



NAMUNUKULA PLANTATIONS PLC

Interim
Financial
Statements

For the twelve month ended
31st March 2020



STATEMENT OF FINANCIAL POSITION

As at,	31.03.2020	Audited 31.03.2019
	Rs. '000	Rs. '000
ASSETS		
Non Current Assets		
Leasehold Property, Plant & Equipment	457,353	159,597
Freehold Property, Plant & Equipment	342,488	388,341
Bearer Biological Assets	2,836,700	2,670,638
Consumable Biological Assets	192,717	167,391
Long Term Investments - (Unquoted)	174,423	134,101
Intangible Assets	305,915	316,415
Total Non Current Assets	<u>4,309,595</u>	<u>3,836,484</u>
Current Assets		
Produce on bearer Biological asset	17,456	14,006
Inventories	193,063	251,792
Trade and Other Receivables	129,778	116,629
Amounts Due from Related Companies	189,024	51,409
Financial Assets	-	250,000
ESC Recoverable	21,211	9,617
Income Tax Receivable	10,594	8,854
Cash and Cash Equivalents	66,014	22,316
Total Current Assets	<u>627,141</u>	<u>724,623</u>
TOTAL ASSETS	<u>4,936,736</u>	<u>4,561,107</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	350,000	350,000
Retained Earnings	2,703,664	2,313,924
Total Equity	<u>3,053,664</u>	<u>2,663,924</u>
Non Current Liabilities		
Interest Bearing Loans & Borrowings	-	6,939
Retirement Benefit Obligations	549,688	550,482
Deferred Tax Liability	287,247	254,944
Deferred Income	133,676	132,079
Liability to make Lease payment after one year	407,104	205,498
Total Non Current Liabilities	<u>1,377,715</u>	<u>1,149,942</u>
Current Liabilities		
Dividend Payable	-	201,875
Trade and Other Payables	364,978	404,771
Liability to make Lease payment within one year	6,599	4,710
Interest Bearing Loans & Borrowings	94,599	85,882
Amounts Due to Related Companies	34,244	50,003
Income Tax Liabilities	4,937	-
Total Current Liabilities	<u>505,358</u>	<u>747,241</u>
TOTAL LIABILITIES	<u>1,883,073</u>	<u>1,897,183</u>
TOTAL EQUITY AND LIABILITIES	<u>4,936,736</u>	<u>4,561,107</u>
NET ASSETS PER SHARE (RS.)	<u>128.58</u>	<u>112.17</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.



Kamal Punchihewa
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



S S G Liyanage
Director

Colombo,
13 August 2020

STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended	Quarter Ended	Increase / (Decrease) %	Period Ended	Audited Period Ended	Increase / (Decrease) %
	31.03.2020 Rs. '000	31.03.2019 Rs. '000		31.03.2020 Rs. '000	31.03.2019 Rs. '000	
Revenue	474,463	584,704	-19%	2,147,359	2,414,326	-11%
Cost of Sales	<u>(449,865)</u>	<u>(517,243)</u>	<u>-13%</u>	<u>(1,802,350)</u>	<u>(2,077,972)</u>	<u>-13%</u>
Gross Profit	24,598	67,461	-64%	345,009	336,354	3%
Other Income	38,544	21,681	78%	97,208	141,113	-31%
Change in fair value of Biological Assets	21,344	11,932	79%	21,344	11,932	79%
Administrative Expenses	(14,338)	(19,805)	-28%	(60,013)	(61,778)	-3%
Management Fee	(12,443)	(10,344)	20%	(85,050)	(77,811)	9%
Finance Cost	(17,313)	(13,260)	31%	(57,161)	(65,129)	-12%
Impairment of Goodwill	(10,500)	(8,100)	30%	(10,500)	(8,100)	30%
Share of Profit from the Joint Venture	30,389	13,239	130%	75,273	23,527	220%
Profit Before Taxation	<u>60,282</u>	<u>62,803</u>	<u>-4%</u>	<u>326,109</u>	<u>300,109</u>	<u>9%</u>
Tax (Expense) / Reversal	(4,772)	(24,555)	-81%	(39,200)	(43,816)	-11%
Net Profit for the Year	<u>55,510</u>	<u>38,249</u>	<u>45%</u>	<u>286,910</u>	<u>256,293</u>	<u>12%</u>
Other comprehensive income						
Actuarial gain/(loss) on defined benefit plans	(10,900)	26,070	-142%	(10,900)	26,070	-142%
Tax effect	1,526	(3,650)	142%	1,526	(3,650)	142%
Other comprehensive income for the period	<u>(9,374)</u>	<u>22,420</u>	<u>-142%</u>	<u>(9,374)</u>	<u>22,420</u>	<u>-142%</u>
Total comprehensive income for the period	<u>46,136</u>	<u>60,669</u>	<u>-24%</u>	<u>277,535</u>	<u>278,713</u>	<u>0%</u>
Basic Earnings per Share (Rs.)	<u>2.34</u>	<u>1.61</u>		<u>12.08</u>	<u>10.79</u>	

* The above figures are subject to audit.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1 April 2018	350,000	2,237,086	2,587,086
Net Profit for the period	-	256,293	256,293
Other Comprehensive Income/(Loss)	-	22,420	22,420
Dividends	-	(201,875)	(201,875)
Balance as at 31 March 2019	<u>350,000</u>	<u>2,313,924</u>	<u>2,663,924</u>
Balance as at 1 April 2019	350,000	2,313,924	2,663,924
Net Profit for the period	-	286,910	286,910
Other Comprehensive Income/(Loss)	-	(9,374)	(9,374)
1st time adoption of SLFRS 16 - Leases	-	112,204	112,204
Balance as at 31 March 2020	<u><u>350,000</u></u>	<u><u>2,703,664</u></u>	<u><u>3,053,664</u></u>

* The above figures are subject to audit.

STATEMENT OF CASH FLOWS

Period ended,	31.03.2020	31.03.2019
	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	326,109	300,109
ADJUSTMENTS FOR		
Depreciation	192,184	173,895
Finance Cost	57,161	65,129
Provision for Defined Benefit Plan Cost	96,229	95,609
Profit on Disposal of Property, Plant & Equipment	-	(1,889)
Amortization of Grants	(4,077)	(3,735)
Gain on change in fair value of biological assets	(21,344)	(11,932)
Impairment of goodwill	10,500	8,100
Share of Profit of Joint Venture	(75,273)	(23,527)
Provision for Bad & Doubtful Debts	222	-
Operating profit before working capital changes	<u>581,712</u>	<u>601,759</u>
(Increase)/Decrease in Inventories	58,729	39,896
(Increase)/Decrease in Trade and other Receivables	(15,112)	1,390
(Increase)/Decrease in Amounts due from Related Companies	(137,615)	(40,962)
Increase/(Decrease) in Trade and Other Payables	(23,943)	(9,175)
Increase/(Decrease) in Amounts due to Related Companies	<u>(16,157)</u>	<u>35,641</u>
Cash Generated from Operating Activities	447,615	628,550
Finance Cost Paid	(3,727)	(16,199)
Defined Benefit Plan Cost Paid	(123,376)	(67,928)
Income Tax (Paid) / Refund	<u>(12,028)</u>	<u>(18,111)</u>
Net Cash Flow From Operating Activities	<u>308,484</u>	<u>526,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(3,788)	(25,667)
Cash received from Matured Debentures	250,000	-
Dividend Received	34,951	-
Investments in Immature plantation	(290,309)	(240,811)
Expenditure on Timber Cultivation	(7,432)	(7,413)
Proceeds from Disposal of Property, Plant & Equipment	-	13,100
Grants Received	<u>5,674</u>	<u>2,954</u>
Net Cash Flow From Investing Activities	<u>(10,904)</u>	<u>(257,836)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Government Lease rentals	(55,758)	(53,459)
Payment of other lease rentals	(5,025)	(8,633)
Proceeds from loans & borrowings	8,514	-
Repayment of loans & borrowings	(60,811)	(68,328)
Dividend Paid	<u>(201,875)</u>	<u>-</u>
Net Cash Flow From Financing Activities	<u>(314,956)</u>	<u>(130,420)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(17,376)	138,056
A. Cash & Cash Equivalents at the Beginning of the Year	<u>(3,406)</u>	<u>(141,462)</u>
B. Cash & Cash Equivalents at the End of the Year	<u><u>(20,782)</u></u>	<u><u>(3,406)</u></u>
NOTE A : Cash & Cash Equivalents at the Beginning of the Period		
Cash & Bank Balances	22,316	36,929
Bank Overdrafts	<u>(25,722)</u>	<u>(178,391)</u>
	<u><u>(3,406)</u></u>	<u><u>(141,462)</u></u>
NOTE B : Cash & Cash Equivalents at the End of the Period		
Cash & Bank Balances	66,014	22,316
Bank Overdrafts	<u>(86,796)</u>	<u>(25,722)</u>
	<u><u>(20,782)</u></u>	<u><u>(3,406)</u></u>

* The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

1. Market Price per Share

	Quarter Ended 31.03.2020 Rs.	Quarter Ended 31.03.2019 Rs.	Period Ended 31.03.2020 Rs.	Period Ended 31.03.2019 Rs.	Year Ended 31.03.2019 Rs.
Last traded price	78.00	64.00	78.00	64.00	64.00
Highest	90.00	81.30	90.00	95.00	95.00
Lowest	70.00	60.00	58.00	55.50	55.50

2. Market Capitalization & Ratios

	As at 31.03.2020	As at 31.03.2019
Market Capitalization (Rs. '000)	1,852,500	1,520,000
Float adjusted Market Capitalization (Rs. '000)	602,428	494,300
Price Earning Ratio (times)	6.46	5.93

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

3. 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.
4. 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.
5. The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for year ended 31 March 2019, except for the Accounting Policies and methods of computation adopted to be in compliance with the requirement of the Sri Lanka Accounting Standard SLFRS 16 - "Leases", which became effective from January 01, 2019. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. Lessee and Lessor). SLFRS 16 replaced LKAS 17 - "Leases" and related interpretations.

The Company adopted SLFRS 16 using the modified retrospective method of adoption, with the date of initial application of 01 April 2019. The effect of adoption of SLFRS 16 to the Retained Earnings as of 01 April 2019 is given in the Financial Statements.

The effect of adoption SLFRS 16 - Leases as at 01 April 2019

	Lease Liability Rs.	Right-of-Use Asset Rs.	Retained Earnings Rs.
Balance As at 1 April 2019 (Before initial Application of SLFRS 16)	210,208,168	98,004,010	2,313,924,252
Transition Adjustment due to initial application of SLFRS 16 Leases	200,822,483	313,026,641	112,204,158
Adjusted Balance as at 1 April 2019 (At the initial application of SLFRS 16)	<u>411,030,651</u>	<u>411,030,651</u>	<u>2,426,128,410</u>

6. 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.
7. These interim financial statements include the Gain arising from the valuation of biological assets and Actuarial Gain/(Loss) on defined benefit plans arising from the year end valuation.
- Further management is assessed that, the fair values of financial assets & financial liabilities are approximate to their carrying values of these instruments.
8. There has been no any other significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2019.
9. There have been no any other material events occurring after the reporting date that require adjustments or disclosure in the financial statements.
10. In March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe with over 200 countries now affected. In light of the COVID-19 outbreak being declared a pandemic by the World Health Organization, 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. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company carried out operations in limited manner in mid of March 2020, however since GOSL has announced Plantation industry as essential service the company has resumed its normal operations.

At the moment our estates are operational at normal levels and considerable investments have been directed towards preventive/curative health and safety measures in following all recommended health, work place safety and sanitation protocols recommended by the Authorities. The company is closely engaged in developing mitigating factors for potential risks to the business operation due to COVID pandemic and management is confident in carrying the business and its operations as normal with the health and safety measures recommended by the Government authorities.

11. The Interim Financial Statements of the company for the period ended 31st March 2020 were authorized for issue by the Board of Directors on 13 August 2020.

NOTES TO THE FINANCIAL STATEMENTS

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

	As at 31.03.2020		As at 31.03.2019	
	No. of shares held	% of Holding	No. of shares held	% of Holding
1 RPC Plantation Management Services (Pvt) Ltd	16,026,561	67.48%	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	400,000	1.68%	350,000	1.47%
4 National Development Bank PLC/Sakuvi Investment Trust (Pvt) Ltd	368,000	1.55%	368,000	1.55%
5 Mr.D.F.G.Dalpethado	182,707	0.77%	184,202	0.78%
6 Bank of Ceylon No .1 Account	80,000	0.34%	80,000	0.34%
7 Pershing LLC S/A Averbach Grauson & Co.	80,000	0.34%	100,000	0.42%
8 Mr.H.A.A.H.Algharabally	77,000	0.32%	77,000	0.32%
9 Mr.K.C.Vignarajah	71,868	0.30%	71,852	0.30%
10 Cocoshell Activated Carbon Co. Ltd	57,387	0.24%	57,387	0.24%
11 Mrs. J.K.P Singh	48,938	0.21%	48,938	0.21%
12 Mr.Z.G.Carimjee	43,200	0.18%	43,200	0.18%
13 Hatton National Bank PLC/Thilak Dias Gunasekera	42,768	0.18%	30,000	0.13%
14 T.S.T.T.T. Sathe Secretary to the Treasury-Sundry	38,298	0.16%	38,298	0.16%
15 Mr.N.A. Withana	35,419	0.15%	34,351	0.14%
16 J.B. Cocoshell (Pvt) Ltd	32,522	0.14%	32,522	0.14%
17 Northstar Holdings (Pvt) Ltd	29,900	0.13%	29,900	0.13%
18 Mr.U.P.Jayasinghe	29,500	0.12%	34,704	0.15%
19 Mrs.S.Vignarajah	28,104	0.12%	28,104	0.12%
20 Mrs.K.Fernando	25,000	0.11%	25,000	0.11%
Sub Total	21,460,472	90.36%		
Balance held by 11,602 (2018/19 - 11,634) shareholders	2,289,529	9.64%	2,326,682	9.80%
Total No. of Shares	23,750,001	100.00%	23,750,001	100.00%

* There were no non voting shares as at 31 March 2020.

The Percentage of shares held as at ,

	As at 31.03.2020			As at 31.03.2019		
	No. of Shareholders	No. of shares held	%	No. of Shareholders	No. of shares held	%
Public Holding	11,621	7,723,440	32.52%	11,653	7,723,440	32.52%
Other Holding	1	16,026,561	67.48%	1	16,026,561	67.48%
Total No. of Shares	11,622	23,750,001	100.00%	11,654	23,750,001	100.00%

13. Directors' & CEO's Shareholding

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

	As at 31.03.2020 No. of Shares	As at 31.03.2019 No. of Shares
Dr. S Yaddehige - Chairman	Nil	Nil
Mr. N C Peiris	Nil	Nil
Mr. B A T Rodrigo	Nil	Nil
Mr. Shaminda Yaddehige	Nil	Nil
Mr. Shirley Gerard Devinda Amerasinghe	Nil	Nil
Mr. S S G Liyanage	Nil	Nil
Mr. Sriyan Eriyagama - CEO (Resigned w.e.f. 30 June 2020)	Nil	Nil

SEGMENT INFORMATIONS

REVENUE Summary	2020		2019	
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Sale of Goods				
Tea		873,829		1,157,244
Rubber		186,550		243,733
Oil Palm		1,049,363		957,761
Coconut		26,315		32,151
Cinnamon		11,302		23,438
		<u>2,147,359</u>		<u>2,414,326</u>

For the period ended 31 March,	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	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	873,829	1,157,244	186,550	243,733	1,049,363	957,761	26,315	32,151	11,302	23,438	2,147,359	2,414,326
Revenue Expenditure	(1,032,331)	(1,272,646)	(172,837)	(229,355)	(293,072)	(281,375)	(13,119)	(14,002)	(7,904)	(16,107)	(1,519,264)	(1,813,484)
Depreciation / Amortization	(35,331)	(36,840)	(51,876)	(43,139)	(88,401)	(77,050)	(7,362)	(7,333)	(6,287)	(6,317)	(189,258)	(170,679)
Gratuity	(57,306)	(57,340)	(16,190)	(17,042)	(19,184)	(18,057)	(754)	(819)	(394)	(551)	(93,829)	(93,809)
Gross Profit/(Loss)	<u>(251,139)</u>	<u>(209,583)</u>	<u>(54,353)</u>	<u>(45,804)</u>	<u>648,706</u>	<u>581,280</u>	<u>5,079</u>	<u>9,998</u>	<u>(3,284)</u>	<u>463</u>	<u>345,009</u>	<u>336,354</u>
Other Income											97,208	141,113
Gain on change in fair value of biological assets											21,344	11,932
Administrative Expenses											(60,013)	(61,778)
Management Fees											(85,050)	(77,811)
Finance Cost											(57,161)	(65,129)
Impairment Loss on goodwill											(10,500)	(8,100)
Share of Profit from the Joint Venture											75,273	23,527
Profit before Taxation											<u>326,109</u>	<u>300,109</u>
Income Tax (Expense)/Reversal											(39,200)	(43,816)
Net Profit for the period											<u>286,910</u>	<u>256,293</u>

* The above figures are subject to audit.

CORPORATE INFORMATIONS**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. B A T Rodrigo

Mr. Shaminda Yaddhegige

Mr. Gerard Amerasinghe

Mr. S S G Liyanage

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

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