



Maskeliya Plantations PLC

Interim Financial Statements

**FOR THE NINE MONTHS ENDED
December 2016**

INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

	As at 31/12/16 Rs. ' 000	As at 31/12/15 Rs. ' 000	As at 31/03/16 Rs. ' 000
ASSETS			
NON CURRENT ASSETS			
Lease hold Property ,Plant and Equipment	257,713	275,367	269,783
Freehold Property, plant & equipment	524,827	557,838	550,339
Bearer Biological Assets	2,185,317	2,159,778	2,178,317
Consumable Biological Assets	615,953	604,275	615,953
Defferd Tax Assets	36,165	36,165	36,165
	<u>3,619,975</u>	<u>3,633,423</u>	<u>3,650,557</u>
CURRENT ASSETS			
Inventories	537,975	502,304	431,922
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	21,036	21,014	21,024
Trade and other Receivables	186,468	195,517	202,249
ESC Recoverable	44,784	40,799	34,858
Amount due from Related Parties	5,252	2,113	2,730
Cash and Bank balances	21,032	33,193	10,899
	<u>864,473</u>	<u>842,866</u>	<u>751,608</u>
TOTAL ASSETS	<u>4,484,448</u>	<u>4,476,289</u>	<u>4,402,165</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Stated Capital - Note 01	673,721	673,721	673,721
General Reserve	540,000	540,000	540,000
Timber Reserves	573,202	561,524	573,202
Retained Earnings	(1,042,846)	(880,766)	(866,885)
TOTAL EQUITY	<u>744,077</u>	<u>894,479</u>	<u>920,038</u>
NON CURRENT LIABILITIES & DEFERRED INCOME			
Interest Bearing Loans & Borrowings	423,510	576,130	470,850
Retiring Benefit Obligations	938,283	990,752	905,211
Deferred Income	206,668	217,457	215,200
Liability to make Lease Payment after one year	111,174	113,462	112,861
	<u>1,679,635</u>	<u>1,897,801</u>	<u>1,704,122</u>
CURRENT LIABILITIES			
Trade & Other payables	550,206	426,075	374,306
Dividend payable	2,008	2,008	2,008
Amount due to Related parties	472,018	287,921	288,301
Interest Bearing Loans & Borrowings	1,034,274	965,944	1,111,246
Liability to make Lease Payment within one year	2,230	2,061	2,144
	<u>2,060,736</u>	<u>1,684,009</u>	<u>1,778,005</u>
TOTAL EQUITY AND LIABILITIES	<u>4,484,448</u>	<u>4,476,289</u>	<u>4,402,165</u>
	Rs.	Rs.	Rs.
Net Assets Per Share	13.79	16.58	17.05

The above figures are subject to audit

These Financial Statements are in Compliance with the requirements of the Companies Act No. 07 of 2007.



Sudheera Epitakumbura
Financial Controller

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors of Maskeliya Plantations PLC.



S S Poholiyadde
Director



J L A Fernando
Director

13 February 2017

INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

	Quarter Ended December			Nine Months Ended December			Year Ended
	2016 Rs. ' 000	2015 Rs. ' 000	Variance + / (-) %	2016 Rs. ' 000	2015 Rs. ' 000	Variance + / (-) %	31/03/2016 Rs. ' 000
Revenue	819,914	729,852	12	2,400,712	2,467,594	(3)	3,273,852
Cost of Sales	(750,068)	(723,104)	(4)	(2,372,567)	(2,549,519)	7	(3,425,634)
Gross Profit / (Loss)	69,846	6,748	(935)	28,145	(81,925)	134	(151,782)
Other Operating Income	5,834	2,225	162	19,388	15,435	26	17,569
Gain on Change in Fair Value of Biological Assets	-	-	-	-	-	-	13,267
Administration Expenses	(11,798)	(9,166)	(29)	(34,387)	(30,191)	(14)	(40,011)
Management Fee	(4,500)	(30,307)	85	(13,500)	(101,531)	87	(101,531)
Finance Cost	(58,028)	(50,615)	(15)	(175,607)	(136,571)	(29)	(198,304)
Profit /(Loss) before Taxation	1,354	(81,115)	102	(175,961)	(334,783)	47	(460,792)
Income Tax (Expense)/Income	-	-	-	-	-	-	(7,677)
Net Profit/(Loss) for the period	1,354	(81,115)	102	(175,961)	(334,783)	47	(468,469)
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic Earnings Per Share	0.03	(1.50)		(3.26)	(6.21)		(8.68)

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended December			Nine Months Ended December			Year Ended
	2016 Rs.'000	2015 Rs.'000	Variance % '+/(-)	2016 Rs. ' 000	2015 Rs. ' 000	Variance % '+/(-)	31/03/2016 Rs. ' 000
Profit/ (Loss) for the year	1,354	(81,115)	102	(175,961)	(334,783)	47	(468,469)
Other Comprehensive Income							
Actuarial Gains/(Losses) on Defined benefit Plans	-	-	-	-	-	-	159,244
Income tax effect	-	-	-	-	-	-	-
Other Comprehensive Income for the period, net of tax	-	-	-	-	-	-	159,244
Total Comprehensive Income for the period, net of tax	<u>1,354</u>	<u>(81,115)</u>	102	<u>(175,961)</u>	<u>(334,783)</u>	47	<u>(309,225)</u>

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW

For the Nine Months Ended December 2016

	31/12/2016 Rs. ' 000	31/12/2015 Rs. ' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	(175,961)	(334,783)
ADJUSTMENTS FOR		
Depreciation/Amortization	85,763	83,935
Provision for Defined Benefit Plan Cost	119,009	60,193
Amortisation of Grants	(9,000)	(9,000)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting Finance Costs	174,732	136,571
Operating Profit before Working Capital changes	194,543	(63,084)
(Increase)/Decrease in Trade and other receivables	(220,168)	50,607
(Increase)/Decrease in Inventories	(106,053)	(24,937)
Increase/(Decrease) in Trade and other payables	429,639	40,483
Increase/(Decrease) in amounts due to Related Parties	183,717	71,254
(Increase)/Decrease in amounts due from Related Parties	(2,522)	593
Cash Generated from Operations	479,156	74,916
Finance Costs Paid	(148,856)	(111,271)
Defined Benefit Plan Costs paid	(85,938)	(50,721)
Tax Paid	(9,926)	(6,453)
Net Cash from Operating Activities	234,436	(93,529)
CASH FLOWS FROM INVESTING ACTIVITIES		
Grants Received	468	4,150
Field Development Expenditure	(40,434)	(112,703)
Purchase of Property, Plant & Equipment	(14,745)	(4,972)
Net Cash used in Investing Activities	(54,711)	(113,525)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	-	-
Payment of Government lease rentals	(45,280)	(17,524)
Proceeds from loans	200,000	533,000
Payment of loans	(359,520)	(267,273)
Net Cash from Financing Activities	(204,800)	248,203
Net Increase/(Decrease) in Cash & Cash Equivalents	(25,075)	41,149
A. Cash & Cash Equivalents at the beginning of the period	(655,547)	(506,564)
B. Cash & Cash Equivalents at the end of the period	(680,622)	(465,415)
NOTE A		
Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	10,899	10,427
Bank Overdrafts	(666,446)	(516,991)
	(655,547)	(506,564)
NOTE B		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	21,032	33,194
Bank Overdrafts	(701,654)	(498,609)
	(680,622)	(465,415)

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INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. ' 000	General Reserve Rs. ' 000	Retained Earnings Rs. ' 000	Timber Reserve Rs. ' 000	Total Equity Rs. ' 000
Balance as at 31 March 2015	673,721	540,000	(545,983)	561,524	1,229,262
Net profit/ (Loss) for the period	-	-	(334,783)	-	(334,783)
Other Comprehensive income	-	-	-	-	-
Balance as at 30 December 2015	673,721	540,000	(880,766)	561,524	894,479
Balance as at 31 March 2016	673,721	540,000	(866,886)	573,202	920,037
Net profit/(Loss) for the period	-	-	(175,961)	-	(175,961)
Other Comprehensive income	-	-	-	-	-
Balance as at 31 December 2016	673,721	540,000	(1,042,847)	573,202	744,076

The above figures are subject to audit

- 1 Stated Capital of Maskeliya Plantations PLC amounts to 673,720,950 represented by 53,953,490 shares.
- 2 The Interim Financial Statements of the Company are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standards 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.

The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31 March 2016.
- 3 The presentation and classification of figures for the corresponding period of the previous quarter have been amended, where relevant, for better presentation and to be comparable with those of the current period.
- 4 No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or disclosure in the Interim Financial Statements.
- 5 There has been no significant change in the nature of contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2016.
- 6 Financial statements does not include/classify actuarial gain/(loss) on defined benefit plans costs as the valuation is done at the year end.
- 7 Ministry of Plantation Industries (letter dated 22.07.2016) has informed to pay an interim allowance of Rs.100/- per worker for each day worked during the months of June and July pending finalization of wage negotiations. The interim allowance cost for the month of June & July is Rs.44 Mn which has charged to the income Statement. To effect the payment, term loan facility was granted by Sri Lanka Tea Board.
- 8 In accordance with the Collective Agreement between the Employers' Federation of Ceylon (EFC) and the Trade Unions, with effect from 15 October 2016, the daily basic wage of workers have been increased from Rs. 450/- to Rs.500/-. An allowance of Rs.30/- of Fixed Price Share supplement is paid in addition to Rs.60/- as an attendance incentive. Rs.140/- as a productivity incentive, totaling to Rs.730/- per day, as compared to Rs. 620/- previously.
- 9 Mr. Manoj Pathiraja has been appointed as Chief Executive Officer of the Company with effect from 21st November 2016.

INTERIM FINANCIAL STATEMENTS SEGMENT INFORMATION

Geographical Segment

For the Nine Months Ended December 2016

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	661,482	672,954	841,452	925,507	491,667	459,407	406,111	409,726	2,400,712	2,467,594
Revenue Expenditure	(576,156)	(610,152)	(788,820)	(852,542)	(397,500)	(425,400)	(405,275)	(517,296)	(2,167,751)	(2,405,390)
Depreciation/ Amortization	(38,404)	(21,168)	(46,289)	(25,211)	(25,877)	(16,403)	(35,191)	(21,153)	(145,761)	(83,935)
Gratuity	(14,484)	(14,547)	(21,741)	(22,283)	(9,744)	(9,477)	(13,086)	(13,887)	(59,055)	(60,194)
Segment Results	32,438	27,087	(15,398)	25,471	58,546	8,127	(47,441)	(142,610)	28,145	(81,925)
Other Income									19,388	15,435
Gain on change in fair value of Biological Assets									-	-
Administration Expenses									(34,387)	(30,191)
Management Fees									(13,500)	(101,531)
Finance Cost									(175,607)	(136,571)
Income Tax (Expense)/Income									-	-
Profit /(Loss)for the period									(175,961)	(334,783)

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS
SHAREHOLDER AND INVESTOR INFORMATION

For the Nine Months Ended 31 December

Market Price per Share

- Last Traded price (For the quarter)
- Highest (For the quarter)
- Lowest (For the quarter)

	Quarter Ended		Year Ended
	2016 Rs.	2015 Rs.	2016 Rs.
- Last Traded price (For the quarter)	7.90	9.00	7.70
- Highest (For the quarter)	8.90	10.50	12.40
- Lowest (For the quarter)	7.00	8.40	7.70

Twenty Largest Shareholders

R.P.C Mangement Services (Pvt) Ltd
Dr. T. Senthilvera
Bansei Securities Capital (Pvt) Ltd/Dawi Investment
Amina Investment Ltd
Seylan Bank Ltd/Govindasamy Ramanan
Mr.M.H.M.Fazal
HSBC International Nominees Ltd-SSBT-Deutsche
Freudenberg Shipping Agencies Ltd
Mr. P.S.M Fernando
Merchant Bank of Sri Lanka PLC/ R R S Ananda
Mrs.M.M.C Fernando
Mrs. J.K.P Singh
Mr.S.Senthinandhanan
Mr. R. Magdon Ismail
Mr.R.Maheswaran
Miss.A.Radhakrishnan
Miss.M.P.Radhakrishnan
Dee Investments (Pvt) Ltd
Mr. A.K Seneviratne
Mrs.V.Indraganthi

	as at 30/09/2016		as at 31/03/2016	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
R.P.C Mangement Services (Pvt) Ltd	44,998,397	83.40	44,998,397	83.40
Dr. T. Senthilvera	1,083,872	2.01	-	-
Bansei Securities Capital (Pvt) Ltd/Dawi Investment	952,704	1.77	-	-
Amina Investment Ltd	650,000	1.20	650,000	1.20
Seylan Bank Ltd/Govindasamy Ramanan	319,331	0.59	251,529	0.47
Mr.M.H.M.Fazal	205,049	0.38	145,858	0.27
HSBC International Nominees Ltd-SSBT-Deutsche	141,600	0.26	141,600	0.26
Freudenberg Shipping Agencies Ltd	137,295	0.25	137,295	0.25
Mr. P.S.M Fernando	122,943	0.23	122,943	0.23
Merchant Bank of Sri Lanka PLC/ R R S Ananda	104,098	0.19	104,098	0.19
Mrs.M.M.C Fernando	100,000	0.19	100,000	0.19
Mrs. J.K.P Singh	100,000	0.19	100,000	0.19
Mr.S.Senthinandhanan	97,113	0.18	-	-
Mr. R. Magdon Ismail	87,586	0.16	87,586	0.16
Mr.R.Maheswaran	86,867	0.16	-	-
Miss.A.Radhakrishnan	86,867	0.16	-	-
Miss.M.P.Radhakrishnan	86,866	0.16	-	-
Dee Investments (Pvt) Ltd	84,100	0.16	84,100	0.16
Mr. A.K Seneviratne	69,866	0.13	61,156	0.11
Mrs.V.Indraganthi	55,200	0.10	55,200	0.10
	49,569,754	91.87		
Balance held by 16,496 Shareholders (2016-16,559)	4,383,736	8.13	4,380,881	8.12
Total no. of Shares	53,953,490	100.00	53,953,490	100.00

The percentage of shares held as at

	31/12/2016			31/03/2016		
	Number of Shareholders	Number of Shares	% %	Number of Shareholders	Number of Shares	% %
Public Holding	16,514	8,954,793	16.60	16,593	8,951,993	16.59
Other Holding	2	44,998,697	83.40	3	45,001,497	83.41
Total	16,516	53,953,490	100.00	16,596	53,953,490	100.00

The number of shares held by the Board of Directors are as follows:

As at	31/12/2016	31/03/2016
Dr.S Yaddhegige	-	-
S S Poholiyadde	-	-
E M M Boyagoda (Resigned 23/08/2016)	-	-
Dr. L S Hettiarachchi	-	-
J L A Fernando	300	300
Shaminda Yaddhegige	-	-

INTERIM FINANCIAL STATEMENTS CORPORATE INFORMATION

Name of Company	Maskeliya Plantations PLC
Legal Form	A Quoted Public Company with Limited Liability Incorporated in Sri Lanka.
Date of Incorporation	22nd June 1992
Company Registration No	PQ 134
Principal Business Activities	Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber.
Stock Exchange Listing	The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka.
Registered / Head Office	310, High Level Road, Nawinna, Maharagama Sri Lanka
Ultimate Parent Enterprise	Richard Pieris & Company PLC
Board of Directors	Dr. Sena Yaddehige - Chairman S S Poholiyadde E M M Boyagoda (Resigned 23/082016) Dr. L S Hettiarachchi J L A Fernando Shaminda Yaddehige
Secretaries	Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka Telephone: +(94) 11-4310564
Auditors	Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka.
Bankers	Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank - Millennium Branch Hatton National Bank - City Office NDB Bank
Legal Advisors	Paul Ratnayake Associates International Legal Consultants Solicitors and Attorneys-at-law No.59, Gregory's Road Colombo 07.
Contact Details	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com