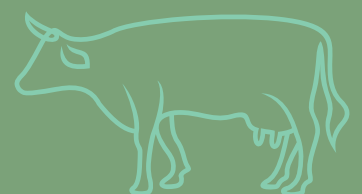


Watawala Plantations PLC

INTERIM CONDENSED FINANCIAL STATEMENTS

Quarter ended 31 December, 2022



Chairman's Message

Dear Shareholder,

Watawala Plantations PLC (CSE: WATA)

Watawala Plantations PLC posted a revenue of LKR 6.6 billion at group level for the nine months ending 31st December 2022 (9M FY 22/23), up 32.1% YoY. The Palm Oil sector revenue was LKR 5.8 billion, up 27.4% YoY driven by a higher price during the period.

Profit after tax (PAT) at group level was LKR 2.6 billion during 9M FY22/23, 2.8% below the same period last year due to the low performance in the dairy segment.

The net assets per share decreased to LKR 32.45 as at 31st December 2022 from LKR 33.73 as at 31st March 2022 due to a decrease in retained earnings due to the final dividend for FY 21/22 of LKR 8.00 per share paid during 1Q FY 22/23, and an interim dividend of LKR 6.00 per share paid during 3Q FY 22/23.

Watawala Dairy Limited (WDL)

Revenue was LKR 885.1 million for the period ending 31st December 2022 (9M FY 22/23), up 73.2% YoY due to increase in milk prices. However, there was a contraction in the gross margin during the period due to the increase in feed cost and lower milk yield. Consequently, WDL recorded a loss of LKR 63.4 million compared to a profit of LKR 38.0 million in the same period the previous year.

The Company divested the downstream dairy business under the brand 'Pride of Lonach' in September 2022 to focus on the core farm operations. Watawala Plantations PLC invested a further LKR 365 Mn in WDL in September 2022.

Outlook

Palm oil prices are expected to remain volatile in the upcoming quarter mainly due to demand fluctuations resulting from the economic situation in the country. Whilst fertilizer price has decreased from its highest level witnessed after removal of the ban on chemical fertilizer, the price remains significantly higher compared to before the ban. The sound organic and chemical fertilizer application program during the past nine months is expected to maintain healthy growth and yields.

WDL has increased feed stock holding to a comfortable level following the several initiatives to procure the required volume of feed. The management is investing significant time and effort to increase productivity to turnaround operations. Meanwhile, milk prices are expected to dip in the upcoming quarter due to lower consumer demand for end products resulting from the economic downturn.

The management is continuously monitoring all macro-economic developments and continuing to take all possible measures to ensure uninterrupted and profitable operations despite the economic volatility.



Sunil G Wijesinha
Chairman

13 February 2023

Condensed Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 December			Nine months ended 31 December		
	2022	2021	Change %	2022	2021	Change %
Revenue	2,070,424	1,627,287	27%	6,649,162	5,033,465	32%
Cost of sales	(1,229,625)	(779,076)	58%	(3,647,098)	(2,072,000)	76%
Gross profit	840,799	848,211	-1%	3,002,064	2,961,465	1%
Other Income	10,982	33,093	-67%	51,078	71,259	-28%
Gain/(loss) on changes in fair value of biological assets	-	-	n/a	17,363	11,193	55%
Administrative expenses	(89,006)	(77,287)	15%	(274,982)	(219,754)	25%
Selling and distribution expenses	(38,618)	-	n/a	(38,618)	-	n/a
Impairment of Goodwill on acquisition of subsidiary	(30,000)	-	n/a	(60,000)	-	n/a
Operating profits	694,157	804,017	-14%	2,696,905	2,824,163	-5%
Finance Income	42,946	20,016	115%	103,882	35,829	190%
Finance Costs	(37,869)	(16,714)	127%	(82,271)	(51,305)	60%
Net Finance Income/(Costs)	5,077	3,302	54%	21,611	(15,476)	n/a
Profit before income tax	699,234	807,319	-13%	2,718,516	2,808,687	-3%
Income tax expenses	(38,412)	(25,820)	49%	(124,006)	(138,500)	-10%
Profit for the period	660,822	781,499	-15%	2,594,510	2,670,187	-3%
Profit is attributable to:						
Equity holders of the parent	663,041	780,874		2,601,334	2,666,910	
Non-controlling interests	(2,219)	625		(6,824)	3,277	
	660,822	781,499		2,594,510	2,670,187	
Basic earning per share (LKR)	3.26	3.84		12.79	13.11	
Consolidated Statement of other Comprehensive Income						
Profit for the period	660,822	781,499	-15%	2,594,510	2,670,187	-3%
Other comprehensive income	-	-		-	-	
Total comprehensive income for the period	660,822	781,499	-15%	2,594,510	2,670,187	-3%
Total comprehensive income attributable to						
Equity holders of the parent	663,041	780,874		2,601,334	2,666,910	
Non-controlling interests	(2,219)	625		(6,824)	3,277	
Total comprehensive income for the period	660,822	781,499		2,594,510	2,670,187	

Condensed Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 December			Nine months ended 31 December		
	2022	2021	Change %	2022	2021	Change %
Revenue	1,724,038	1,451,194	19%	5,764,617	4,523,533	27%
Cost of sales	(881,611)	(611,223)	44%	(2,738,754)	(1,607,560)	70%
Gross profit	842,427	839,971	0%	3,025,863	2,915,973	4%
Other Income	8,017	22,045	-64%	41,665	34,310	21%
Gain/(loss) on changes in fair value of biological assets	-	-	-	11,982	20,542	-42%
Administrative expenses	(87,097)	(74,266)	17%	(264,175)	(211,356)	25%
Selling and distribution expenses	(38,618)	-	n/a	(38,618)	-	n/a
Impairment on investment in subsidiary	(30,000)	-	n/a	(60,000)	-	n/a
Operating profits	694,729	787,750	-12%	2,716,717	2,759,469	-2%
Finance Income	34,823	19,773	76%	92,665	36,407	155%
Finance Costs	(10,743)	(10,158)	6%	(33,284)	(32,461)	3%
Net Finance Income/(Costs)	24,080	9,615	150%	59,381	3,946	1405%
Profit before income tax	718,809	797,365	-10%	2,776,098	2,763,415	0%
Income tax expenses	(35,974)	(21,499)	67%	(118,109)	(131,179)	-10%
Profit for the period	682,835	775,866	-12%	2,657,989	2,632,236	1%
Basic earning per share (LKR)	3.36	3.82		13.07	12.95	
Consolidated Statement of other Comprehensive Income						
Profit for the period	682,835	775,866	-12%	2,657,989	2,632,236	1%
Other comprehensive income	-	-		-	-	
Total comprehensive income for the period	682,835	775,866	-12%	2,657,989	2,632,236	1%
Total comprehensive income attributable to						
Equity holders of the parent	682,835	775,866		2,657,989	2,632,236	
Total comprehensive income for the period	682,835	775,866		2,657,989	2,632,236	

Condensed Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

As at	Group		Company	
	31.12.2022	31.03.2022	31.12.2022	31.03.2022
Assets				
Non-current assets				
Right to use of assets	246,478	235,995	250,217	238,645
Property, plant and equipment	2,491,270	2,342,362	1,154,695	943,491
Intangible assets	35,787	28,276	33,818	25,307
Biological Assets -Bearer	2,623,872	2,698,963	2,571,230	2,631,545
Biological Assets-Consumable	33,783	33,783	-	-
Biological Assets -livestock	1,015,940	943,200	-	-
Investment fund	54,568	72,313	54,568	72,313
Investment in subsidiaries	-	-	2,557,061	2,163,390
Goodwill on acquisition	28,671	-	-	-
Total non-current assets	6,530,369	6,354,892	6,621,589	6,074,691
Current assets				
Inventories	828,596	245,923	358,575	193,065
Biological assets-produce on bearer plants	83,654	71,671	83,654	71,671
Current tax assets	20,679	20,679	20,679	20,679
Trade and other receivables	463,118	256,348	377,043	229,617
Amount due from related parties	68,732	255	241,652	4,101
Short term investment	4,563	514,914	4,563	482,811
Cash and cash equivalents	853,265	1,427,013	723,881	1,412,534
Total current assets	2,322,607	2,536,803	1,810,047	2,414,478
Total assets	8,852,976	8,891,695	8,431,636	8,489,169
Equity and Liabilities				
Capital and Reserves				
Stated capital	511,848	511,848	511,848	511,848
Retained earnings	6,086,171	6,345,936	6,431,784	6,620,116
Equity attributable to owners of the Company	6,598,019	6,857,784	6,943,632	7,131,964
Non controlling interests	249,841	241,887	-	-
Total equity	6,847,860	7,099,671	6,943,632	7,131,964
Liabilities				
Non-current liabilities				
Interest bearing borrowings	257,479	227,505	-	-
Lease Liabilities	272,849	254,050	282,149	263,351
Retirement benefit obligations	206,264	212,629	181,777	186,682
Deferred income and capital grants	39,674	41,442	39,674	41,442
Deferred tax liability	341,710	316,938	280,970	261,658
Total non-current liabilities	1,117,976	1,052,564	784,570	753,133
Current liabilities				
Interest bearing borrowings	96,277	145,070	-	45,500
Lease Liabilities	1,554	2,363	1,637	1,399
Trade and other payables	732,288	559,994	655,504	520,112
Amount due to related parties	-	31,259	3,307	37,061
Current tax liabilities	42,986	774	42,986	-
Bank overdrafts	14,035	-	-	-
Total current liabilities	887,140	739,460	703,434	604,072
Total liabilities	2,005,116	1,792,024	1,488,004	1,357,205
Total equity and liabilities	8,852,976	8,891,695	8,431,636	8,489,169
Net assets per share	32.45	33.73	34.15	35.08

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

13 February 2023
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 2021	511,848	4,550,561	5,062,409	-	5,062,409
Profit for the period	-	2,666,910	2,666,910	3,277	2,670,187
Total comprehensive income for the period	-	2,666,910	2,666,910	3,277	2,670,187
Transactions with owners of the Company, recognised directly in equity					
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)
Interim dividend paid for the year ended 31 March 2022	-	(1,219,852)	(1,219,852)	-	(1,219,852)
Total transactions with owners	-	(1,713,174)	(1,713,174)	239,336	(1,473,838)
Balance as at 31 December 2021	511,848	5,504,297	6,016,145	242,613	6,258,758
Profit for the period	-	788,748	788,748	(1,136)	787,612
Actuarial gain on retirement benefit obligations	-	59,530	59,530	513	60,043
Deferred tax on actuarial gain on retirement benefit obligations	-	(6,639)	(6,639)	(103)	(6,742)
Total comprehensive income for the period	-	841,639	841,639	(726)	840,913
Balance as at 31 March 2022	511,848	6,345,936	6,857,784	241,887	7,099,671
Profit for the period	-	2,601,334	2,601,334	(6,824)	2,594,510
Total comprehensive income for the period	-	2,601,334	2,601,334	(6,824)	2,594,510
Transactions with owners of the Company, recognised directly in equity					
Transaction with non-controlling interests	-	(14,778)	(14,778)	14,778	-
Final dividend paid for the year ended 31 March 2022	-	(1,626,469)	(1,626,469)	-	(1,626,469)
Interim dividend paid for the year ended 31 March 2023	-	(1,219,852)	(1,219,852)	-	(1,219,852)
Total transactions with owners	-	(2,861,099)	(2,861,099)	14,778	(2,846,321)
Balance as at 31 December 2022	511,848	6,086,171	6,598,019	249,841	6,847,860

Condensed Statement of changes in equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	Retained earnings	Total
Balance as at 1 April 2021	511,848	4,970,501	5,482,349
Profit for the period	-	2,632,236	2,632,236
Total comprehensive income for the period	-	2,632,236	2,632,236
Transactions with owners of the Company, recognised directly in equity			
Final dividend paid for the year ended 31 March 2021	-	(609,926)	(609,926)
Interim dividend paid for the year ended 31 March 2022	-	(1,219,852)	(1,219,852)
Total transactions with owners	-	(1,829,778)	(1,829,778)
Balance as at 31 December 2021	511,848	5,772,959	6,284,807
Profit for the period	-	797,546	797,546
Actuarial gain on retirement benefit obligations	-	55,431	55,431
Deferred tax on actuarial gain on retirement benefit obligations	-	(5,820)	(5,820)
Total comprehensive income for the period	-	847,157	847,157
Balance as at 31 March 2022	511,848	6,620,116	7,131,964
Profit for the period	-	2,657,989	2,657,989
Total comprehensive income for the period	-	2,657,989	2,657,989
Transactions with owners of the Company, recognised directly in equity			
Final dividend paid for the year ended 31 March 2022	-	(1,626,469)	(1,626,469)
Interim dividend paid for the year ended 31 March 2023	-	(1,219,852)	(1,219,852)
Total transactions with owners	-	(2,846,321)	(2,846,321)
Balance as at 31 December 2022	511,848	6,431,784	6,943,632

Condensed Consolidated Statement of cash flows

(all amounts in Sri Lankan Rupees thousands)

For the period ended 31 December	Group		Company	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before taxation	2,718,516	2,808,687	2,776,098	2,763,415
Adjustments for:				
Depreciation and amortisation	298,101	274,477	224,946	198,319
Provision for retirement benefit obligations	22,204	20,906	18,264	17,420
Profit on disposal of property, plant and equipment	(8,379)	(3,879)	-	(3,879)
Impairment of goodwill on acquisition of subsidiary	60,000	-	-	-
Impairment on investment in subsidiary	-	-	60,000	-
Gain on fair valuation of consumable biological assets	-	(72)	-	-
Gain/(Loss) on fair valuation of livestock	(5,381)	9,422	-	-
Income from investment fund	(5,942)	(8,429)	(5,942)	(8,429)
Amortisation of capital grants	(1,768)	(37,916)	(1,768)	(1,768)
Net finance costs	(21,611)	15,476	(59,381)	(3,946)
Profit before working capital changes	3,055,740	3,078,672	3,012,217	2,961,132
Changes in working capital				
- Inventories	(583,953)	(115,856)	(165,510)	(108,399)
- Biological assets-produce on bearer plants	(11,983)	(19,807)	(11,983)	(20,542)
- Trade and other receivables	(206,771)	21,131	(147,426)	19,206
- Amount due from related companies	(68,477)	(73,329)	(237,551)	(73,286)
- Amount due to related companies	(31,259)	38	(33,754)	17,160
- Trade and other payables	166,415	121,872	115,514	138,510
Cash generated from operations	2,319,712	3,012,721	2,531,507	2,933,781
Interest paid	(23,406)	(20,397)	(3,512)	(4,902)
Interest received	103,882	35,829	92,665	36,407
Income Tax paid	(57,022)	-	(55,811)	-
Retirement benefit obligations paid	(28,569)	(18,890)	(23,168)	(15,404)
	(5,115)	(3,458)	10,174	16,101
Net cash generated from operating activities	2,314,597	3,009,263	2,541,681	2,949,882
Cash flows from investing activities				
Additions to property, plant and equipment	(307,055)	(275,361)	(295,164)	(223,209)
Addition to Intangible assets	(12,951)	(13,820)	(12,951)	(13,820)
Additions to Bearer biological assets	(67,628)	(109,063)	(67,628)	(112,482)
Proceeds from disposal of biological assets (Livestock)	41,941	15,591	-	-
Proceeds from sale of property, plant and equipment	13,000	3,879	-	3,879
Investment made through investment fund	-	-	-	-
Withdrawals made through investment fund	23,687	295,267	23,687	295,267
Short term investment	510,351	-	478,248	-
Addition to livestock	(109,300)	(191,967)	-	-
Acquisition of subsidiaries (net of cash)	(68,796)	-	-	-
Investment in subsidiaries	-	-	(433,795)	-
Net cash used in investing activities	23,249	(275,474)	(307,604)	(50,365)
Cash flows from financing activities				
Dividends paid	(2,846,321)	(1,829,778)	(2,846,321)	(1,829,778)
Proceeds from issue of shares	-	395,605	-	-
Share issuing cost	-	(39,665)	-	-
Repayment of borrowings	(47,879)	(146,283)	(45,500)	(86,250)
Repayment of lease liabilities	(31,429)	(32,743)	(30,909)	(28,646)
Net cash used in financing activities	(2,925,629)	(1,652,864)	(2,922,730)	(1,944,674)
Increase /(Decrease) in cash and cash equivalents	(587,783)	1,080,925	(688,653)	954,843
Movement in cash and cash equivalents				
At the beginning of period	1,427,013	382,284	1,412,534	389,394
Increase/(Decrease) for the period	(587,783)	1,080,925	(688,653)	954,843
At end of period	839,230	1,463,209	723,881	1,344,237
Cash and cash equivalents	853,265	1,463,209	723,881	1,344,237
Bank overdrafts	(14,035)	-	-	-
At end of period	839,230	1,463,209	723,881	1,344,237

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	5,764,617	4,523,533	885,109	510,969	-	-	(564)	(1,037)	6,649,162	5,033,465
Cost of sales	(2,738,754)	(1,607,560)	(976,836)	(505,762)	-	-	68,492	41,322	(3,647,098)	(2,072,000)
Gross profit/(loss)	3,025,863	2,915,973	(91,727)	5,207	-	-	67,928	40,285	3,002,064	2,961,465
Other operating income	-	-	82,722	67,885	53,647	54,852	(67,928)	(40,285)	68,441	82,452
Administrative expenses	(264,175)	(211,356)	(10,807)	(8,398)	-	-	-	-	(274,982)	(219,754)
Selling and distribution expenses	(36,181)	-	-	-	(2,437)	-	-	-	(38,618)	-
Impairment of goodwill on acquisition of subsidiary	-	-	-	-	(60,000)	-	-	-	(60,000)	-
Operating profit/(loss)	2,725,507	2,704,617	(19,812)	64,694	(8,790)	54,852	-	-	2,696,905	2,824,163
Net finance expenses	59,381	3,946	(37,770)	(19,422)	-	-	-	-	21,611	(15,476)
Profit/(Loss) before tax	2,784,888	2,708,563	(57,582)	45,272	(8,790)	54,852	-	-	2,718,516	2,808,687
Tax expenses	(102,516)	(121,203)	(5,897)	(7,321)	(15,593)	(9,976)	-	-	(124,006)	(138,500)
Net profit / (loss)	2,682,372	2,587,360	(63,479)	37,951	(24,383)	44,876	-	-	2,594,510	2,670,187

Segmental Analysis - Company

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

Nine months ended 31 December	Palm Oil		Others		Total	
	2022	2021	2022	2021	2022	2021
Revenue	5,764,617	4,523,533	-	-	5,764,617	4,523,533
Cost of sales	(2,738,754)	(1,607,560)	-	-	(2,738,754)	(1,607,560)
Gross profit	3,025,863	2,915,973	-	-	3,025,863	2,915,973
Other operating income	-	-	53,647	54,852	53,647	54,852
Administrative expenses	(264,175)	(211,356)	-	-	(264,175)	(211,356)
Selling and distribution expenses	(36,181)	-	(2,437)	-	(38,618)	-
Impairment on investment in Subsidiary	-	-	(60,000)	-	(60,000)	-
Operating profit	2,725,507	2,704,617	(8,790)	54,852	2,716,717	2,759,469
Net finance expenses	59,381	3,946	-	-	59,381	3,946
Profit before tax	2,784,888	2,708,563	(8,790)	54,852	2,776,098	2,763,415
Tax expenses	(102,516)	(121,203)	(15,593)	(9,976)	(118,109)	(131,179)
Net profit / (loss)	2,682,372	2,587,360	(24,383)	44,876	2,657,989	2,632,236

Segmental Analysis - Group

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

Quarter ended 31 December	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	1,724,038	1,451,194	346,589	176,447	-	-	(203)	(354)	2,070,424	1,627,287
Cost of sales	(881,611)	(611,223)	(374,946)	(186,474)	-	-	26,932	18,621	(1,229,625)	(779,076)
Gross profit/(loss)	842,427	839,971	(28,357)	(10,027)	-	-	26,729	18,267	840,799	848,211
Other operating income	-	-	29,694	29,316	8,017	22,044	(26,729)	(18,267)	10,982	33,093
Administrative expenses	(87,097)	(74,266)	(1,909)	(3,021)	-	-	-	-	(89,006)	(77,287)
Selling and distribution expenses	(36,181)	-	-	-	(2,437)	-	-	-	(38,618)	-
Impairment of goodwill on acquisition of subsidiary	-	-	-	-	(30,000)	-	-	-	(30,000)	-
Operating profit/(loss)	719,149	765,705	(572)	16,268	(24,420)	22,044	-	-	694,157	804,017
Net finance expenses	24,080	9,616	(19,003)	(6,314)	-	-	-	-	5,077	3,302
Profit/(Loss) before tax	743,229	775,321	(19,575)	9,954	(24,420)	22,044	-	-	699,234	807,319
Tax expenses	(31,145)	(16,116)	(2,438)	(4,321)	(4,829)	(5,383)	-	-	(38,412)	(25,820)
Net profit / (loss)	712,084	759,205	(22,013)	5,633	(29,249)	16,661	-	-	660,822	781,499

Segmental Analysis - Company

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

Quarter ended 31 December	Palm Oil		Others		Total	
	2022	2021	2022	2021	2022	2021
Revenue	1,724,038	1,451,194	-	-	1,724,038	1,451,194
Cost of sales	(881,611)	(611,223)	-	-	(881,611)	(611,223)
Gross profit	842,427	839,971	-	-	842,427	839,971
Other operating income	-	-	8,017	22,044	8,017	22,044
Administrative expenses	(87,097)	(74,266)	-	-	(87,097)	(74,266)
Selling and distribution expenses	(36,181)	-	(2,437)	-	(38,618)	-
Impairment on investment in Subsidiary	-	-	(30,000)	-	(30,000)	-
Operating profit	719,149	765,705	(24,420)	22,044	694,729	787,749
Net finance expenses	24,080	9,616	-	-	24,080	9,616
Profit before tax	743,229	775,321	(24,420)	22,044	718,809	797,365
Tax expenses	(31,145)	(16,116)	(4,829)	(5,383)	(35,974)	(21,499)
Net profit	712,084	759,205	(29,249)	16,661	682,835	775,866

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 plantations are situated in the Udugama, Galle District in the Southern Province whereas Watawala Dairy Ltd's operations are situated in Hatton and Moragoda Agro Services (Pvt) Ltd's operations are in Rambakanoya in Ampara District.

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 2022 comprised the Company and subsidiaries Watawala Dairy Ltd and Moragoda Agro Services (Pvt) Ltd.

03. Approval of financial statements

The Condensed Interim Financial Statements of the Group and the Company for the period ended 31 December 2022 were authorised to be published by the Board of Directors on 13 February 2023.

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 2021/22, 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 2022.

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 31 December 2022 'Rs. '000	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Financial assets measured at fair value								
Investment fund	54,568	-	-	54,568	-	54,568	-	54,568
	54,568	-	-	54,568	-	54,568	-	54,568
Financial assets not measured at fair value								
Trade and Other receivables	-	463,119	-	463,119	-	-	463,119	463,119
Amounts due from related company	-	68,732	-	68,732	-	-	68,732	68,732
Short term investments	-	4,563	-	4,563	-	4,563	-	4,563
Cash at banks and in hand	-	853,265	-	853,265	-	853,265	-	853,265
	-	1,389,679	-	1,389,679	-	857,828	531,851	1,389,679
Total financial assets	54,568	1,389,679	-	1,444,247	-	912,396	531,851	1,444,247
Financial liabilities not measured at fair value								
Interest bearing borrowings	-	353,756	-	353,756	-	353,756	-	353,756
Trade and other payables	-	732,288	-	732,288	-	-	732,288	732,288
Lease Liabilities	-	274,403	-	274,403	-	-	274,403	274,403
Bank overdrafts	-	14,035	-	14,035	-	14,035	-	14,035
	-	1,374,482	-	1,374,482	-	367,791	1,006,691	1,374,482
Total financial liabilities	-	1,374,482	-	1,374,482	-	367,791	1,006,691	1,374,482

Group - As at 31 March 2022 'Rs. '000	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Financial assets measured at fair value								
Investment fund	72,313	-	-	72,313	-	72,313	-	72,313
	72,313	-	-	72,313	-	72,313	-	72,313
Financial assets not measured at fair value								
Trade and other receivables	-	256,348	-	256,348	-	-	256,348	256,348
Amounts due from related company	-	255	-	255	-	-	255	255
Short term investments	-	514,914	-	514,914	-	514,914	-	514,914
Cash at banks and in hand	-	1,427,013	-	1,427,013	-	1,427,013	-	1,427,013
	-	2,198,530	-	2,198,530	-	1,941,927	256,603	2,198,530
Total financial assets	72,313	2,198,530	-	2,270,843	-	2,014,240	256,603	2,270,843
Financial liabilities not measured at fair value								
Interest bearing borrowings	-	372,575	-	372,575	-	372,575	-	372,575
Trade and other payables	-	559,994	-	559,994	-	-	559,994	559,994
Lease Liabilities	-	256,413	-	256,413	-	-	256,413	256,413
Amount due to related companies	-	31,259	-	31,259	-	-	31,259	31,259
	-	1,220,241	-	1,220,241	-	372,575	847,666	1,220,241
Total financial liabilities	-	1,220,241	-	1,220,241	-	372,575	847,666	1,220,241

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

Company - As at 31 December 2022 'Rs. '000	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Financial assets measured at fair value								
Investment fund	54,568	-	-	54,568	-	54,568	-	54,568
	54,568	-	-	54,568	-	54,568	-	54,568
Financial assets not measured at fair value								
Trade and Other receivables	-	377,043	-	377,043	-	-	377,043	377,043
Amounts due from related company	-	241,652	-	241,652	-	-	241,652	241,652
Short term investments	-	4,563	-	4,563	-	4,563	-	4,563
Cash at banks and in hand	-	723,881	-	723,881	-	723,881	-	723,881
	-	1,347,139	-	1,347,139	-	728,444	618,695	1,347,139
Total financial assets	54,568	1,347,139	-	1,401,707	-	783,012	618,695	1,401,707
Financial liabilities not measured at fair value								
Lease Liabilities	-	283,786	-	283,786	-	-	283,786	283,786
Trade and other payables	-	655,504	-	655,504	-	-	655,504	655,504
Amount due to related Companies	-	3,307	-	3,307	-	-	3,307	3,307
	-	942,597	-	942,597	-	-	942,597	942,597
Total financial liabilities	-	942,597	-	942,597	-	-	942,597	942,597

Company - As at 31 March 2022 'Rs. '000	Fair value through profit or loss	Amortised cost	Fair value through other comprehensive income	Total carrying amount	Level 1	Level 2	Level 3	Total Fair value
Financial assets measured at fair value								
Investment fund	72,313	-	-	72,313	-	72,313	-	72,313
	72,313	-	-	72,313	-	72,313	-	72,313
Financial assets not measured at fair value								
Trade and Other receivables	-	229,617	-	229,617	-	-	229,617	229,617
Amounts due from related company	-	4,101	-	4,101	-	-	4,101	4,101
Short term investments	-	482,811	-	482,811	-	482,811	-	482,811
Cash at banks and in hand	-	1,412,534	-	1,412,534	-	1,412,534	-	1,412,534
	-	2,129,063	-	2,129,063	-	1,895,345	233,718	2,129,063
Total financial assets	72,313	2,129,063	-	2,201,376	-	1,967,658	233,718	2,201,376
Financial liabilities not measured at fair value								
Interest bearing borrowings	-	45,500	-	45,500	-	45,500	-	45,500
Lease Liabilities	-	264,750	-	264,750	-	-	264,750	264,750
Trade and other payables	-	520,112	-	520,112	-	-	520,112	520,112
Amount due to related Companies	-	37,061	-	37,061	-	-	37,061	37,061
	-	867,423	-	867,423	-	45,500	821,923	867,423
Total financial liabilities	-	867,423	-	867,423	-	45,500	821,923	867,423

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 2022

1 Public Shareholdings

	As at 31.12.2022	As at 31.03.2022
The percentage of shares held by the public	23.17	25.76
Number of Shareholders representing public shareholding	18,594	17,709

	Requirement by CSE	As as 31 Dec 2022	Requirement by CSE	As as 31 March 2022
Option [Listing rule 7.13.1 (a)]	4	4	4	4
Float adjusted market capitalization	Above LKR 2.5Bn	LKR 3.49Bn	Above LKR 2.5Bn	LKR 4.88Bn
The percentage of shares held by the public	10%	23.17%	10%	25.76%
Number of shareholders representing public holding	500	18,594	500	17,709

2 Directors' Shareholding as at 31 December 2022

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

	As at 31.12.2022	As at 31.03.2022
S G Wijesinha (Chairman)	1	1
G Sathasivam (Resigned w.e.f 24 June 2022)(Alternate: S G Sathasivam, resigned w.e.f 24 June 2022)	n/a	Nil
V Govindasamy	Nil	Nil
N B Weerasekera	Nil	Nil
M S Mawzoon	Nil	Nil
H D Abeywickrama	Nil	Nil
M R Rao	Nil	Nil
K H Kuok (Resigned w.e.f 31 March 2022), (Alternate: M T Siddique, resigned w.e.f 31 March 2022)	n/a	Nil
A R Rasiah	10,000	Nil
C L Loo (Appointed w. e. f 31 March 2022, Alternate: M T Siddique)	Nil	Nil
S G Sathasivam (Appointed w. e. f 01 July 2022)	Nil	n/a

3 Chief Executive Officers' Shareholding as at 31 December 2022

	As at 31.12.2022	As at 31.03.2022
Binesh Pananwala	Nil	Nil

4 Twenty (20) largest shareholders as at (Voting shares)

Name	31st December 2022		31st March 2022	
	No of Shares Held	% of the holding	No of Shares Held	% of the holding
Sunshine Wilmar (Private) Limited	156,207,043	76.83	150,937,043	74.24
K.C. Vignarajah	2,477,739	1.22	2,486,084	1.22
Sri Lanka Insurance Corporation LTD-Life Fund	2,418,295	1.19	-	-
Seylan Bank PLC/ Senthilvel Holdings	1,230,118	0.61	6,308,391	3.10
Vyjayanthi & Company Limited	1,011,674	0.50	1,011,674	0.50
Deutsche Bank AG Singapore A/C 02	713,480	0.35	713,480	0.35
T.T.T.AL-Nakib (Deceased)	700,000	0.34	700,000	0.34
Jayampathi Divale Bandaranayake	640,250	0.31	-	-
N. Muljie	559,354	0.28	559,354	0.28
M.Z.H.Hashim	469,968	0.23	650,000	0.32
Malika Tikiri Sunimalee Weerakon	354,687	0.17	-	-
Mohamed Imtizam Abdul Hameed	354,085	0.17	354,085	0.17
Sri Lanka Insurance Corporation LTD-General Fund	312,832	0.15	-	-
Merchant bank of Sri Lanka/J A S Priyantha	292,246	0.14	-	-
Sugath Weeraratne	290,000	0.14	215,676	0.11
Mohamed Macky Hashim	284,200	0.14	185,000	0.09
Hatton National Bank PLC/Anuja Chamila Jayasinghe	261,304	0.13	-	-
Indraneer Roshani Peiris	250,000	0.12	-	-
Tuan Faizal Raheem	248,515	0.12	-	-
Gnanasambanthan Rajendren	223,247	0.11	-	-
Sub Total	169,299,037	83.27	164,120,787	80.72
Other Shareholders	34,009,597	16.73	39,187,847	19.28
Grand Total	203,308,634	100.00	203,308,634	100.00

5 Stated Capital

Stated capital is represented by share in issue as given below

	As at 31.12.2022	As at 31.03.2022
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 31.12.2022	As at 31.03.2022
Highest during the period(LKR)	88.50	196.00
Lowest during the period(LKR)	63.20	82.00
Last traded Price (LKR)	74.00	93.30

	Quarter ended 31 Dec 2022	Quarter ended 31 Mar 2022
No. of Transactions	10,090	22,527
No. of shares traded	5,973,391	19,816,324
Value of Shares Traded(LKR)	460,973,196	2,997,825,566

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 (*Resigned w.e.f 24 June 2022*)

(*Alternate: S G Sathasivam, resigned w.e.f 24 June 2022*)

V Govindasamy

N B Weerasekera

M S Mawzoon

H D Abeywickrama

M R Rao

A R Rasiah

C L Loo (*Appointed w.e.f. 31 March 2022,*

Alternate : M T Siddique)

S G Sathasivam (*Appointed w. e. f 1 July 2022*)

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 Ltd
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Seylan Bank PLC
State Bank of India
National Development Bank PLC
Indian Overseas Bank

Lawyers

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

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

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Web: www.watawalaplantations.lk