

**BALANGODA PLANTATIONS PLC**

110, Norris Canal Road - Colombo -10

Company Reg. No: P Q 165

INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
30TH SEPTEMBER 2023



## BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

### CORPORATE INFORMATION

Company	: Balangoda Plantations PLC	
Legal Form	: Public Listed Company	
Date of Incorporation	: 11th June 1992	
Company Registration No	: P Q 165	
Registered Office	: 110, Norris Canal Road, Colombo 10	
Board of Directors	: Mr.D.H.S Jayawardena Mr.C R Jansz Mr.D Hasitha S Jayawardena Mr.M A N S Perera Mr.K Dayaparan Dr.A.Shakthevale Mr.D.S.K.Amarasekera	- Chairman - Non Executive Director - Non Executive Director - Executive Director - Non Executive Director - Independent Director - Independent Director
Secretary	: Mr. P A Jayatunga 833, Sirimavo Bandaranaike Mawatha Colombo 14. Telephone 2524734 / 2522871	
Registrars	: Central Depositor Systems (Pvt) Limited (CDS) Ground Floor,M & M Center 341/5, Kotte Road,Rajagiriya.	
Auditors	: Messrs. KPMG (Chartered Accountants) 32A, Sir Mohomad Macan Markar Mawatha Colombo 03.	
Bankers	: Hatton National Bank PLC Ratnapura Branch Senanayake Mawatha Ratnapura	
Managing Agents	: Melstacorp PLC 110,Norris Canal Road Colombo 10.	

## STATEMENT OF FINANCIAL POSITION

As at ,	Unaudited 30/09/2023 Rs '000	Unaudited 30/09/2022 Rs '000	Audited 31/12/2022 Rs '000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Right of Use Assets	259,018	249,351	267,797
Immovable Leased Assets	1,980	8,273	6,819
Property, Plant and Equipment	1,505,946	1,500,982	1,475,122
Intangible Assets	1,265	1,818	1,672
Investment Property	404,651	328,881	389,051
Bearer Biological Assets	1,768,538	1,842,683	1,832,870
Consumable Biological Assets	2,736,879	2,505,298	2,586,879
Financial Assets Measured at FVOCI	433	242	192
	<b>6,678,710</b>	<b>6,437,528</b>	<b>6,560,402</b>
<b>Current Assets</b>			
Produce on Bearer Biological Assets	9,476	23,938	9,948
Inventories	414,379	801,490	675,600
Trade and Other Receivables	122,826	216,739	115,583
Amounts due from Related Company	30,913	30,510	26,699
Other Financial Assets Measured at Amortised Cost	-	454	-
Cash and Cash Equivalents	18,670	9,517	2,178,001
	<b>596,264</b>	<b>1,082,648</b>	<b>3,005,831</b>
<b>Total Assets</b>	<b>7,274,974</b>	<b>7,520,176</b>	<b>9,566,233</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	2,359,091	350,000	350,000
Revaluation Reserves	741,689	948,302	741,689
Timber Reserves	2,513,625	2,150,793	2,363,625
FVOCI Reserve	284	94	43
Accumulated Losses	(2,378,563)	(1,679,437)	(2,344,665)
Share Application Pending Allotment	-	-	2,169,642
<b>Total Equity</b>	<b>3,236,126</b>	<b>1,769,752</b>	<b>3,280,334</b>
<b>Non Current Liabilities</b>			
Interest Bearing Loans and Borrowings	777,147	3,083,683	2,753,826
Retirement Benefit Obligations	826,923	902,851	903,017
Deferred Tax Liability	1,197,614	472,196	1,140,386
Deferred Income	114,229	123,196	121,078
Lease Liability	298,684	279,939	301,721
	<b>3,214,597</b>	<b>4,861,865</b>	<b>5,220,028</b>
<b>Current Liabilities</b>			
Interest Bearing Loans and Borrowings	200,000	350,306	575,000
Lease Liability	4,430	2,528	2,552
Trade and Other Payables	358,053	455,231	413,585
Amounts due to Related Companies	769	12,788	926
Bank Overdraft	260,999	67,706	73,808
	<b>824,251</b>	<b>888,559</b>	<b>1,065,871</b>
<b>Total Liabilities</b>	<b>4,038,848</b>	<b>5,750,424</b>	<b>6,285,899</b>
<b>Total Equity and Liabilities</b>	<b>7,274,974</b>	<b>7,520,176</b>	<b>9,566,233</b>
<b>Net Assets per Share</b>	<b>68.46</b>	<b>74.88</b>	<b>47.00</b>

It is certified that the Financial Statements as at 30th September 2023 have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

.....  
D S Heenatigalage  
General Manager - Finance

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 Balangoda Plantations PLC by ;

.....  
D H S Jayawardena  
Chairman

.....  
K Dayaparan  
Director

Colombo, 14th November 2023

## BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	03 Months ended 30/09/2023 Rs. '000	03 Months ended 30/09/2022 Rs. '000	Variance %	09 Months ended 30/09/2023 Rs. '000	09 Months ended 30/09/2022 Rs. '000	Variance %
<b>Revenue</b>	1,017,306	1,858,719	(45)	3,294,352	4,673,122	(30)
Cost of sales	(886,226)	(1,214,256)	(27)	(2,878,989)	(3,224,982)	(11)
<b>Gross profit</b>	131,080	644,463	(80)	415,363	1,448,140	(71)
Other income	31,813	22,126	44	97,115	94,588	3
Administrative expenses	(39,774)	(30,382)	31	(118,341)	(77,654)	52
Other expenses	(1,150)	-		(9,650)	-	-
<b>Profit from operating activities</b>	<b>121,969</b>	<b>636,207</b>	<b>(81)</b>	<b>384,487</b>	<b>1,465,074</b>	<b>(74)</b>
Gain on changes in fair value of biological assets	47,988	53,781	(11)	149,527	151,079	(1)
Finance income	296	83	257	4,816	303	1,489
Finance costs	(70,944)	(241,969)	(71)	(270,954)	(556,072)	(51)
Net Finance costs	(70,648)	(241,886)	(71)	(266,138)	(555,769)	(52)
<b>Profit before taxation</b>	<b>99,309</b>	<b>448,102</b>	<b>(78)</b>	<b>267,876</b>	<b>1,060,384</b>	<b>(75)</b>
Income tax expenses	(57,228)	-	-	(57,228)	-	
<b>Profit for the period</b>	<b>42,081</b>	<b>448,102</b>	<b>(91)</b>	<b>210,648</b>	<b>1,060,384</b>	<b>(80)</b>
<b>Other comprehensive income</b>						
Net change in the fair value of financial assets measured at FVOCI	118	45	162	241	(146)	(265)
<b>Total other comprehensive income/(Expense)</b>	<b>118</b>	<b>45</b>	<b>162</b>	<b>241</b>	<b>(146)</b>	<b>(265)</b>
<b>Total comprehensive income</b>	<b>42,199</b>	<b>448,147</b>	<b>- 90.58</b>	<b>210,889</b>	<b>1,060,238</b>	<b>(80)</b>
<b>Basic earnings per Share</b>	<b>0.89</b>	<b>18.96</b>		<b>4.46</b>	<b>44.86</b>	

## BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

### STATEMENT OF CHANGES IN EQUITY

	Stated Capital <i>Rs. '000</i>	Revaluation Reserves <i>Rs. '000</i>	Timber Reserves <i>Rs. '000</i>	FVOCI Reserves <i>Rs. '000</i>	Pending Allotment <i>Rs. '000</i>	Accumulated Loss <i>Rs. '000</i>	Total Equity <i>Rs. '000</i>
Balance as at 1st January 2022	350,000	948,302	2,150,793	240	-	(2,739,820)	709,515
Profit for the period						1,060,384	1,060,384
Other comprehensive Income				(146)			(146)
Balance as at 30th September 2022	350,000	948,302	2,150,793	94	-	(1,679,436)	1,769,753
<b>Balance as at 1st January 2023</b>	350,000	741,689	2,363,625	43	2,169,642	(2,344,665)	3,280,334
Profit for the period						210,648	210,648
Transferred to timber Reserve			150,000			(150,000)	-
Other comprehensive Income				241			241
Transferred to right Issue	2,009,091				(2,009,091)		-
Refund of unaccepted shares applications					(160,551)		(160,551)
Dividend paid						(94,546)	(94,546)
<b>Balance as at 30th September 2023</b>	2,359,091	741,689	2,513,625	284	-	(2,378,563)	3,236,126

# BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

## STATEMENT OF CASHFLOWS

<b>For the nine months ended</b>	Unaudited 30/09/2023 <b>Rs. '000</b>	Unaudited 30/09/2022 <b>Rs. '000</b>
<b>Cash Flows From Operating Activities</b>		
Profit Before Taxation	267,876	1,060,384
<b>Adjustments for</b>		
Depreciation and Amortization	139,494	158,982
Impairment of Immature Plantation- Rubber	8,500	-
Gain on Disposal of Property, Plant and Equipment	(6,350)	(5,650)
Interest Income	(4,816)	(303)
Provision for Retirement Benefit Obligations	63,614	54,325
Amortization of Government Grants	(6,849)	(7,095)
Interest Expenses	270,954	556,072
Fair Value Gain on Investment properties	(15,600)	-
Gain on Changes in Fair Value of Biological Assets	(150,000)	(151,079)
<b>Operating Profit before Working Capital Changes</b>	<b>566,823</b>	<b>1,665,636</b>
<b>Working Capital Changes</b>		
Decrease/ (Increase) in inventories	261,694	(365,813)
(Increase) / Decrease in Trade and Other Receivables	(3,111)	(102,467)
Decrease/ (Increase) in Amounts Due From Related Companies	(4,213)	(15,020)
Increase / (Decrease) in Trade and Other Payables	(15,809)	(34,933)
Increase / (Decrease) in Amounts Due to Related Companies	(157)	5,482
<b>Cash Generated from Operations</b>	<b>805,227</b>	<b>1,152,885</b>
Retirement Benefit Obligations Paid	(139,707)	(78,834)
Interest Paid	(88,543)	(36,640)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	<b>576,977</b>	<b>1,037,411</b>
<b>Cash Flows From Investing Activities</b>		
Interest Received	683	303
Purchase of Property, Plant and Equipment	(38,368)	(16,043)
Investment in Immature Bearer Biological Assets	(62,093)	(47,039)
Proceeds from Disposal of Property, Plant And Equipment	6,350	5,650
<b>Net Cash Generated from (Used In) Investing Activities</b>	<b>(93,428)</b>	<b>(57,129)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Long Term Borrowings	-	137,119
Repayment of Long Term Borrowings	(2,534,091)	(688,481)
Repayment of Lease Liabilities	(40,883)	(30,094)
Refund of Unaccepted Shares Applications	(160,551)	-
Dividend Paid	(94,545)	-
<b>Net Cash Generated from/(Used In) Financing Activities</b>	<b>(2,830,070)</b>	<b>(581,456)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,346,521)	398,826
Cash and Cash Equivalents at Beginning of the Period	2,104,192	(457,015)
Cash and Cash Equivalents at End of the Period (Note A)	<b>(242,329)</b>	<b>(58,189)</b>
<b>Note A</b>		
Cash and Cash Equivalents	18,670	9,517.00
Bank Overdraft	(260,999)	(67,706.00)
Cash and Cash Equivalents at End of the Period	<b>(242,329)</b>	<b>(58,189)</b>

## BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

### NOTES TO THE FINANCIAL STATEMENTS

#### 01. Segmental Information

##### For the nine months ended

	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	Rs. '000					
	Tea	Tea	Rubber	Rubber	Total	Total
Revenue	3,007,548	4,118,624	286,804	554,498	3,294,352	4,673,122
Cost of Sales	(2,514,278)	(2,805,634)	(364,711)	(419,348)	(2,878,989)	(3,224,982)
Segment Results	493,270	1,312,990	(77,907)	135,150	415,363	1,448,140
<b>Unallocated</b>						
Other Operating Income					97,115	94,588
Administrative Expenses					(118,341)	(77,654)
Other Expenses					(9,650)	-
Finance Cost					(266,138)	(555,769)
Gain on Change in Fair Value of Biological Asset					149,527	151,079
Profit/(Loss) before Income Tax Expense					<b>267,876</b>	<b>1,060,384</b>
<b>(b) Segment Assets</b>						
As at	30/09/2023	30/09/2022	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	Rs. '000					
Non Current Assets	2,062,662	1,972,559	1,803,973	1,830,556	3,866,635	3,803,115
Current Assets	488,042	909,197	37,811	85,912	525,853	995,109
	<b>2,550,704</b>	<b>2,881,756</b>	<b>1,841,784</b>	<b>1,916,468</b>	<b>4,392,488</b>	<b>4,798,224</b>
<b>Unallocated</b>						
Non Current Assets				-	2,812,075	2,634,412
Current Assets					70,411	87,540
Total Assets					<b>7,274,974</b>	<b>7,520,176</b>
<b>Segment Liabilities</b>						
Non Current Liabilities	723,511	793,562	103,412	109,289	826,923	902,851
Current Liabilities	282,943	397,262	58,866	53,260	341,809	450,522
Total Liabilities	<b>1,006,454</b>	<b>1,190,824</b>	<b>162,278</b>	<b>162,549</b>	<b>1,168,732</b>	<b>1,353,373</b>
<b>Unallocated</b>						
Non Current Liabilities					2,387,674	3,959,014
Current Liabilities					482,442	438,037
Total Liabilities					<b>4,038,848</b>	<b>5,750,424</b>
<b>Equity</b>					<b>3,236,126</b>	<b>1,769,752</b>

# BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

- 02 These interim financial statements of the company for the nine month period ended 30th September were approved by the board of directors on 13th November 2023.
- 03 The interim Financial Statements have been prepared in accordance with the Accounting Policies set out in the most recent Annual Report and are in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.
- 04 No circumstances have arisen since the Financial Position date, which would require adjustments to or disclosure in the financial statements.
- 05 The aggregate value of the non-recurrent Related Party Transaction of the loans of Rs.977 Mn obtained from Melstacorp PLC has exceeded 10% of equity.
- 06 Stated Capital of Balangoda Plantations PLC amount to Rs.2,789,090,834 represented by 47,272,726 ordinary shares and a Golden share which has special rights held by the Secretary to the Treasury.
- 07 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 December 2022.

## INVESTOR INFORMATION

01 Market Price Per Share	Quarter ended 30/09/2023	Quarter ended 30/09/2022
Highest Price Rs.	88.00	139.00
Lowest Price Rs.	55.00	13.40
Last Traded Price Rs.	59.00	122.50

### 02 Directors' shareholding

A statement of each director's holding and Executive Director holding in shares of the entity at the end of each financial period 30 September 2023

Name	As at 30/09/2023	As at 30/09/2022
Mr.D H S Jayawardena - Chairman	-	-
Mr.D Hasitha S Jayawardena - Non Executive Director	-	-
Mr.C R Jansz - Non Executive Director	-	-
Mr.K Dayaparan - Non Executive Director	-	-
Mr.M A N S Perera - Executive Director	-	-
Dr.A.Shakthevale- Independent Director	-	-
Mr.D S K Amarasekera - Independent Director	-	-
<b>CEO'S Shareholding as at 30th September 2023</b>		
Mr. D D Wekunagoda	-	-

## BALANGODA PLANTATIONS PLC

INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2023

### INVESTOR INFORMATION

#### 03 Twenty (20) largest shareholders as at 30th September 2023

	NAME	No. of shares	% of issued capital
1	Melstacorp PLC	35,268,300	74.61%
2	Sandwave Limited	1,280,000	2.71%
3	J.B. Cocoshell (Pvt) Ltd	615,092	1.30%
4	Hatton National Bank Plc/Almas Holdings (Private) Limited	509,578	1.08%
5	Seylan Bank Plc/Mohamed Mushtaq Fuad	432,672	0.92%
6	Mr. R.A. Rishard	267,693	0.57%
7	Sampath Bank Plc/Mr. Gerard Shamil Niranjan Peiris & Mrs. Indrani	258,000	0.55%
8	Hatton National Bank Plc/Mushtaq Mohamed Fuad	242,261	0.51%
9	Dialog Finance Plc/F.F. Haniffa	201,100	0.43%
10	Dialog Finance Plc/ M.M. Fuad	199,400	0.42%
11	Almas Holdings (Private) Limited	125,000	0.26%
12	Cocoshell Activated Carbon Company (Private) Limited	120,400	0.25%
13	Mr. A.K. Palliya Guruge Don (Deceased)	108,000	0.23%
14	Hatton National Bank Plc/Ravindra Erle Rambukwelle	103,000	0.22%
15	Mr. M.S.F. Haqqe	102,396	0.22%
16	Lotus Global Investments Ltd	100,000	0.21%
17	Seylan Bank Plc/Mohamed Subair Fouzal Haqqe	100,000	0.21%
18	Mr. L.D.S. Chandrasiri	100,000	0.21%
19	Dr. A.A.M. Dharmadasa	<b>90,000</b>	0.19%
20	Hatton National Bank Plc/Arunasalam Sithampalam	89,442	0.19%
		<b>40,312,334</b>	<b>85.28%</b>
	Other Shareholders	6,960,392	14.72%
	<b>TOTAL</b>	<b>47,272,726</b>	<b>100%</b>

	30/09/2023	30/09/2022
Public holding % of the stated capital	25.39	41.39
Number of Shareholders representing public shareholdings	18,703	18,725
Float adjusted market capitalization (Rs. '000)	708,261	1,198,381

#### Minimum public holding

The Float adjusted market capitalization of the company falls under option 5 of Rule 7.13.1(a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.