

NAMUNUKULA PLANTATIONS PLC



Interim Financial
Statements

2022/23

FOR THE NINE MONTHS ENDED 31st DECEMBER 2022



STATEMENT OF FINANCIAL POSITION

As at,	31.12.2022	31.12.2021	31.03.2022
	Rs. '000	Rs. '000	Rs. '000
ASSETS			
Non Current Assets			
Right of Use Assets	396,537	411,662	416,338
Freehold Property, Plant & Equipment	315,324	286,587	278,469
Bearer Biological Assets	3,198,165	3,046,597	3,077,094
Consumable Biological Assets	253,951	225,584	251,179
Investment in Joint Venture	427,354	297,502	336,484
Financial Assets	200,000	200,000	200,000
Intangible Assets	305,915	305,915	305,915
Total Non Current Assets	<u>5,097,246</u>	<u>4,773,847</u>	<u>4,865,479</u>
Current Assets			
Produce on Bearer Biological Assets	38,499	21,558	38,499
Inventories	457,859	293,265	217,518
Trade and Other Receivables	160,516	208,893	152,178
Amounts Due from Related Companies	298,846	265,846	247,516
ESC Recoverable	5,114	16,319	5,114
Income Tax Receivable	13,361	11,028	11,028
Cash and Cash Equivalents	4,221,070	1,592,265	2,032,016
Total Current Assets	<u>5,195,264</u>	<u>2,409,174</u>	<u>2,703,869</u>
TOTAL ASSETS	<u>10,292,509</u>	<u>7,183,020</u>	<u>7,569,348</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	350,000	350,000	350,000
Timber Reserve	131,192	106,712	131,192
Retained Earnings	7,208,350	4,748,567	4,956,274
Total Equity	<u>7,689,542</u>	<u>5,205,279</u>	<u>5,437,466</u>
Non Current Liabilities			
Interest Bearing Loans & Borrowings	-	-	-
Retirement Benefit Obligations	394,321	481,267	474,022
Deferred Tax Liability	640,825	274,871	318,681
Deferred Income	121,823	129,140	127,404
Lease liability	419,250	412,755	422,444
Total Non Current Liabilities	<u>1,576,220</u>	<u>1,298,033</u>	<u>1,342,551</u>
Current Liabilities			
Dividend Payable	-	-	237,500
Trade and Other Payables	695,208	551,882	462,085
Lease liability	5,309	2,968	5,309
Interest Bearing Loans & Borrowings	106,608	28,977	25,137
Amounts Due to Related Companies	90,518	28,977	24,634
Income Tax Liabilities	129,105	66,905	34,667
Total Current Liabilities	<u>1,026,748</u>	<u>679,708</u>	<u>789,331</u>
TOTAL LIABILITIES	<u>2,602,968</u>	<u>1,977,741</u>	<u>2,131,882</u>
TOTAL EQUITY AND LIABILITIES	<u>10,292,509</u>	<u>7,183,020</u>	<u>7,569,348</u>
NET ASSETS PER SHARE (RS.)	<u>323.77</u>	<u>219.17</u>	<u>228.95</u>

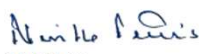
* The above figures are subject to audit.

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.


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Sudheera Eritakumbura
Deputy Group Chief Financial Officer

The board of directors are responsible for the preparation and presentation of these Financial Statements. Approved & Signed for and on behalf of the board of Directors of Namunukula Plantations PLC by,


N C Peiris
Director


J L A Fernando
Director

Colombo,
14 February 2023

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended 31.12.2022 Rs. '000	Quarter Ended 31.12.2021 Rs. '000	Increase / (Decrease) %	Period Ended 31.12.2022 Rs. '000	Period Ended 31.12.2021 Rs. '000	Increase / (Decrease) %	Year Ended 31.03.2022 Rs. '000
Revenue	1,268,517	963,303	32%	4,206,159	2,955,615	42%	3,888,486
Cost of Sales	(523,072)	(422,530)	24%	(1,913,136)	(1,493,616)	28%	(1,990,412)
Gross Profit	745,445	540,773	38%	2,293,023	1,461,999	57%	1,898,074
Other Income	315,515	78,534	302%	695,696	205,032	239%	284,899
Change in fair value of Biological Assets	-	-	--	-	-	--	41,421
Administrative Expenses	(30,464)	(14,542)	109%	(70,818)	(41,931)	69%	(63,346)
Management Fee	(118,360)	(90,251)	31%	(368,950)	(249,437)	48%	(322,517)
Finance Cost	(15,606)	(14,530)	7%	(47,964)	(42,689)	12%	(57,776)
Impairment of Goodwill	-	-	--	-	-	--	-
Share of Profit from the Joint Venture	47,786	53,228	-10%	191,530	185,609	3%	224,590
Profit Before Taxation	944,316	553,212	71%	2,692,517	1,518,582	77%	2,005,345
Tax (Expense) / Reversal	(372,402)	(23,200)	1505%	(440,441)	(55,700)	691%	(68,013)
Net Profit for the Year	571,914	530,012	8%	2,252,076	1,462,882	54%	1,937,332
Other comprehensive income							
Actuarial gain/(loss) on defined benefit plans	-	-	--	-	-	--	8,033
Tax effect	-	-	--	-	-	--	(1,125)
Other comprehensive income for the period	-	-	--	-	-	--	6,908
Total comprehensive income for the period	571,914	530,012	8%	2,252,076	1,462,882	54%	1,944,240
Basic Earnings per Share (Rs.)	24.08	22.32		94.82	61.60		81.57

* The above figures are subject to audit.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Timber Reserves Rs. '000	Total Rs. '000
Balance as at 1 April 2021	350,000	3,285,685	106,712	3,742,397
Net Profit for the period	-	1,462,882	-	1,462,882
Other Comprehensive Income/(Loss)	-	-	-	-
Balance as at 31 December 2021	<u>350,000</u>	<u>4,748,567</u>	<u>106,712</u>	<u>5,205,279</u>
Balance as at 1 April 2022	350,000	4,956,274	131,192	5,437,466
Net Profit for the period	-	2,252,076	-	2,252,076
Other Comprehensive Income/(Loss)	-	-	-	-
Balance as at 31 December 2022	<u><u>350,000</u></u>	<u><u>7,208,350</u></u>	<u><u>131,192</u></u>	<u><u>7,689,542</u></u>

The Timber Reserve relates to change in fair value of managed trees which includes commercial timber plantations cultivated on estates.

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Period ended,	31.12.2022	31.12.2021
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	2,692,517	1,518,582
ADJUSTMENTS FOR		
Depreciation	166,319	155,075
Finance Cost	47,964	42,689
Provision for Defined Benefit Plan Cost	32,733	34,783
Profit on Disposal of Property, Plant & Equipment	(2,000)	(102)
Amortization of Grants	(5,290)	(4,836)
Share of Profit of Joint Venture	(191,530)	(185,609)
Operating profit before working capital changes	2,740,714	1,560,583
(Increase)/Decrease in Inventories	(240,341)	(116,823)
(Increase)/Decrease in Trade and other Receivables	(8,338)	(119,441)
(Increase)/Decrease in Amounts due from Related Companies	(51,330)	(111,066)
Increase/(Decrease) in Trade and Other Payables	233,124	108,311
Increase/(Decrease) in Amounts due to Related Companies	65,885	18,875
Cash Generated from Operating Activities	2,739,713	1,340,440
Finance Cost Paid	(3,475)	(1,116)
Defined Benefit Plan Cost Paid	(112,434)	(66,258)
Tax (Paid) / Refund	(26,191)	-
Net Cash Flow From Operating Activities	2,597,613	1,273,066
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(59,680)	(2,907)
Term Loan given to RPC Finance Ltd	-	-
Dividend Received	100,660	100,660
Investments in Immature plantation	(244,764)	(190,606)
Expenditure on Timber Cultivation	(2,771)	(7,044)
Proceeds from Disposal of Property, Plant & Equipment	2,000	9,500
Grants Received	(291)	4,849
Net Cash Flow From Investing Activities	(204,847)	(85,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(47,683)	(44,192)
Proceeds from loans & borrowings	50,000	-
Repayment of loans & borrowings	(6,667)	(13,333)
Settlement of finance lease	-	-
Dividend Paid	(237,500)	(201,875)
Net Cash Flow From Financing Activities	(241,850)	(259,400)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,150,916	928,117
A. Cash & Cash Equivalents at the Beginning of the Year	2,013,546	646,838
B. Cash & Cash Equivalents at the End of the Year	4,164,462	1,574,955
NOTE A : Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	2,032,016	661,744
Bank Overdrafts	(18,471)	(14,906)
	2,013,546	646,838
NOTE B : Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	4,221,070	1,592,265
Bank Overdrafts	(56,608)	(17,311)
	4,164,462	1,574,955

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Period Ended 31.12.2022 Rs.	Period Ended 31.12.2021 Rs.	Year Ended 31.03.2022 Rs.
Last traded price	365.00	389.75	398.75
Highest	599.75	409.75	1,100.00
Lowest	195.00	148.00	148.00

2. Market Capitalization & Ratios

	As at 31.12.2022	As at 31.03.2022
Market Capitalization (Rs. '000)	8,668,750	9,470,313
Float adjusted Market Capitalization (Rs. '000)	2,789,794	3,079,722
Price Earning Ratio (times)	1.92	4.89

The company complies with option 05 of the listing rules 7.13.1 (a) - Less than Rs. 2.5 Bn. float adjusted market capitalization.

- Stated Capital of Namunukula Plantations PLC amounts to Rs. 350,000,010 represented by 23,750,000 ordinary shares and a Golden Share which has special rights held by the Secretary to the Treasury.
- The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34 - Interim Financial Reporting. Further, provisions of the Companies Act No. 7 of 2007 have been considered in preparing the Interim Financial Statements of the Company.
- The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the previous year.
- The presentation and classification of figures for the corresponding period of the previous year have been re-arranged, where relevant, for better presentation and to be comparable with those of the current period.
- These interim financial statements does not include the Gain/(Loss) arising from the valuation of biological assets and Actuarial Gain/(Loss) on defined benefit plan costs arising since the valuation is done at the year end.
Further management is assessed that, the fair values of financial assets & financial liabilities are approximate to their carrying values of these instruments.
- There has been no any other significant change in the nature of contingent liabilities, which were disclosed in the latest Annual Report of the company.
- There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

10. Surcharge Tax

The Surcharge Tax Act No 14 of 2022 (Act) was certified by the Speaker and published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on 8th April 2022. As per the said Act, Surcharge Tax is payable by a company or each company of a group of companies (holding and subsidiaries) subject to the taxable income threshold specified in the Act. The Group of companies will meet the chargeability threshold when the aggregate taxable income of all subsidiaries and holding company (excluding the companies with nil taxable income due to losses or unrelieved losses) exceed Rs.2 Bn for Y/A commencing from 1st April 2020. Such Group of companies will be liable for Surcharge tax at a rate of 25% on the taxable income of each subsidiary and holding company excluding gains and profits from dividends received from a subsidiary which is part of such taxable income for Y/A commencing from 1st April 2020.

As the law imposing the surcharge tax was enacted after the end of the reporting period, the Financial Statements for the period ended March 31, 2022 do not reflect the tax liability that would arise in consequence. The Company paid the two installment by equal installments of amounting to Rs. 5.835 Mn. on April 20, 2022 and July 20, 2022.

As per the Statement of Alternative Treatment (SoAT) issued by CA Sri Lanka on 22nd April 2022, Surcharge Tax expense which is deemed to be an expenditure for the year of assessment which commenced on 1st April 2020, shall be recorded as an adjustment to the opening retained earnings reported in the Statement of Changes in Equity on 1st April 2021. Such adjustment is incorporated in this interim financial statements.

11. Impact of Income Tax and deferred Tax Expenses

Pursuant to the Inland Revenue (Amendment) Act, No. 45 of 2022 (certified on 19 December 2022), Corporate Income Tax arising from business income has been increased from 14% to 30% w.e.f. 01 October 2022.

As deferred tax is calculated based on the liability method as per LKAS 12 - Income Taxes, the new tax rate of 30% was applied to the cumulative temporary differences as at 01 October 2022. This change in income tax rates resulted in deferred tax expenses of Rs. 322 mn for the Company as at 31st December 2022.

12. Impact of COVID - 19

The outbreak of COVID-19 has caused disruption to business and economic activities, and uncertainty in the global and local economy. Subsequent to the outbreak of COVID-19 in Sri Lanka, the company has strictly adhered to the guidelines and directions issued by the government & health authorities of Sri Lanka when conducting its business operations, also the company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time try to ensuring business continuity.

The Company continuously monitors the impact of the pandemic and takes necessary action to manage its impact on the operations and performance of the Company.

- Mr. B A T Rodrigo, who was in the Directorate of Namunukula Plantations PLC as the Treasury Representative, ceased to be a Director of the Company with effect from August 30, 2022, following the appointment of Mr. Pradeep Dissanayake as the Representative of the Ministry of Finance/Treasury to the Board.

- The Interim Financial Statements of the company for the period ended 31 December 2022 were authorized for issue by the Board of Directors on 14th February 2023.

NOTES TO THE FINANCIAL STATEMENTS

13. Twenty largest shareholders of the company (Voting shares),

	As at 31.12.2022		As at 31.03.2022	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantation Management Services (Pvt) Ltd	16,106,730	67.82%	16,026,561	67.48%
2 The Secretary to the Treasury	3,763,300	15.85%	3,763,300	15.85%
3 Mr. T.T.T Al Nakib	667,100	2.81%	667,100	2.81%
4 Sakuvi Investment Trust (Private) Limited	298,996	1.26%	328,148	1.38%
5 Mr.H.A.A.H.Algharabally	71,573	0.30%	71,573	0.30%
6 Mr.K.C.Vignarajah	70,849	0.30%	72,849	0.31%
7 Mr.W.D.N.H.Perera	54,617	0.23%	36,331	0.15%
8 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
9 TSTTT-Sathe Secretary To The Treasury - Sundry	38,298	0.16%	38,298	0.16%
10 Hatton National Bank PLC/Thilak Dias Gunasekera	35,702	0.15%	42,500	0.18%
11 Mr.A.H.Musthakeem	30,000	0.13%	30,000	0.13%
12 Seylan Bank PLC/Karagoda Loku Gamage	21,833	0.09%	-	0.00%
13 Mrs.Z.M.Adamally	21,600	0.09%	21,600	0.09%
14 Mr.N.A.Withana	21,111	0.09%	21,111	0.09%
15 Cocoshell Activated Carbon Company (Private)	20,700	0.09%	20,800	0.09%
16 Mr.M.F.A.Deen	20,000	0.08%	16,725	0.07%
17 Mrs.S.Vignarajah	14,514	0.06%	15,014	0.06%
18 Peoples Leasing & Finance PLC/K.L.Udayananda	14,386	0.06%	-	0.00%
19 Mr.I.D.S.P.Rupasingha	11,738	0.05%	6,000	0.03%
20 Mr.S.Gowrisangar	10,500	0.04%	10,500	0.04%
21 Mr.T.A Rassool	10,306	0.04%	9,001	0.04%
22 Hatton National Bank PLC/Ravindra Erle	10,000	0.04%	8,500	0.04%
23 Dr.R.S Hulugalle	10,000	0.04%	10,000	0.04%
Sub Total	21,367,053	89.97%		
Balance held by 12,381 (2021/22 - 12,331) shareholders	2,382,948	10.03%	2,443,423	10.29%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

* There were no non voting shares as at 31 December 2022.

The Percentage of shares held as at ,

	As at 31.12.2022			As at 31.03.2022		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Public Holding	12,403	7,643,271	32.18%	12,350	7,723,440	32.52%
Other Holding	1	16,106,730	67.82%	1	16,026,561	67.48%
Total No. of Shares	12,404	23,750,001	100.00%	12,351	23,750,001	100.00%

14. Directors' & CEO's Shareholding

The Directors and CEO of the Company hold shares in the Company as follows.

	As at	As at
	31.12.2022	31.03.2022
	No. of Shares	No. of Shares
Dr. S Yaddhegige - Chairman	Nil	Nil
Mr. N C Peiris	Nil	Nil
Mr. Shaminda Yaddhegige	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe	Nil	Nil
Mr. J L A Fernando	Nil	Nil
Mr. Pradeep Dissanayake (Appointed w.e.f. 30th August 2022)	Nil	Nil
Mr. P De S A Gunasekara - CEO	74	74

SEGMENT INFORMATIONS

REVENUE

Summary
Sale of Goods
Tea
Rubber
Oil Palm
Coconut
Cinnamon

	2022	2021
	Rs. '000	Rs. '000
Tea	1,348,604	821,144
Rubber	204,724	199,049
Oil Palm	2,606,937	1,883,761
Coconut	31,257	33,525
Cinnamon	14,636	18,136
	<u>4,206,159</u>	<u>2,955,615</u>

For the period ended 31 December,	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	1,348,604	821,144	204,724	199,049	2,606,937	1,883,761	31,257	33,525	14,636	18,136	4,206,159	2,955,615
Revenue Expenditure	(978,443)	(834,207)	(124,421)	(133,548)	(581,865)	(312,185)	(21,962)	(14,061)	(10,575)	(12,925)	(1,717,266)	(1,306,927)
Depreciation / Amortization	(24,215)	(23,983)	(41,294)	(39,186)	(87,179)	(78,023)	(7,543)	(7,719)	(4,706)	(4,795)	(164,936)	(153,706)
Gratuity	(14,821)	(15,523)	(4,308)	(5,474)	(11,306)	(11,414)	(436)	(488)	(62)	(83)	(30,933)	(32,983)
Gross Profit/(Loss)	<u>331,125</u>	<u>(52,570)</u>	<u>34,701</u>	<u>20,841</u>	<u>1,926,588</u>	<u>1,482,139</u>	<u>1,316</u>	<u>11,256</u>	<u>(706)</u>	<u>333</u>	<u>2,293,023</u>	<u>1,461,999</u>
Other Income											695,696	205,032
Administrative Expenses											(70,818)	(41,931)
Management Fees											(368,950)	(249,437)
Finance Cost											(47,964)	(42,689)
Share of Profit from the Joint Venture											191,530	185,609
Profit before Taxation											<u>2,692,517</u>	<u>1,518,582</u>
Income Tax (Expense)/Reversal											(440,441)	(55,700)
Net Profit for the period											<u>2,252,076</u>	<u>1,462,882</u>

* The above figures are subject to audit.

CORPORATE INFORMATION**Name of Company**

Namunukula Plantations PLC.

Legal Form

A Quoted Public Limited Liability Company Incorporated in Sri Lanka.

Date of Incorporation

22 June 1992

Company Registration No.

P Q 136

Tax Identification No.

294001395

Principal Business Activities

Cultivation, Manufacture & Sale of Tea, Rubber, Oil palm, Coconut & Cinnamon Plantations.

Ultimate Parent Enterprise

Richard Pieris & Company PLC.

Board of Directors

Dr. S Yaddhegige - Chairman

Mr. N C Peiris

Mr. Shaminda Yaddhegige

Mr. Gerard Amerasinghe

Mr. J L A Fernando

Mr. Pradeep dissanayake (Appointed w.e.f. 30th August 2022)

Stock Exchange Listings

The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Registered / Head Office

No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

Auditors

Messrs. Ernst & Young, Chartered Accountants,

No: 201, De Saram Place, P.O. Box 101, Colombo 10, Sri Lanka.

Company Secretaries

Richard Pieris Group Services (Pvt) Ltd,

Secretaries,

No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka.

Telephone: + (94) 11 4310564

Bankers

Bank of Ceylon - Corporate Branch & Regional Branches

People's Bank - Pelawatta Branch

Hatton National Bank PLC - City Branch

Sampath Bank PLC - Head Office Branch

National Development Bank PLC

Indian Overseas Bank / Indian Bank

Nations Trust Bank PLC

Contact Details

Telephone : + (94) 11 4310500

Fax : + (94) 11 2801400

Website : www.arpico.com

Email : npl.rpk@arpico.com