate: M T Siddique)	Nil	Nil
M T Siddique (Appointed w.e.f. 03 April 2020 and Resigned w.e.f. 25 June 2020)	Nil	Nil

### 3 Chief Executive Officers' Shareholding as at 31 December 2020

	As at 31 December 2020	As at 31 March 2020
Binesh Pananwala	Nil	Nil

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

Name	31 December 2020		31 March 2020	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
Sunshine Wilmar (Private) Limited	150,937,043	74.24	-	-
Estate Management Services (Private) Ltd	-	-	150,937,043	74.24
Sampath Bank PLC/ Seylan Bank PLC/ DR.T.Senthilverl	20,280,002	9.97	23,999,896	11.80
K.C. Vignarajah	2,405,073	1.18	2,173,784	1.07
Deutsche Bank AG Singapore A/C 02	1,018,480	0.50	1,281,399	0.63
Vyjayanthi & Company Limited	1,011,674	0.50	1,011,674	0.50
J. Mathavan	719,674	0.35	-	-
T.T.T.AL-Nakib	700,000	0.34	-	-
N. Muljie	559,354	0.28	559,354	0.28
J. B. Cocoshell (Pvt) Ltd	524,581	0.26	-	-
M.I. Abdul Hameed	354,085	0.17	354,085	0.17
Pinnacle Trust (Pvt) Limited	292,104	0.14	-	-
Cocoshell Activated Carbon Company Limited	282,694	0.14	254,604	0.13
S. Vignarajah	262,000	0.13	261,831	0.13
Union Investments Private LTD	220,881	0.11	220,881	0.11
M.Z.H.Hashim	219,623	0.11	-	-
M.A.H.Esufally	180,000	0.09	-	-
Best Real Invest Co Services (Private) Limited	162,843	0.08	162,843	0.08
Hatton National Bank Plc-Comtrust equity fund	161,500	0.08	-	-
C M Holdings PLC	143,320	0.07	143,320	0.07
M. N. Aththas	137,320	0.07	-	-
<b>Sub Total</b>	<b>180,572,251</b>	<b>88.82</b>	<b>181,360,714</b>	<b>89.20</b>
<b>Other Shareholders</b>	<b>22,736,383</b>	<b>11.18</b>	<b>21,947,920</b>	<b>10.80</b>
<b>Grand Total</b>	<b>203,308,634</b>	<b>100.00</b>	<b>203,308,634</b>	<b>100.00</b>

#### 5 Stated Capital

Stated capital is represented by share in issue as given below

	As at 31 December 2020	As at 31 March 2020
Ordinary Shares	203,308,633	203,308,633
Golden Share	1	1
	203,308,634	203,308,634

#### 6 Market Price & Trading Informations

	As at 31 December 2020	As at 31 March 2020
Highest during the period(LKR)	59.90	26.50
lowest during the period(LKR)	32.00	18.50
Closing price (LKR)	56.60	20.00

	Quarter ended 31 Dec 2020	Quarter ended 31 Mar 2020
No. of Transactions	8,499	358
No. of shares traded	13,276,796	185,191
Value of Shares Traded(LKR)	608,576,407	4,375,870

## Corporate Information

**Name of the Company**

Watawala Plantations PLC

**Legal form**

A public Company with limited liability registered under 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

A N Fernando

N B Weerasekara

M S Mawzoon

P Karunagaran (Alternate: M T Siddique)  
(Resigned w.e.f. 03/04/2020)

H D Abeywickrama (Appointed w.e.f. 03/04/2020)

M R Rao (Appointed w.e.f. 03/04/2020)

K H Kuok (Appointed w.e.f. 26/06/2020)  
(Alternate : M T Siddique)

M T Siddique (Appointed w.e.f. 03/04/2020 and  
Resigned w.e.f. 25/06/2020)

**Chief Executive Officer**

Binesh N Pananwala

**Secretaries & Registrars**

Corporate Services (Pvt) Ltd.  
216, De Saram Place, Colombo 10.

**Auditors**

KPMG (Chartered Accountants)  
No: 32A, Sir Mohomad Macan Markar Mawatha,  
Colombo 03.

**Bankers**

Standard Chartered Bank  
Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
Nations Trust Bank  
Seylan Bank  
State Bank of India  
National Development Bank PLC

**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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