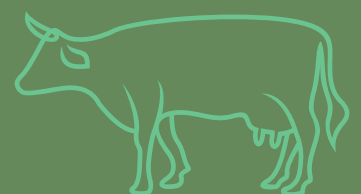


Watawala Plantations PLC

INTERIM CONDENSED FINANCIAL STATEMENTS

Quarter ended 31 March, 2023



Chairman's Message

Dear Shareholder,

Watawala Plantations PLC (CSE: WATA)

Watawala Plantations PLC posted a record revenue of LKR 8.8 billion at group level for the year ending 31st March 2023 (FY 22/23), up 35.4% YoY. Palm oil sector revenue was LKR 7.6 billion, up 31.0% YoY driven by a higher selling price during the period.

Profit after tax (PAT) at group level was LKR 2.3 billion during FY 22/23, 32.6% below the same period last year mainly due to the increase in tax expense arising from the change in tax rate.

The net assets per share decreased to LKR 30.89 as at 31st March 2023 from LKR 33.73 as at 31st March 2022 due to the 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 interim dividend of LKR 6.00 per share paid during 3Q FY 22/23.

Watawala Dairy Limited (WDL)

Revenue was LKR 1,194.8 million for the year ending 31st March 2023 (FY 22/23), up 72.2% YoY mainly due to the increase in milk prices. There was a contraction in the gross profit margin during the period due to the increase in feed cost and lower milk yield. Consequently, WDL recorded a loss of LKR 320.9 million compared to a profit of LKR 27.7 million in the same period last year.

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

Outlook

Palm oil prices are expected to remain volatile in the upcoming quarter. Fertilizer prices have been on a downward trend since the highest levels witnessed after removal of the ban on chemical fertilizer. However, the cost of fertilizer continues to account for a significant proportion of the total cost. The organic and chemical fertilizer application program during the past year is expected to result in 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 remain stable in the upcoming quarter due to the demand for fresh milk.

Whilst the economy is on a path of recovery, the management is continuously monitoring all macro-economic developments and continuing to take all possible measures to ensure profitable operations.



Sunil G Wijesinha

Chairman

24 May 2023

Condensed Consolidated Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 March			Twelve months ended 31 March		
	2023	2022	Change	2023	2022	Change
Revenue	2,118,879	1,441,196	47%	8,768,041	6,474,661	35%
Cost of sales	(1,582,858)	(839,046)	89%	(5,229,956)	(2,911,046)	80%
Gross profit	536,021	602,150	(11%)	3,538,085	3,563,615	(1%)
Other Income	2,766	14,930	(81%)	53,844	86,189	(38%)
Gain/(loss) on changes in fair value of biological assets	(149,857)	3,841	n/a	(132,494)	15,034	n/a
Administrative expenses	(86,085)	(98,309)	(12%)	(361,067)	(318,063)	14%
Selling and distribution expenses	(40,334)	-	n/a	(78,952)	-	n/a
Impairment of lease hold right assets	(28,671)	-	n/a	(88,671)	-	n/a
Operating profits	233,840	522,612	(55%)	2,930,745	3,346,775	(12%)
Finance Income	35,056	18,965	85%	138,938	54,794	154%
Finance Costs	(33,924)	(18,462)	84%	(116,195)	(69,767)	67%
Net Finance Income/(Costs)	1,132	503	125%	22,743	(14,973)	n/a
Profit before income tax	234,972	523,115	(55%)	2,953,488	3,331,802	(11%)
Income tax expenses	(497,692)	264,497	n/a	(621,698)	125,997	n/a
Profit/(loss) for the period	(262,720)	787,612	n/a	2,331,790	3,457,799	-33%
Profit/(loss) is attributable to:						
Equity holders of the parent	(237,042)	788,748		2,364,292	3,455,658	
Non-controlling interests	(25,678)	(1,136)		(32,502)	2,141	
	(262,720)	787,612		2,331,790	3,457,799	
Basic earning per share (LKR)	(1.17)	3.88		11.63	17.00	
Consolidated Statement of other Comprehensive Income						
Profit/(loss) for the period	(262,720)	787,612	n/a	2,331,790	3,457,799	-33%
Items that will not be subsequently reclassified to profit or loss						
Actuarial gain/(loss) on retirement benefit obligations	(115,073)	60,043		(115,073)	60,043	
Deferred Tax on actuarial gain/ (loss) on retirement obligations	32,922	(6,742)		32,922	(6,742)	
Total other comprehensive income/(expenses) for the period (net of tax)	(82,151)	53,301		(82,151)	53,301	
Total comprehensive income/(expenses) for the period	(344,871)	840,913	n/a	2,249,639	3,511,100	-36%
Total comprehensive income/(expenses) attributable to						
Equity holders of the parent	(317,904)	841,639		2,283,430	3,508,549	
Non-controlling interests	(26,967)	(726)		(33,791)	2,551	
Total comprehensive income/(expenses) for the period	(344,871)	840,913		2,249,639	3,511,100	

Condensed Company Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter ended 31 March			Twelve months ended 31 March		
	2023	2022	Change %	2023	2022	Change %
Revenue	1,809,199	1,258,541	44%	7,573,816	5,782,074	31%
Cost of sales	(1,091,973)	(642,079)	70%	(3,830,727)	(2,249,639)	70%
Gross profit	717,226	616,462	16%	3,743,089	3,532,435	6%
Other Income	(124,771)	4,865	n/a	(83,106)	39,175	n/a
Gain/(loss) on changes in fair value of biological assets	2,473	(824)	n/a	14,455	19,718	-27%
Administrative expenses	(82,884)	(93,761)	-12%	(347,059)	(305,117)	14%
Selling and distribution expenses	(40,334)	-	n/a	(78,952)	-	n/a
Impairment on investment in subsidiary	(345,719)	-	n/a	(405,719)	-	n/a
Operating profits	125,991	526,742	-76%	2,842,708	3,286,211	-13%
Finance Income	33,451	19,029	76%	126,116	55,436	127%
Finance Costs	(10,602)	(11,803)	-10%	(43,886)	(44,264)	-1%
Net Finance Income/(Costs)	22,849	7,226	216%	82,230	11,172	636%
Profit before income tax	148,840	533,968	-72%	2,924,938	3,297,383	-11%
Income tax expenses	(471,190)	263,578	n/a	(589,299)	132,399	n/a
Profit/(loss) for the period	(322,350)	797,546	n/a	2,335,639	3,429,782	-32%
Profit/(loss) is attributable to:						
Equity holders of the parent	(322,350)	797,546		2,335,639	3,429,782	
	(322,350)	797,546		2,335,639	3,429,782	
Basic earning per share (LKR)	(1.59)	3.92		11.49	16.87	
Consolidated Statement of other Comprehensive Income						
Profit/(loss) for the period	(322,350)	797,546	n/a	2,335,639	3,429,782	-32%
Items that will not be subsequently reclassified to profit or loss						
Actuarial gain/(loss) on retirement benefit obligations	(99,074)	55,431		(99,074)	55,431	
Deferred Tax on actuarial gain/ (loss) on retirement obligations	29,722	(5,820)		29,722	(5,820)	
Total other comprehensive income/(expenses) for the period (net of tax)	(69,352)	49,611		(69,352)	49,611	
Total comprehensive income/(expenses) for the period	(391,702)	847,157	n/a	2,266,287	3,479,393	-35%
Total comprehensive income/(expenses) attributable to						
Equity holders of the parent	(391,702)	847,157		2,266,287	3,479,393	
Total comprehensive income/(expenses) for the period	(391,702)	847,157		2,266,287	3,479,393	

Condensed Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)


As at	Group		Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Assets				
Non-current assets				
Right to use of assets	243,876	235,995	247,273	238,645
Property, plant and equipment	2,483,314	2,342,362	1,139,489	943,491
Intangible assets	47,437	28,276	45,768	25,307
Biological Assets -Bearer	2,566,272	2,698,963	2,515,252	2,631,545
Biological Assets-Consumable	44,269	33,783	-	-
Biological Assets -livestock	893,071	943,200	-	-
Investment fund	53,283	72,313	53,283	72,313
Investment in subsidiaries	-	-	2,211,342	2,163,390
Total Non-Current Assets	6,331,522	6,354,892	6,212,407	6,074,691
Current assets				
Inventories	874,627	245,923	331,502	193,065
Biological assets-produce on bearer plants	86,126	71,671	86,126	71,671
Current tax assets	33,719	20,679	33,719	20,679
Trade and other receivables	497,448	256,348	440,865	229,617
Loan given to related Company	-	-	270,000	-
Amount due from related parties	149,147	255	369,455	4,101
Short term investment	4,870	514,914	4,870	482,811
Cash and cash equivalents	856,990	1,427,013	853,193	1,412,534
Total Current Assets	2,502,927	2,536,803	2,389,730	2,414,478
Total assets	8,834,449	8,891,695	8,602,137	8,489,169
Equity and Liabilities				
Capital and Reserves				
Stated capital	511,848	511,848	511,848	511,848
Retained earnings	5,768,337	6,345,936	6,040,082	6,620,116
Equity attributable to owners of the Company	6,280,185	6,857,784	6,551,930	7,131,964
Non controlling interests	222,804	241,887	-	-
Total Equity	6,502,989	7,099,671	6,551,930	7,131,964
Liabilities				
Non-current liabilities				
Interest bearing borrowings	1,231	227,505	-	-
Lease Liabilities	272,394	254,050	282,129	263,351
Retirement benefit obligations	337,389	212,629	295,954	186,682
Deferred income and capital grants	39,084	41,442	39,084	41,442
Deferred tax liability	805,550	316,938	726,238	261,658
Total Non-Current Liabilities	1,455,648	1,052,564	1,343,405	753,133
Current liabilities				
Interest bearing borrowings	1,277	145,070	-	45,500
Lease Liabilities	1,637	2,363	1,277	1,399
Trade and other payables	808,176	559,994	704,707	520,112
Amount due to related parties	818	31,259	818	37,061
Current tax liabilities	4,458	774	-	-
Bank overdrafts	59,446	-	-	-
Total current liabilities	875,812	739,460	706,802	604,072
Total liabilities	2,331,460	1,792,024	2,050,207	1,357,205
Total equity and liabilities	8,834,449	8,891,695	8,602,137	8,489,169
Net assets per share	30.89	33.73	32.23	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.



D. Laksiri
Financial Controller

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
24 May 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		3,455,658	3,455,658	2,141	3,457,799
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	-	3,508,549	3,508,549	2,551	3,511,100
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 March 2022	511,848	6,345,936	6,857,784	241,887	7,099,671
Balance as at 1 April 2022	511,848	6,345,936	6,857,784	241,887	7,099,671
Profit for the period		2,364,292	2,364,292	(32,502)	2,331,790
Actuarial loss on retirement benefit obligations		(113,462)	(113,462)	(1,611)	(115,073)
Deferred tax on actuarial loss on retirement benefit obligations		32,600	32,600	322	32,922
Total comprehensive income for the period		2,283,430	2,283,430	(33,791)	2,249,639
Transactions with owners of the Company, recognised directly in equity					
Transaction with non-controlling interests		(14,708)	(14,708)	14,708	-
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		(2,861,029)	(2,861,029)	14,708	(2,846,321)
Balance as at 31 March 2023	511,848	5,768,337	6,280,185	222,804	6,502,989

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		3,429,782	3,429,782
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	-	3,479,393	3,479,393
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 March 2022	511,848	6,620,116	7,131,964
Balance as at 1 April 2022	511,848	6,620,116	7,131,964
Profit for the period		2,335,639	2,335,639
Actuarial loss on retirement benefit obligations		(99,074)	(99,074)
Deferred tax on actuarial loss on retirement benefit obligations		29,722	29,722
Total comprehensive income for the period		2,266,287	2,266,287
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 March 2023	511,848	6,040,082	6,551,930

Condensed Consolidated Statement of cash flows

(all amounts in Sri Lankan Rupees thousands)

For the period ended 31 March	Group		Company	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before taxation	2,953,488	3,331,802	2,924,938	3,297,383
Adjustments for:				
Depreciation and amortisation	412,213	391,590	317,922	290,623
Provision for retirement benefit obligations	45,739	30,494	39,926	26,429
Profit on disposal of property, plant and equipment	(8,707)	(4,018)	(328)	(4,018)
Impairment of goodwill on acquisition of subsidiary	88,671	-	-	-
Impairment on investment of subsidiary	-	-	405,719	-
Gain on fair valuation of consumable biological assets	(10,486)	(1,328)	-	-
Gain on fair valuation of produce on bearer plants	(14,455)	(18,983)	(14,455)	(19,718)
Gain/(Loss) on fair valuation of livestock	157,435	6,013	-	-
Profit on disposal of consumable biological assets	-	(72)	-	-
Income from investment fund	(4,657)	(10,427)	(4,657)	(10,427)
Amortisation of capital grants	(2,358)	(50,554)	(2,358)	(2,357)
Net finance costs	(22,743)	14,973	(82,230)	(11,172)
Profit before working capital changes	3,594,140	3,689,490	3,584,477	3,566,743
Changes in working capital				
- Inventories	(629,984)	(134,653)	(138,437)	(121,764)
- Trade and other receivables	(241,100)	35,956	(211,248)	29,070
- Amount due from related companies	(148,892)	231	(365,354)	(231)
- Loan given to related company	-	-	(270,000)	-
- Amount due to related companies	(30,441)	31,259	(36,243)	37,061
- Trade and other payables	242,304	193,728	164,717	198,984
Cash generated from operations	2,786,027	3,816,011	2,727,912	3,709,863
Interest paid	(34,963)	(30,848)	(2,990)	(6,363)
Interest received	138,938	54,795	126,116	55,436
Income Tax paid	(109,521)	-	(108,037)	-
Retirement benefit obligations paid	(36,052)	(29,329)	(29,728)	(24,402)
	(41,598)	(5,382)	(14,639)	24,671
Net cash generated from operating activities	2,744,429	3,810,629	2,713,273	3,734,534
Cash flows from investing activities				
Additions to property, plant and equipment	(354,005)	(425,325)	(315,705)	(355,008)
Addition to Intangible assets	(26,864)	(15,545)	(26,864)	(15,545)
Additions to Bearer biological assets	(64,052)	(169,818)	(64,052)	(173,249)
Proceeds from disposal of biological assets (Livestock)	57,870	25,821	-	-
Proceeds from sale of property, plant and equipment	13,408	4,018	408	4,018
Proceeds from sale of consumable biological assets	-	474	-	-
Withdrawals made through investment fund	23,687	87,800	23,687	87,800
Short term investment	510,044	(307,447)	477,941	(275,344)
Addition to livestock	(165,176)	(225,695)	-	-
Goodwill on acquisition of subsidiary	(68,796)	-	-	-
Investment in subsidiaries	-	-	(433,796)	-
Net cash used in investing activities	(73,884)	(1,025,717)	(338,381)	(727,328)
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	(410,201)	(225,105)	(45,500)	(115,000)
Repayment of lease liabilities	(43,492)	(41,240)	(42,412)	(39,288)
Net cash used in financing activities	(3,300,014)	(1,740,183)	(2,934,233)	(1,984,066)
Increase /(Decrease) in cash and cash equivalents	(629,469)	1,044,729	(559,341)	1,023,140
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	(629,469)	1,044,729	(559,341)	1,023,140
At end of period	797,544	1,427,013	853,193	1,412,534
Cash and cash equivalents	856,990	1,427,013	853,193	1,412,534
Bank overdrafts	(59,446)	-	-	-
At end of period	797,544	1,427,013	853,193	1,412,534

Segmental Analysis - Group

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

Twelve months ended 31 March	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	7,573,816	5,782,074	1,194,789	693,988	-	-	(564)	(1,401)	8,768,041	6,474,661
Cost of sales	(3,830,727)	(2,249,639)	(1,363,463)	(720,416)	-	-	(35,766)	59,009	(5,229,956)	(2,911,046)
Gross profit/(loss)	3,743,089	3,532,435	(168,674)	(26,428)	-	-	(36,330)	57,608	3,538,085	3,563,615
Other operating income	-	-	(45,130)	100,640	(68,651)	58,893	35,131	(58,310)	(78,650)	101,223
Administrative expenses	(347,059)	(305,117)	(14,052)	(12,946)	-	-	44	-	(361,067)	(318,063)
Selling and distribution expenses	(66,540)	-	-	-	(12,412)	-	-	-	(78,952)	-
Impairment of lease hold right assets	-	-	-	-	(88,671)	-	-	-	(88,671)	-
Operating profit/(loss)	3,329,490	3,227,318	(227,856)	61,266	(169,734)	58,893	(1,155)	(702)	2,930,745	3,346,775
Net finance expenses	82,230	11,172	(60,602)	(27,167)	-	-	1,115	1,022	22,743	(14,973)
Profit/(loss) before tax	3,411,720	3,238,490	(288,458)	34,099	(169,734)	58,893	(40)	320	2,953,488	3,331,802
Tax expenses	(573,569)	152,098	(32,400)	(6,402)	(15,729)	(19,699)	-	-	(621,698)	125,997
Net profit / (loss)	2,838,151	3,390,588	(320,858)	27,697	(185,463)	39,194	(40)	320	2,331,790	3,457,799
Actuarial gain/(loss) on retirement benefit obligation	(99,074)	55,431	(15,999)	4,612	-	-	-	-	(115,073)	60,043
Tax on actuarial gain/(loss) on retirement benefit obligations	29,722	(5,820)	3,200	(922)	-	-	-	-	32,922	(6,742)
Total other comprehensive income/(expenses) for the period (net of tax)	(69,352)	49,611	(12,799)	3,690	-	-	-	-	(82,151)	53,301
Total comprehensive income/(expenses) for the period	2,768,799	3,440,199	(333,657)	31,387	(185,463)	39,194	(40)	320	2,249,639	3,511,100

Segmental Analysis - Company

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

Twelve months ended 31 March	Palm Oil		Others		Total	
	2023	2022	2023	2022	2023	2022
Revenue	7,573,816	5,782,074	-	-	7,573,816	5,782,074
Cost of sales	(3,830,727)	(2,249,639)	-	-	(3,830,727)	(2,249,639)
Gross profit	3,743,089	3,532,435	-	-	3,743,089	3,532,435
Other operating income	-	-	(68,651)	58,893	(68,651)	58,893
Administrative expenses	(347,059)	(305,117)	-	-	(347,059)	(305,117)
Selling and distribution expenses	(66,540)	-	(12,412)	-	(78,952)	-
Impairment of investment in Subsidiary	-	-	(405,719)	-	(405,719)	-
Operating profit/(loss)	3,329,490	3,227,318	(486,782)	58,893	2,842,708	3,286,211
Net finance expenses	82,230	11,172	-	-	82,230	11,172
Profit/(loss) before tax	3,411,720	3,238,490	(486,782)	58,893	2,924,938	3,297,383
Tax expenses	(573,569)	152,098	(15,730)	(19,699)	(589,299)	132,399
Net profit/(loss)	2,838,151	3,390,588	(502,512)	39,194	2,335,639	3,429,782
Other comprehensive income						
Actuarial gain/(loss) on retirement benefit obligations	(99,074)	55,431	-	-	(99,074)	55,431
Deffered Tax on actuarial gain/(loss) on retirement benefit obligations	29,722	(5,820)	-	-	29,722	(5,820)
Total other comprehensive income/(expenses) for the period (net of tax)	(69,352)	49,611	-	-	(69,352)	49,611
Total comprehensive income/(expenses) for the period	2,768,799	3,440,199	(502,512)	39,194	2,266,287	3,479,393

Segmental Analysis - Group

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

Quarter ended 31 March	Palm Oil		Dairy Farm		Others		Inter Segment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	1,809,199	1,258,541	309,680	183,019	-	-	-	(364)	2,118,879	1,441,196
Cost of sales	(1,091,973)	(642,079)	(386,627)	(214,654)	-	-	(104,258)	17,687	(1,582,858)	(839,046)
Gross profit/(loss)	717,226	616,462	(76,947)	(31,635)	-	-	(104,258)	17,323	536,021	602,150
Other operating income	-	-	(127,852)	32,755	(122,298)	4,041	103,059	(18,025)	(147,091)	18,771
Administrative expenses	(82,884)	(93,761)	(3,245)	(4,548)	-	-	44	-	(86,085)	(98,309)
Selling and distribution expenses	(30,359)	-	-	-	(9,975)	-	-	-	(40,334)	-
Impairment of lease hold right assets	-	-	-	-	(28,671)	-	-	-	(28,671)	-
Operating profit/(loss)	603,983	522,701	(208,044)	(3,428)	(160,944)	4,041	(1,155)	(702)	233,840	522,612
Net finance expenses	22,849	7,226	(22,832)	(7,745)	-	-	1,115	1,022	1,132	503
Profit/(loss) before tax	626,832	529,927	(230,876)	(11,173)	(160,944)	4,041	(40)	320	234,972	523,115
Tax expenses	(471,053)	273,301	(26,503)	919	(136)	(9,723)	-	-	(497,692)	264,497
Net profit / (loss)	155,779	803,228	(257,379)	(10,254)	(161,080)	(5,682)	(40)	320	(262,720)	787,612
Other comprehensive income										
Actuarial gain/(loss) on retirement benefit obligations	(99,074)	55,431	(15,999)	4,612	-	-	-	-	(115,073)	60,043
Deffered Tax on actuarial gain/(loss) on retirement benefit obligations	29,722	(5,820)	3,200	(922)	-	-	-	-	32,922	(6,742)
Total other comprehensive income/(expenses) for the period (net of tax)	(69,352)	49,611	(12,799)	3,690	-	-	-	-	(82,151)	53,301
Total comprehensive income/(expenses) for the period	86,427	852,839	(270,178)	(6,564)	(161,080)	(5,682)	(40)	320	(344,871)	840,913

Segmental Analysis - Company

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

Quarter ended 31 March	Palm Oil		Others		Total	
	2023	2022	2023	2022	2023	2022
Revenue	1,809,199	1,258,541	-	-	1,809,199	1,258,541
Cost of sales	(1,091,973)	(642,079)	-	-	(1,091,973)	(642,079)
Gross profit	717,226	616,462	-	-	717,226	616,462
Other operating income	-	-	(122,298)	4,041	(122,298)	4,041
Administrative expenses	(82,884)	(93,761)	-	-	(82,884)	(93,761)
Selling and distribution expenses	(30,359)	-	(9,975)	-	(40,334)	-
Impairment of investment in Subsidiary	-	-	(345,719)	-	(345,719)	-
Operating profit / (loss)	603,983	522,701	(477,992)	4,041	125,991	526,742
Net finance expenses	22,849	7,226	-	-	22,849	7,226
Profit / (loss) before tax	626,832	529,927	(477,992)	4,041	148,840	533,968
Tax expenses	(471,053)	273,301	(137)	(9,723)	(471,190)	263,578
Net profit / (loss)	155,779	803,228	(478,129)	(5,682)	(322,350)	797,546
Other comprehensive income						
Actuarial gain/(loss) on retirement benefit obligations	(99,074)	55,431	-	-	(99,074)	55,431
Deffered Tax on actuarial gain/(loss) on retirement benefit obligations	29,722	(5,820)	-	-	29,722	(5,820)
Total other comprehensive income/(expenses) for the period (net of tax)	(69,352)	49,611	-	-	(69,352)	49,611
Total comprehensive income/(expenses) for the period	86,427	852,839	(478,129)	(5,682)	(391,702)	847,157

Notes to the Condensed Interim Financial Statements

01. Corporate information

Watawala Plantations PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka. It is listed on the Colombo Stock Exchange. The registered office of the Company is located at No 60, Dharmapala Mawatha, Colombo 3.

The principal activities of the Group during the period continued to be cultivation, manufacture and sale of crude palm oil and Dairy farming.

02. Condensed Interim consolidated financial statements

The Consolidated Condensed Interim Financial Statements of the Watawala Plantations PLC as at and for the period ended 31 March 2023 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 March 2023 were authorised to be published by the Board of Directors on 24 May 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 March 2023 '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	53,283	-	-	53,283	-	53,283	-	53,283
	53,283	-	-	53,283	-	53,283	-	53,283
Financial assets not measured at fair value								
Trade and other receivables	-	497,448	-	497,448	-	-	497,448	497,448
Amounts due from related company	-	149,147	-	149,147	-	-	149,147	149,147
Short term investments	-	4,870	-	4,870	-	4,870	-	4,870
Cash at banks and in hand	-	856,990	-	856,990	-	856,990	-	856,990
	-	1,508,455	-	1,508,455	-	861,860	646,595	1,508,455
Total financial assets	53,283	1,508,455	-	1,561,738	-	915,143	646,595	1,561,738
Financial liabilities not measured at fair value								
Interest bearing borrowings	-	2,508	-	2,508	-	2,508	-	2,508
Trade and other payables	-	808,176	-	808,176	-	-	808,176	808,176
Lease Liabilities	-	274,031	-	274,031	-	-	274,031	274,031
Amount due to related Companies	-	818	-	818	-	-	818	818
Bank overdrafts	-	59,446	-	59,446	-	59,446	-	59,446
	-	1,144,979	-	1,144,979	-	61,954	1,083,025	1,144,979
Total financial liabilities	-	1,144,979	-	1,144,979	-	61,954	1,083,025	1,144,979

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 March 2023 '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	53,283	-	-	53,283	-	53,283	-	53,283
	53,283	-	-	53,283	-	53,283	-	53,283
Financial assets not measured at fair value								
Trade and other receivables	-	440,865	-	440,865	-	-	440,865	440,865
Loan given to related company	-	270,000	-	270,000	-	-	270,000	270,000
Amounts due from related company	-	369,455	-	369,455	-	-	369,455	369,455
Short term investments	-	4,870	-	4,870	-	4,870	-	4,870
Cash at banks and in hand	-	853,193	-	853,193	-	853,193	-	853,193
	-	1,938,383	-	1,938,383	-	858,063	1,080,320	1,938,383
Total financial assets	53,283	1,938,383	-	1,991,666	-	911,346	1,080,320	1,991,666
Financial liabilities not measured at fair value								
Lease Liabilities	-	283,406	-	283,406	-	-	283,406	283,406
Trade and other payables	-	704,707	-	704,707	-	-	704,707	704,707
Amount due to related Companies	-	818	-	818	-	-	818	37,061
	-	988,931	-	988,931	-	-	988,931	1,025,174
Total financial liabilities	-	988,931	-	988,931	-	-	988,931	1,025,174

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 March 2023

1 Public Shareholdings

	As at 31.03.2023	As at 31.03.2022
The percentage of shares held by the public	23.17	25.76
Number of Shareholders representing public shareholding	18,568	17,709

	Requirement by CSE	As as 31 Mar 2023	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 3.51Bn	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	18,568	500	17,709

2 Directors' Shareholding as at 31 March 2023

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

	As at 31.03.2023	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 March 2023

	As at 31.03.2023	As at 31.03.2022
Binesh Pananwala	Nil	Nil

4 Twenty (20) largest shareholders as at

Name	31st March 2023		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	2,486,108	1.22	2,486,084	1.22
Sri Lanka Insurance Corporation LTD-Life Fund	2,418,295	1.19	-	-
Seylan Bank PLC/ DR.T.Senthilvel	1,343,886	0.66	6,308,391	3.10
Vyjayanthi & Company Limited	1,011,674	0.50	1,011,674	0.50
Tuan Faizal Raheem	762,000	0.37	-	-
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
Mohamed Imtizam Abdul Hameed	354,085	0.17	354,085	0.17
Malika Tikiri Sunimalee Weerakon	346,185	0.17	-	-
Bagwan Wassiamal Kundanmal	327,418	0.16	-	-
Sri Lanka Insurance Corporation LTD-General Fund	312,832	0.15	-	-
Sugath Weeraratne	305,700	0.15	215,676	0.11
J.A.Sanath Priyantha	300,000	0.15	-	-
M.Z.H.Hashim	300,000	0.15	650,000	0.32
M.M.Hashim	250,000	0.12	185,000	0.09
Hatton National Bank PLC/Anuja Chamila Jayasinghe	242,400	0.12	-	-
M.Nafees Aththas	221,278	0.11	-	-
Sub Total	169,801,988	83.52	164,120,787	80.72
Other Shareholders	33,506,646	16.48	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 31.03.2023	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 31.03.2023	As at 31.03.2022
Highest during the period (LKR)	80.00	196.00
Lowest during the period (LKR)	68.00	82.00
Last traded price (LKR)	74.50	93.30

	Quarter ended 31 Mar 2023	Quarter ended 31 Mar 2022
No. of Transactions	4,620	22,527
No. of shares traded	2,791,411	19,816,324
Value of Shares Traded (LKR)	204,549,268	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

Registered Office

60, Dharmapala Mawatha, Colombo 03,
Sri Lanka
Tel: +94 114 702 400
E-mail: watawala@sunshineholdings.lk
Web: www.watawalaplantations.lk