



**Maskeliya Plantations PLC**

**Interim Financial Statements**

**FOR THE TWELVE MONTHS ENDED  
MARCH 2017**

**INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**

	As at 31/03/17 Rs. ' 000	As at 31/03/16 Rs. ' 000 Restated	As at 31/03/15 Rs. ' 000 Restated
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Lease hold Property ,Plant and Equipment	252,373	269,783	287,193
Freehold Property, plant & equipment	514,955	550,339	592,830
Bearer Biological Assets	2,185,652	2,178,317	2,079,219
Consumable Biological Assets	633,224	615,953	604,275
Deferred Tax Assets	36,165	36,165	36,165
	<u>3,622,369</u>	<u>3,650,557</u>	<u>3,599,682</u>
<b>CURRENT ASSETS</b>			
Produce on Bearer Biological Assets	13,465	4,212	5,840
Inventories	485,317	431,922	477,365
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	20,905	21,024	21,031
Trade and other Receivables	196,463	202,249	246,108
ESC Recoverable	43,157	34,858	34,345
Amount due from Related Parties	2,469	2,730	2,707
Cash and Bank balances	10,357	10,899	10,427
	<u>820,059</u>	<u>755,820</u>	<u>845,749</u>
<b>TOTAL ASSETS</b>	<b><u>4,442,428</u></b>	<b><u>4,406,377</u></b>	<b><u>4,445,431</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated Capital - Note 01	673,721	673,721	673,721
General Reserve	540,000	540,000	540,000
Timber Reserves	590,473	573,202	561,524
Retained Earnings	(921,483)	(862,673)	(540,143)
<b>TOTAL EQUITY</b>	<u>882,711</u>	<u>924,250</u>	<u>1,235,102</u>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	402,502	470,850	417,600
Retiring Benefit Obligations	897,881	905,211	981,279
Deferred Income	203,905	215,200	222,307
Liability to make Lease Payment after one year	110,632	112,861	115,006
	<u>1,614,920</u>	<u>1,704,122</u>	<u>1,736,192</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other payables	544,198	374,306	376,272
Dividend payable	2,008	2,008	2,008
Amount due to Related parties	363,383	288,301	216,667
Interest Bearing Loans & Borrowings	1,032,978	1,111,246	877,129
Liability to make Lease Payment within one year	2,230	2,144	2,061
	<u>1,944,797</u>	<u>1,778,005</u>	<u>1,474,137</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,442,428</u></b>	<b><u>4,406,377</u></b>	<b><u>4,445,431</u></b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	16.36	17.13	22.89

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

30 May 2017

**INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS**

	Quarter Ended March			Year Ended March		
	2017 Rs. ' 000	2016 Rs. ' 000 Restated	Variance + / (-)	2017 Rs. ' 000	2016 Rs. ' 000 Restated	Variance + / (-)
Revenue	1,054,750	806,258	31	3,455,462	3,273,852	6
Cost of Sales	(900,207)	(876,115)	(3)	(3,272,774)	(3,425,634)	4
Gross Profit / (Loss)	154,543	(69,857)	321	182,688	(151,782)	220
Other Operating Income	3,312	2,134	55	22,700	17,569	29
Gain on Change in Fair Value of Biological Assets	30,223	11,640	-	30,223	11,640	-
Administration Expenses	(14,428)	(9,820)	(47)	(48,815)	(40,011)	(22)
Management Fee	(13,597)	-	-	(27,097)	(101,531)	73
Finance Cost	(67,672)	(61,733)	(10)	(243,279)	(198,304)	(23)
Profit / (Loss) before Taxation	92,381	(127,636)	172	(83,580)	(462,419)	82
Income Tax (Expense)/Income	(9,126)	(7,677)	-	(9,126)	(7,677)	-
<b>Net Profit/(Loss) for the year</b>	<b>83,255</b>	<b>(135,313)</b>	<b>162</b>	<b>(92,706)</b>	<b>(470,096)</b>	<b>80</b>
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	1.54	(2.51)		(1.72)	(8.71)	

The above figures are subject to audit

**INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF COMPREHENSIVE INCOME**

	Quarter Ended March			Year Ended March		
	2017 Rs.'000	2016 Rs.'000	Variance % '+/(-)	2017 Rs. ' 000	2016 Rs. ' 000	Variance % '+/(-)
<b>Profit/ (Loss) for the year</b>	83,255	(135,313)	162	(92,706)	(470,096)	80
<b>Other Comprehensive Income</b>						
Actuarial Gains/(Losses) on Defined benefit Plans	51,167	159,244	(68)	51,167	159,244	(68)
Income tax effect	-	-	-	-	-	-
<b>Other Comprehensive Income for the year, net of tax</b>	51,167	159,244	(68)	51,167	159,244	(68)
<b>Total Comprehensive Income for the year, net of tax</b>	<u>134,422</u>	<u>23,931</u>	(68)	<u>(41,539)</u>	<u>(310,852)</u>	87

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# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

**For the year Ended March**

### CASH FLOWS FROM OPERATING ACTIVITIES

Net Profit/(Loss) before Taxation (83,580) (462,419)

#### ADJUSTMENTS FOR

Depreciation/Amortization	110,270	109,055
Provision for Defined Benefit Plan Cost	155,614	154,323
Amortisation of Grants	(11,762)	(11,762)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting	(17,270)	(11,678)
Gain/(Loss) on change in fair value Green Leaf	(9,253)	1,627
Finance Costs	243,279	198,304

**Operating Profit before Working Capital changes 387,298 (22,550)**

(Increase)/Decrease in Trade and other receivables	2,511	43,954
(Increase)/Decrease in Inventories	(53,396)	45,443
Increase/(Decrease) in Trade and other payables	197,832	(37,558)
Increase/(Decrease) in amounts due to Related Parties	75,081	71,634
(Increase)/Decrease in amounts due from Related Parties	261	(23)

**Cash Generated from Operations 609,587 100,900**

Finance Costs Paid	(209,744)	(147,249)
Defined Benefit Plan Costs paid	(111,776)	(71,147)
Tax Paid	(14,031)	(8,279)

**Net Cash from Operating Activities 274,036 (125,775)**

### CASH FLOWS FROM INVESTING ACTIVITIES

Grants Received	468	4,655
Field Development Expenditure	(50,560)	(138,701)
Purchase of Property, Plant & Equipment	(14,250)	(9,551)

**Net Cash used in Investing Activities (64,342) (143,597)**

### CASH FLOWS FROM FINANCING ACTIVITIES

Dividends Paid	-	-
Payment of Government lease rentals	(63,619)	(17,525)
Proceeds from loans	281,619	570,968
Payment of loans	(514,363)	(408,540)

**Net Cash from Financing Activities (296,363) 144,903**

**Net Increase/(Decrease) in Cash & Cash Equivalents (86,669) (124,469)**

**A. Cash & Cash Equivalents at the beginning of the period (631,033) (506,564)**

**B. Cash & Cash Equivalents at the end of the period (717,702) (631,033)**

#### NOTE A

Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	10,899	10,427
Bank Overdrafts	(641,932)	(516,991)

#### NOTE B

Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	10,357	10,899
Bank Overdrafts	(728,059)	(641,932)

The above figures are subject to audit

## INTERIM FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY

	<b>Stated Capital Rs. ' 000</b>	<b>General Reserve Rs. ' 000</b>	<b>Retained Earnings Rs. ' 000</b>	<b>Timber Reserve Rs. ' 000</b>	<b>Total Equity Rs. ' 000</b>
<b>Balance as at 31 March 2015 (As previously reported)</b>	673,721	540,000	(545,983)	561,524	1,229,262
Impact of the amendments of LKAS 16 & LKAS 41	-	-	5,840	-	5,840
<b>Balance as at 31 March 2015 Restated</b>	<b>673,721</b>	<b>540,000</b>	<b>(540,143)</b>	<b>561,524</b>	<b>1,235,102</b>
Net profit/ (Loss) for the period	-	-	(470,096)	-	(470,096)
Other Comprehensive income	-	-	159,244	-	159,244
Timber Reserve			(11,678)	11,678	-
<b>Balance as at 31 March 2016 Restated</b>	<b>673,721</b>	<b>540,000</b>	<b>(862,673)</b>	<b>573,202</b>	<b>924,250</b>
Net profit/(Loss) for the period	-	-	(92,706)	-	(92,706)
Other Comprehensive income	-	-	51,167	-	51,167
Timber Reserve	-	-	(17,271)	17,271	-
<b>Balance as at 31 March 2017</b>	<b>673,721</b>	<b>540,000</b>	<b>(921,483)</b>	<b>590,473</b>	<b>882,711</b>

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 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.
- 7 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.
- 8 Mr. Manoj Pathiraja has been appointed as Chief Executive Officer of the Company with effect from 21st November 2016.
- 9 Amendments to LKAS 16 and LKAS 41, require to recognise harvestable produce growing on Bearer Plants at fair value less cost to sell separately from its bearer plants prior to harvest. The fair value of such agricultural produce growing on Bearer Plants, recognised in Financial Statements retrospectively. Gain on fair value of Produce on bearer Biological asset is Rs. 9.2 Mn (2015/16 - Loss of 1.6 Mn)

## INTERIM FINANCIAL STATEMENTS SEGMENT INFORMATION

Geographical Segment  
For the Year Ended March 2017

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	937,076	892,543	1,204,251	1,229,593	687,292	617,748	626,843	533,969	3,455,462	3,273,853
Revenue Expenditure	(810,007)	(801,471)	(1,098,350)	(1,143,051)	(565,948)	(568,743)	(612,581)	(651,299)	(3,086,886)	(3,164,564)
Depreciation/ Amortization	(30,306)	(27,552)	(31,069)	(33,272)	(19,694)	(20,711)	(29,201)	(27,521)	(110,270)	(109,056)
Gratuity	(20,551)	(33,583)	(30,380)	(56,914)	(11,629)	(24,222)	(13,058)	(37,296)	(75,618)	(152,015)
<b>Segment Results</b>	<b>76,212</b>	<b>29,937</b>	<b>44,452</b>	<b>(3,644)</b>	<b>90,021</b>	<b>4,072</b>	<b>(27,997)</b>	<b>(182,147)</b>	<b>182,688</b>	<b>(151,782)</b>
Other Income									22,700	17,569
Gain on change in fair value of Biological Assets									30,223	11,640
Administration Expenses									(48,815)	(40,011)
Management Fees									(27,097)	(101,531)
Finance Cost									(243,279)	(198,304)
Income Tax (Expense)/Income									(9,126)	(7,677)
<b>Profit /(Loss)for the period</b>									<b>(92,706)</b>	<b>(470,096)</b>

The above figures are subject to audit

**INTERIM FINANCIAL STATEMENTS**  
**SHAREHOLDER AND INVESTOR INFORMATION**

For the year Ended 31 March	Quarter Ended		Year Ended	
	2017 Rs.	2016 Rs.	2017 Rs.	2016 Rs.
<b>Market Price per Share</b>				
- Last Traded price ( For the quarter )	7.70	7.70	7.70	7.70
- Highest ( For the quarter )	8.50	10.00	9.80	12.40
- Lowest ( For the quarter )	6.00	7.70	6.00	7.70

**Twenty Largest Shareholders**

	as at 31/03/2017		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
Sampath Bank PLC - Dr. T. Senthilvel	1,083,872	2.01	-	-
Dawi Investment	957,504	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	208,529	0.39	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	86,866	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	71,396	0.13	61,156	0.11
Mrs.V.Indraganthi	55,200	0.10	55,200	0.10
	<b>49,579,564</b>	<b>91.89</b>		
Balance held by 16,492 Shareholders (2016-16,559)	4,373,926	8.11	4,380,881	8.12
Total no. of Shares	<b>53,953,490</b>	<b>100.00</b>	<b>53,953,490</b>	<b>100.00</b>

The percentage of shares held as at

	31/03/2017			31/03/2016		
	Number of Shareholders	Number of Shares	% %	Number of Shareholders	Number of Shares	% %
Public Holding	16,510	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
<b>Total</b>	<b>16,512</b>	<b>53,953,490</b>	<b>100.00</b>	<b>16,596</b>	<b>53,953,490</b>	<b>100.00</b>

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

As at	31/03/2017	31/03/2016
Dr.S Yaddheige	-	-
S S Poholiyadde	-	-
E M M Boyagoda (Resigned 23/08/2016)	-	-
Dr. L S Hettiarachchi	-	-
J L A Fernando	300	300
Shaminda Yaddheige	-	-
Dr.S A Samaraweera (Appointed w.e.f 22.05.2017)	100	-



## INTERIM FINANCIAL STATEMENTS

### CORPORATE INFORMATION

<b>Name of Company</b>	Maskeliya Plantations PLC
<b>Legal Form</b>	A Quoted Public Company with Limited Liability Incorporated in Sri Lanka.
<b>Date of Incorporation</b>	22nd June 1992
<b>Company Registration No</b>	PQ 134
<b>Principal Business Activities</b>	Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber.
<b>Stock Exchange Listing</b>	The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka.
<b>Registered / Head Office</b>	310, High Level Road, Nawinna, Maharagama Sri Lanka
<b>Ultimate Parent Enterprise</b>	Richard Pieris & Company PLC
<b>Board of Directors</b>	Dr. Sena Yaddehige - Chairman S S Poholiyadde E M M Boyagoda (Resigned 23/082016) Dr. L S Hettiarachchi J L A Fernando Shaminda Yaddehige Dr.S A Samaraweera (Appointed w.e.f 22.05.2017)
<b>Secretaries</b>	Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka  Telephone: +(94) 11-4310564
<b>Auditors</b>	Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka.
<b>Bankers</b>	Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Seylan Bank - Millennium Branch Hatton National Bank - City Office NDB Bank Nation Trust Bank Union Bank
<b>Contact Details</b>	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com