



# **HORANA PLANTATIONS PLC**

*(Company Number : PQ 126)*

## **INTERIM FINANCIAL STATEMENTS**

**For the Three (03) Months Ended  
30-Jun-2022**

*Registered Office - No.400, Deans Road, P.O.Box 2042, Colombo 10, Sri Lanka*

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For the Three (03) Months Ended 30th June 2022**

## **Contents**

Page No.

1	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
2	<i>Statement of Financial Position</i>
3	<i>Statement of Changes in Equity</i>
4	<i>Statement of Cash Flows</i>
5	<i>Notes to the Interim Financial Statements</i>
6	<i>Notes to the Interim Financial Statements (Contd...)</i>

## Horana Plantations PLC

### Statement of Profit or Loss and Other Comprehensive Income For the Three (03) Months Ended 30th June 2022

Year Ended		Three (03) Months Ended		
31-Mar 2022 (Audited) Rs' 000		30-Jun 2022 Rs' 000	30-Jun 2021 Rs' 000	Change %
2,563,636	<b>Revenue</b>	<b>890,254</b>	593,638	49.97
(2,192,626)	Cost of Sales	<b>(627,267)</b>	(510,421)	(22.89)
371,010	<b>Gross Profit</b>	<b>262,987</b>	83,217	216.03
7,564	Other Operating Income	<b>1,923</b>	1,883	2.10
31,464	Change in Fair Value of Biological Assets	<b>8,837</b>	5,803	52.29
(185,153)	Administrative Expenses	<b>(64,536)</b>	(42,166)	(53.05)
(16,200)	Management Fees	<b>(4,050)</b>	(4,050)	-
208,685	<b>Profit from Operations</b>	<b>205,161</b>	44,687	359.11
(140,363)	Net Finance Expense	<b>(73,691)</b>	(32,510)	(126.67)
68,322	<b>Profit before Taxation</b>	<b>131,470</b>	12,177	979.70
(25,868)	Tax Expense	<b>(1,599)</b>	(1,593)	(0.39)
42,454	<b>Profit for the period</b>	<b>129,870</b>	10,584	1,127.10
6,547	<b>Other Comprehensive Income:-</b> Actuarial Gain on Retirement Benefit Obligations	-	-	-
(687)	Tax expense on Other Comprehensive Income	-	-	-
5,860	<b>Other Comprehensive Income for the period, net of Tax</b>	-	-	-
48,314	<b>Total Comprehensive Income for the period</b>	<b>129,870</b>	10,584	1,127.10
1.70	<b>Basic Earnings per Share (Rs.)</b>	<b>5.19</b>	0.42	1,127.10
-	<b>Dividend per Share (Rs.)</b>	-	-	-

**Horana Plantations PLC****Statement of Financial Position**

As at 30th June 2022

As at		As at	
31-Mar 2022 (Audited) Rs' 000		30-Jun 2022 Rs' 000	30-Jun 2021 Rs' 000
	<b>ASSETS</b>		
	<b>Non-Current Assets</b>		
194,693	Right of Use Assets	188,580	208,042
2,172,955	Bearer Biological Assets	2,165,224	2,144,358
595,643	Consumable Biological Assets	596,569	622,958
442,750	Property, Plant & Equipment	442,737	356,119
<b>3,406,041</b>	<b>Total Non-Current Assets</b>	<b>3,393,110</b>	<b>3,331,477</b>
	<b>Current Assets</b>		
8,129	Non-Harvested Produce on Bearer Biological Assets	8,837	5,803
350,398	Inventories	476,322	358,486
17,586	Advance Company Tax (ACT) Recoverable	15,988	19,185
137,620	Trade and Other Receivables	151,301	133,529
-	Holding Company Receivable	-	1,303
6,170	Other Related Company Receivables	21,466	8,609
38,261	Cash and Cash Equivalents	50,893	25,360
<b>558,164</b>	<b>Total Current Assets</b>	<b>724,808</b>	<b>552,275</b>
<b>3,964,205</b>	<b>Total Assets</b>	<b>4,117,918</b>	<b>3,883,752</b>
	<b>EQUITY &amp; LIABILITIES</b>		
	<b>Equity</b>		
250,000	Stated Capital	250,000	250,000
546,124	Retained Earnings	675,994	508,393
<b>796,124</b>	<b>Total Equity</b>	<b>925,994</b>	<b>758,393</b>
	<b>Non-Current Liabilities</b>		
796,364	Interest Bearing Loans & Borrowings	1,082,467	980,447
181,691	Lease Liabilities	178,810	184,124
483,611	Retirement Benefit Obligations	486,916	548,359
113,324	Deferred Income	111,702	117,113
129,110	Deferred Tax Liability	129,110	110,527
<b>1,704,100</b>	<b>Total Non-Current Liabilities</b>	<b>1,989,005</b>	<b>1,940,570</b>
	<b>Current Liabilities</b>		
291,547	Trade and Other Payables	379,558	279,709
55,896	Related Companies Payables	45,850	21,486
404,069	Interest Bearing Loans & Borrowings	439,979	398,132
10,314	Lease Liabilities	10,192	9,595
702,154	Short Term Borrowings	327,340	475,867
<b>1,463,981</b>	<b>Total Current Liabilities</b>	<b>1,202,919</b>	<b>1,184,789</b>
<b>3,168,081</b>	<b>Total Liabilities</b>	<b>3,191,924</b>	<b>3,125,359</b>
<b>3,964,205</b>	<b>Total Equity &amp; Liabilities</b>	<b>4,117,918</b>	<b>3,883,752</b>
<b>31.84</b>	<b>Net Assets per Ordinary Share (Rs.)</b>	<b>37.04</b>	<b>30.34</b>

The Statement of Financial Position as at **30th June 2022** and the Statement of Profit or Loss, Statement of Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement for the period ended **30th June 2022** are drawn up from the unaudited Financial Statements of the Company, provide the information required by the Colombo Stock Exchange.

It is certified that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

(Sgd) Ajith Nissanka

**General Manager - Finance**

Signed for and on behalf of the Board of Directors of Horana Plantations PLC:-

(Sgd) A.M.Pandithage

**Chairman**

**12th August 2022**

(Sgd.) Dr. Roshan Rajadurai

**Managing Director**

## **Horana Plantations PLC**

### **Statement of Changes in Equity** **For the Three (03) Months Ended 30th June 2022**

<u>(Stated Capital comprised - 25 Million Ordinary Shares and 1 Golden Share)</u>	Stated Capital	Retained Earnings	Total
	Rs'000	Rs'000	Rs'000
<u>Three (03) Months Ended 30th June 2021:-</u>			
Balance as at 1st April 2021	250,000	497,810	747,810
<u>Comprehensive Income for the period</u>			
Profit for the period	-	10,583	10,583
Total Comprehensive Income for the period	-	10,583	10,583
Balance as at 30th June 2021	250,000	508,393	758,393
<u>Three (03) Months Ended 30th June 2022:-</u>			
Balance as at 1st April 2022	<b>250,000</b>	<b>546,124</b>	<b>796,124</b>
<u>Comprehensive Income for the period</u>			
Profit for the period	-	<b>129,870</b>	<b>129,870</b>
Total Comprehensive Income for the period	-	<b>129,870</b>	<b>129,870</b>
Balance as at 30th June 2022	<b>250,000</b>	<b>675,994</b>	<b>925,994</b>

## Horana Plantations PLC

### Statement of Cash Flows For the Three (03) Months Ended 30th June 2022

Year Ended		Three (03) Months Ended	
		30-Jun 2022	30-Jun 2021
31-Mar 2022 (Audited) Rs' 000		Rs' 000	Rs' 000
	<b>Cash Flows from Operating Activities</b>		
68,322	Profit before Taxation	131,470	12,177
	<i>Adjustments for non-cash items :</i>		
36,713	Change in Fair Value of Biological Assets	(8,837)	3,969
201,569	Depreciation and Amortization	52,438	50,572
75,478	Provision for Retirement Benefit Obligations	32,363	21,143
(774)	Provision/(Reversal) for Obsolete Inventories	5,610	67
(402)	Provision/(Reversal) for Trade & Other Receivables	10,416	-
114,816	Finance Expenses	67,612	26,178
(700)	Finance Income	(340)	(152)
26,563	Lease Interest	6,464	6,583
(7,564)	Amortization of Capital Grants	(1,923)	(1,883)
19,595	Field Development/ Other Capital Expenditure Written off	14,331	3,193
533,615	<i>Operating Profit before Working Capital Changes</i>	309,604	121,847
(85,999)	Increase in Inventories	(123,406)	(94,929)
(14,955)	Increase in Trade & Other Receivable	(24,097)	(6,487)
(5,424)	Increase in Related Party Receivables	(15,296)	(8,512)
35,206	Increase/(Decrease) in Related Party Payables	(10,047)	641
15,232	Increase in Trade & Other Payables	90,191	16,477
477,675	<i>Cash Generated from Operations</i>	226,948	29,037
(114,063)	Interest paid	(61,020)	(26,828)
(117,807)	Payments made for Retirement Benefit Obligations	(37,829)	(17,449)
245,805	<b>Net Cash Inflow from Operating Activities</b>	128,099	(15,240)
	<b>Cash Flows from Investing Activities</b>		
(121,790)	Purchase/Construction of Property, Plant and Equipment	(11,524)	(4,494)
(181,794)	Expenditure Incurred on Biological Assets	(42,314)	(27,571)
1,893	Capital Grants and Subsidies received	300	-
700	Interest Income	340	153
(300,989)	<b>Net Cash Outflow from Investing Activities</b>	(53,198)	(31,912)
	<b>Cash Flows from Financing Activities</b>		
-	Receipt of Project Loans	275,000	-
(286,127)	Repayment of Project Loans	(97,746)	(72,822)
263,477	Receipt of Other Term Loans	153,985	-
(100,423)	Repayment of Other Term Loans	(189,226)	(52,106)
(36,024)	Payment of Lease Rentals	(9,467)	(8,814)
(159,097)	<b>Net Cash Inflows/ (used in) from Financing Activities</b>	132,546	(133,742)
(214,281)	<b>Net Increase/(Decrease) in Cash and Cash Equivalents during the period</b>	207,448	(180,894)
(269,613)	Cash and Cash Equivalents at the beginning of the period	(483,894)	(269,613)
(483,894)	<b>Cash and Cash Equivalents at the end of the period</b>	(276,447)	(450,507)

## Horana Plantations PLC

### Notes to the Interim Financial Statements For the Three (03) Months Ended 30th June 2022

#### 1 Segmental Information

	Tea		Rubber		Unallocated		Total	
	30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021	30-Jun 2022	30-Jun 2021
	Rs' 000							
<b>Segmental Revenue:-</b>								
Main Sectors	713,835	443,856	108,097	81,713	-	-	821,931	525,569
Other Operating Revenue	-	-	-	-	68,323	68,069	68,323	68,069
<b>Segmental Revenue</b>	<b>713,835</b>	<b>443,856</b>	<b>108,097</b>	<b>81,713</b>	<b>68,323</b>	<b>68,069</b>	<b>890,254</b>	<b>593,638</b>
Cost of Sales	(502,149)	(394,943)	(86,925)	(84,399)	(38,194)	(31,079)	(627,267)	(510,421)
<b>Segmental Gross Profit</b>	<b>211,686</b>	<b>48,913</b>	<b>21,172</b>	<b>(2,686)</b>	<b>30,129</b>	<b>36,990</b>	<b>262,987</b>	<b>83,217</b>
Other Operating Income					1,923	1,883	1,923	1,883
Change in Fair Value of Biological Assets					8,837	5,803	8,837	5,803
Administrative Expenses					(64,536)	(42,166)	(64,536)	(42,166)
Management Fees					(4,050)	(4,050)	(4,050)	(4,050)
<b>Profit from Operations</b>							<b>205,161</b>	<b>44,687</b>
Net Finance Expense					(73,691)	(32,510)	(73,691)	(32,510)
<b>Profit before Taxation</b>							<b>131,470</b>	<b>12,177</b>
Tax Expense					(1,599)	(1,593)	(1,599)	(1,593)
<b>Profit for the period</b>							<b>129,870</b>	<b>10,583</b>
<b>Other Comprehensive Income/(Expense):</b>								
Actuarial Gain/(Loss) on Retirement Benefit Obligation					-	-	-	-
Tax expenses on Other Comprehensive Income					-	-	-	-
Other Comprehensive Income/(Expense) for the period after tax							-	-
<b>Total Comprehensive Income for the period</b>							<b>129,870</b>	<b>10,583</b>

#### 2 Market Prices (per Share)

Year Ended	Quarter Ended 30th June					
	2022		2021		Variance	
31-Mar-22 Rs.Cts.	Rs.Cts.	Date	Rs.Cts.	Date	Rs.Cts.	
45.00	Highest	21.90	5-Apr-22	23.10	1-Apr-21	(1.20)
18.00	Lowest	14.00	28-Apr-22	19.80	4-May-21	(5.80)
21.90	Last Traded Price	20.50	30-Jun-22	21.10	29-Jun-21	(0.60)

- Public holding percentage as at **30th June 2022** was **48.996 %**
- Number of shareholders representing the above percentage was **10,393**
- The float adjusted market capitalization as at **30th June 2022** was **Rs.251,104,520.50**
- The float adjusted market capitalization of the Company falls under "**Option 5**" of Section 7.14.1(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.

#### 3 Basis of Preparation

**3.1** The above figures are provisional and unaudited.

**3.2** The condensed interim financial statements have been prepared in accordance with Sri Lanka Accounting Standards-LKAS 34 Interim Financial Reporting, and has applied the same accounting policies and methods of computation which have been adopted in the previous year.

**3.3** Comparative figures have been re-classified to conform with the current year's presentation.

**3.4** There are no changes in contingent liabilities of material nature since the last annual reporting date.

**3.5** No material events have occurred subsequent to the Reporting Period, which require adjustments to or disclosures in the Financial Statements.

##### **3.6 Impact of Recent Economic Conditions**

The Directors are continuously monitoring the existing and the anticipated effects of economic crisis, the circumstances of the external environment as well as the resultant consequences to the company and taking appropriate measures to manage the impact.

##### (a). Increase in interest rates

With the increase in interest rates, finance cost of the company has increased by 60% compared to last quarter. Company's finance cost mainly includes debt servicing cost of long-term loans and working capital requirements. Further, a sharp increase in the Finance cost is anticipated in the coming months as well. Following measures were taken to reduce the impact of increase in interest rates,

- Converted short term working capital loans to a longer period loan based on money market conditions.
- Strategic focus on capex planning to prioritise essential capex while deferring the other capex requirements.

##### (b). Significant rupee depreciation

Since the Company is an indirect exporter, rupee depreciation positively affected the company's top line. However, there is a significant cost increase in input material, energy and transportation due to this rupee depreciation.

## Horana Plantations PLC

### Notes to the Interim Financial Statements (Contd....) For the Three (03) Months Ended 30th June 2022

Name	No. of Shares	Percentage (%)
<b>4 Twenty Three (23) Major Shareholders as at 30th June 2022</b>		
1 Vallibel Plantation Management Limited	12,750,000	51.000
2 Naratha Ventures Private Limited	2,153,733	8.615
3 Associated Electrical Corporation Ltd	962,784	3.851
4 Hatton National Bank Plc/Mushtaq Mohamed Fuad	475,510	1.902
5 Bank Of Ceylon No. 1 Account	465,700	1.863
6 Mrs U.D.D.N. Perera	259,859	1.039
7 Merchant Bank of Sri Lanka & Finance Plc/ K.V.W.S.Maddumage	240,329	0.961
8 Mr I.D. Bandarigodage	202,000	0.808
9 Mr K.C. Vignarajah	196,255	0.785
10 People's Leasing & Finance PLC/Mr.S.V.Munasinghe	180,440	0.722
11 Merchant Bank of Sri Lanka PLC/ J.A.S.Priyantha	150,000	0.600
12 Sandwave Limited	145,000	0.580
13 Mr A.J.M. Jinadasa	135,000	0.540
14 Mr H.A.A.H. Algharabally	131,500	0.526
15 Seylan Bank Plc/Anuja Chamila Jayasinghe	117,350	0.469
16 Mr P.F. Nandasiri	113,320	0.453
17 Merchant Bank of Sri Lanka & Finance PLC/ F.H.T.C.Silva	106,915	0.428
18 Mr H. Guruge	102,500	0.410
19 People's Leasing & Finance PLC/Mr.H.A.D.U.G.Gunasekera	100,100	0.400
20 LOLC Finance Plc/ V.M.S. Gavasker	100,000	0.400
21 Mrs S.A. Gamage	100,000	0.400
22 Mr A.A. Page	100,000	0.400
23 Mr R.V.D. Piyathilake	100,000	0.400
Sub-Total	19,388,295	77.553
Others	5,611,706	22.447
<b>Total</b>	<b>25,000,001</b>	<b>100.000</b>
<b>5 Directors' Shareholdings as at 30th June 2022</b>		
1 Mr. A. M. Pandithage	-	-
2 Dr. Roshan Rajadurai	1,000	0.004
3 Mr. Johann A. Rodrigo	-	-
4 Mr. A. N. Wickremasinghe	-	-
5 Mr. S. C. Ganegoda	-	-
6 Mr.L.Nihal De Silva Wijeyaratne	-	-
7 Mr. K. D. G. Gunaratne	-	-
8 Mr. S. M. Liyanage	-	-
9 Mr. J. M. J. Perera	-	-
<b>Total</b>	<b>1,000</b>	<b>0.004</b>
<b>6 Public Holding Percentage as at 30th June 2022</b>		
<b>Holding of 10% or more:</b>		
Vallibel Plantation Management Ltd	12,750,000	51.000
<b>Directors' Shareholding:</b>		
Dr. Roshan Rajadurai	1,000	0.004
Sub-Total	<b>12,751,000</b>	<b>51.004</b>
<i>No. of Shareholders</i>	<b>10,393</b>	
<b>Public Holding</b>	<b>12,249,001</b>	<b>48.996</b>
<b>Total Stated Capital</b>	<b>25,000,001</b>	<b>100.000</b>