

Kegalle Plantations PLC

Interim Financial Statements
for the three months ended
30 June 2013

INTERIM FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

As at 30 June	Company			Group		
	2013 Rs. '000	2012 Rs. '000	Year Ended	2013 Rs. '000	2012 Rs. '000	Year Ended
			31 March 2013 Rs. '000			31 March 2013 Rs. '000
ASSETS						
Non - Current Assets						
Leasehold property, plant and equipment	267,692	283,451	271,639	267,692	283,451	271,639
Freehold property, plant and equipment	386,190	398,807	397,104	446,640	464,420	459,104
Bearer biological assets	1,375,164	1,172,594	1,316,452	1,375,164	1,172,594	1,316,452
Consumable biological assets	39,571	35,020	39,571	39,571	35,020	39,571
Long term investments	597,000	450,000	597,000	623,868	419,602	606,825
	<u>2,665,617</u>	<u>2,339,872</u>	<u>2,621,766</u>	<u>2,752,935</u>	<u>2,375,087</u>	<u>2,693,591</u>
Current Assets						
Inventories	232,258	207,614	241,741	231,874	207,839	241,440
Trade and other receivables	198,770	312,786	241,752	209,842	325,523	247,211
VAT recoverable	23,092	21,492	23,092	23,099	21,499	30,377
Amounts due from related Companies	151,052	137,698	122,951	107,947	92,617	78,097
Short term investment	2,420,314	1,896,550	2,373,005	2,420,314	1,896,550	2,373,005
Cash and bank balances	25,491	12,960	26,416	25,515	12,975	26,525
	<u>3,050,977</u>	<u>2,589,101</u>	<u>3,028,955</u>	<u>3,018,590</u>	<u>2,557,004</u>	<u>2,996,655</u>
Total Assets	<u>5,716,594</u>	<u>4,928,973</u>	<u>5,650,721</u>	<u>5,771,525</u>	<u>4,932,091</u>	<u>5,690,246</u>
EQUITY & LIABILITIES						
Capital & Reserves						
Stated capital (Note 2)	250,000	250,000	250,000	250,000	250,000	250,000
General reserve	225,000	225,000	225,000	225,000	225,000	225,000
Timber reserve	8,600	4,049	8,600	8,600	4,049	8,600
Retained profit	2,926,135	2,481,356	2,853,357	2,954,999	2,453,993	2,865,728
Shareholders' Fund	<u>3,409,734</u>	<u>2,960,404</u>	<u>3,336,956</u>	<u>3,438,599</u>	<u>2,933,042</u>	<u>3,349,327</u>
Non - Current Liabilities						
Loans & borrowings	924,327	627,036	958,249	924,327	627,036	958,249
Retirement benefit obligations	426,318	404,757	407,809	426,413	404,852	407,904
Deferred income	200,434	199,939	197,603	213,626	217,482	211,883
Deferred tax liability	98,532	89,276	98,532	98,532	89,276	98,532
Liability to make lease payment after one year	276,642	281,098	277,932	276,642	281,098	277,932
	<u>1,926,254</u>	<u>1,602,106</u>	<u>1,940,125</u>	<u>1,939,540</u>	<u>1,619,744</u>	<u>1,954,501</u>
Current Liabilities						
Loans & borrowings	147,876	123,379	149,671	147,876	123,379	149,671
Liability to make lease payment within one year	4,627	4,449	4,449	4,627	4,449	4,449
Trade and other payables	187,537	205,064	194,897	195,215	212,812	202,575
Dividend payable	2,611	12,617	2,611	2,611	12,617	2,611
Amounts due to related Companies	30,760	8,007	13,547	35,862	13,102	18,650
Income tax payable	7,194	12,946	8,463	7,194	12,946	8,463
	<u>380,605</u>	<u>366,462</u>	<u>373,639</u>	<u>393,385</u>	<u>379,305</u>	<u>386,419</u>
Total Equity & Liabilities	<u>5,716,594</u>	<u>4,928,973</u>	<u>5,650,721</u>	<u>5,771,525</u>	<u>4,932,091</u>	<u>5,690,246</u>
Net Asset Value per Share (Rs.)	136.39	118.42	133.48	137.54	117.32	133.97

The above figures are subject to audit

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



Jagath Dissanayake
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board of Directors of Kegalle Plantations PLC.



S S Poholiyadde
Director

Colombo

12 August 2013



J H P Ratnayake
Director

INTERIM FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

For the the quarter ended 30 June	Company				Group			
			Year Ended				Year Ended	
	2013 Rs. '000	2012 Rs. '000	Variance + / (-) %	31 March 2013 Rs. '000	2013 Rs. '000	2012 Rs. '000	Variance + / (-) %	31 March 2013 Rs. '000
Continuing Operations								
Revenue	611,037	645,058	(5)	2,587,558	611,037	645,058	(5)	2,587,558
Cost of sales	(557,234)	(484,397)	(15)	(1,857,482)	(557,234)	(484,397)	(15)	(1,857,482)
Gross profit	53,803	160,662	(67)	730,075	53,803	160,662	(67)	730,075
Gain/(Loss) on fair value of biological assets	-	-	-	(6,796)	-	-	-	(6,796)
Other income	7,214	8,394	(14)	27,160	7,214	8,394	(14)	27,160
Administrative expenses	(14,672)	(15,113)	3	(54,151)	(14,672)	(15,113)	3	(54,151)
Management fee	(8,039)	(26,461)	70	(125,071)	(8,039)	(26,461)	70	(125,071)
Profit from operations	38,307	127,482	70	571,218	38,307	127,482	70	571,218
Finance income	77,312	71,739	(8)	165,653	77,312	71,739	(8)	165,653
Finance cost	(33,941)	(33,603)	(1)	(141,704)	(33,941)	(33,603)	(1)	(141,704)
Net finance income	43,371	38,136	14	23,949	43,371	38,136	14	23,949
Share of result of associates	-	-	-	-	18,843	9,724	(94)	54,702
Profit before taxation	81,678	165,618	(51)	595,167	100,521	175,341	(43)	649,869
Tax expenses	(8,900)	(47,128)	81	(100,126)	(10,700)	(48,494)	78	(106,248)
Profit for the period from continuing operations	72,778	118,490	(39)	495,041	89,821	126,847	(29)	543,621
Discontinued Operations								
Loss from discontinued operations	-	-	-	-	(550)	(655)	16	(1,144)
Profit for the period	72,778	118,490	(39)	495,041	89,271	126,192	(29)	542,477
Other Comprehensive Income								
Other Comprehensive Income for the period, net of tax	-	-	-	-	-	-	-	-
Total Comprehensive Income for the period, net of tax	72,778	118,490	(39)	495,041	89,271	126,192	(29)	542,477
Basic earnings per share from continuing operations (Rs.)	2.91	4.74		19.80	3.59	5.07		21.74
Dividend per share (Rs.)	-	-		-	-	-		-

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

For the quarter ended 30 June 2013

	Company				
	Stated Capital Rs. '000	General Reserve Rs. '000	Timber Reserve Rs. '000	Retained Profit Rs. '000	Total Rs. '000
	Balance as at 31 March 2012	250,000	225,000	4,049	2,362,866
Total Comprehensive Income for the period	-	-	-	118,490	118,490
Timber Reserve	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance as at 30 June 2012	250,000	225,000	4,049	2,481,356	2,960,404

Balance as at 31 March 2013	250,000	225,000	8,600	2,853,357	3,336,956
Total Comprehensive Income for the period	-	-	-	72,778	72,778
Timber Reserve	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance as at 30 June 2013	250,000	225,000	8,600	2,926,135	3,409,734

For the quarter ended 30 June 2013

	Group				
	Stated Capital Rs. '000	General Reserve Rs. '000	Timber Reserve Rs. '000	Retained Profit Rs. '000	Total Rs. '000
	Balance as at 31 March 2012	250,000	225,000	4,049	2,327,800
Total Comprehensive Income for the period	-	-	-	126,192	126,192
Timber Reserve	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance as at 30 June 2012	250,000	225,000	4,049	2,453,993	2,933,042

Balance as at 31 March 2013	250,000	225,000	8,600	2,865,728	3,349,328
Total Comprehensive Income for the period	-	-	-	89,271	89,271
Timber Reserve	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance as at 30 June 2013	250,000	225,000	8,600	2,954,999	3,438,599

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INTERIM FINANCIAL STATEMENTS

CASH FLOW STATEMENTS

For the period ended 30 June	Company			Group		
	Year Ended			Year Ended		
	2013	2012	31 March 2013	2013	2012	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES						
Net Profit before Taxation from continuing operations	81,678	165,618	595,167	100,521	175,341	649,869
Net Loss before Taxation from discontinuing operations	-	-	-	(550)	(655)	(1,144)
ADJUSTMENTS FOR						
Interest income	(77,312)	(71,739)	(165,653)	(77,312)	(71,739)	(165,653)
Depreciation, amortization and Impairment Loss	25,544	22,950	94,215	27,094	24,632	99,510
Provision for defined benefit plan costs	29,863	10,386	48,849	29,863	10,386	48,849
Amortization of grants	(479)	(1,437)	(5,753)	(1,567)	(2,525)	(10,105)
Share of result of associates	-	-	-	(18,843)	(9,724)	(54,702)
Profit on sale of property, plant & equipment	(2,850)	-	(3,502)	(2,850)	-	(3,502)
Finance costs	33,941	33,603	141,704	33,941	33,603	141,704
(Gains)/losses on fair value of biological assets	-	-	6,796	-	-	6,796
Operating profit before working capital changes	90,384	159,381	711,823	90,297	159,320	711,622
(Increase)/decrease in trade & other receivables	42,981	(37,238)	32,197	44,648	(37,238)	32,197
(Increase)/decrease in inventories	9,483	(6,492)	(40,678)	9,567	(6,492)	(40,153)
(Increase)/decrease in amounts due from related companies	(28,101)	(33,621)	(18,874)	(28,101)	(33,621)	(18,874)
Increase/(decrease) in trade & other payables	(7,360)	(4,343)	(14,509)	(7,360)	(4,287)	(14,564)
Increase/(decrease) in amounts due to related companies	17,212	2,152	7,693	15,463	2,152	7,515
Cash generated from / (used in) operations	124,600	79,838	677,652	124,514	79,834	677,743
Defined benefit plan costs paid	(11,354)	(8,666)	(44,076)	(11,354)	(8,666)	(44,076)
ESC paid	-	(2,276)	(1,710)	-	(2,276)	(1,710)
Finance cost paid	(22,620)	(23,298)	(100,313)	(22,620)	(23,298)	(100,313)
Income tax paid	(10,169)	(25,792)	(74,583)	(10,169)	(25,792)	(74,583)
Net cash from operating activities	80,458	19,807	456,970	80,371	19,803	457,061
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES						
Investments in associates	-	-	(147,000)	-	-	(147,000)
Interest received	77,312	71,739	165,653	77,312	71,739	165,653
Grant received	3,311	1,743	3,723	3,311	1,743	3,723
Proceeds from sale of property, plant & equipment	2,850	-	3,502	2,850	-	3,502
Field development expenditure	(69,041)	(39,147)	(223,167)	(69,041)	(39,147)	(223,167)
Purchase of property, plant & equipment	(354)	(1,678)	(30,554)	(354)	(1,678)	(30,554)
Net cash from / (used in) investing activities	14,079	32,657	(227,843)	14,079	32,657	(227,843)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES						
Dividend paid	-	10,747	741	-	10,747	741
Payment of Government lease rentals	(11,321)	(10,305)	(41,391)	(11,321)	(10,305)	(41,391)
Payment of Government lease rentals - Capital	(1,112)	(1,112)	(4,278)	(1,112)	(1,112)	(4,278)
Proceeds from loans	-	68,620	519,267	-	68,620	519,267
Repayment of loans	(36,962)	(25,694)	(124,780)	(36,962)	(25,694)	(124,780)
Net Cash from / (used in) Financing Activities	(49,395)	42,256	349,559	(49,395)	42,256	349,559
Net increase/(decrease) in cash & cash equivalents	45,141	94,720	578,686	45,055	94,716	578,776
Cash & cash equivalents at the beginning of the period	2,393,476	1,814,790	1,814,790	2,393,585	1,814,809	1,814,809
Cash & cash equivalents at the end of the period	2,438,617	1,909,510	2,393,476	2,438,640	1,909,525	2,393,586
NOTES						
A. Cash & cash equivalents at the beginning of the period						
Cash in Hand & at Bank	26,416	12,783	12,783	26,525	12,802	12,802
Bank Overdraft	(5,945)	(4,086)	(4,086)	(5,945)	(4,086)	(4,086)
Investment in Treasury Bills, REPO & Others	2,373,005	1,806,093	1,806,093	2,373,005	1,806,093	1,806,093
	2,393,476	1,814,790	1,814,790	2,393,585	1,814,809	1,814,809
B. Cash & cash equivalents at the end of the period						
Cash in Hand & at Bank	25,491	12,960	26,416	25,515	12,975	26,525
Bank Overdraft	(7,189)	-	(5,945)	(7,189)	-	(5,945)
Investment in Treasury Bills, REPO & Others	2,420,314	1,896,550	2,373,005	2,420,314	1,896,550	2,373,005
	2,438,617	1,909,510	2,393,476	2,438,640	1,909,525	2,393,586

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

Explanation of transition to SLFRSs

RECONCILIATION OF FINANCIAL POSITION

Reconciliation of Financial Position as at 30 June 2012

	Notes	Company			Group		
		SLFRS\LKAS 2012	Remeasurements	SLAS 2012	SLFRS\LKAS 2012	Remeasurements	SLAS 2012
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS							
<u>Non Current Assets</u>							
Leasehold property, plant and equipment		283,451	-	283,451	283,451	-	283,451
Freehold property, plant and equipment	C	398,807	6,110	392,697	464,420	6,110	458,311
Bearer biological assets	D	1,172,594	(38,372)	1,210,966	1,172,594	(38,372)	1,210,966
Consumable biological assets	D	35,020	35,020	-	35,020	35,020	-
Long term investments		450,000	-	450,000	419,602	-	419,602
Total Non Current Assets		2,339,872	2,758	2,337,114	2,375,087	2,758	2,372,329
<u>Current Assets</u>							
Inventories	E	207,614	(55,505)	263,119	207,839	(55,505)	263,344
Trade and other receivables		312,786	-	312,786	325,523	-	325,523
VAT recoverable		21,492	-	21,492	21,499	-	21,499
Amounts due from related Companies		137,698	-	137,698	92,617	-	92,617
Short term investment		1,896,550	-	1,896,550	1,896,550	-	1,896,550
Cash and bank balances		12,960	-	12,960	12,975	-	12,975
Total Current Assets		2,589,101	(55,505)	2,644,605	2,557,004	(55,505)	2,612,508
TOTAL ASSETS		4,928,973	(52,746)	4,981,719	4,932,091	(52,746)	4,984,837
EQUITY AND LIABILITIES							
<u>Equity</u>							
Stated capital		250,000	-	250,000	250,000	-	250,000
General reserve		225,000	-	225,000	225,000	-	225,000
Retained earnings	G	2,485,404	(80,613)	2,566,018	2,458,042	(80,613)	2,538,655
Shareholders' Fund		2,960,404	(80,613)	3,041,018	2,933,042	(80,613)	3,013,655
<u>Non Current Liabilities</u>							
Loans & borrowings		627,036	-	627,036	627,036	-	627,036
Retirement benefit obligations		404,757	-	404,757	404,852	-	404,852
Deferred income		199,939	-	199,939	217,482	-	217,482
Deferred tax liability	F	89,276	27,867	61,409	89,276	27,867	61,409
Liability to make lease payment after one year		281,098	-	281,098	281,098	-	281,098
Total Non Current Liabilities		1,602,106	27,867	1,574,239	1,619,744	27,867	1,591,877
<u>Current Liabilities</u>							
Loans & borrowings		123,379	-	123,379	123,379	-	123,379
Liability to make lease payment within one year		4,449	-	4,449	4,449	-	4,449
Trade and other payables		205,064	-	205,064	212,812	-	212,812
Dividend payable		12,617	-	12,617	12,617	-	12,617
Amounts due to related Companies		8,007	-	8,007	13,102	-	13,102
Income tax payable		12,946	-	12,946	12,946	-	12,946
Total Current Liabilities		366,462	-	366,462	379,305	-	379,305
TOTAL EQUITY AND LIABILITIES		4,928,973	(52,746)	4,981,719	4,932,091	(52,746)	4,984,837

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

Explanation of transition to SLFRSs (Contd.)

RECONCILIATION OF TOTAL COMPREHENSIVE INCOME

Reconciliation of Total Comprehensive Income for the quarter ended 30 June 2012

	Notes	Company			Group		
		SLFRS\LKAS	Remeasurements	SLAS	SLFRS\LKAS	Remeasurements	SLAS
		2012 Rs.'000	Rs.'000	2012 Rs.'000	2012 Rs.'000	Rs.'000	2012 Rs.'000
<u>Continuing Operations</u>							
Revenue	A	645,058	16,935	628,123	645,058	16,935	628,123
Cost of sales	B	(484,396)	(9,321)	(475,075)	(484,396)	(9,321)	(475,075)
Gross profit		160,662	7,614	153,048	160,662	7,614	153,048
Gain/(Loss) on fair value of biological assets	D	-	-	-	-	-	-
Other income		8,394	-	8,394	8,394	-	8,394
Administrative expenses		(15,113)	-	(15,113)	(15,113)	-	(15,113)
Management fee		(26,461)	-	(26,461)	(26,461)	-	(26,461)
Profit from operations		127,482	7,614	119,868	127,482	7,614	119,868
Finance income		71,739	-	71,739	71,739	-	71,739
Finance cost		(33,603)	-	(33,603)	(33,603)	-	(33,603)
Net finance income		38,136	-	38,136	38,136	-	38,136
Share of result of associates		-	-	-	9,724	-	9,724
Profit before taxation		165,618	7,614	158,004	175,341	7,614	167,728
Tax expenses	F	(47,128)	(4,097)	(43,031)	(48,494)	(4,097)	(44,397)
Profit for the year from continuing operations		118,490	3,516	114,974	126,847	3,516	123,331
<u>Discontinued Operations</u>							
Loss from discontinued operations		-	-	-	(655)	-	(655)
Profit for the year		118,490	3,516	114,974	126,192	3,516	122,676
<u>Other Comprehensive Income</u>							
Other Comprehensive Income for the period, net of tax		-	-	-	-	-	-
Total Comprehensive Income for the period, net of tax		118,490	3,516	114,974	126,192	3,516	122,676

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. Notes to the Reconciliation of Financial Position as at 30 June 2012 and Total Comprehensive Income ("CI") for the quarter ended 30 June 2012.

A Revenue

Profit & Loss of the perennial crop has been recognized in the financial period of harvesting in terms of SLAS 32. Thus the unsold stocks were treated as a part of revenue. The scope of revenue recognition was changed to LKAS 18. Accordingly, the revenue is recognized based on the date of auction where the recognition criterias are met and therefore the quantity which is sold at auction is treated as the sales.

The turnover in the Statement of Comprehensive Income for the quarter ended 30 June 2012 was increased by Rs. 16.9 Mn.

Nature of SLFRS/LKAS Adjustment	CI for quarter ended	
	30 June 2012	
	Rs.'000	
Removal of unsold stock which was part of the revenue	(207,763)	
Removal of cost of last year's stock	224,698	
Company/Group Total	16,935	

B Cost of Sales

Recognition of the cost of sales has been changed simultaneous to the changes to the revenue recognition. Thus, cost of sales consists of the directly attributable cost of the goods sold. Cost of opening stocks and the closing stocks were adjusted to the cost of production in arriving this. Further, the measurement of unsold rubber, tea and coconut stocks have been changed and also the depreciation charge for the quarter has been changed as a result of changes of the useful lives and residual values.

Nature of SLFRS/LKAS Adjustment	CI for quarter ended	
	30 June 2012	
	Rs.'000	
Opening stock adjustment - Identifying the stocks at cost or NRV whichever is lower	(177,437)	
Closing stock adjustment - Identifying the stocks at cost or NRV which ever is lower	151,211	
Cost of unsold stocks	(207,763)	
Cost of opening stocks	224,698	
Effect on depreciation for the period due to changes in useful lives of assets	(30)	
Company/Group Total	(9,321)	

C Freehold Property, Plant & Equipment

The useful lives of the fully depreciated Colour Separators were re-estimated from the date of acquisition.

As a result, the depreciation in CI for period ended 30 June 2012 has been increased.

Nature of SLFRS/LKAS Adjustment	Net assets as at		CI for quarter ended 30 June 2012 Rs.'000
	30 June 2012	31 March 2012	
	Rs.'000	Rs.'000	
Accumulated Depreciation as per SLAS	4,410	4,146	265
Accumulated Depreciation as per SLFRS	2,861	2,626	235
Effect on depreciation for the period by restatement of depreciation policy	1,550	1,520	30
Company/Group Total	1,550	1,520	30

D Biological Assets

LKAS 41 applied for consumable biological assets thus the fair value of managed trees was ascertained by professionally qualified valuers. As a result, the net assets of opening Statement of Financial Position has been decreased by Rs. 3.3 Mn.

Nature of SLFRS/LKAS Adjustment	Net Assets As at		CI for quarter ended 30 June 2012 Rs.'000
	30 June 2012	31 March 2012	
	Rs.'000	Rs.'000	
Cost of managed timber classified as biological assets	35,020	38,372	-
Gain/(loss) on fair value of managed trees	-	(3,351)	-
Company/Group Total	35,020	35,020	-

The gain or losses arising from biological transformation relating to the quarter ended 30 June 2012 have not been recognised in the interim accounts.

INTERIM FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

E Inventory

The produce stock from biological assets i.e. rubber & tea were valued at estimated selling price or since realized price in terms of SLAS 32. With the conversion to new Accounting Standards, the agricultural produce that are harvested from biological assets i.e. latex and green leaf are required to measure at its fair value less cost to sell at the point of harvest. Accordingly, the measurement of inventory is carried at the lower of cost and estimated net realizable value in accordance with LKAS 2.

Nature of SLFRS/LKAS Adjustment	Net Assets As at		CI for quarter ended
	30 June 2012	31 March 2012	30 June 2012
	Rs.'000	Rs.'000	Rs.'000
Change in Valuation of rubber and tea stock at lower of fair value or NRV	(55,505)	(63,148)	7,643
Company/Group Total	(55,505)	(63,148)	7,643

F Deferred Tax Liability

The deferred tax effect is predominantly arises because of the taxable temporary difference as a result of changing depreciation policy and fair valuation of consumable biological assets.

Nature of SLFRS/LKAS Adjustment	Net Assets As at		CI for quarter ended
	30 June 2012	31 March 2012	30 June 2012
	Rs.'000	Rs.'000	Rs.'000
Total deferred tax effect	27,867	23,770	4,097
Company/Group Total	27,867	23,770	4,097

G Retained Earnings

The changes up to 30 June 2012 due to SLFRS/LKAS conversion adjusted through retained earnings.

Nature of SLFRS/LKAS Adjustment	Net assets as at	
	30 June 2012	31 March 2012
	Rs.'000	Rs.'000
Gains and losses on fair value of consumable biological assets	-	(3,351)
Effect on depreciation for the year by restatement of depreciation policy	2,759	6,199
Valuation of rubber, tea and coconut stocks at lower of cost or NRV	(55,505)	(63,207)
Total deferred tax effect on SLFRS/LKAS adjustments	(27,867)	(23,770)
Company/Group Total	(80,613)	(84,129)
Accumulated	3,516	

2. Stated Capital of Kegalle Plantations PLC amounts to Rs. 250,000,010 represented by 25,000,001 Ordinary Shares.
3. The Interim Financial Statements of the Company/Group are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 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/Group. They also comply with the accounting policies and methods set out in the Annual Report for the year ended 31 March 2013.
4. 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 quarter.
5. Other than contingent liabilities which may arise from the fair value adjustments, there has been no material changes in the nature of the contingent liabilities, what was disclosed in the Annual Report for the year ended 31 March 2013.
6. The Employers' Federation of Ceylon signed a Plantation Workers Wage Collective Agreement with Trade Unions increasing the daily wage rate and attendance incentive to Rs. 450/- and Rs. 140/- respectively with effect from 01 April 2013.

INTERIM FINANCIAL STATEMENTS

SHAREHOLDER & INVESTOR INFORMATION

<u>Market price per share</u>	<u>Year Ended</u>		
	2013	2012	31 March 2013
For the quarter ended 30 June	Rs.	Rs.	Rs.
Highest	121.90	110.00	119.50
Lowest	110.10	86.20	86.20
Last Traded	110.00	91.00	112.00

Twenty largest shareholders of the Company are as follows:

As at	30 June 2013		31 March 2013	
Name of the Shareholder	Number of Shares	% of the Holding	Number of Shares	% of the Holding
1 RPC Plantation Management Services (Pvt) Ltd	18,846,044	75.38%	18,258,331	73.03%
2 J B Cocoshell (Pvt) Ltd	623,553	2.49%	606,500	2.43%
3 Almar Trading Co. (Pvt) Ltd	243,600	0.97%	243,600	0.97%
4 HSBC International Nominees Ltd - SSBT - Deutsche Bank	200,000	0.80%	200,000	0.80%
5 Tranz Dominion, L.L.C	185,000	0.74%	185,000	0.74%
6 Mr. A. Singh	133,584	0.53%	149,963	0.60%
7 Waldock Mackenzie Ltd / Hi-Line Towers (Pvt) Ltd	129,600	0.52%	129,600	0.52%
8 Seylan Bank PLC / Symphony Capital Ltd	125,536	0.50%	125,536	0.50%
9 Mr. A. K. Kumarasena	125,151	0.50%	125,151	0.50%
10 Employees Provident Fund	122,300	0.49%	122,300	0.49%
11 Waldock Mackenzie Ltd / Hi-Line Trading (Pvt) Ltd	108,666	0.43%	131,999	0.53%
12 Cocoshell Activated Carbon Company Limited	94,500	0.38%	94,500	0.38%
13 Waldock Mackenzie Ltd / Symphony Capital Ltd	94,200	0.38%	94,200	0.38%
14 Mr. M. J. Fernando	85,500	0.34%	85,500	0.34%
15 Askold (Pvt) Ltd	67,250	0.27%	67,250	0.27%
16 Mr. N. Balasingam	50,600	0.20%	-	-
17 Bank of Ceylon - No. 1 Account	50,600	0.20%	-	-
18 Mrs. P. C. Cooray	50,600	0.20%	-	-
19 Claridge Fund (Pvt) Ltd - No. 1 Account	45,300	0.18%	-	-
20 Mr. D. M. E. P. Gunasekera	45,000	0.18%	-	-
Sub Total	21,426,584	85.71%	-	-
Balance held by 9,027 Shareholders (31 March 2013 - 9,090 Shareholders)	3,573,417	14.29%	3,858,571	15.43%
Total Shares	25,000,001	100.00%	25,000,001	100.00%

The percentage of shares held as follows:

	30 June 2013		31 March 2013	
	Number of Shares	% of the Holding	Number of Shares	% of the Holding
Public Holding	6,144,150	24.58%	6,731,863	26.93%
Other Holding	18,855,851	75.42%	18,268,138	73.07%
	25,000,001	100.00%	25,000,001	100.00%

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

<u>As at</u>	Number of Shares	
	30 June 2013	31 March
Dr. Sena Yaddehige	-	-
Mr. J H P Ratnayeke	-	-
Mr. S S Poholiyadde	307	307
Prof. R C W M R A Nugawela	-	-
Dr. S S B D G Jayawardena	-	-

INTERIM FINANCIAL STATEMENTS

SEGMENT INFORMATION

For the quarter ended 30 June

	Company			Group		
	Year Ended			Year Ended		
	2013	2012	31 March 2013	2013	2012	31 March 2013
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Rubber						
Revenue	350,012	374,582	1,630,201	350,012	374,582	1,630,201
Revenue expenditure	(288,384)	(219,768)	(921,883)	(288,384)	(219,768)	(921,883)
Depreciation / amortization	(16,696)	(15,172)	(61,757)	(16,696)	(15,172)	(61,757)
Other non cash expenses - gratuity	(19,960)	(3,364)	(26,616)	(19,960)	(3,364)	(26,616)
Segment Result - Gross Profit	24,973	136,279	619,946	24,973	136,279	619,946
Tea						
Revenue	229,250	243,590	805,449	229,250	243,590	805,449
Revenue expenditure	(209,841)	(229,535)	(768,868)	(209,841)	(229,535)	(768,868)
Depreciation / amortization	(8,848)	(7,115)	(30,859)	(8,848)	(7,115)	(30,859)
Other non cash expenses - gratuity	(9,904)	(2,250)	(21,631)	(9,904)	(2,250)	(21,631)
Segment Result - Gross Profit	658	4,690	(15,908)	658	4,690	(15,908)
Coconut						
Revenue	9,378	11,265	45,309	9,378	11,265	45,309
Revenue expenditure	(3,603)	(6,923)	(24,817)	(3,603)	(6,923)	(24,817)
Depreciation / amortization	-	(248)	(305)	-	(248)	(305)
Other non cash expenses - gratuity	-	-	(602)	-	-	(602)
Segment Result - Gross Profit	5,775	4,094	19,584	5,775	4,094	19,584
Others						
Revenue	22,397	15,621	106,599	22,397	15,621	106,599
Revenue expenditure	-	(22)	(58)	-	(22)	(58)
Depreciation / amortization	-	-	(88)	-	-	(88)
Other non cash expenses - gratuity	-	-	-	-	-	-
Segment Result - Gross Profit	22,397	15,599	106,454	22,397	15,599	106,454
Total Segments						
Revenue	611,037	645,058	2,587,558	611,037	645,058	2,587,558
Revenue expenditure	(501,827)	(456,248)	(1,715,626)	(501,827)	(456,248)	(1,715,626)
Depreciation / amortization	(25,544)	(22,535)	(93,008)	(25,544)	(22,535)	(93,008)
Other non cash expenses - gratuity	(29,863)	(5,614)	(48,849)	(29,863)	(5,614)	(48,849)
Total Segment Results - Gross Profit	53,803	160,662	730,075	53,803	160,662	730,075
Gain/(Loss) on fair value of biological assets	-	-	(6,796)	-	-	(6,796)
Other income	7,214	8,394	27,160	7,214	8,394	27,160
Administration expenses	(14,672)	(15,113)	(54,151)	(14,672)	(15,113)	(54,151)
Management fee	(8,039)	(26,461)	(125,071)	(8,039)	(26,461)	(125,071)
Finance income	77,312	71,739	165,653	77,312	71,739	165,653
Finance cost	(33,941)	(33,603)	(141,704)	(33,941)	(33,603)	(141,704)
Share of result of associates	-	-	-	18,843	9,724	54,702
Profit for the period from continuing operations	81,678	165,618	595,167	100,521	175,341	649,869
Loss from discontinued operations	-	-	-	(550)	(655)	(1,144)
Profit Before Tax	81,678	165,618	595,167	99,971	174,686	648,725

The above figures are subject to audit

CORPORATE INFORMATION

Name of the Company	: KEGALLE PLANTATIONS PLC
Legal Form	: A Quoted Public Company with limited liability, Incorporated in Sri Lanka under the Companies Act No. 07 of 2007.
Date of Incorporation	: 22 June 1992
Company Registration No	: New Registration No. P Q 135 [Old No. N (PBS/CGB) 140]
Head/Registered Office	: No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Principal Business Activities	: Cultivation, Manufacture and Sale of Rubber, Tea, Coconut, Cardamom & other agricultural produce.
Ultimate Parent Enterprise	: Richard Pieris & Company PLC No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Board of Directors	: Dr. Sena Yaddehige - Chairman Mr. J H P Ratnayeke - Deputy Chairman Mr. S S Poholiyadde Prof. R C W M R A Nugawela Dr. S S B D G Jayawardena
Stock Exchange Listing	: The Ordinary Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Secretaries	: Richard Pieris Group Services (Pvt) Limited No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka Telephone : + (94) 11 4310500
Auditors	: Messrs. Ernst & Young, Chartered Accountants, No. 201, De Saram Place, Colombo 10.
Bankers	: Hatton National Bank PLC Bank of Ceylon - Corporate Branch & Regional Branches NDB Bank PLC Peoples Bank Seylan Bank PLC Commercial Bank of Ceylon PLC Indian Overseas Bank/Indian Bank/State Bank of India
Legal Advisors	: Paul Ratnayeke Associates International Legal Consultants, Solicitors and Attorneys-at-Law, No. 59, Gregory's Road, Colombo 7, Sri Lanka.
Contact Details	: Telephone : + (94) 11 4310500 Facsimile : + (94) 11 4310799 Internet : www.arpico.com E-mail : kpl.rpk@arpico.com

Kegalle Plantations PLC

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