

# **Maskeliya Plantations PLC**

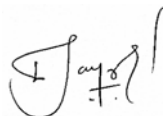
## **Interim Financial Statements**

**FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2010**

## BALANCE SHEET

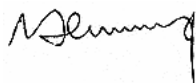
	As at 30/09/10 Rs. ' 000	As at 30/09/09 Rs. ' 000	As at 31/03/10 Rs. ' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Leasehold Property	217,670	223,958	220,800
Immovable estate assets on finance lease (other than leasehold property)	148,531	160,192	153,895
Tangible assets other than immature/mature plantations	726,199	629,284	676,068
Immature/Mature Plantations	1,333,840	1,183,497	1,242,911
	<u>2,426,240</u>	<u>2,196,931</u>	<u>2,293,674</u>
<b>CURRENT ASSETS</b>			
Inventories	312,184	322,430	365,368
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	17,946	18,959	18,084
Trade and other Receivables	143,228	145,792	182,405
ESC Recoverable	8,817	8,569	6,592
Short Term Deposit	-	-	32,000
Amount due from Related Parties	7,977	10,553	6,218
Cash and Bank balances	5,535	70,314	6,821
	<u>543,613</u>	<u>624,543</u>	<u>665,414</u>
<b>TOTAL ASSETS</b>	<b><u>2,969,853</u></b>	<b><u>2,821,474</u></b>	<b><u>2,959,088</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated Capital - Note 03	350,000	350,000	350,000
General Reserve	540,000	540,000	540,000
Accumulated Profit/(Loss)	30,404	(129,792)	76,141
<b>TOTAL EQUITY</b>	<b><u>920,404</u></b>	<b><u>760,208</u></b>	<b><u>966,141</u></b>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	164,630	244,295	286,758
Retiring Benefit Obligations	704,578	724,252	706,431
Deferred Income	256,593	201,282	222,201
Net liability to lessor payable after one year	123,636	125,373	124,549
	<u>1,249,437</u>	<u>1,295,202</u>	<u>1,339,939</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other payables	296,181	421,327	292,238
Dividend payable	2,028	2,194	2,031
Amount due to Related parties	139,727	106,944	106,761
Interest Bearing Loans & Borrowings	360,314	233,905	250,284
Net liability to lessor payable within one year	1,762	1,694	1,694
	<u>800,012</u>	<u>766,064</u>	<u>653,008</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,969,853</u></b>	<b><u>2,821,474</u></b>	<b><u>2,959,088</u></b>
	-	-	-
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	34.12	28.18	35.81

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

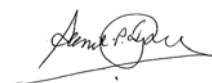


L.C. Herath (Mrs.)  
Chief Financial Officer

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



P D Samarasinghe  
Director



S P Jayakoddy  
Director

03 November 2010

# INCOME STATEMENT

	Quarter Ended 30th September			Six Months Ended 30th September		
	2010	2009	Variance	2010	2009	Variance
	Rs. ' 000	Rs. ' 000	+ / (-) %	Rs. ' 000	Rs. ' 000	+ / (-) %
Revenue	604,232	678,484	(11)	1,493,583	1,394,617	7
Cost of Sales	<u>(608,734)</u>	<u>(926,791)</u>	34	<u>(1,407,208)</u>	<u>(1,497,709)</u>	6
Gross Profit / (Loss)	(4,502)	(248,307)	98	86,375	(103,092)	184
Other Operating Income	2,336	12,885	(82)	5,141	16,869	(70)
Administration Expenses	(9,987)	(22,494)	56	(20,965)	(32,704)	36
Management Fee	(28,469)	(19,735)	(44)	(73,090)	(59,460)	(23)
Finance Cost	<u>(20,222)</u>	<u>(19,924)</u>	(1)	<u>(43,198)</u>	<u>(64,368)</u>	33
Profit / (Loss) before Taxation	(60,844)	(297,575)	80	(45,737)	(242,755)	81
Income Tax Expense	2,500	1,842	(36)	-	-	-
<b>Net Profit/(Loss) for the period</b>	<b><u>(58,344)</u></b>	<b><u>(295,733)</u></b>	<b>80</b>	<b><u>(45,737)</u></b>	<b><u>(242,755)</u></b>	<b>81</b>
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	(2.16)	(10.96)		(1.70)	(9.00)	

# CASH FLOW STATEMENT

<b>For the Six months ended</b>	<b>30/09/2010</b>	<b>30/09/2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
Net Profit before Taxation	(45,737)	(242,755)
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	50,521	48,874
Provision for Defined Benefit Plan Cost	32,927	283,433
Amortisation of Grants	(4,980)	(4,800)
Provision for Doubtful Debts & Impairment Loss	-	12,000
Finance Costs	43,198	64,368
<b>Operating Profit before Working Capital changes</b>	<u>75,929</u>	<u>161,120</u>
(Increase)/Decrease in Trade and other receivables	39,314	10,208
(Increase)/Decrease in Inventories	53,184	(28,208)
Increase/(Decrease) in Trade and other payables	4,503	128,033
Increase/(Decrease) in amounts due to Related Parties	32,967	72,238
(Increase)/Decrease in amounts due from Related Parties	(1,759)	5,706
<b>Cash Generated from Operations</b>	<u>204,138</u>	<u>349,097</u>
Finance Costs Paid	(30,149)	(53,922)
Defined Benefit Plan Costs paid	(34,780)	(29,967)
Income Tax Paid	(4,307)	(3,063)
<b>Net Cash from Operating Activities</b>	<u>134,902</u>	<u>262,145</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants Received	39,372	5,528
Field Development Expenditure	(104,359)	(61,630)
Purchase of Property, Plant & Equipment	(78,728)	(30,583)
<b>Net Cash used in Investing Activities</b>	<u>(143,715)</u>	<u>(86,685)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends Paid	(3)	(114)
Payment of Government lease rentals	(12,372)	(11,251)
Proceeds from loans	-	193,155
Payment of loans	(75,838)	(93,653)
<b>Net Cash from Financing Activities</b>	<u>(88,213)</u>	<u>88,137</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<u>(97,026)</u>	<u>263,597</u>
<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>	<u>(51,887)</u>	<u>(282,811)</u>
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>	<u>(148,913)</u>	<u>(19,214)</u>
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Call Deposit	32,000	2,625
Cash & Bank Balances	6,821	4,320
Bank Overdrafts	(90,708)	(289,756)
	<u>(51,887)</u>	<u>(282,811)</u>
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Call Deposit	-	-
Cash & Bank Balances	5,535	70,314
Bank Overdrafts	(154,448)	(89,528)
	<u>(148,913)</u>	<u>(19,214)</u>

## STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs. ' 000	General Reserve Rs. ' 000	Accumulated Profit/(Loss) Rs. ' 000	Total Rs. ' 000	
<b>Balance as at 31 March 2009</b>	<b>350,000</b>	<b>540,000</b>	<b>112,963</b>	<b>1,002,963</b>	
Net profit/(Loss) for the period	-	-	(242,755)	(242,755)	
<b>Balance as at 30 September 2009</b>	<b>350,000</b>	<b>540,000</b>	<b>(129,792)</b>	<b>760,208</b>	-
<b>Balance as at 31 March 2010</b>	<b>350,000</b>	<b>540,000</b>	<b>76,141</b>	<b>966,141</b>	-
Net profit/(Loss) for the period	-	-	(45,737)	(45,737)	
<b>Balance as at 30 September 2010</b>	<b>350,000</b>	<b>540,000</b>	<b>30,404</b>	<b>920,404</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

For the Six Months Ended 30 September	Year ended 31 March		
	2010 Rs.	2009 Rs.	2010 Rs.
<b>1 Market Price per Share</b>			
- Last Traded price ( For the period )	31.60	21.75	29.75
- Highest ( For the period )	35.80	22.25	37.00
- Lowest ( For the period )	24.50	13.25	13.25
2 There have been no material events occurring after the Balance Sheet date that require adjustment or disclosure in the Financial Statements.			
3 Stated Capital of Maskeliya Plantations PLC amounts to 350,000,010 represented by 26,976,745 shares.			
4 The presentation and classification of figures for the corresponding period of the previous year have been amended , where relevant to be comparable with those of current year.			
5 The above figures are provisional and subject to Audit. 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 2010 and are in compliance with Sri Lanka Accounting Standard 35 - 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.			
6 There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2010.			

NOTES TO THE FINANCIAL STATEMENTS CONTD...

7 Twenty Largest Shareholders

	as at 30/09/2010		as at 31/03/2010	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
1 R.P.C Management Services (Pvt) Ltd	17,176,744	63.67	17,176,744	63.67
2 Pan Asia Banking Corporation PLC/British American	832,000	3.08	595,500	2.21
3 Freudenberg Shipping Agencies Ltd	595,500	2.21	595,500	2.21
4 Mr.W.T.L Weeratne	393,600	1.46	-	-
5 David Pieris Motor Company LTD	363,700	1.35	-	-
6 Mr.M. Radhakrishnan	260,600	0.97	260,600	0.97
7 Mr.C.P. De Silva	250,000	0.93	-	-
8 Mr.E. Thavagnanasundaram	199,700	0.74	204,900	0.76
9 Entrust Limited	110,000	0.41	141,100	0.52
10 Pan Asia Banking Corporation PLC/B.R.Fernando	101,400	0.38	-	-
11 Amina Investments Ltd	100,000	0.37	-	-
12 Lexinton Holdings(Pvt) Ltd	100,000	0.37	100,000	0.37
13 CSCM/Mr.Halpawattege Geethal Ranjan Peiris	93,900	0.35	-	-
14 S.K.M Lanka Holdings(Pvt) Ltd	90,000	0.33	-	-
15 Waldock Mackenzie Ltd/Ceylinco Shriram Capital	87,000	0.32	100,400	0.37
16 Mr.M.S.M. Ali	82,800	0.31	-	-
17 Mr.R.R.S. Ananda	80,000	0.30	-	-
18 Ceylinco Shriram Capital Management Services Co.	79,900	0.30	79,900	0.30
19 Mr.S.N.C.W.M.B.C. Kandegedara	79,300	0.29	-	-
20 Gulf East Finance Ltd	75,000	0.28	-	-
	<b>21,151,144</b>	<b>78.41</b>		
Balance held by 17,006 shareholders (2009/10 - 16,777 Shareholders)	5,825,601	21.59		
Total no. of Shares	<b>26,976,745</b>	<b>100.00</b>		

The percentage of shares held as at

	30/09/2010		31/03/2010	
	Number of Shares	%	Number of Shares	%
Public Holding	9,797,801	36.32	9,798,101	36.32
Other Holding	17,178,944	63.68	17,178,644	63.68
<b>Total</b>	<b>26,976,745</b>	<b>100.00</b>	<b>26,976,745</b>	<b>100.00</b>

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

As at	30/09/2010	31/03/2010
Dr.S.Yaddehige	-	-
J H P Ratnayake	-	-
P D Samarasinghe	-	-
R.L. Kumararatne	300	-
Mr.S.P. Jayakoddy	500	500
Dr.A.Ekanayake	-	-
Dr.H.S.D. Soysa	1,400	1,400

## SEGMENT INFORMATION

### Geographical Segment

For the six months ended 30th September 2010

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	340,664	323,734	551,352	503,380	266,568	236,363	334,999	331,140	1,493,583	1,394,617
Revenue Expenditure	(297,915)	(266,427)	(465,412)	(427,455)	(232,263)	(197,438)	(328,170)	(274,082)	(1,323,760)	(1,165,402)
Depreciation/ Amortization	(14,756)	(11,618)	(15,211)	(16,006)	(10,278)	(10,660)	(10,276)	(10,590)	(50,521)	(48,874)
Gratuity	(7,904)	(70,584)	(12,133)	(101,512)	(5,197)	(46,337)	(7,693)	(65,000)	(32,927)	(283,433)
<b>Segment Results</b>	<b>20,089</b>	<b>(24,895)</b>	<b>58,596</b>	<b>(41,593)</b>	<b>18,830</b>	<b>(18,072)</b>	<b>(11,140)</b>	<b>(18,532)</b>	<b>86,375</b>	<b>(103,092)</b>
Other Income									5,141	16,869
Administration Expenses									(20,965)	(32,704)
Management Fees									(73,090)	(59,460)
Finance Cost									(43,198)	(64,368)
Profit/(Loss) Before Taxation									(45,737)	(242,755)
Income Tax expenses									-	-
<b>Profit /(Loss) for the period</b>									<b>(45,737)</b>	<b>(242,755)</b>

## 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</b>	No. 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 Yaddhige - Chairman J H P Ratnayake - Deputy Chairman P D Samarasinghe R L Kumararatne S P Jayakoddy Dr. A Ekanayake Dr. H S D Soysa
<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
<b>Legal Advisors</b>	Paul Ratnayake Associates International Legal Consultants Solicitors and Attorneys-at-law No.59, Gregory's Road Colombo 07.
<b>Contact Details</b>	Telephone : +(94) 11 4310888 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com