



Kotmale Holdings PLC

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED
31 MARCH 2021



SINCE 1844

A SUBSIDIARY OF CARGILLS (CEYLON) PLC

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Statement of Profit or Loss and Other Comprehensive Income - Group

	Group			Group		
	For the three months ended 31 March			For the twelve months ended 31 March		
	2021	2020	Change	2021	2020	Change
	Rs.' 000	Rs.' 000	%	Rs.' 000	Rs.' 000	%
Revenue	908,330	748,259	21.39	3,269,820	2,892,690	13.04
Cost of sales	(699,435)	(590,749)	(18.40)	(2,535,771)	(2,220,457)	(14.20)
Gross profit	208,895	157,510	32.62	734,049	672,233	9.20
Other income	1,845	2,616	(29.47)	2,801	3,435	(18.46)
Distribution expenses	(79,522)	(68,944)	(15.34)	(301,927)	(287,141)	(5.15)
Administrative expenses	(48,156)	(35,810)	(34.48)	(181,028)	(163,005)	(11.06)
Results from operating activities	83,062	55,372	50.01	253,895	225,522	12.58
Net finance costs	(11,494)	(7,314)	57.15	(36,227)	(12,046)	200.74
Profit before taxation	71,568	48,058	48.92	217,668	213,476	1.96
Income tax expense	11,282	(17,325)	165.12	(27,239)	(64,917)	58.04
Profit for the period	82,850	30,733	169.58	190,429	148,559	28.18
Other comprehensive income (OCI)						
Items that will not be classified to profit or loss						
Revaluation of land and building	142,368	-		142,368	-	
Remeasurement of retirement benefit obligation	(4,431)	(157)		(4,431)	(157)	
Deferred tax attributable to remeasurement of retirement benefit obligation & Revaluation of land and building	(14,229)	44		(14,229)	44	
Other comprehensive income for the period, net of tax	123,708	(113)		123,708	(113)	
Total comprehensive income for the period	206,558	30,620		314,137	148,446	
Basic Earnings per share (Rs.)	2.64	0.98		6.06	4.73	
Diluted Earnings per share (Rs.)	2.64	0.98		6.06	4.73	

Explanatory notes are given on page 08.

Statement of Profit or Loss and Other Comprehensive Income - Company

	Company					
	For the three months ended 31 March			For the twelve months ended 31 March		
	2021	2020	Change	2021	2020	Change
Rs.' 000	Rs.' 000	%	Rs.' 000	Rs.' 000	%	
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Distribution expenses	-	-	-	-	-	-
Administrative expenses	(510)	(1,174)	56.56	(4,227)	(4,586)	7.83
Results from operating activities	(510)	(1,174)	56.56	(4,227)	(4,586)	7.83
Net finance costs	(18)	(66)	(72.73)	(59)	(111)	(46.85)
Profit before taxation	(528)	(1,240)	(57.42)	(4,286)	(4,697)	(8.75)
Income tax expense	-	(39)	(100.00)	-	(39)	(100.00)
Loss for the period	(528)	(1,279)	(58.72)	(4,286)	(4,736)	(9.50)
Other comprehensive income (OCI)						
items that will not be classified to profit or loss						
Remeasurement of retirement benefit obligation	-	-	-	-	-	-
Deferred tax attributable to remeasurement of retirement benefit obligation	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	(528)	(1,279)	(58.72)	(4,286)	(4,736)	(9.50)
Basic Earnings per share (Rs.)	(0.02)	(0.04)		(0.14)	(0.15)	
Diluted Earnings per share (Rs.)	(0.02)	(0.04)		(0.14)	(0.15)	

Explanatory notes are given on page 08.

Statement of Financial Position

	Group		Company	
	31 March 2021 Rs.' 000	31 March 2020 Rs.' 000 (Audited)	31 March 2021 Rs.' 000	31 March 2020 Rs.' 000 (Audited)
As at				
Assets				
Non-current assets				
Property, plant and equipment	1,696,475	1,284,133	-	-
Intangible assets	55,863	55,863	-	-
Right of use of asset	10,753	15,184	-	-
Investments in subsidiaries	-	-	185,400	185,400
Total non-current assets	1,763,091	1,355,180	185,400	185,400
Current assets				
Inventories	382,386	258,311	-	-
Trade and other receivables	413,103	398,061	737	698
Amount due from related companies	77,430	59,950	164,785	169,706
Other financial assets	32,036	18,930	-	-
Cash and cash equivalents	55,943	22,616	2,515	2,618
Total current assets	960,898	757,868	168,037	173,022
Total assets	2,723,989	2,113,048	353,437	358,422
Equity				
Stated capital	314,000	314,000	314,000	314,000
Reserves	326,939	199,295	3,054	3,054
Retained earnings	767,960	581,165	30,947	35,233
Total equity	1,408,899	1,094,460	348,001	352,287

Statement of Financial Position contd.

As at	Group		Company	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
		(Audited)		(Audited)
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	8,551	10,795	-	-
Deferred tax liabilities	56,055	52,299	-	-
Employee benefit liabilities	48,837	37,846	-	-
Total non-current liabilities	113,443	100,940	-	-
Current liabilities				
Trade and other payables	249,196	243,618	4,741	4,475
Current tax liabilities	146,709	142,431	-	-
Amount due to related companies	14,350	150,334	695	1,660
Lease Liabilities	4,063	5,588	-	-
Interest bearing loans and borrowings	705,000	248,500	-	-
Bank Overdraft	82,329	127,177	-	-
Total current liabilities	1,201,647	917,648	5,436	6,135
Total liabilities	1,315,090	1,018,588	5,436	6,135
Total equity and liabilities	2,723,989	2,113,048	353,437	358,422
Net Assets value per share (Rs.)	44.87	34.86	11.08	11.22

Explanatory notes are given on page 08.

I certify that the financial statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007.

(Signed.)

Dilantha Jayawardhana

(Group Chief Financial Officer)

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed on behalf of the Board of Directors

(Signed.)

V R Page

(Chairman)

(Signed.)

M .I. Abdul Wahid

(Managing Director)

31 May 2021

Colombo

Statement of Changes in Equity - Group

	Stated capital	Capital reserve	Revaluation reserve	General reserve	Employee share option reserve	Retained earnings	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Balance as at 1 April 2019	314,000	1,785	193,282	1,269	2,455	432,885	945,676
Initial Recognition of SLFRS 16 , Net of tax	-	-	-	-	-	(166)	(166)
Profit for the period	-	-	-	-	-	148,559	148,559
Equity - Settled share - based payment	-	-	-	-	504	-	504
Other comprehensive income	-	-	-	-	-	(113)	(113)
Total comprehensive income	-	-	-	-	504	148,280	148,784
Transactions with owners of the company, recognized directly in equity							
Dividends	-	-	-	-	-	-	-
Balance as at 31 March 2020	314,000	1,785	193,282	1,269	2,959	581,165	1,094,460
Balance as at 1 April 2020	314,000	1,785	193,282	1,269	2,959	581,165	1,094,460
Profit for the period	-	-	-	-	-	190,429	190,429
Equity - Settled share - based payment	-	-	-	-	303	-	303
Other comprehensive income	-	-	127,341	-	-	(3,634)	123,707
Total comprehensive income	-	-	127,341	-	303	186,795	314,439
Transactions with owners of the company, recognized directly in equity							
Dividends	-	-	-	-	-	-	-
Balance as at 31 March 2021	314,000	1,785	320,623	1,269	3,262	767,960	1,408,899

Explanatory notes are given on page 08.

Statement of Changes in Equity - Company

	Stated capital	Capital reserve	Revaluation reserve	General reserve	Retained earnings	Total
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Balance as at 1 April 2019	314,000	1,785	-	1,269	39,969	357,023
Profit for the period	-	-	-	-	(4,736)	(4,736)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(4,736)	(4,736)
Transactions with owners of the company, recognized directly in equity						
Dividends	-	-	-	-	-	-
Balance as at 31 March 2020	314,000	1,785	-	1,269	35,233	352,287
Balance as at 1 April 2020	314,000	1,785	-	1,269	35,233	352,287
Profit for the period	-	-	-	-	(4,286)	(4,286)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(4,286)	(4,286)
Transactions with owners of the company, recognized directly in equity						
Dividends	-	-	-	-	-	-
Balance as at 31 March 2021	314,000	1,785	-	1,269	30,947	348,001

Explanatory notes are given on page 08.

Statement of Cash Flows

For the twelve months ended 31 March	Group		Company	
	2021	2020	2021	2020
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
Cash flows from operating activities				
Profit / (loss) before taxation	217,668	213,476	(4,286)	(4,697)
Adjustments for:				
Depreciation on property, plant and equipment	121,199	57,879	-	-
Employee benefits	7,711	6,643	-	-
Amortisation of right of use assets	4,431	4,431	-	-
Write back of creditors, no longer payable	-	(2,449)	-	-
Gain on disposal of property, plant & equipment	(1,500)	-	-	-
(Reversal)/provision For Inventories	(1,749)	430	-	-
Impairment of trade receivables	252	3,531	-	-
Net finance costs	36,227	12,046	59	111
Share based payment expenses	303	504	-	-
Operating profit before working capital changes	384,542	296,491	(4,227)	(4,586)
Changes in working capital				
- Increase in inventories	(122,326)	(93,498)	-	-
- (Increase) / decrease in trade and other receivables	(15,294)	(60,441)	(39)	1,400
- (Increase) / decrease in related company receivables	(17,480)	(21,869)	4,921	(38,389)
- Increase in trade and other payables	5,578	46,720	266	319
-(Decrease) / increase in related company payables	(135,984)	121,229	(965)	(12,159)
Cash generated from/(used in) operations	99,036	288,632	(44)	(53,415)
Income taxes paid	(33,435)	(80,671)	-	(977)
Interest paid	(38,695)	(15,727)	(59)	(249)
Retiring gratuity paid	(1,151)	(1,466)	-	-
Net cash generated from / (used in) operating activities	25,755	190,768	(103)	(54,641)
Cash flows from investing activities				
Acquisition and construction of property, plant and equipment	(391,173)	(610,154)	-	-
Proceeds from sale of property, plant and equipment	1,500	-	-	-
Net proceeds from short term investments	(13,106)	104,299	-	-
Interest income received	2,468	3,681	-	138
Net cash generated (used in)/from investing activities	(400,311)	(502,174)	-	138
Cash flows from financing activities				
Net proceeds from short term borrowings	456,500	248,500	-	-
Repayment of right of use lease obligations	(3,769)	(3,398)	-	-
Net cash generated from financing activities	452,731	245,102	-	-
Decrease in cash and cash equivalents	78,175	(66,304)	(103)	(54,503)
Movement in cash and cash equivalents				
At the beginning of the period	(104,561)	(38,257)	2,618	57,121
Movement during the period	78,175	(66,304)	(103)	(54,503)
At the end of the period (Note 01)	(26,386)	(104,561)	2,515	2,618
Note - 01				
Analysis of cash and cash equivalents at the end of the period				
Cash in hand and at bank	55,943	22,616	2,515	2,618
Bank overdrafts	(82,329)	(127,177)	-	-
	(26,386)	(104,561)	2,515	2,618
Explanatory notes are given on page 08.				

Explanatory Notes

- The result for the period ended 31 March 2021 and the Statement of Financial Position as at 31 March 2021 are provisional and subject to audit.
- The Condensed Interim Financial Statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These Condensed Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020.
- Where appropriate, the previous year's figures have been reclassified to conform to the current classification. All per share details have been calculated, for all periods, based on the number of shares in issue as at 31 March 2021.
- The Group results From SLFRS 16 - " Leases" , for the period ended 31 March 2021 and balances as at 31 March 2021 included the following

Description	Quarter ended 31 March 2021 Rs '000	Twelve months ended 31st March 2021 Rs '000	As at 31 March 2021 Rs '000
Amortization on RoU Assets (Included under Cost of Sales)	1,108	4,431	-
Interest cost on Lease liabilities (Included under Net Finance Cost)	483	1,763	-
RoU Assets	-	-	10,753
Lease Liabilities (Interest bearing loans and borrowings)	-	-	12,614

- There have been no significant change in the nature and the value of the contingencies and commitments which were disclosed in the annual report for the year ended 31 March 2021.

6. Related party transactions

For the twelve months ended 31 March

	Group		Company	
	2021	2020	2021	2020
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Transaction with parent company				
Sales of goods	6	206	-	-
Purchases	66	18	-	-
Transaction with other related companies				
Sales of goods	872	692	-	-
Purchases	50	25	-	-

- All known expenditure items have been provided for.

- The Company continues to evaluate options to complete the actions taken to date as per the disclosed intention to de-list and merge the operations of the Company with Cargills Quality Dairies (Pvt) Ltd, a wholly owned subsidiary in the Cargills Group of Companies to create a unified entity focusing on carrying out the dairy operations of the Group. However, consequent to the Company being non-compliant with Rule 7.13.1 (a) as of 01 July 2018, the Securities of the Company has been transferred to Watch List on 01 July 2018.

9. Contingent Liabilities

Income tax

The income tax exemption/concessionary rate claimed under the Inland Revenue Act No10 of 2006 is being contested by the Department of Inland Revenue. The contingent liability on potential income tax payment for the Company and Group as at year ended 31March 2021 is Rs. Nil (2020 - Rs. Nil) and Rs. 77.4 Mn (2020-Rs.18.2 Mn) Respectively.

10. Impact Due to the COVID 19

The Group has evaluated its financial position and tested for any material impairment due to the effects of COVID-19. The Group is satisfied that there were no indications that required to make an adjustment into financial statements. The Group had strong net asset values and cash position and availability of banking facilities to continue its business operations.

- No events have occurred since the reporting date which would require any adjustment to, or disclosure in, the financial statements.

Investor Relations Supplement

1. General

Stated capital	Rs. 314,000,000
Issued shares	31,400,000
Class of shares	Ordinary Shares
Voting rights	One vote per ordinary share

2. Stock Exchange Listing

The issued ordinary shares of Kotmale Holdings PLC are listed in the Colombo Stock Exchange.

3. Share Valuation

The market price per share recorded during the quarter ended 31 March	2021	2020
	Rs	Rs
Highest	260.00	198.00
Lowest	185.00	171.00
Last traded price	228.00	178.60

4. Top 20 Shareholders

The holdings of the top 20 shareholders as at	31 March 2021		31 March 2020	
	Number of		Number of	
	Shares	%	Shares	%
Cargills Quality Dairies (Pvt) Ltd.	31,192,462	99.34	31,192,462	99.34
Cargills (Ceylon) PLC	54,315	0.17	54,315	0.17
Mrs.I.S.Jayasinghe	37,500	0.12	37,500	0.12
Mr.K.C.Vignarajah	22,356	0.07	22,356	0.07
Dr.G.R.Handy	2,950	0.01	2,950	0.01
Uniwalkers Limited	2,550	0.01	2,550	0.01
Mrs.R.T. Purasinghe	2,100	0.01	2,100	0.01
Mr.S. Muhunthan	2,096	0.01	2,096	0.01
Mr.Z.G. Carimjee	2,000	0.01	2,000	0.01
Mrs.S.Z. Nizam	2,000	0.01	2,000	0.01
Mr.P.R.A.Jansz	2,000	0.01	1,986	0.01
Mrs.P.T.D. Harasgama	2,000	0.01	2,000	0.01
Mrs.B.P.Narhari	1,875	0.01	1,875	0.01
Mr.P.R.Gunasekara	1,600	0.01	1,600	0.01
Mr.D.R.Wickramasekara	1,500	0.00	1,500	0.00
Mr.B.Nadarajah	1,500	0.00	1,500	0.00
Miss.W.A.S.T.R.S.Jansz	1,450	0.00		
Dr.G.W.Karunaratne	1,400	0.00	1,400	0.00
People's Leasing & Finance PLC/Mr.A.L.Ranaweera	1,308	0.00	1,308	0.00
Mr.A.Rajaratnam	1,300	0.00	1,300	0.00
	31,336,262	99.80	31,334,798	99.79

Investor Relations Supplement contd.

5. Public Holding

The percentage of shares held by the public and number of public shareholders as at 31 March 2021 is 0.49%. (2020 - 0.49%) and 539 (2020 - 553) respectively. The total number of shares in issue is 31,400,000, of which Public Holding represents 153,222 shares. The float adjusted market capitalisation amounts to Rs. 34.9 Mn.

6. Directors' Shareholdings

The Directors' shareholdings in the Company were as follows as at 31 March:	2021	2020
Mr.Ranjit Page	-	-
Mr.Imtiaz Abdul Wahid	-	-
Mr.Priya Edirisinghe	-	-
Mr.Sunil Mendis	-	-
Mr.Joseph Page	-	-
Mr. Asite Talwatte	-	-

Corporate Information

Name of Company

Kotmale Holdings PLC

Company Registration No.

PQ 213

Legal Form

Incorporated as a Public Company in 1967 under the provisions of the Companies Ordinance No.51 of 1938 and subsequently re-registered under the Companies Act No.7 of 2007 on 6 May 2008.

In 1969 the Company was listed on the Colombo Stock Exchange.

Board of Directors

Ranjit Page (Chairman)

Imtiaz Abdul Wahid (Managing Director)

Priya Edirisinghe

Sunil Mendis

Joseph Page

Asite Talwatte (w. e. f. 18 Dec 2020)

Company Secretary

Hemali Sagarika Ellawala

Remuneration Committee

Sunil Mendis (Chairman) – up to 31 Dec 2020

Asite Talwatte (Chairman) - w. e. f. 01 Jan 2021

Priya Edirisinghe

Audit Committee

Priya Edirisinghe (Chairman) – up to 31 Dec 2020

Asite Talwatte (Chairman) - w. e. f. 01 Jan 2021

Sunil Mendis

Related Party Transactions Review Committee

Priya Edirisinghe (Chairman) – up to 31 Dec 2020

Asite Talwatte (Chairman) - w. e. f. 01 Jan 2021

Sunil Mendis

Registered Office

No 40, York Street, Colombo 01.

Postal Address

P.O. Box 23, Colombo 1

Auditors

KPMG

Chartered Accountants

Bankers

Cargills Bank Ltd.

Bank of Ceylon

Commercial Bank of Ceylon PLC

NDB Bank

Pan Asia Banking Corporation PLC

Seylan Bank PLC

The Hongkong & Shanghai Banking Corporation Ltd.

HNB Bank PLC

Subsidiary Companies

Kotmale Dairy Products (Pvt) Ltd.

Kotmale Milk Foods Ltd.

Kotmale Milk Products Ltd.

Kotmale Products Ltd.

Stock Exchange Listing

Colombo Stock Exchange