



**Maskeliya Plantations PLC**

**Interim Financial Statements**

**For the twelve months ended  
31 March 2020**

**STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31/03/20 Rs. ' 000	Audited As at 31/03/19 Rs. ' 000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Lease hold Property ,Plant and Equipment	348,770	217,552
Freehold Property, plant & equipment	507,622	554,749
Bearer Biological Assets	2,298,074	2,294,216
Consumable Biological Assets	798,389	723,616
	3,952,855	3,790,133
<b>CURRENT ASSETS</b>		
Produce on Bearer Biological Assets	10,292	9,088
Inventories	398,244	590,873
ACT Recoverable	47,926	47,926
VAT Receivable	21,036	21,017
Trade and other Receivables	197,901	208,863
ESC Recoverable	79,572	65,561
Amount due from Related Parties	16,854	22,089
Cash and Bank balances	12,998	9,297
	784,824	974,714
<b>TOTAL ASSETS</b>	<b>4,737,679</b>	<b>4,764,847</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Stated Capital - Note 03	673,721	673,721
General Reserve	540,000	540,000
Timber Reserves	755,637	680,865
Retained Earnings	(1,596,113)	(868,662)
<b>TOTAL EQUITY</b>	<b>373,245</b>	<b>1,025,924</b>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>		
Interest Bearing Loans & Borrowings	126,223	312,770
Retiring Benefit Obligations	1,208,307	1,110,362
Deferred Tax Liability	52,228	58,016
Deferred Income	169,135	180,381
Liability to make Lease Payment after one year	313,994	105,902
	1,869,887	1,767,431
<b>CURRENT LIABILITIES</b>		
Trade & Other payables	428,615	415,630
Dividend payable	2,008	2,008
Amount due to Related parties	724,543	520,914
Interest Bearing Loans & Borrowings	1,337,361	1,030,529
Liability to make Lease Payment within one year	2,020	2,411
	2,494,547	1,971,492
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,737,679</b>	<b>4,764,847</b>

	Rs.	Rs.
Net Assets Per Share	7	19

*The above figures are subject to audit*

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

  
**Kamal Punchihewa**  
Chief Financial Officer

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.

  
Director  
**S S G Liyanage**  
13 August 2020

  
Director  
**J L A Fernando**

## INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

### STATEMENT OF PROFIT OR LOSS

	Quarter Ended			Twelve Months Ended		
	March			March		
	2020 Unaudited Rs. ' 000	2019 Audited Rs. ' 000	Variance + / (-) %	2020 Unaudited Rs. ' 000	2019 Audited Rs. ' 000	Variance + / (-) %
Revenue	914,002	1,114,434	(18)	3,716,295	4,167,216	(11)
Cost of Sales	(1,055,237)	(1,116,882)	6	(4,076,283)	(3,906,282)	(4)
Gross Profit / (Loss)	(141,235)	(2,448)	5,669	(359,988)	260,934	(238)
Other Income	7,116	4,338	64	14,873	18,199	(18)
Change in Fair Value of Biological Assets	75,976	42,452	79	75,976	42,452	79
Administration Expenses	(17,001)	(10,188)	(67)	(67,280)	(61,860)	(9)
Management Fee	(4,500)	10,580	143	(20,202)	(21,122)	4
Finance Cost	(51,392)	(57,610)	11	(222,099)	(231,622)	4
Profit / (Loss) before Taxation	(131,036)	(12,876)	918	(578,720)	6,981	(8,390)
Income Tax Expense	2,609	(1,717)	252	2,609	(1,717)	252
<b>Net Profit/(Loss) for the period</b>	<b>(128,427)</b>	<b>(14,593)</b>	<b>(780)</b>	<b>(576,111)</b>	<b>5,264</b>	<b>(11,044)</b>
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	(2.38)	(0.27)		(10.68)	0.10	

*The above figures are subject to audit*

## INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

### STATEMENT OF COMPREHENSIVE INCOME

	Quarter Ended			Twelve Months Ended		
	March			March		
	2020 Unaudited Rs. ' 000	2019 Audited Rs. ' 000	Variance + / (-)	2020 Unaudited Rs. ' 000	2019 Audited Rs. ' 000	Variance + / (-)
<b>Profit/ (Loss) for the period</b>	(128,427)	(14,593)	(780)	(576,111)	5,264	(11,044)
<b>Other Comprehensive Income</b>						
Remeasurement gains/ (Losses) on defined benefit plan	(22,707)	(46,755)	(51)	(22,707)	(46,755)	(51)
Income tax effect	3,179	6,545	(51)	3,179	6,545	(51)
<b>Other Comprehensive Income for the period, net of tax</b>	(19,528)	(40,210)	(51)	(19,528)	(40,210)	(51)
<b>Total Comprehensive Income for the period, net of tax</b>	(147,955)	(54,803)	(170)	(595,639)	(34,946)	(1,604)

*The above figures are subject to audit*

**INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC**
**STATEMENT OF CASH FLOW**

	Unaudited 31/03/2020 Rs. ' 000	Audited 31/03/2019 Rs. ' 000
<b>For the Twelve Months Ended March</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	(578,720)	6,981
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	130,978	124,903
Provision for Defined Benefit Plan Cost	199,209	177,578
Amortisation of Grants	(11,737)	(11,762)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting	(74,773)	(47,048)
Gain/(Loss) on change in fair value Green Leaf	(1,203)	4,595
Finance Costs	222,099	231,622
<b>Operating Profit before Working Capital changes</b>	<b>(114,147)</b>	<b>486,869</b>
(Increase)/Decrease in Trade and other receivables	10,943	(5,285)
(Increase)/Decrease in Inventories	192,629	10,774
Increase/(Decrease) in Trade and other payables	(29,896)	(78,492)
Increase/(Decrease) in amounts due to Related Parties	203,629	58,965
(Increase)/Decrease in amounts due from Related Parties	5,234	(14,864)
<b>Cash Generated from Operations</b>	<b>268,393</b>	<b>457,967</b>
Finance Costs Paid	(180,695)	(192,828)
Defined Benefit Plan Costs paid	(123,972)	(119,712)
Tax Paid	(14,011)	(21,122)
<b>Net Cash from Operating Activities</b>	<b>(50,285)</b>	<b>124,305</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants Received	490	-
Field Development Expenditure	(63,759)	(113,270)
Purchase of Property, Plant & Equipment	(1,216)	(58,004)
<b>Net Cash used in Investing Activities</b>	<b>(64,485)</b>	<b>(171,274)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends Paid	-	-
Payment of Government lease rentals	-	(41,113)
Payment of Other Finance lease rental	(1,813)	-
Proceeds from loans	46,385	250,000
Payment of loans	(297,038)	(411,444)
<b>Net Cash from Financing Activities</b>	<b>(252,466)</b>	<b>(202,557)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(367,236)</b>	<b>(249,526)</b>
<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>(728,610)</b>	<b>(479,084)</b>
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>	<b>(1,095,846)</b>	<b>(728,610)</b>
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	9,297	16,505
Bank Overdrafts	(737,907)	(495,589)
	<b>(728,610)</b>	<b>(479,084)</b>
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	12,998	9,297
Bank Overdrafts	(1,108,844)	(737,907)
	<b>(1,095,846)</b>	<b>(728,610)</b>

The above figures are subject to audit

## INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

### 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
<b>Balance as at 31 March 2019</b>	673,721	540,000	(786,668)	633,817	1,060,870
Net profit/ (Loss) for the period	-	-	5,264	-	5,264
Total other Comprehensive income	-	-	(40,210)	-	(40,210)
Timber Reserve			(47,048)	47,048	-
<b>Balance as at 31 March 2019</b>	<b>673,721</b>	<b>540,000</b>	<b>(868,662)</b>	<b>680,865</b>	<b>1,025,924</b>
<b>Balance as at 01 April 2020</b>	673,721	540,000	(868,662)	680,865	1,025,924
Effect of adoption SLFRS 16	-	-	(57,040)		(57,040)
Net profit/(Loss) for the period	-	-	(576,111)	-	(576,111)
Total other Comprehensive income	-	-	(19,528)	-	(19,528)
Timber Reserve			(74,772)	74,772	-
<b>Balance as at 31 March 2020</b>	<b>673,721</b>	<b>540,000</b>	<b>(1,596,113)</b>	<b>755,637</b>	<b>373,245</b>

*The above figures are subject to audit*

**INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

	Quarter Ended		Year	Year
	2020	2019	Ended	Ended
1 For the quarter Ended 31 March	Rs.	Rs.	Rs.	Rs.
<b>Market Price per Share</b>				
- Last Traded price ( For the quarter )	6.20	10.80	6.20	10.80
- Highest ( For the quarter )	10.00	13.70	11.40	22.00
- Lowest ( For the quarter )	6.20	9.00	6.20	8.30

	As at	As at
	31/03/2020	31/03/2019
2 Market Capitalization & Ratios		
Market Capitalization (Rs. '000)	334,512	582,698
Float adjusted Market Capitalization (Rs. '000)	55,529	96,728
Price Earning Ratio (times)	-	108.00

The company complies with option 02 of the listing rules 7.13.1 (b) - Less than Rs. 1. Bn. float adjusted market capitalization.

3 Stated Capital of Maskeliya Plantations PLC amounts to 673,720,950 represented by 53,953,490 shares.

4 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.

5 The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for year ended 31 March 2019, except for the Accounting Policies and methods of computation adopted to be in compliant with the requirement of the Sri Lanka Accounting Standard SLFRS 16 - "Leases", which became effective from January 01, 2019. SLFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. Lessee and Lessor). SLFRS 16 replaced LKAS 17 - "Leases" and related interpretations.

The Company adopted SLFRS 16 using the modified retrospective method of adoption, with the date of initial application of 01 April 2019. The effect of adoption of SLFRS 16 to the Retained Earning as of 01 April 2019 is given in the Financial Statements.

**The effect of adoption SLFRS 16 - Leases as at 01 April 2019**

	Lease Liability	Right-of-Use Asset	Retained Earnings
	Rs.	Rs.	Rs.
Balance As at 1 April 2019 (Before initial Application of SLFRS 16)	108,313,253	165,353,290	(868,661,705)
Transition Adjustment due to initial application of SLFRS 16 Leases	207,790,275	150,750,238	(57,040,037)
Adjusted Balance as at 1 April 2019 (At the initial application of SLFRS 16)	<u>316,103,528</u>	<u>316,103,528</u>	<u>(925,701,742)</u>

The Company adopted SLFRS 16 using the modified retrospective method of adoption, with the date of initial application of 01 April 2019. The effect of adoption of SLFRS 16 to the Retained Earning as of 01 April 2019 is given in the Financial Statements.

6 The presentation and classification of figures for the corresponding period of the previous year have been re-arranged, where relevant, for better presentation and to be comparable with those of the current period.

7 These interim financial statements include the Gain arising from the valuation of Biological Assets and Actuarial Gain \ (Loss) on defined benefit plans arising from the year end valuation.

Further Management is assessed that, the fair values of financial assets & financial liabilities are approximate to their carrying values of these instruments.

8 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 2019.

9 No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or disclosure in the Interim Financial Statements.

10 In March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe with over 200 countries now affected. In light of the COVID-19 outbreak being declared a pandemic by the World Health Organization, the Company has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time try to ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company carried out operations in limited manner in mid of March 2020, however since GOSL has announced Plantation industry as essential service the company has resumed its normal operations.

At the moment our estates are operational at normal levels and considerable investments have been directed towards preventive/curative health and safety measures in following all recommended health, work place safety and sanitation protocols recommended by the Authorities. The company is closely engaged in developing mitigating factors for potential risks to the business operation due to COVID pandemic and management is confident in carrying the business and its operations as normal with the health and safety measures recommended by the Government authorities.

11 These Financial Statements for the quarter ended 31 December 2019, have been authorized for issue by the Board of Directors on 13/08/2020.

**INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC**

**SEGMENT INFORMATION**

For the twelve months ended 31 March

	Unaudited	Audited
	2020	2019
	Rs. '000	Rs. '000
<b><u>Maskeliya</u></b>		
Revenue	977,658	1,153,619
Revenue expenditure	(951,944)	(948,629)
Depreciation / amortization	(36,304)	(33,832)
Other non cash expenses - gratuity	(51,088)	(41,533)
<b>Segment Result - Gross Profit/(Loss)</b>	<b>(61,677)</b>	<b>129,625</b>
<b><u>Upcot</u></b>		
Revenue	1,380,290	1,576,188
Revenue expenditure	(1,343,848)	(1,296,815)
Depreciation / amortization	(35,582)	(33,213)
Other non cash expenses - gratuity	(76,943)	(63,757)
<b>Segment Result - Gross Profit/(Loss)</b>	<b>(76,083)</b>	<b>182,403</b>
<b><u>Talawakelle</u></b>		
Revenue	786,172	837,602
Revenue expenditure	(745,891)	(700,912)
Depreciation / amortization	(23,907)	(23,730)
Other non cash expenses - gratuity	(28,121)	(30,090)
<b>Segment Result - Gross Profit/(Loss)</b>	<b>(11,748)</b>	<b>82,870</b>
<b><u>Bandarawela</u></b>		
Revenue	572,175	599,808
Revenue expenditure	(706,013)	(660,811)
Depreciation / amortization	(33,584)	(34,127)
Other non cash expenses - gratuity	(43,058)	(38,834)
<b>Segment Result - Gross Profit/(Loss)</b>	<b>(210,480)</b>	<b>(133,964)</b>
<b><u>Total Segments</u></b>		
Revenue	3,716,295	4,167,217
Revenue expenditure	(3,747,696)	(3,607,167)
Depreciation / amortization	(129,377)	(124,902)
Other non cash expenses - gratuity	(199,209)	(174,214)
<b>Total Segment Result - Gross Profit/(Loss)</b>	<b>(359,988)</b>	<b>260,934</b>
Gain/(Loss) on fair value of biological assets	75,976	42,452
Other income	14,873	18,199
Administrative expenses	(67,280)	(61,860)
Management fee	(20,202)	(21,122)
Finance cost	(222,099)	(231,622)
<b>Profit/(Loss) Before Tax</b>	<b>(578,720)</b>	<b>6,981</b>

*The above figures are subject to audit*

## INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

### SHAREHOLDER AND INVESTOR INFORMATION

#### Twenty Largest Shareholders

	as at 31/03/2020		as at 31/03/2019	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
1 R.P.C Mangement Services (Pvt) Ltd	44,998,397	83.40	44,998,397	83.40
2 Mr. M. H. M. Fazal	400,009	0.74	222,529	0.41
3 Mr.D.G. Wijemanna	345,000	0.64	-	-
4 Mr. D. S. D. De Lanerolle	293,611	0.54	285,010	0.53
5 Capital Trust holdings Ltd.	258,969	0.48	251,544	0.47
6 Mr. R. E. Rambukwella	235,098	0.44	197,462	0.37
7 Mr. Selan Bank PLC /Rizmy Ahamed Rishard	199,292	0.37	205,378	0.38
8 Mrs. H. P. N. Fonseka	153,193	0.28	134,748	0.25
9 Dr.M.AM.A. Akram	149,839	0.28	117,139	0.22
10 Mr. F. A. Azhar	147,400	0.27	172,900	0.32
11 Freudenberg Shipping Agencies Ltd	146,135	0.27	146,135	0.27
12 Marchant Bank of Sri Lanka and Finance / R.R.S. Ananda	139,674	0.26	153,025	0.28
13 Mr. A.V. Emmanuel	119,494	0.22	128,000	0.24
14 Mr.D.S.R Darankumbura	100,000	0.19	-	-
15 Mr.P.K.C.P Samarasinghe	95,837	0.18	95,837	0.18
16 Peoples Leasing & Finance PLC / Hi line Trading (Pvt) Ltd	94,099	0.17	94,099	0.17
17 Mr.W.L Subasinghe	93,622	0.17	-	-
18 Mr.R. Maheswaran	86,867	0.16		
19 Miss. A. Radhakrishnan	86,867	0.16		
20 Miss. M.P. Radhakrishnan	86,866	0.16		
	<b>48,230,269</b>	<b>89.39</b>		
Balance held by 16,556 Shareholders (2018/19 - 16,552)	5,723,221	10.61	5,903,068	10.94
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	31/03/2020			31/03/2019		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Public Holding	16,573	8,954,493	16.60	16,569	8,954,493	16.60
Other Holding	3	44,998,997	83.40	3	44,998,997	83.40
<b>Total</b>	<b>16,576</b>	<b>53,953,490</b>	<b>100.00</b>	<b>16,572</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	31/03/2020	31/03/2019
Dr.Sena Yaddehige	-	-
Dr. L S Hettiarachchi	-	-
J L A Fernando	-	-
Shaminda Yaddehige	-	-
Dr.D S A Samaraweera	100	100
S S G Liyanage	500	500

**INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC****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 Dr. L S K Hettiarachchi J L A Fernando Shaminda Yaddehige Dr.D S A Samaraweera S S G Liyanage
<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 Hatton National Bank - City Office NDB Bank Nations Trust Bank Union Bank
<b>Contact Details</b>	Telephone : +(94) 11 4310500 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com