

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14

Company Reg. No : PQ 184

INTERIM FINANCIAL STATEMENTS
QUARTER ENDED 30TH SEPTEMBER, 2021



OUR VISION

- ◆ *To be a trend setter to the Plantation industry by being a result oriented innovative Tea Company.*

OUR MISSION

- ◆ *To manage the Plantations as economically viable units and ensure the enhancement of their agro economic value.*
- ◆ *To improve the Socio Economic Conditions of the Workers.*
- ◆ *To enhance returns to the Shareholders.*
- ◆ *To become the best managed world class Tea Company reputed for quality.*

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

CORPORATE INFORMATION

Company Name

Madulsima Plantations PLC

Legal Form of the Company

Public Quoted

Registration No.

P Q 184

Parent Company

Melsta Corp PLC

#110, Norris Canal Road, Colombo 10

Sri Lanka

Registered Office

833, Sirimavo Bandaranayke Mawatha,

Colombo 14.

Board of Directors

Mr. D. H. S. Jayawardena

-Chairman / MD

Dr. N. M. Abdul Gaffar

-Non Ex Director

Mr. D. Hasitha S Jayawardena

-Non Ex Director

Dr. A. Shakthevale

-Ind. Director

Mr. D. S. K. Amarasekera

-Ind. Director

Company Secretary

Mr. P. A. Jayatunga

Auditors

Messrs KPMG

(Chartered Accountants)

32A, Sir Mohamed Macan Marker Mawatha

Colombo 03,

Sri Lanka.

Registrars

Messrs P W Corporate Secretarial (Pvt) Ltd

#3/17, Kensey Road,

Colombo 08,

Sri Lanka.

Bankers

Hatton National Bank PLC

#16, City Office,

Janadhipathi Mawatha,

Colombo 01,

Sri Lanka.

Standard Chartered Bank – Fort Branch

P O Box 112,

Colombo 01,

Sri Lanka.

Bank of Ceylon

Bank Road,

Badulla,

Sri Lanka.

Commercial Bank of Ceylon PLC-Foreign Branch

21, Sir Razik Fareed Mawatha

P O Box 856,

Colombo 01,

Sri Lanka.

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

STATEMENT OF INCOME

	03 Months ended 30/09/2021 Rs. 000	03 Months ended 30/09/2020 Rs. 000	09 Months ended 30/09/2021 Rs. 000	09 Months ended 30/09/2020 Rs. 000	Increase/ (Decrease) %	Audited Year ended 31/12/2020 Rs. 000
Revenue	796,439	740,457	2,393,315	2,109,857	13	2,832,067
Cost of Sales	(770,743)	(736,952)	(2,379,674)	(1,982,702)	20	(2,761,276)
Gross Profit/(Loss)	25,696	3,505	13,640	127,155	(89)	70,791
Other operating income	15,678	10,221	80,583	42,130	91	46,085
Administration and operating activities	(39,914)	(23,058)	(93,981)	(66,679)	41	(150,806)
Profit/(Loss) from operating activities	1,460	(9,332)	242	102,606	(100)	(33,930)
Gain on change in fair value of biological asset	53,046	45,109	163,065	135,326	20	220,039
Net finance cost	(69,104)	(73,127)	(191,410)	(253,863)	(25)	(318,186)
Profit/(Loss) before taxation	(14,598)	(37,350)	(28,102)	(15,931)	76	(132,077)
Income tax expenses	-	-	-	-	-	(68,818)
Profit/(Loss) for the period	(14,598)	(37,350)	(28,102)	(15,931)	76	(200,895)

STATEMENT OF OTHER COMPREHENSIVE INCOME

	03 Months ended 30/09/2021 Rs. 000	03 Months ended 30/09/2020 Rs. 000	09 Months ended 30/09/2021 Rs. 000	09 Months ended 30/09/2020 Rs. 000	Increase/ (Decrease) %	Audited Year ended 31/12/2020 Rs. 000
Profit/ (Loss) for the period	(14,598)	(37,350)	(28,102)	(15,931)	76	(200,895)
Items that will not be reclassified to profit or loss						
Actual gains/ (Loss) on retirement benefit obligations	-	-	-	-	-	40,375
Deferred tax on actuarial loss			-	-		(5,653)
Net change in fair value through OCI finance assets	-	-	-	-	-	(343)
Revaluation Gain						767,310
Tax effect on Revaluation Gain						(107,423)
Total other comprehensive expenses for the period (net of tax)	-	-	-	-	-	694,266
Total comprehensive income /(expenses) for the period	(14,598)	(37,350)	(28,102)	(15,931)	76	493,371
Basic earning per share	(0.09)	(0.22)	(0.17)	(0.09)		(1.19)

Figures in brackets indicate deductions.

The above figures are not audited

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. '000	Available For Sales Reserves Rs. '000	Timber Reserve Rs. '000	Retained Profit Rs. '000	Revaluation Reserve Rs. '000	Total Equity Rs. '000
Balance as at 1st January 2020	1,624,761	2,959	3,376,701	(4,693,769)	637,258	947,909
Transferred to timber reserve		-	135,326	(135,326)		-
Net Profit/(Loss) for the period				(15,931)		(15,931)
Other comprehensive income / (loss)				-		-
Balance as at 30th September 2020	1,624,761	2,959	3,512,027	(4,845,026)	637,258	931,979
Balance as at 1st January 2021	1,624,761	2,616	3,594,121	(5,077,361)	1,297,144	1,441,280
Transferred to timber reserve			163,065	(163,065)		-
Transferred from timber reserve			(11,462)	11,462		-
Net Profit/(Loss) for the period				(28,102)		(28,102)
Other comprehensive income / (loss)		-		-		-
Balance as at 30th September 2021	1,624,761	2,616	3,745,724	(5,257,067)	1,297,144	1,413,178

Figures in brackets indicate deductions.

The above figures are not audited

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

STATEMENT OF FINANCIAL POSITION

	Unaudited 30/09/2021 Rs. 000	Unaudited 30/09/2020 Rs. 000	Audited 31/12/2020 Rs. 000
Assets			
Non-current assets			
Right to use of land	103,145	106,592	106,590
Immovable estate assets on finance lease (other than bare Land)	355,572	305,395	392,394
Tangible assets other than biological assets	1,472,473	860,447	1,506,960
Bearer biological assets	860,808	781,751	777,912
Consumable biological assets	3,944,594	3,695,553	3,784,250
Investment in Equity Securities-FVOCI	3,832	4,175	3,832
Total non-current assets	6,740,423	5,753,913	6,571,938
Current Assets			
Produce bearer biological assets	4,671	2,053	4,672
Inventories	380,960	330,206	363,450
Trade and other receivables	143,199	193,503	155,520
Amounts due from related companies	-	2,722	296
Cash and cash equivalents	10,835	39,440	27,432
Total current assets	539,664	567,924	551,370
TOTAL ASSETS	7,280,088	6,321,837	7,123,308
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	1,624,761	1,624,761	1,624,761
Timber reserve	3,745,724	3,512,027	3,594,121
Revaluation reserve	1,297,144	637,258	1,297,144
Fair value through OCI reserve	2,616	2,959	2,616
Retained earnings	(5,257,067)	(4,845,026)	(5,077,361)
Total equity	1,413,178	931,979	1,441,281
Non-current liabilities			
Interest bearing borrowings	2,999,360	2,941,903	2,909,107
Retirement benefit obligations	976,613	947,711	992,866
Deferred tax liability	460,146	278,253	460,146
Deferred income and capital grants	130,927	134,663	132,710
Lease liability to-SLSPC and JEDB	92,725	90,869	91,775
Total non-current liabilities	4,659,771	4,393,399	4,586,604
Current liabilities			
Trade and other payable	346,514	381,157	384,327
Lease liability to-SLSPC and JEDB	569	456	569
Amounts due to related companies	66,058	59,858	61,794
Interest bearing borrowings	692,280	510,572	547,055
Bank overdraft	101,719	44,416	101,678
Total current liabilities	1,207,139	996,459	1,095,423
Total liabilities	5,866,910	5,389,858	5,682,027
TOTAL EQUITY AND LIABILITIES	7,280,088	6,321,837	7,123,308
Net Assets per share	8.34	5.50	8.50

Figures in brackets indicate deductions.

The above figures are not audited

It is certified that these financial statements have been prepared in accordance with the requirements of the Company Act No 07 of 2007.

Sgd.

D.M.Samantha K Dissanayaka

Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and behalf of Directors of Madulsima Plantations PLC

Sgd.

D.H.S Jayawardena

Chairman/Managing Director

Sgd.

Dr. N M Abdul Gaffar

Non -Executive Director

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

STATEMENT OF CASH FLOWS

	09 Months ended 30/09/2021 Rs. 000	09 Months ended 30/09/2020 Rs. 000	Year ended 31/12/2020 Rs. 000
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before taxation	(28,102)	(15,932)	(132,077)
Adjustments for:			
Depreciation	118,651	67,875	102,464
Interest income	-	-	(67)
Interest expenses	191,410	253,863	318,253
Provision for retirement benefit obligations	34,163	32,535	147,655
Gain on fair valuation of timber plantations	(163,065)	(135,326)	(220,039)
Amortization of capital grants	(1,783)	(3,410)	(5,363)
ESC Write off	-	-	8,763
Dividend income	-	-	(350)
Provision for impairment of bearer biological assets	-	-	43,937
Write off of slow moving inventories	-	-	4
Profit on sale of timber trees	(23,211)	-	-
Operating profit /(loss) before working capital changes	128,064	199,605	263,181
(Increase)/decrease in inventories	(17,510)	(76,649)	(109,896)
(Increase)/decrease in trade and other receivables	12,322	(47,955)	(18,737)
(Increase)/decrease in amounts due from related companies	297	(543)	1,882
Increase/(decrease) in trade and other payable	(37,813)	109,765	112,935
Increase/(decrease) in amount due to related companies	4,264	2,272	4,208
Cash generated from operating activities	89,623	186,495	253,573
Finance cost paid	(12,921)	(36,923)	(56,140)
Retirement benefit obligation paid	(50,416)	(69,957)	(99,547)
Income tax paid	-	(2,604)	-
Net cash flows from operating activities	26,286	77,011	97,886
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(36,475)	(21,673)	(15,404)
Investments in immature plantations	(90,319)	(64,274)	(109,435)
Investments in timber plantations	(8,740)	(4,075)	(10,679)
Proceeds from timber sales	33,992	-	-
Dividend Received	-	-	350
Interest received	-	-	67
Net cash flows from investing activities	(101,543)	(90,022)	(135,100)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of government lease rentals	(9,739)	(9,456)	(12,629)
Inter company and bank loan obtained	421,000	357,000	38,045
Loans repayment	(352,643)	(359,108)	(82,048)
Net cash flows from financing activities	58,618	(11,564)	(56,633)
Net increase/(decrease) in cash and cash equivalents	(16,638)	(24,576)	(93,847)
Cash and cash equivalents at the beginning of the year	(74,245)	19,601	19,601
Cash and cash equivalents at the end of the period	(90,884)	(4,975)	(74,245)

Figures in brackets indicate deductions.

The above figures are not audited

MADULSIMA PLANTATIONS PLC

833,Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

SEGMENTAL INFORMATION

3.0 REVENUE

30/09/2021
Rs. 000

30/09/2020
Rs. 000

3.1 Sale of goods

Sale of produce tea

2,393,315 2,109,857

3.2 Segmental information

Geographical segment

(a) Segment revenue

	Madulsima Region				Bogawantalawa Region		TOTAL	
	Uva High		Uva Medium		Western High			
	30/09/2021 Rs.000	30/09/2020 Rs. 000	30/09/2021 Rs.000	30/09/2020 Rs. 000	30/09/2021 Rs.000	30/09/2020 Rs.000	30/09/2021 Rs.000	30/09/2020 Rs.000
Revenue	955,688	964,798	554,231	569,426	883,396	575,633	2,393,315	2,109,857
Cost of sales	(883,804)	(830,455)	(531,678)	(493,076)	(964,193)	(659,171)	(2,379,674)	(1,982,702)
Segment results	71,884	134,343	22,553	76,350	(80,797)	(83,538)	13,641	127,155
Other operating income	6,440	8,566	8,187	7,342	4,154	3,247	18,781	19,155
Administration & general expenses	(30,176)	(25,810)	(15,418)	(14,445)	(31,399)	(26,184)	(76,993)	(66,439)
	48,148	117,099	15,323	69,247	(108,042)	(106,475)	(44,571)	79,871

Unallocated

Other operating income							61,802	22,975
Administrative expenses							(16,989)	(241)
Profit/(loss) from operating activities							243	102,605
Finance cost							(191,410)	(253,863)
Gain on change in fair value of biological asset							163,065	135,326
Profit/(loss) before income tax expense							(28,102)	(15,932)

(b) Segment assets

Non-current assets	34,032	2,980,325	26,103	1,436,745	78,801	1,275,543	138,937	5,692,614
Current assets	199,359	239,303	123,789	83,974	151,934	141,575	475,082	464,853
	233,391	3,219,628	149,893	1,520,719	230,735	1,417,118	614,019	6,157,467

Unallocated

Non-current assets							6,601,487	61,299
Current assets							64,583	103,071
Total assets							7,280,088	6,321,837

Segment liabilities

Non-current liabilities	400,590	370,444	227,176	218,012	503,856	510,026	1,131,622	1,098,483
Current liabilities	132,922	157,986	80,748	71,758	149,777	148,450	363,447	378,194
Total liabilities	533,512	528,430	307,924	289,770	653,633	658,476	1,495,069	1,476,677

Unallocated

Non-current liabilities							3,528,149	3,295,373
Current liabilities							843,692	617,809
Total liabilities							5,866,910	5,389,859

Capital expenditure - Allocated
- Unallocated

	33,549	21,558	26,103	14,465	78,801	184,943	138,453	220,966
							(2,919)	4,383
							135,535	225,349

Depreciation - Allocated
- Unallocated

	35,669	25,650	20,304	17,336	25,882	20,427	81,854	63,413
							36,797	4,462
							118,651	67,875

Figures in brackets indicate deductions.

The above figures are not audited

MADULSIMA PLANTATIONS PLC
833, Sirimavo Bandaranaike Mawatha - Colombo -14
Interim Financial Statement for 09 months ended 30th September 2021

Notes to the Interim Financial Statements

01. Approval of the financial statement

The interim financial statements of the company for the period ended 30th September 2021 were authorised to be published by the Board of Directors on 10th November 2021.

02 Basis of preparation

The Interim Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard (SLFRS/ LKAS) and provide the information required by the Colombo Stock Exchange and LKAS 34 on Interim financial reporting.

The accounting policies adopted in preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31st December 2020.

The interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statement for the year ended 31st December 2020.

03 There has not been a significant change in the nature of contingent assets and contingent liabilities.

04. No circumstances have arisen since the Statement of Financial Position date, which would require adjustment to or disclosure in the interim Financial Statements.

05. The presentation and classification of the Financial Statements of the previous periods have been amended, where relevant, for better presentation and to be comparable with those of the current period.

06. The Financial Statements do not include/classify actuarial gain/loss on retirement benefit obligation at the valuation is done at the end of the year 2020.

07. The Company has adopted SLFRS 16 using modified retrospective method from 1st January 2019, without restating comparative information. Instead, it has recognized the cumulative effect of initially applying this standard as an adjustment to the opening balance of retaining earning at the date of initial application, as permitted under the specific transitional provisions in the standard.

08 Buildings of company were revalued during the financial year ended 31 December 2020 and the carrying value amounted to LKR. 778 Mn.

09 The Interim Financial Statements are not audited.

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

Shareholder details for the period ended 30th September 2021

01.Twenty (20) Largest Shareholders as at 30th September 2021

No	Name of Shareholder	No. of Shares	% of issued capital
1	Melstacorp PLC	94,767,483	55.91
2	Stassen Exports (Pvt) Limited	63,696,701	37.58
3	Secretary to the Treasury	3,800,000	2.24
4	Mrs J.K.P. Singh	260,851	0.15
5	Mr T.D.P. Maduranga	222,406	0.13
6	People'S Leasing & Finance PLC/Mr.S. Gobinath	150,000	0.09
7	Deutsche Bank Ag Singapore A/C 2 (Dcs Clt Acc For Deutsche Bank Ag Singapore- Pwm Wm Client)	149,090	0.09
8	Hatton National Bank PLC/Hennasy Geeth Balasuriya	131,038	0.08
9	Dr M.K.S. Hapuarachchi	122,476	0.07
10	Merchant Bank Of Sri Lanka & Finance PLC/W B R Somaweera	85,500	0.05
11	Citizens Development Business Finance PLC/Mohamed Uwais Fareeha Hashim	72,116	0.04
12	Mrs M. De Zoysa	67,101	0.04
13	Mr R.E. Rambukwelle	63,100	0.04
14	Mr G.V. Sanjaya	59,824	0.04
15	Mr R.A.P. Jayawardena	57,590	0.03
16	Mr P.H. Pilana Godakandage	55,000	0.03
17	Dr G.S. Perera	50,343	0.03
18	Mr Z.G. Carimjee	50,000	0.03
19	Mr D.C. Hemapala	50,000	0.03
20	Mr R. Kuhan	50,000	0.03
	Sub Total	163,960,619	96.73
	Other Shareholders	5,540,478	3.27
	Grand Total	169,501,097	100

02.Director's Shareholdings as at 30th September 2021

Name	Non CDS	CDS	
Mr. D. H. S. Jayawardena -Chairman / Managing Director	Nil	Nil	Nil
Dr.N M Abdul Gaffar – Non Executive Director	Nil	Nil	Nil
Mr. D Hasitha S Jayawardena – Non Executive Director	Nil	Nil	Nil
Dr.A Shakthevale – Independent Director	Nil	Nil	Nil
Mr.D S Kamantha Amarasekera – Independent Director	Nil	Nil	Nil
Number of shares representing the Entity's stated Capital 169,501,097			
<u>Chief Executive Officer's holding in shares as at 30th September 2020</u>			
Mr. M.A.Fernando	Nil	Nil	Nil

MADULSIMA PLANTATIONS PLC

833, Sirimavo Bandaranaike Mawatha - Colombo -14

Interim Financial Statement for 09 months ended 30th September 2021

Shareholder details for the period ended 30th September 2021

03.Public Shareholdings as at 30th September 2021

The percentage of shares held by the public	6.51%
Number of Shareholders representing public shareholdings	19,098
The float adjusted market capital as at 30th September 2021	Rs.94,905,222.60

Minimum public holding requirement

The float adjusted market capitalization of the Company was not in complied in rules 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange .

04.Stated Capital

Stated capital represented by share in issue as given below	As at 30/09/2021	As at 30/09/2020
No of ordinary Shares Including one Golden Share held by the Treasury which has Special right	169,501,097	169,501,097

05.Market Price & Trading Information

	01/07/2021 To 30/09/2021	01/07/2020 To 30/09/2020
Highest during the period (LKR)	10.00	10.70
Lowest during the period (LKR)	8.20	5.60
Closing price (LKR)	8.60	10.20

	01/01/2021 To 30/09/2021	01/01/2020 To 30/09/2020
Highest during the period (LKR)	10.80	10.70
Lowest during the period (LKR)	7.40	3.70
Closing price (LKR)	8.60	10.20