

# CONDENSED INTERIM FINANCIAL STATEMENTS

Quarter ended 30 September, 2021

Watawala Plantations PLC



## CEO's Message

**Dear Shareholder,**

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

Watawala Plantations PLC posted a revenue of LKR 3,406Mn at group level for the six-month period ended 30th September 2021 (1H FY21/22), up by LKR 1,281Mn (60.3% YoY). Palm oil sector revenue was LKR 3,072Mn, up by LKR 1,259Mn (69.3% YoY) driven by higher NSA and maintaining production volumes for the period.

Profit after tax (PAT) at group level was LKR 1,889Mn, up by LKR 971Mn (105.9% YoY) in 1H FY21/22. Margin improvement was mainly due to top-line growth.

The net assets per share increased to LKR 32.94 as at 30th September 2021 from LKR 24.90 as at 31st March 2021 due to increase in retained earnings, which was partly offset by the final dividend of LKR 3.00 per share paid during 1QFY22.

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

Revenue was LKR 335Mn for 1H FY21/22, up by LKR 22Mn (7.0% YoY) due to the increase in milk prices. WDL gross margins contracted during the period predominantly due to the increase in feed cost.

### **COVID-19 Impact**

Despite the pandemic, palm oil operations were conducted at an optimal level during the period. Whilst the dairy business operated at normal capacity, sourcing feed was challenging given the import ban on maize which is the main ingredient in our dairy feed cost.

### **Outlook**

The ban on chemical/inorganic fertilizer in April 2021 is expected to negatively impact the palm oil segment, however, the Company is exploring alternative fertilizer to maintain healthy growth and yields.

The dairy segment is expected to further consolidate its operations with better prices due to the increase in demand for fresh milk in Sri Lanka. The capital raised via a private placement to SBI Japan will help strengthen the balance sheet and finance the increase in herd size to optimal levels.



**Binesh Pananwala**  
CEO  
10 November 2021

## Condensed Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 30 September			Six months ended 30 September		
	2021	2020	Change	2021	2020	Change
<b>Revenue</b>	2,002,062	1,151,818	74%	3,406,178	2,125,428	60%
Cost of sales	(707,335)	(504,891)	40%	(1,292,924)	(959,295)	35%
<b>Gross profit</b>	<b>1,294,727</b>	<b>646,927</b>	<b>100%</b>	<b>2,113,254</b>	<b>1,166,133</b>	<b>81%</b>
Other Income	3,940	34,046	-88%	38,166	69,609	-45%
Gain/(loss) on changes in fair value of biological assets	11,193	(3,767)	n/a	11,193	(3,767)	n/a
Administrative expenses	(73,399)	(71,422)	3%	(142,467)	(129,668)	10%
<b>Operating profits</b>	<b>1,236,461</b>	<b>605,784</b>	<b>104%</b>	<b>2,020,146</b>	<b>1,102,307</b>	<b>83%</b>
Finance Income	10,960	4,372	151%	15,813	9,958	59%
Finance Costs	(16,477)	(30,870)	-47%	(34,591)	(66,418)	-48%
<b>Net Finance Income/(Costs)</b>	<b>(5,517)</b>	<b>(26,498)</b>	<b>-79%</b>	<b>(18,778)</b>	<b>(56,460)</b>	<b>-67%</b>
Profit before income tax	1,230,944	579,286	112%	2,001,368	1,045,847	91%
Income tax expenses	(66,003)	(68,075)	-3%	(112,680)	(128,347)	-12%
<b>Profit for the period</b>	<b>1,164,941</b>	<b>511,211</b>	<b>128%</b>	<b>1,888,688</b>	<b>917,500</b>	<b>106%</b>
<b>Profit is attributable to:</b>						
Equity holders of the parent	1,163,342	511,211		1,886,036	917,500	
Non-controlling interests	1,599	-		2,652	-	
	<b>1,164,941</b>	<b>511,211</b>		<b>1,888,688</b>	<b>917,500</b>	
Basic earning per share (LKR)	5.73	2.51		9.29	4.51	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	1,164,941	511,211	128%	1,888,688	917,500	106%
Other comprehensive income	-	-		-	-	
<b>Total comprehensive income for the period</b>	<b>1,164,941</b>	<b>511,211</b>	<b>128%</b>	<b>1,888,688</b>	<b>917,500</b>	<b>106%</b>
<b>Total comprehensive income attributable to</b>						
Equity holders of the parent	1,163,342	511,211		1,886,036	917,500	
Non-controlling interests	1,599	-		2,652	-	
<b>Total comprehensive income for the period</b>	<b>1,164,941</b>	<b>511,211</b>		<b>1,888,688</b>	<b>917,500</b>	

## Condensed Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 30 September			Six months ended 30 September		
	2021	2020	Change	2021	2020	Change
<b>Revenue</b>	1,833,558	977,060	88%	3,072,339	1,813,719	69%
Cost of sales	(567,553)	(361,050)	57%	(996,337)	(682,473)	46%
<b>Gross profit</b>	<b>1,266,005</b>	<b>616,010</b>	<b>106%</b>	<b>2,076,002</b>	<b>1,131,246</b>	<b>84%</b>
Other Income	(1,873)	21,809	n/a	12,266	43,988	-72%
Gain/(loss) on changes in fair value of biological assets	20,542	(6,349)	n/a	20,542	(6,349)	n/a
Administrative Expenses	(70,890)	(69,584)	2%	(137,090)	(126,218)	9%
<b>Operating profits</b>	<b>1,213,784</b>	<b>561,886</b>	<b>116%</b>	<b>1,971,720</b>	<b>1,042,667</b>	<b>89%</b>
Finance Income	10,189	8,165	25%	16,634	18,495	-10%
Finance Costs	(10,431)	(17,744)	-41%	(22,304)	(38,843)	-43%
<b>Net Finance Income/(Costs)</b>	<b>(242)</b>	<b>(9,579)</b>	<b>-97%</b>	<b>(5,670)</b>	<b>(20,348)</b>	<b>-72%</b>
<b>Profit before income tax</b>	<b>1,213,542</b>	<b>552,307</b>	<b>120%</b>	<b>1,966,050</b>	<b>1,022,319</b>	<b>92%</b>
Income tax expenses	(63,003)	(68,075)	-7%	(109,680)	(128,347)	-15%
<b>Profit for the period</b>	<b>1,150,539</b>	<b>484,232</b>	<b>138%</b>	<b>1,856,370</b>	<b>893,972</b>	<b>108%</b>
Basic earning per share (LKR)	5.66	2.38		9.13	4.40	
<b>Consolidated Statement of other Comprehensive Income</b>						
Profit for the period	1,150,539	484,232	138%	1,856,370	893,972	108%
Other comprehensive income	-	-		-	-	-
<b>Total comprehensive income for the period</b>	<b>1,150,539</b>	<b>484,232</b>	<b>138%</b>	<b>1,856,370</b>	<b>893,972</b>	<b>108%</b>
<b>Total comprehensive income attributable to</b>						
Equity holders of the parent	1,150,539	484,232	138%	1,856,370	893,972	108%
<b>Total comprehensive income for the period</b>	<b>1,150,539</b>	<b>484,232</b>	<b>138%</b>	<b>1,856,370</b>	<b>893,972</b>	<b>108%</b>

**Condensed Statement of Financial Position**


(all amounts in Sri Lankan Rupees thousands)

As at	Group		Company	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
<b>Assets</b>				
<b>Non-current assets</b>				
Rights to use of assets	241,662	238,853	234,610	231,162
Property, plant and equipment	2,266,973	2,109,979	858,032	702,205
Intangible assets	15,743	19,230	12,188	15,091
Bearer biological assets	2,692,687	2,709,996	2,615,416	2,619,454
Biological assets-Consumable	32,456	32,857	-	-
Biological assets -Livestock	762,161	749,339	-	-
Investment fund	98,847	357,153	98,847	357,153
Investment in subsidiaries	-	-	2,163,390	1,867,390
<b>Total non-current assets</b>	<b>6,110,529</b>	<b>6,217,407</b>	<b>5,982,483</b>	<b>5,792,455</b>
<b>Current assets</b>				
Inventories	225,221	111,270	172,064	71,301
Biological assets-produce on bearer plants	72,495	52,688	72,495	51,953
Current tax assets	15,267	15,267	15,267	15,267
Trade and other receivables	354,286	292,304	240,418	258,687
Loan given to related Company	-	-	-	262,000
Amount due from related Companies	145,444	486	145,331	37,870
Cash and cash equivalents	1,887,044	417,297	1,692,372	398,736
<b>Total current assets</b>	<b>2,699,757</b>	<b>889,312</b>	<b>2,337,947</b>	<b>1,095,814</b>
<b>Total assets</b>	<b>8,810,286</b>	<b>7,106,719</b>	<b>8,320,430</b>	<b>6,888,269</b>
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Stated capital	511,848	511,848	511,848	511,848
Retained earnings	5,943,275	4,550,561	6,216,945	4,970,501
Equity attributable to owners of the company	6,455,123	5,062,409	6,728,793	5,482,349
Non controlling interest	241,988	-	-	-
<b>Total equity</b>	<b>6,697,111</b>	<b>5,062,409</b>	<b>6,728,793</b>	<b>5,482,349</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing borrowings	272,083	372,561	-	45,500
Lease liabilities	255,151	248,186	254,732	247,138
Retirement benefit obligations	269,239	271,507	238,861	240,086
Deferred income and capital grants	66,719	91,996	42,621	43,799
Deferred tax liability	458,554	431,554	406,825	382,825
<b>Total non-current liabilities</b>	<b>1,321,746</b>	<b>1,415,804</b>	<b>943,039</b>	<b>959,348</b>
<b>Current liabilities</b>				
Interest bearing borrowings	213,104	225,119	103,000	115,000
Lease liabilities	2,457	2,108	1,315	1,102
Trade and other payables	479,919	366,266	439,735	321,128
Amount due to related Company	133	-	8,819	-
Current tax liabilities	85,680	-	85,680	-
Bank overdrafts	10,136	35,013	10,049	9,342
<b>Total current liabilities</b>	<b>791,429</b>	<b>628,506</b>	<b>648,598</b>	<b>446,572</b>
<b>Total liabilities</b>	<b>2,113,175</b>	<b>2,044,310</b>	<b>1,591,637</b>	<b>1,405,920</b>
<b>Total equity and liabilities</b>	<b>8,810,286</b>	<b>7,106,719</b>	<b>8,320,430</b>	<b>6,888,269</b>
<b>Net assets per share</b>	<b>32.94</b>	<b>24.90</b>	<b>33.10</b>	<b>26.97</b>

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

  
**Eranda Kapukotuwa**  
 Senior 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.

  
**V Govindasamy**  
 Director  
 10 November 2021  
 Colombo

  
**Sunil G Wijesinha**  
 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 as at 1 April 2020	511,848	4,086,294	4,598,142	-	4,598,142
Profit for the period	-	917,500	917,500	-	917,500
<b>Total comprehensive income for the period</b>	-	<b>917,500</b>	<b>917,500</b>	-	<b>917,500</b>
Final dividend paid for the period ended 31 March 2020	-	(609,926)	(609,926)	-	(609,926)
<b>Total transactions with owners</b>	-	<b>(609,926)</b>	<b>(609,926)</b>	-	<b>(609,926)</b>
<b>Balance as at 30 September 2020</b>	<b>511,848</b>	<b>4,393,868</b>	<b>4,905,716</b>	-	<b>4,905,716</b>
Profit for the period	-	745,336	745,336	-	745,336
Actuarial gain on retirement benefit obligations	-	25,164	25,164	-	25,164
Deferred tax on actuarial gain on retirement benefit obligations	-	(3,881)	(3,881)	-	(3,881)
<b>Total comprehensive income for the period</b>	-	<b>766,619</b>	<b>766,619</b>	-	<b>766,619</b>
Dividend paid	-	(609,926)	(609,926)	-	(609,926)
<b>Total transactions with owners</b>	-	<b>(609,926)</b>	<b>(609,926)</b>	-	<b>(609,926)</b>
<b>Balance as at 31 March 2021</b>	<b>511,848</b>	<b>4,550,561</b>	<b>5,062,409</b>	-	<b>5,062,409</b>
Balance as at 1 April 2021	511,848	4,550,561	5,062,409	-	5,062,409
Profit for the period	-	1,886,036	1,886,036	2,652	1,888,688
<b>Total comprehensive income for the period</b>	-	<b>1,886,036</b>	<b>1,886,036</b>	<b>2,652</b>	<b>1,888,688</b>
<b>Transactions with owners of the Company, recognised directly in equity</b>					
Share issuing cost	-	(39,665)	(39,665)	-	(39,665)
Transactions with non-controlling interests	-	156,269	156,269	239,336	395,605
Final dividend paid for the year ended 31 March 2021	-	(609,926)	(609,926)	-	(609,926)
<b>Total transactions with owners</b>	-	<b>(493,322)</b>	<b>(493,322)</b>	<b>239,336</b>	<b>(253,986)</b>
<b>Balance as at 30 September 2021</b>	<b>511,848</b>	<b>5,943,275</b>	<b>6,455,123</b>	<b>241,988</b>	<b>6,697,111</b>

## Condensed Statement of changes in equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total equity
Balance as at 1 April 2020	511,848	4,516,370	5,028,218
Net profit for the period	-	893,972	893,972
Total comprehensive income for the period	-	893,972	893,972
<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)
Total transactions with owners	-	(609,926)	(609,926)
Balance as at 30 September 2020	511,848	4,800,416	5,312,264
Profit for the period	-	763,501	763,501
Actuarial gain on retirement benefit obligations	-	19,198	19,198
Deferred tax on actuarial gain on retirement benefit obligations	-	(2,688)	(2,688)
Total comprehensive income for the period	-	780,011	780,011
Interim dividend paid for the year ended 31 March 2021	-	(609,926)	(609,926)
Total transactions with owners	-	(609,926)	(609,926)
Balance as at 31 March 2021	511,848	4,970,501	5,482,349
Balance as at 1 April 2021	511,848	4,970,501	5,482,349
Profit for the period	-	1,856,370	1,856,370
Total comprehensive income for the period	-	1,856,370	1,856,370
<b>Transactions with owners of the Company, recognised directly in equity</b>			
Final dividend paid for the year ended 31 March 2021	-	(609,926)	(609,926)
Total transactions with owners	-	(609,926)	(609,926)
Balance as at 30 September 2021	511,848	6,216,945	6,728,793

## Condensed Consolidated Statement of cash flows

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	period ended '30 September		period ended '30 September	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before taxation	2,001,368	1,045,847	1,966,050	1,022,319
<b>Adjustments for:</b>				
Depreciation & amortisation	184,117	161,050	132,851	113,216
Provision for retirement benefit obligations	14,457	13,503	12,408	10,482
Profit on sale of property, plant and equipment	-	(11,905)	-	(10,985)
Write off of oil palm nurseries	-	8,000	-	8,000
Gain on fair valuation of consumable biological assets	(72)	-	-	-
Loss/(Profit) on Liquidation of subsidiary	-	-	-	(416)
Loss/(Gain) on fair valuation of livestock	9,422	(2,582)	-	-
Income from investment fund	(20,129)	(4,722)	(15,825)	(4,722)
Amortisation of capital grants	(25,277)	(25,277)	(1,178)	(1,179)
Net finance cost	18,778	56,461	5,670	20,348
<b>Profit before working capital changes</b>	<b>2,182,664</b>	<b>1,240,375</b>	<b>2,099,976</b>	<b>1,157,063</b>
<b>Changes in working capital</b>				
- Inventories	(113,951)	31,944	(100,763)	35,518
- Biological assets-produce on bearer plants	(19,807)	6,349	(20,542)	6,349
- Trade and other receivables	(61,982)	441	18,269	1,156
- Loan from Related parties	-	-	-	4,195
- Amount due to Related companies	133	(321)	8,819	(321)
- Amount due from Related companies	(144,958)	43,895	(141,461)	42,156
- Trade and other payables	113,653	22,929	118,607	4,609
<b>Cash generated from operations</b>	<b>1,955,752</b>	<b>1,345,612</b>	<b>1,982,905</b>	<b>1,250,725</b>
Interest paid	(16,128)	(47,969)	(3,841)	(20,905)
Interest received	15,813	9,958	16,634	18,495
Income Tax paid	-	(83,843)	-	(83,843)
Retirement benefit obligations paid	(16,725)	(16,160)	(13,633)	(14,450)
	(17,040)	(138,014)	(840)	(100,703)
<b>Net cash generated from operating activities</b>	<b>1,938,712</b>	<b>1,207,598</b>	<b>1,982,065</b>	<b>1,150,022</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(241,565)	(35,868)	(200,204)	(28,584)
Additions to Bearer biological assets	(73,122)	(60,139)	(76,541)	(60,139)
Proceeds from sale of property, plant and equipment	-	38,647	-	37,727
Proceed from Disposal of biological assets	9,586	2,340	-	-
Proceeds from liquidation of subsidiary	-	-	-	1,268
Addition to livestock	(31,355)	(32,454)	-	-
<b>Net cash used in investing activities</b>	<b>(336,456)</b>	<b>(87,474)</b>	<b>(276,745)</b>	<b>(49,728)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(609,926)	(609,926)	(609,926)	(609,926)
Proceeds from issue of shares	395,605	-	-	-
Share issuing cost	(39,665)	-	-	-
Investment made through investment fund	(200,000)	(150,000)	(200,000)	(150,000)
Withdrawals made through investment fund	478,436	118,536	474,132	118,536
Proceeds from borrowings	-	247,887	-	218,000
Repayment of borrowings	(112,493)	(260,298)	(57,500)	(260,298)
Repayment of lease principal	(19,589)	(20,203)	(19,097)	(18,469)
<b>Net cash used in financing activities</b>	<b>(107,632)</b>	<b>(674,004)</b>	<b>(412,391)</b>	<b>(702,157)</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>1,494,624</b>	<b>446,120</b>	<b>1,292,929</b>	<b>398,137</b>
<b>Movement in cash and cash equivalents</b>				
At the beginning of year	382,284	(25,419)	389,394	87,349
(Decrease) / Increase for the period	1,494,624	446,120	1,292,929	398,137
<b>At end of period</b>	<b>1,876,908</b>	<b>420,701</b>	<b>1,682,323</b>	<b>485,486</b>
Cash & cash equivalents	1,887,044	487,412	1,692,372	485,486
Bank overdrafts	(10,136)	(66,711)	(10,049)	-
<b>At end of period</b>	<b>1,876,908</b>	<b>420,701</b>	<b>1,682,323</b>	<b>485,486</b>



## Segmental Analysis - Group

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

Six months ended 30 September	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	3,072,339	1,813,719	334,522	312,574	-	-	(683)	(865)	3,406,178	2,125,428
Cost of sales	(996,337)	(682,473)	(319,288)	(277,687)	-	-	22,701	865	(1,292,924)	(959,295)
Gross profit/(loss)	2,076,002	1,131,246	15,234	34,887	-	-	22,018	-	2,113,254	1,166,133
Other operating income	-	-	38,569	35,937	32,808	30,355	(22,018)	(450)	49,359	65,842
Administrative expenses	(137,090)	(126,218)	(5,377)	(3,450)	-	-	-	-	(142,467)	(129,668)
Operating profit/(loss)	1,938,912	1,005,028	48,426	67,374	32,808	30,355	-	(450)	2,020,146	1,102,307
Net finance expenses	(5,670)	(20,348)	(13,108)	(36,112)	-	-	-	-	(18,778)	(56,460)
Profit/(Loss) before tax	1,933,242	984,680	35,318	31,262	32,808	30,355	-	(450)	2,001,368	1,045,847
Tax expenses	(105,087)	(123,078)	(3,000)	-	(4,593)	(5,269)	-	-	(112,680)	(128,347)
Net profit / (loss)	1,828,155	861,602	32,318	31,262	28,215	25,086	-	(450)	1,888,688	917,500

## Segmental Analysis - Company

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

Six months ended 30 September	Palm Oil		Others		Total	
	2021	2020	2021	2020	2021	2020
Revenue	3,072,339	1,813,719	-	-	3,072,339	1,813,719
Cost of sales	(996,337)	(682,473)	-	-	(996,337)	(682,473)
Gross profit/(loss)	2,076,002	1,131,246	-	-	2,076,002	1,131,246
Other operating income	-	-	32,808	37,639	32,808	37,639
Administrative expenses	(137,090)	(126,218)	-	-	(137,090)	(126,218)
Operating profit/(loss)	1,938,912	1,005,028	32,808	37,639	1,971,720	1,042,667
Net finance expenses	(5,670)	(20,348)	-	-	(5,670)	(20,348)
Profit/(Loss) before tax	1,933,242	984,680	32,808	37,639	1,966,050	1,022,319
Tax expenses	(105,087)	(123,078)	(4,593)	(5,269)	(109,680)	(128,347)
Net profit / (loss)	1,828,155	861,602	28,215	32,370	1,856,370	893,972

## Segmental Analysis - Group

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

Quarter ended 30 September	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	1,833,558	977,060	168,932	175,125	-	-	(428)	(367)	2,002,062	1,151,818
Cost of sales	(567,553)	(361,050)	(161,658)	(144,208)	-	-	21,876	367	(707,335)	(504,891)
Gross profit/(loss)	1,266,005	616,010	7,274	30,917	-	-	21,448	-	1,294,727	646,927
Other operating income	-	-	17,912	20,071	18,669	10,658	(21,448)	(450)	15,133	30,279
Administrative expenses	(70,890)	(69,584)	(2,509)	(1,838)	-	-	-	-	(73,399)	(71,422)
Operating profit/(loss)	1,195,115	546,426	22,677	49,150	18,669	10,658	-	(450)	1,236,461	605,784
Net finance expenses	(242)	(9,579)	(5,275)	(16,919)	-	-	-	-	(5,517)	(26,498)
Profit/(Loss) before tax	1,194,873	536,847	17,402	32,231	18,669	10,658	-	(450)	1,230,944	579,286
Tax expenses	(59,227)	(65,912)	(3,000)	-	(3,776)	(2,163)	-	-	(66,003)	(68,075)
Net profit / (loss)	1,135,646	470,935	14,402	32,231	14,893	8,495	-	(450)	1,164,941	511,211

## Segmental Analysis - Company

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

Three months ended 30 September	Palm Oil		Others		Total	
	2021	2020	2021	2020	2021	2020
Revenue	1,833,558	977,060	-	-	1,833,558	977,060
Cost of sales	(567,553)	(361,050)	-	-	(567,553)	(361,050)
Gross profit/(loss)	1,266,005	616,010	-	-	1,266,005	616,010
Other operating income	-	-	18,669	15,460	18,669	15,460
Administrative expenses	(70,890)	(69,584)	-	-	(70,890)	(69,584)
Operating profit/(loss)	1,195,115	546,426	18,669	15,460	1,213,784	561,886
Net finance expenses	(242)	(9,579)	-	-	(242)	(9,579)
Profit/(Loss) before tax	1,194,873	536,847	18,669	15,460	1,213,542	552,307
Tax expenses	(59,227)	(65,912)	(3,776)	(2,163)	(63,003)	(68,075)
Net profit / (loss)	1,135,646	470,935	14,893	13,297	1,150,539	484,232

## 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 30 September 2021 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 30 September 2021 were authorised to be published by the Board of Directors on 10 November 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 2020/21, 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 2021.

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.

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

Group - As at 30 September 2021 'Rs. '000	Classification	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	98,847	-	98,847	-	98,847
	-	98,847	-	98,847	-	98,847
<b>Financial assets not measured at fair value</b>						
Trade and other receivables	Amortised cost	354,286	-	-	354,286	354,286
Amounts due from related Companies	Amortised cost	145,444	-	-	145,444	145,444
Cash at banks and in hand	Amortised cost	1,887,044	-	1,887,044	-	1,887,044
	-	2,386,774	-	1,887,044	499,730	2,386,774
<b>Total financial assets</b>	-	2,485,621	-	1,985,891	499,730	2,485,621
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	485,187	-	485,187	-	485,187
Trade and other payables	Other financial liabilities	479,919	-	-	479,919	479,919
Amount due to related Company	Other financial liabilities	133	-	-	133	133
Lease liabilities	Other financial liabilities	257,608	-	-	257,608	257,608
Bank overdrafts	Other financial liabilities	10,136	-	10,136	-	10,136
	-	1,232,983	-	495,323	737,660	1,232,983
<b>Total financial liabilities</b>	-	1,232,983	-	495,323	737,660	1,232,983

Group - As at 31 March 2021	Classification	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	357,153	-	357,153	-	357,153
	-	357,153	-	357,153	-	357,153
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	292,304	-	-	292,304	292,304
Amounts due from related Companies	Amortised cost	486	-	-	486	486
Cash at banks and in hand	Amortised cost	417,297	-	417,297	-	417,297
	-	710,087	-	417,297	292,790	710,087
<b>Total financial assets</b>	-	1,067,240	-	774,450	292,790	1,067,240
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	597,680	-	597,680	-	597,680
Trade and other payables	Other financial liabilities	366,266	-	-	366,266	366,266
Lease liabilities	Other financial liabilities	250,294	-	-	250,294	250,294
Bank overdrafts	Other financial liabilities	35,013	-	35,013	-	35,013
<b>Total financial liabilities</b>	-	1,249,253	-	632,693	616,560	1,249,253

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

Company - As at 30 September 2021	Classification	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	98,847	-	98,847	-	98,847
		-	-	98,847	-	98,847
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	240,418	-	-	240,418	240,418
Amounts due from related Companies	Amortised cost	145,331	-	-	145,331	145,331
Cash at banks and in hand	Amortised cost	1,692,372	-	1,692,372	-	1,692,372
		-	-	1,692,372	385,749	2,078,121
<b>Total financial assets</b>		<b>- 2,176,968</b>	<b>-</b>	<b>1,791,219</b>	<b>385,749</b>	<b>2,176,968</b>
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	103,000	-	103,000	-	103,000
Trade and other payables	Other financial liabilities	439,735	-	-	439,735	439,735
Lease liabilities	Other financial liabilities	256,047	-	-	256,047	256,047
Current tax liabilities	Other financial liabilities	85,680	-	-	85,680	85,680
Bank overdrafts	Other financial liabilities	10,049	-	10,049	-	10,049
		-	-	113,049	781,462	894,511
<b>Total financial liabilities</b>		<b>- 894,511</b>	<b>-</b>	<b>113,049</b>	<b>781,462</b>	<b>894,511</b>

Group - As at 31 March 2021	Classification	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>						
Investment fund	Fair value through Profit or loss	357,153	-	357,153	-	357,153
		-	-	357,153	-	357,153
<b>Financial assets not measured at fair value</b>						
Trade and Other receivables	Amortised cost	258,687	-	-	258,687	258,687
Loans given to related Company	Amortised cost	262,000	-	-	262,000	262,000
Amounts due from related Companies	Amortised cost	37,870	-	-	37,870	37,870
Cash at banks and in hand	Amortised cost	398,736	-	398,736	-	398,736
		-	-	398,736	558,557	957,293
<b>Total financial assets</b>		<b>- 1,314,446</b>	<b>-</b>	<b>755,889</b>	<b>558,557</b>	<b>1,314,446</b>
<b>Financial liabilities not measured at fair value</b>						
Interest bearing borrowings	Other financial liabilities	160,500	-	160,500	-	160,500
Lease liabilities	Other financial liabilities	248,240	-	-	248,240	248,240
Trade and other payables	Other financial liabilities	321,128	-	-	321,128	321,128
Bank overdrafts	Other financial liabilities	9,342	-	9,342	-	9,342
		-	-	169,842	569,368	739,210
<b>Total financial liabilities</b>		<b>- 739,210</b>	<b>-</b>	<b>169,842</b>	<b>569,368</b>	<b>739,210</b>

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 30 September 2021

### 1 Public Shareholdings

	As at 30.09.2021	As at 31.03.2021
The percentage of shares held by the public	25.76	25.76
Number of Shareholders representing public shareholding	15,707	15,463

	Requirement by CSE	As as 30 September 2021	Requirement by CSE	As as 31 March 2021
Option [Listing rule 7.13.1 (a)]	4	4	4	4
Float adjusted market capitalization	Above LKR 2.5Bn	LKR 2.94Bn	Above LKR 2.5Bn	LKR 2.99Bn
The percentage of shares held by the public	10%	25.76%	10%	25.76%
Number of shareholders representing public holding	500	15,707	500	15,463

### 2 Directors' Shareholding as at 30 September 2021

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

	As at 30.09.2021	As at 31.03.2021
S G Wijesinha (Chairman)	1	1
G Sathasivam (Alternate: S. G. Sathasivam)	Nil	Nil
V Govindasamy	Nil	Nil
A N Fernando (Retired w.e.f. 25 June 2021)	n/a	1
N B Weerasekera	Nil	Nil
S Mawzoon	Nil	Nil
H D Abeywickrama	Nil	Nil
M R Rao	Nil	Nil
K H Kuok (Alternate: M T Siddique)	Nil	Nil
A R Rasiah (Appointed w.e.f. 25 June 2021)	Nil	Nil

### 3 Chief Executive Officers' Shareholding as at 30 September 2021

	As at 30.09.2021	As at 31.03.2021
Binesh Pananwala	Nil	Nil

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

Name	30th September 2021		31 st March 2021	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
Sunshine Wilmar (Private) Limited	150,937,043	74.24	150,937,043	74.24
Seylan Bank PLC/ DR.T.Senthilverl Holdings (Pvt) Ltd.	9,602,866	4.72	9,930,000	4.88
Sampath Bank PLC/ DR.T.Senthilverl	8,972,370	4.41	9,592,412	4.72
K.C. Vignarajah	2,458,142	1.21	2,415,529	1.19
Vyjayanthi & Company Limited	1,011,674	0.50	1,011,674	0.50
Deustche Bank AG Singapore A/C 02	948,480	0.47	948,480	0.47
T.T.T.AL-Nakib	700,000	0.34	700,000	0.34
W.D.N.H. Perera	589,017	0.29	-	-
N. Muljie	559,354	0.28	559,354	0.28
M.Z.H.Hashim	523,513	0.26	490,250	0.24
Perera and Son's bakers Pvt Limited	500,000	0.25	-	-
J. B. Cocoshell (Pvt) Ltd	466,340	0.23	466,340	0.23
D.F.G.Dalpethado	441,080	0.22	-	-
M.I. Abdul Hameed	354,085	0.17	354,085	0.17
Cocoshell Activated Carbon Company (Private) Limited	287,694	0.14	282,694	0.14
S. Vignarajah	262,000	0.13	262,000	0.13
Union Investments Private LTD	220,881	0.11	220,881	0.11
Best real Investment Co Services (Private) Limited	167,333	0.08	-	-
M.N.Aththas	166,225	0.08	-	-
C M Holdings PLC	143,320	0.07	-	-
Seylan Bank PLC/ ARRC Capital (Pvt) Ltd	142,183	0.07	569,005	0.28
F.F. Haniffa	133,373	0.07	611,042	0.30
<b>Sub Total</b>	<b>179,586,973</b>	<b>88.33</b>	<b>179,350,789</b>	<b>88.22</b>
<b>Other Shareholders</b>	<b>23,721,661</b>	<b>11.67</b>	<b>23,957,845</b>	<b>11.78</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 30.09.2021	As at 31.03.2021
Ordinary Shares	203,308,633	203,308,633
Golden Share	1	1
Total Shares	203,308,634	203,308,634

#### 6 Market Price & Trading Informations

	As at 30.09.2021	As at 31.03.2021
Highest during the period(LKR)	60.00	65.60
Lowest during the period(LKR)	50.00	49.00
Closing price (LKR)	56.20	57.10

	Quarter ended 30 Sep 2021	Quarter ended 31 Mar 2021
No. of Transactions	3,882	2,945
No. of shares traded	5,081,402	3,406,250
Value of Shares Traded(LKR)	279,157,938	202,389,537

## 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 (Retired w.e.f. 25 June 2021)

N B Weerasekera

M S Mawzoon

H D Abeywickrama

M R Rao (Alternate: T K Kanan)

K H Kuok (Alternate : M T Siddique)

A R Rasiah (Appointed w.e.f. 25 June 2021)

**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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