

# Interim Financial Statements

Quarter Ended December 31, 2018

Watawala Plantations PLC



## Managing Director's Message

### **Dear Shareholder,**

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

Watawala Plantations PLC reported a profit after tax(PAT) of LKR 818 Mn for the nine months ended 31 December 2018. The Company achieved a PAT of LKR 263 Mn in the third quarter(Q3) compared to the same period last year PAT of LKR 239 Mn. The increase in the production volumes and the selling prices propelled the profitability when compared to the last year. Despite the volatility in the Global palm oil prices, WATA managed to maintain the selling prices as a result of signing of the forward contracts with buyers. The net assets per share increased to LKR 21.00 from LKR 17.18 reported as at 31 March 2018.

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

The quarterly performances showed a continuous improvements, as the milk volume, prices and revenue increased significantly. The reported losses were lowered in comparison to the budget and the start-up losses which are well within the budgetary parameters, are regularly monitored and controlled by the company. The increased milk production from the cattle adding to the second lactation in the herd and the first lactation of 246 cattle imported from Australia in May 2018 mainly accounted for the volume increase.

#### **Outlook**

The volatility in the global oil palm market will remain and the strengthening of the US Dollar against Lankan Rupee will have mixed consequences for the industry. The Roundtable on Sustainable Palm Oil(RSPO) certification is expected in 2019, and would vouch the commitments towards the sustainable oil palm business in the country. The dairy segment will further consolidate its operations with more focus on rationalizing feed costs with the milk yields.

The collective agreement was entered into between the Regional Plantation Companies (RPCs) and the trade unions on 28th January 2019 increasing daily basic wage to LKR 700 and the Price Share Supplement (PSS) to LKR 50, thereby the total daily wage to LKR 855. The agreement is valid for 2 year period commencing 28th January 2019.



Vish Govindasamy  
Managing Director  
11 February 2019

## Statement of Financial Position

As at	GROUP		COMPANY	
	31.12.2018	31.03.2018	31.12.2018	31.03.2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Right to use of land	77,978	80,079	71,578	73,619
Immovable estate assets on finance lease (Other than land)	26,490	30,140	22,439	26,090
Property, plant and equipment	2,161,327	2,072,077	625,760	634,031
Bearer Plant	2,579,806	2,460,188	2,452,370	2,333,817
Biological assets - Consumable	37,960	37,966	-	-
Biological assets - livestock	696,573	539,602	-	-
Investment fund	307,325	288,595	307,325	288,595
Investment in Debentures	-	-	172,195	-
Investment in subsidiaries	-	-	627,352	627,352
<b>Total non-current assets</b>	<b>5,887,459</b>	<b>5,508,647</b>	<b>4,279,019</b>	<b>3,983,504</b>
<b>Current assets</b>				
Inventories	165,215	291,830	114,655	191,788
Biological assets-produce on bearer plants	36,983	29,143	36,373	28,730
Trade and other receivables	441,533	401,516	409,382	337,707
Amounts due from Related parties	38,527	-	205,430	10,000
Cash and cash equivalent	356,504	180,264	345,766	147,834
<b>Total current assets</b>	<b>1,038,762</b>	<b>902,753</b>	<b>1,111,606</b>	<b>716,059</b>
<b>Total assets</b>	<b>6,926,221</b>	<b>6,411,400</b>	<b>5,390,625</b>	<b>4,699,563</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital	460,000	460,000	460,000	460,000
Retained earnings	3,572,107	2,911,785	3,760,401	2,992,979
	4,032,107	3,371,785	4,220,401	3,452,979
Non controlling interest	225,855	262,971	-	-
<b>Total equity</b>	<b>4,257,962</b>	<b>3,634,756</b>	<b>4,220,401</b>	<b>3,452,979</b>
<b>Non-current liabilities</b>				
Interest bearing Borrowings	1,088,436	1,305,797	73,837	97,936
Leases Liability to - SLSPC and JEDB	123,656	125,790	123,656	125,790
Retirement benefit obligations	191,080	193,981	168,403	171,130
Deferred income and capital grants	206,299	243,659	49,659	50,872
Deferred tax liability	399,799	354,763	399,799	354,798
<b>Total non-current liabilities</b>	<b>2,009,270</b>	<b>2,223,990</b>	<b>815,354</b>	<b>800,526</b>
<b>Current liabilities</b>				
Interest bearing Borrowings	245,255	70,211	32,724	33,230
Lease liability to - SLSPC and JEDB	2,911	2,799	2,911	2,799
Trade and other payables	373,724	439,008	282,029	369,911
Current tax liability	37,099	40,636	37,206	40,118
<b>Total current liability</b>	<b>658,989</b>	<b>552,654</b>	<b>354,870</b>	<b>446,058</b>
<b>Total liabilities</b>	<b>2,668,259</b>	<b>2,776,644</b>	<b>1,170,224</b>	<b>1,246,584</b>
<b>Total equity and liabilities</b>	<b>6,926,221</b>	<b>6,411,400</b>	<b>5,390,625</b>	<b>4,699,563</b>
Net assets per share (LKR)	20.06	16.78	21.00	17.18

It is Certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

  
Senior Finance Manager

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

  
Managing Director  
11 February 2019

  
Director

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

# Income Statement

## Group

	Quarter ended 31 December			Nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
<b>Revenue</b>	781,570	615,954	27	2,321,914	4,382,366	(47)
Cost of sales	(484,548)	(378,288)	(28)	(1,366,155)	(3,236,523)	(58)
<b>Gross profit</b>	<b>297,022</b>	<b>237,666</b>	<b>25</b>	<b>955,759</b>	<b>1,145,843</b>	<b>(17)</b>
Other operating income	33,423	39,443	(15)	100,205	104,775	(4)
Administrative expenses	(48,064)	(42,834)	(12)	(145,433)	(273,500)	(47)
<b>Profit from operations</b>	<b>282,381</b>	<b>234,275</b>	<b>21</b>	<b>910,531</b>	<b>977,118</b>	<b>(7)</b>
Finance cost	(33,053)	(14,253)	(132)	(78,822)	(78,168)	1
Finance income	( 7,099)	27,101	(26)	6,738	82,618	(92)
<b>Net finance cost</b>	<b>(19,557)</b>	<b>12,848</b>	<b>(132)</b>	<b>(72,084)</b>	<b>4,450</b>	<b>(1,720)</b>
<b>Profit before income taxation</b>	<b>242,229</b>	<b>247,123</b>	<b>(2)</b>	<b>838,447</b>	<b>981,568</b>	<b>(15)</b>
Income tax expenses	(46,483)	(45,000)	(3)	(165,000)	(36,065)	358
<b>Profit/(loss) for the period</b>	<b>195,746</b>	<b>202,123</b>	<b>(3)</b>	<b>673,447</b>	<b>945,503</b>	<b>(29)</b>
Earning per share (LKR)	0.97	0.85		3.35	4.00	

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 Figures in brackets indicate deductions

## Statement of other Comprehensive Income Group

	Quarter ended 31 December			Nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
<b>Profit for the period</b>	195,746	202,123	(3)	673,447	945,503	(29)
Fair value adjustment of investment	-	-	-	-	-	-
<b>Items that may not be subsequently reclassified to profit or loss</b>						
Actuarial gain on gratuity	-	-	-	-	35,655	-
Tax on actuarial gain on gratuity	-	-	-	-	(3,380)	-
Total other comprehensive income for the period	-	-	-	-	32,275	-
<b>Total comprehensive income for the period</b>	<b>195,746</b>	<b>202,123</b>	<b>(3)</b>	<b>673,447</b>	<b>977,778</b>	<b>(29)</b>
<b>Total comprehensive income attributable to</b>						
Owners of the Company	210,742	214,612	(2)	710,563	1,004,797	(29)
Non-controlling interest	(14,996)	(12,489)	-	(37,116)	(27,019)	(37)
<b>Total comprehensive income for the period</b>	<b>195,746</b>	<b>202,123</b>	<b>(3)</b>	<b>673,447</b>	<b>977,778</b>	<b>(31)</b>

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# Income Statement Company

	Quarter ended 31 December			Nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
<b>Revenue</b>	635,746	554,928	15	1,954,009	4,254,413	(54)
Cost of sales	(304,071)	(282,126)	8	(887,280)	(3,027,525)	(71)
<b>Gross profit</b>	<b>331,675</b>	<b>272,802</b>	<b>22</b>	<b>1,066,729</b>	<b>1,226,888</b>	<b>(13)</b>
Other operating income	19,295	37,322	(48)	57,592	103,561	(44)
Administrative expenses	(46,834)	(41,552)	13	(140,669)	(271,101)	(48)
<b>Profit from operations</b>	<b>304,136</b>	<b>268,572</b>	<b>13</b>	<b>983,652</b>	<b>1,059,348</b>	<b>(7)</b>
Finance cost	(7,565)	(10,801)	(30)	(27,630)	(71,641)	(61)
Finance income	13,493	26,680	(49)	26,641	97,969	(73)
Net finance cost	5,928	15,879	(63)	(989)	26,328	(104)
<b>Profit before taxation</b>	<b>310,064</b>	<b>284,451</b>	<b>9</b>	<b>982,663</b>	<b>1,085,676</b>	<b>(9)</b>
Tax expenses	(46,483)	(45,000)	3	(165,000)	(38,565)	328
<b>Profit for the period</b>	<b>263,581</b>	<b>239,451</b>	<b>10</b>	<b>817,663</b>	<b>1,047,111</b>	<b>(22)</b>
Earning per share <b>(LKR)</b>	1.31	1.01		4.07	4.42	

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Figures in brackets indicate deductions

## Statement of other Comprehensive Income Company

	Quarter ended 31 December			Nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
<b>Profit for the period</b>	263,581	239,451	10	817,663	1,047,111	(22)
Fair value adjustment of investment	-	-	-	-	-	-
Items that may not be subsequently reclassified to profit or loss						
Actuarial gain on gratuity	-	-	-	-	33,803	-
Tax on actuarial gain on gratuity	-	-	-	-	(3,380)	-
Total other comprehensive income for the period	-	-	-	-	30,423	-
<b>Total comprehensive income for the period</b>	<b>263,581</b>	<b>239,451</b>	<b>10</b>	<b>817,663</b>	<b>1,077,534</b>	<b>(24)</b>
<b>Profit attributable to:</b>						
Equity holders of the company	263,581	239,451	10	817,663	1,077,534	(24)
<b>Total comprehensive income for the period</b>	<b>263,581</b>	<b>239,451</b>	<b>10</b>	<b>817,663</b>	<b>1,077,534</b>	<b>(24)</b>

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## Statement of Changes in Equity Group

	Stated capital	Retained earnings	Total	Non Controlling Interest	Total Equity
<b>Balance at 1 April 2017</b>	<b>460,000</b>	<b>5,298,935</b>	<b>5,758,935</b>	<b>291,200</b>	<b>6,050,135</b>
Net profit for the period	-	972,522	972,522	(27,019)	945,503
Actuarial gain / (loss) on gratuity	-	35,655	35,655	-	35,655
Tax on actuarial gain / (loss) on gratuity	-	(3,380)	(3,380)	-	(3,380)
<b>Total comprehensive income</b>	<b>-</b>	<b>1,004,797</b>	<b>1,004,797</b>	<b>(27,019)</b>	<b>977,778</b>
<b>Transactions with owners of the Company, recognized directly in equity</b>					
Final dividend paid for the year ended 31 March 2017	-	(201,167)	(201,167)	-	(201,167)
Assets vested with Hatton Plantations PLC	-	(1,856,198)	(1,856,198)	-	(1,856,198)
<b>Total transactions with owners</b>	<b>-</b>	<b>(2,057,365)</b>	<b>(2,057,365)</b>	<b>-</b>	<b>(2,057,365)</b>
<b>Balance at 31 December 2017</b>	<b>460,000</b>	<b>4,246,367</b>	<b>4,706,367</b>	<b>264,181</b>	<b>4,970,548</b>
Net profit for the period	-	(5,624)	(5,624)	(1,210)	(6,834)
<b>Total comprehensive income</b>	<b>-</b>	<b>(5,624)</b>	<b>(5,624)</b>	<b>(1,210)</b>	<b>(6,834)</b>
<b>Transactions with owners of the Company, recognized directly in equity</b>					
Interim dividend paid for the year ended 31 March 2018	-	(150,722)	(150,722)	-	(150,722)
Payment for Share Repurchased	-	(1,178,236)	(1,178,236)	-	(1,178,236)
<b>Total transactions with owners</b>	<b>-</b>	<b>(1,328,958)</b>	<b>(1,328,958)</b>	<b>-</b>	<b>(1,328,958)</b>
<b>Balance at 31 March 2018</b>	<b>460,000</b>	<b>2,911,785</b>	<b>3,371,785</b>	<b>262,971</b>	<b>3,634,756</b>
Balance at 1 April 2018	460,000	2,911,785	3,371,785	262,971	3,634,756
Net profit for the period	-	710,563	710,563	(37,116)	673,447
<b>Total comprehensive income</b>	<b>-</b>	<b>710,563</b>	<b>710,563</b>	<b>(37,116)</b>	<b>673,447</b>
<b>Transactions with owners of the Company, recognized directly in equity</b>					
Final dividend paid for the year ended 31 March 2018	-	(50,241)	(50,241)	-	(50,241)
<b>Balance as at 31 December 2018</b>	<b>460,000</b>	<b>3,572,107</b>	<b>4,032,107</b>	<b>225,855</b>	<b>4,257,962</b>

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



## Statement of Changes in Equity Company

	<b>Stated capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance at 1 April 2017</b>	<b>460,000</b>	<b>5,298,343</b>	<b>5,758,343</b>
Net profit for the period		1,047,111	1,047,111
Actuarial gain / (loss) on gratuity		33,803	33,803
Tax on actuarial gain / (loss) on gratuity		(3,380)	(3,380)
<b>Total comprehensive income</b>	<b>460,000</b>	<b>1,077,534</b>	<b>1,077,534</b>
Final dividend paid for the year ended 31 March 2017		(201,167)	(201,167)
Net assets vested with Hatton Plantations PLC		(1,856,198)	(1,856,198)
<b>Final dividend paid for the year ended 31 March 2017</b>		<b>(2,057,365)</b>	<b>(2,057,365)</b>
<b>Balance at 31 December 2017</b>	<b>460,000</b>	<b>4,318,512</b>	<b>4,778,512</b>
Net profit for the period		3,425	3,425
<b>Total comprehensive income</b>		<b>3,425</b>	<b>3,425</b>
<b>Transactions with owners of the Company, recognized directly in equity</b>			
Interim dividend paid for the year ended 31 March 2018		(150,722)	(150,722)
Payment for Share Repurchased		(1,178,236)	(1,178,236)
<b>Total transactions with owners</b>	<b>-</b>	<b>(1,328,958)</b>	<b>(1,328,958)</b>
<b>Balance at 31 March 2018</b>	<b>460,000</b>	<b>2,992,979</b>	<b>3,452,979</b>
Balance at 1 April 2018	460,000	2,992,979	3,452,979
Net profit for the period	-	817,663	817,663
Actuarial gain / (loss) on gratuity	-	-	-
Tax on actuarial gain / (loss) on gratuity	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>817,663</b>	<b>817,663</b>
Final dividend paid for the year ended 31 March 2018		(50,241)	(50,241)
<b>Balance as at 31 December 2018</b>	<b>460,000</b>	<b>3,760,401</b>	<b>4,220,401</b>

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## Statement of Cash Flows

Nine months ended 31 December	GROUP		COMPANY	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	838,447	981,568	982,663	1,085,676
<b>Adjustments for :</b>				
Depreciation & amortisation	190,225	255,579	125,853	215,007
Provision for retirement benefit obligations	13,406	82,073	11,933	80,617
Profit on sale of property, plant and equipment	(11,089)	(16,009)	(9,058)	(16,009)
Profit on sale of bearer plants	(22,973)	(23,838)	(22,973)	(23,838)
Gains on fair valuation unharvested crops	(7,840)	(8,237)	(7,642)	(8,237)
Dividend income	-	(22,230)	-	(22,230)
Income from investment	(18,730)	-	(18,730)	-
Amortisation of capital grants	(37,361)	(7,531)	(1,213)	(7,531)
Net finance cost	72,083	(4,450)	989	(26,328)
<b>Profit before working capital changes</b>	<b>1,016,168</b>	<b>1,236,925</b>	<b>1,061,822</b>	<b>1,277,127</b>
<b>Changes in working capital</b>				
- Inventories	126,615	(25,119)	77,133	33,974
- Trade and other receivables	(40,016)	(137,829)	(71,676)	(183,944)
- Amounts due from Related parties	(38,527)	112,842	(195,431)	77,842
- Biological assets - crop on bearer plants	-	(11,465)	-	(11,396)
- Amounts due to Related parties	-	(216,620)	-	(219,962)
- Trade and other payables	(65,282)	71,211	(87,880)	49,816
<b>Cash generated from operations</b>	<b>998,958</b>	<b>1,029,945</b>	<b>783,968</b>	<b>1,023,457</b>
<b>Cash flows from operating activities</b>				
Net finance cost	(72,083)	4,450	(989)	26,328
Tax paid	(123,501)	(263,167)	(122,912)	(259,417)
Retirement benefit obligations paid	(16,308)	(80,654)	(14,660)	(77,268)
	(211,892)	(339,371)	(138,561)	(310,357)
<b>Net cash generated from operating activities</b>	<b>787,066</b>	<b>690,574</b>	<b>645,407</b>	<b>713,100</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(211,804)	(772,532)	(35,336)	(115,313)
Additions to Bearer plants	(209,497)	(208,785)	(195,305)	(185,106)
Additions to Consumable biological assets	-	(32,425)	-	(32,425)
Additions to livestock	(156,971)	(118,794)	-	-
Proceeds from sale of bearer plants	22,973	58,776	22,973	58,776
Proceeds from sale of property, plant and equipment	39,057	33,362	9,257	33,362
Fund vested with HPL	-	(3,734)	-	(3,734)
Investment in Debentures	-	-	(172,195)	-
<b>Net cash used in investing activities</b>	<b>(516,242)</b>	<b>(1,026,768)</b>	<b>(370,606)</b>	<b>(227,076)</b>
<b>Cash flows from financing activities</b>				
Payment of dividend	(50,241)	(201,167)	(50,241)	(201,167)
Proceeds from bank borrowings	-	1,052,150	-	210,960
Repayment of bank borrowings	(99,922)	(120,325)	(25,422)	(85,325)
Repayment of lease principal	(3,285)	(14,910)	(2,022)	(14,656)
<b>Net cash from (used) in financing activities</b>	<b>(153,448)</b>	<b>715,748</b>	<b>(77,685)</b>	<b>(90,188)</b>
<b>Net increase /(decrease) in cash &amp; cash equivalent</b>	<b>117,376</b>	<b>379,554</b>	<b>197,116</b>	<b>395,836</b>
<b>Movement in cash and cash equivalents</b>				
At the beginning of the period	143,676	888,143	147,834	861,946
Increase/(decrease) for the period	117,376	379,554	197,116	395,836
<b>At end of period</b>	<b>261,052</b>	<b>1,267,697</b>	<b>344,950</b>	<b>1,257,782</b>
<b>Bank Overdraft</b>	<b>(95,452)</b>	<b>-</b>	<b>(816)</b>	<b>-</b>
<b>Cash and equivalents</b>	<b>356,504</b>	<b>1,267,697</b>	<b>345,766</b>	<b>1,257,782</b>
	<b>261,052</b>	<b>1,267,697</b>	<b>344,950</b>	<b>1,257,782</b>

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 Figures in brackets indicate deductions

## SEGMENTAL ANALYSIS - GROUP

	Palm Oil		Diary		Others		Inter Segment		Total	
	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017
<b>Nine months ended 31 December</b>										
Revenue	1,851,914	1,605,484	367,905	117,768	102,095	2,659,114	-	-	2,321,914	4,382,366
Cost of sales	(793,412)	(664,604)	(478,875)	(196,818)	(93,868)	(2,375,101)	-	-	(1,366,155)	(3,236,523)
Gross profit/(loss)	1,058,502	940,880	(110,970)	(79,050)	8,227	284,013	-	-	955,759	1,145,843
Other operating income	-	-	48,197	(1,464)	57,594	103,563	(5,586)	2,676	100,205	104,775
Administrative expenses	(136,634)	(131,352)	(4,246)	(2,294)	(4,034)	(139,907)	(519)	53	(145,433)	(273,500)
Management fees	-	-	-	-	-	-	-	-	-	-
<b>Profit/(Loss) from operations</b>	<b>921,868</b>	<b>809,528</b>	<b>(67,019)</b>	<b>(82,808)</b>	<b>61,787</b>	<b>247,669</b>	<b>(6,105)</b>	<b>2,729</b>	<b>910,531</b>	<b>977,118</b>
Net finance expenses	1,446	23,571	(49,900)	(6,538)	(2,440)	2,722	(21,189)	(15,305)	(72,084)	4,450
<b>Profit/(Loss) before taxation</b>	<b>923,314</b>	<b>833,099</b>	<b>(116,919)</b>	<b>(89,346)</b>	<b>59,347</b>	<b>250,391</b>	<b>(27,294)</b>	<b>(12,576)</b>	<b>838,447</b>	<b>981,568</b>
Tax expenses	(145,667)	(87,561)	-	2,500	(19,333)	51,496	-	-	(165,000)	(36,065)
<b>Net profit / (loss)</b>	<b>777,647</b>	<b>745,538</b>	<b>(116,919)</b>	<b>(86,846)</b>	<b>40,014</b>	<b>301,887</b>	<b>(27,294)</b>	<b>(12,576)</b>	<b>673,447</b>	<b>945,503</b>
Fair value adjustment of investment	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	-	3,962	-	1,853	-	31,693	-	-	-	35,655
Tax on actuarial gain/(loss) on gratuity	-	(396)	-	-	-	(2,984)	-	-	-	(3,380)
Total other comprehensive income/(loss)	-	3,566	-	1,853	-	28,709	-	-	-	32,275
<b>Total comprehensive income/(loss)</b>	<b>777,647</b>	<b>749,104</b>	<b>(116,919)</b>	<b>(84,993)</b>	<b>40,014</b>	<b>330,596</b>	<b>(27,294)</b>	<b>(12,576)</b>	<b>673,447</b>	<b>977,778</b>

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

## SEGMENTAL ANALYSIS - GROUP

	Palm Oil		Diary		Others		Inter Segment		Total	
	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017
<b>Three months ended 31 December</b>										
Revenue	622,464	462,795	145,824	60,984	13,282	92,175	-	-	781,570.00	615,954
Cost of sales	(293,122)	(194,179)	(180,477)	(96,129)	(10,949)	(87,980)	-	-	(484,548)	(378,288)
Gross profit/(loss)	329,342	268,616	(34,653)	(35,145)	2,333	4,195	-	-	297,022	237,666
Other operating income	-	-	14,128	2,119	19,295	37,324	-	-	33,423	39,443
Administrative expenses	(45,619)	(50,458)	(1,230)	(1,316)	(1,212)	8,932	(3)	8	(48,064)	(42,834)
Management fees	-	-	-	-	-	-	-	-	-	-
<b>Profit/(loss) from operations</b>	<b>283,723</b>	<b>218,158</b>	<b>(21,755)</b>	<b>(34,342)</b>	<b>20,416</b>	<b>50,451</b>	<b>(3)</b>	<b>8</b>	<b>282,381</b>	<b>234,275</b>
Net finance expenses	6,325	16,236	(25,485)	(4,947)	(396)	(395)	(20,596)	1,954	(40,152)	12,848
<b>Profit (Loss) before taxation</b>	<b>290,048</b>	<b>234,394</b>	<b>(47,240)</b>	<b>(39,289)</b>	<b>20,020</b>	<b>50,056</b>	<b>(20,599)</b>	<b>1,962</b>	<b>242,229</b>	<b>247,123</b>
Tax expenses	(40,826)	(30,000)	-	(2,500)	(5,657)	(12,500)	-	-	(46,483.00)	(45,000)
<b>Net profit / (loss)</b>	<b>249,222</b>	<b>204,394</b>	<b>(47,240)</b>	<b>(41,789)</b>	<b>14,363</b>	<b>37,556</b>	<b>(20,599)</b>	<b>1,962</b>	<b>216,341</b>	<b>202,123</b>
Fair value adjustment of investment	-	-	-	-	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	-	-	-	-	-	-	-	-	-	-
Tax on actuarial gain/(loss) on gratuity	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>249,222</b>	<b>204,394</b>	<b>(47,240)</b>	<b>(41,789)</b>	<b>14,363</b>	<b>37,556</b>	<b>(20,599)</b>	<b>1,962</b>	<b>195,746</b>	<b>202,123</b>

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

## SEGMENTAL ANALYSIS - COMPANY

Nine months ended 31 December	Palm Oil		Others		Total	
	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017
<b>Revenue</b>	<b>1,851,914</b>	<b>1,605,484</b>	<b>102,095</b>	<b>2,648,929</b>	<b>1,954,009</b>	<b>4,254,413</b>
Cost of sales	(793,412)	(664,604)	(93,868)	(2,362,921)	(887,280)	(3,027,525)
<b>Gross profit/(loss)</b>	<b>1,058,502</b>	<b>940,880</b>	<b>8,227</b>	<b>286,008</b>	<b>1,066,729</b>	<b>1,226,888</b>
Other operating income	-	-	57,592	103,561	57,592	103,561
Administrative expenses	(136,634)	(131,352)	(4,035)	(139,749)	(140,669)	(271,101)
Management fees	-	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>921,869</b>	<b>809,528</b>	<b>61,783</b>	<b>249,820</b>	<b>983,652</b>	<b>1,059,348</b>
Net finance expenses	1,444	23,571	(2,433)	2,757	(989)	26,328
<b>Profit/(Loss) before taxation</b>	<b>923,313</b>	<b>833,099</b>	<b>59,350</b>	<b>252,577</b>	<b>982,663</b>	<b>1,085,676</b>
Tax expenses	(145,667)	(87,561)	(19,333)	48,996	(165,000)	(38,565)
<b>Net profit / (loss)</b>	<b>777,646</b>	<b>745,538</b>	<b>40,017</b>	<b>301,573</b>	<b>817,663</b>	<b>1,047,111</b>
Fair value adjustment of investment	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	-	3,962	-	29,841	-	33,803
Tax on actuarial gain/(loss) on gratuity	-	(396)	-	(2,984)	-	(3,380)
Total other comprehensive income/(loss)	-	3,566	-	26,857	-	30,423
<b>Total comprehensive income/(loss)</b>	<b>777,646</b>	<b>749,104</b>	<b>40,017</b>	<b>328,430</b>	<b>817,663</b>	<b>1,077,534</b>

## SEGMENTAL ANALYSIS - COMPANY

Three months ended 31 December	Palm Oil		Others		Total	
	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017	Period ended 2018	Period ended 2017
<b>Revenue</b>	<b>622,465</b>	<b>462,795</b>	<b>13,281</b>	<b>92,133</b>	<b>635,746</b>	<b>554,928</b>
Cost of sales	(293,122)	(194,179)	(10,950)	(87,947)	(304,072)	(282,126)
<b>Gross profit/(loss)</b>	<b>329,343</b>	<b>268,616</b>	<b>2,331</b>	<b>4,186</b>	<b>331,674</b>	<b>272,802</b>
Other operating income	-	-	19,295	37,322	19,295	37,322
Administrative expenses	(45,620)	(50,458)	(1,214)	8,906	(46,834)	(41,552)
Management fees	-	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>283,724</b>	<b>218,158</b>	<b>20,412</b>	<b>50,414</b>	<b>304,136</b>	<b>268,572</b>
Net finance expenses	6,323	16,236	(395)	(357)	5,928	15,879
<b>Profit/(Loss) before taxations</b>	<b>290,047</b>	<b>234,394</b>	<b>20,017</b>	<b>50,057</b>	<b>310,064</b>	<b>284,451</b>
Tax expenses	(40,827)	(30,000)	(5,656)	(15,000)	(46,483)	(45,000)
<b>Net profit / (loss)</b>	<b>249,220</b>	<b>204,394</b>	<b>14,361</b>	<b>35,057</b>	<b>263,581</b>	<b>239,451</b>
Fair value adjustment of investment	-	-	-	-	-	-
Actuarial gain/(loss) on gratuity	-	-	-	-	-	-
Tax on actuarial gain/(loss) on gratuity	-	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>249,220</b>	<b>204,394</b>	<b>14,361</b>	<b>35,057</b>	<b>263,581</b>	<b>239,451</b>

# 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 31 December 2018 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 31 December 2018 were authorised to be published by the Board of Directors on 11 February 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 2017/18. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard - LKAS 34 on 'Interim Financial Reporting'. Previous year figures and phrases have been re-arranged wherever necessary to conform to the current presentation.

### 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.

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

07. There has been no change in the contingent liabilities at the quarter end as compared to 31 March 2018.

08. Fair value adjustments are done annually as per the policy of the Company. Hence, interim financial statements do not reflect any such changes.

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

10. The Interim Financial Statement are not audited.

## Shareholder details for the quarter ending 31st December 2018

### 1 Public Shareholdings

	As at 31.12.2018	As at 31.03.2018
The percentage of shares held by the public	25.76	25.78
Number of Shareholders representing public shareholding	15,604	15,699

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 1.1 Bn	25.76%	15,604

### 2 Directors' Shareholding as at 31st December 2018

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

	As at 31.12.2018	As at 31.03.2018
S G Wijesinha (Chairman)	1	1
V Govindasamy (Managing Director)	Nil	Nil
G Sathasivam	Nil	Nil
A N Fernando	1	1
N B Weerasekera	Nil	Nil
S Mawzoon	Nil	Nil
Predeep Karunagaran	Nil	Nil

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

	31st December 2018		31 st March 2018	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
1 ESTATE MANAGEMENT SERVICES (PVT) LTD.	149,195,309	74.24	149,195,309	74.24
2 SAMPATH BANK PLC/ SEYLAN BANK PLC/ DR.T.SENTHILVERL	23,566,507	11.73	22,480,010	11.19
3 K.C. VIGNARAJAH	2,148,684	1.07	2,148,644	1.07
4 HSBC INTERNATIONAL NOMINEES LTD-SSBT-DEUSTCHE BANK	1,365,459	0.68	1,365,459	0.68
5 VYJAYANTHI & COMPANY LIMITED	1,000,000	0.50	1,000,000	0.50
6 N. MULJIE	552,900	0.28	552,900	0.28
7 M.I. ABDUL HAMEED	350,000	0.17	350,000	0.17
8 S. VIGNARAJAH	258,803	0.13	258,783	0.13
9 COCOSHELL ACTIVATED CARBON COMPANY LIMITED	251,666	0.13	251,666	0.13
10 UNION INVESTMENTS PRIVATE LTD	218,333	0.11	218,333	0.11
11 BEST REAL INVEST CO SERVICES (PRIVATE) LIMITED	160,964	0.08	160,964	0.08
12 C M HOLDINGS PLC	141,667	0.07	141,667	0.07
13 LIFE INSURANCE CORPORATION (LANKA) LTD	125,000	0.06	-	0.00
14 ADAMJEE LUKMANJEE & SONS (PVT) LTD	117,135	0.06	117,135	0.06
15 D.C.D.L.S.D. PERERA	115,000	0.06	115,000	0.06
16 K.G.M. PIERIS	104,917	0.05	104,917	0.05
17 AL-HAJ S.M.M. HUSSAIN CHARITABLE TRUST	100,000	0.05	-	0.00
18 M.M. HASHIM	100,000	0.05	135,869	0.07
19 M.H.M. NAZEER	100,000	0.05	-	0.00
20 M.M. HASHIM	99,990	0.05	135,869	0.07
<b>Sub Total</b>	<b>180,072,334</b>	<b>89.60</b>	<b>178,596,656</b>	<b>88.87</b>
<b>Other Shareholders</b>	<b>20,890,222</b>	<b>10.40</b>	<b>22,365,900</b>	<b>11.13</b>
<b>Grand Total</b>	<b>200,962,556</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

	<b>As at 31.12.2018</b>	<b>As at 31.03.2018</b>
Ordinary Shares	200,962,556	200,962,556
Golden Share	1	1

#### 5 Market Price & Trading Informations

	<b>As at 31.12.2018</b>	<b>As at 31.03.2018</b>
Highest during the period(LKR)	22.60	36.1
lowest during the period(LKR)	19.00	24
Closing price (LKR)	19.10	28.90
	<b>Quarter ended 31 Dec 2018</b>	<b>Quarter ended 31 Dec 2017</b>
No. of Transactions	329	107
No. of shares traded	138,441	213,138
Value of Shares Traded(LKR)	2,802,291	5,827,406

# 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)  
V Govindasamy (Managing Director)  
G Sathasivam (Alternate: S G Sathasivam)  
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  
Amana Bank Ltd  
ICICI Bank  
MCB Bank Ltd  
Nations Trust Bank  
Seylan Bank

**Lawyers**

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(Attorneys-at-Law)  
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Nithya Partners  
(Attorneys-at-Law)  
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