



# **Maskeliya Plantations PLC**

## **Interim Financial Statements**

**For the six months ended  
30 September 2018**

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

	As at 30/09/18 Rs. ' 000	As at 30/09/17 Rs. ' 000	As at 31/03/18 Rs. ' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Lease hold Property ,Plant and Equipment	227,694	244,564	234,963
Freehold Property, plant & equipment	566,276	502,324	555,663
Bearer Biological Assets	2,258,488	2,191,067	2,229,520
Consumable Biological Assets	676,568	633,224	676,568
Defferd Tax Assets	-	36,164	-
	<u>3,729,026</u>	<u>3,607,343</u>	<u>3,696,714</u>
<b>CURRENT ASSETS</b>			
Produce on Bearer Biological Assets	13,685	13,465	13,685
Inventories	477,795	495,948	601,647
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	20,992	20,974	20,758
Trade and other Receivables	188,871	192,852	203,659
ESC Recoverable	49,969	50,644	44,617
Amount due from Related Parties	26,075	5,293	7,224
Cash and Bank balances	18,879	11,925	16,505
	<u>844,192</u>	<u>839,027</u>	<u>956,021</u>
<b>TOTAL ASSETS</b>	<b><u>4,573,218</u></b>	<b><u>4,446,370</u></b>	<b><u>4,652,735</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated Capital - Note 03	673,721	673,721	673,721
General Reserve	540,000	540,000	540,000
Timber Reserves	633,817	590,473	633,817
Retained Earnings	(817,233)	(745,474)	(786,668)
<b>TOTAL EQUITY</b>	<b><u>1,030,305</u></b>	<b><u>1,058,720</u></b>	<b><u>1,060,870</u></b>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	366,246	584,658	401,153
Retiring Benefit Obligations	977,489	864,827	1,005,741
Deferred Tax Liability	62,845	-	62,845
Deferred Income	186,143	197,905	192,143
Liability to make Lease Payment after one year	107,166	109,523	108,313
	<u>1,699,889</u>	<u>1,756,913</u>	<u>1,770,195</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other payables	339,121	488,451	494,121
Dividend payable	2,008	2,008	2,008
Amount due to Related parties	485,871	428,889	461,949
Interest Bearing Loans & Borrowings	1,013,705	709,159	861,273
Liability to make Lease Payment within one year	2,319	2,230	2,319
	<u>1,843,024</u>	<u>1,630,737</u>	<u>1,821,670</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>4,573,218</u></b>	<b><u>4,446,370</u></b>	<b><u>4,652,735</u></b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	19.10	19.62	19.66

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.

  
**J L A Fernando**  
Director

  
**S S G Liyanage**  
Director

12 November 2018

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

	Quarter Ended September			Six Months Ended September			Year Ended
	2018 Rs. ' 000	2017 Rs. ' 000	Variance + /(-) %	2018 Rs. ' 000	2017 Rs. ' 000	Variance + /(-) %	31/03/2018 Rs. ' 000
Revenue	996,788	1,015,477	(2)	2,067,094	2,295,475	(10)	4,517,365
Cost of Sales	(957,840)	(927,748)	(3)	(1,946,705)	(1,960,714)	1	(3,872,259)
Gross Profit / (Loss)	38,948	87,729	(56)	120,389	334,761	64	645,106
Other Operating Income	6,883	7,595	(9)	9,113	10,454	(13)	13,965
Gain on Change in Fair Value of Biological Assets	-	-	-	-	-	-	43,565
Administration Expenses	(18,224)	(16,140)	(13)	(35,175)	(30,548)	(15)	(67,020)
Management Fee	(2,602)	(11,197)	77	(10,930)	(50,375)	78	(78,679)
Finance Cost	(61,629)	(42,378)	(45)	(113,962)	(83,956)	(36)	(173,525)
Profit /(Loss) before Taxation	(36,624)	25,609	(243)	(30,565)	180,336	117	383,412
Income Tax (Expense)/Income	-	(2,163)	-	-	(4,326)	-	(132,014)
<b>Net Profit/(Loss) for the period</b>	<b>(36,624)</b>	<b>23,446</b>	<b>(256)</b>	<b>(30,565)</b>	<b>176,010</b>	<b>(117)</b>	<b>251,398</b>
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic Earnings Per Share	(0.68)	0.43		(0.57)	3.26		4.66

The above figures are subject to audit

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

	Quarter Ended September			Six Months Ended September			Year Ended
	2018 Rs.'000	2017 Rs.'000	Variance % '+/(-)	2018 Rs. ' 000	2017 Rs. ' 000	Variance % '+/(-)	31/03/2018 Rs. ' 000
<b>Profit/ (Loss) for the period</b>	(36,624)	23,446	(256)	(30,565)	176,010	(117)	251,398
<b>Other Comprehensive Income</b>							
Actuarial Gains/(Losses) on Defined benefit Plans	-	-	-	-	-	-	(85,160)
Income tax effect	-	-	-	-	-	-	11,922
<b>Other Comprehensive Income for the period, net of tax</b>	-	-	-	-	-	-	(73,238)
<b>Total Comprehensive Income for the period, net of tax</b>	<b>(36,624)</b>	<b>23,446</b>	<b>(256)</b>	<b>(30,565)</b>	<b>176,010</b>	<b>(117)</b>	<b>178,160</b>

The above figures are subject to audit

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

**For the Six Months Ended September**

### CASH FLOWS FROM OPERATING ACTIVITIES

	30/09/2018 Rs. ' 000	30/09/2017 Rs. ' 000
Net Profit before Taxation	(30,565)	180,336
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	59,725	58,180
Provision for Defined Benefit Plan Cost	39,007	42,553
Amortisation of Grants	(6,000)	(6,000)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting	-	
Finance Costs	114,266	83,958
<b>Operating Profit before Working Capital changes</b>	<b>176,433</b>	<b>359,027</b>
(Increase)/Decrease in Trade and other receivables	15,059	3,542
(Increase)/Decrease in Inventories	(20,957)	(10,631)
Increase/(Decrease) in Trade and other payables	123,852	(55,627)
Increase/(Decrease) in amounts due to Related Parties	(164,798)	65,507
(Increase)/Decrease in amounts due from Related Parties	26,025	(2,824)
<b>Cash Generated from Operations</b>	<b>155,614</b>	<b>358,994</b>
Finance Costs Paid	(95,335)	(66,188)
Defined Benefit Plan Costs paid	(67,259)	(75,607)
Tax Paid	(5,859)	(11,814)
<b>Net Cash from Operating Activities</b>	<b>(12,839)</b>	<b>205,385</b>

### CASH FLOWS FROM INVESTING ACTIVITIES

Grants Received	-	-
Field Development Expenditure	(56,234)	(30,173)
Purchase of Property, Plant & Equipment	(35,800)	(12,981)
<b>Net Cash used in Investing Activities</b>	<b>(92,034)</b>	<b>(43,154)</b>

### CASH FLOWS FROM FINANCING ACTIVITIES

Dividends Paid	-	-
Payment of Government lease rentals	(10,278)	(19,000)
Proceeds from loans	250,000	478,805
Payment of loans	(272,927)	(217,957)
<b>Net Cash from Financing Activities</b>	<b>(33,205)</b>	<b>241,848</b>

**Net Increase/(Decrease) in Cash & Cash Equivalents**

<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>(479,084)</b>	<b>(717,702)</b>
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>	<b>(617,162)</b>	<b>(313,623)</b>

#### NOTE A

Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	16,505	10,357
Bank Overdrafts	(495,589)	(728,059)
	<b>(479,084)</b>	<b>(717,702)</b>

#### NOTE B

Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	18,879	11,925
Bank Overdrafts	(636,041)	(325,548)
	<b>(617,162)</b>	<b>(313,623)</b>

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 2017</b>	673,721	540,000	(921,484)	590,473	882,710
Net profit/ (Loss) for the period	-	-	176,010	-	176,010
Other Comprehensive income	-	-	-	-	-
<b>Balance as at 30 September 2017</b>	<b>673,721</b>	<b>540,000</b>	<b>(745,474)</b>	<b>590,473</b>	<b>1,058,720</b>
<b>Balance as at 31 March 2018</b>	673,721	540,000	(786,668)	633,817	1,060,870
Net profit/(Loss) for the period	-	-	(30,565)	-	(30,565)
Other Comprehensive income	-	-	-	-	-
<b>Balance as at 30 September 2018</b>	<b>673,721</b>	<b>540,000</b>	<b>(817,233)</b>	<b>633,817</b>	<b>1,030,305</b>

The above figures are subject to audit

## NOTES TO THE FINANCIAL STATEMENTS

1 For the quarter Ended 30 September	Quarter Ended		Year
	2018	2017	Ended
	Rs.	Rs.	2018
<b>Market Price per Share</b>			
- Last Traded price ( For the quarter )	10.80	13.90	19.20
- Highest ( For the quarter )	16.00	14.50	27.50
- Lowest ( For the quarter )	9.00	7.30	7.30
			<b>As at</b>
			<b>30/09/2018</b>
			<b>As at</b>
			<b>31/03/2018</b>
<b>2 Market Capitalization &amp; Ratios</b>			
Market Capitalization (Rs. '000)			582,698 1,035,907
Float adjusted Market Capitalization (Rs. '000)			96,728 171,961
Price Earning Ratio (times)			- 4.12

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 the year ended 31 March 2018.

6 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.

7 Financial statements does not include/classify actuarial gain/(loss) on defined benefit plans costs as the valuation is done at the year end.

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 2018.

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

10 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 2018, except for the adoption of following new standard effective as from April 01, 2018.

The new standard SLFRS 15 "Revenue from Contracts with Customers" establishes five step model to account for revenue arising from contracts with customers. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's Interim Financial Statements.

## INTERIM FINANCIAL STATEMENTS SEGMENT INFORMATION

Geographical Segment  
For the Six Months Ended September 2018

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	563,679	625,531	758,083	844,331	427,367	431,301	317,965	394,312	2,067,094	2,295,475
Revenue Expenditure	(487,576)	(484,487)	(655,116)	(676,620)	(367,450)	(344,901)	(337,831)	(353,973)	(1,847,973)	(1,859,981)
Depreciation/ Amortization	(16,489)	(15,917)	(15,678)	(15,860)	(11,204)	(11,047)	(16,354)	(15,356)	(59,725)	(58,180)
Gratuity	(8,135)	(10,681)	(15,289)	(16,098)	(6,976)	(6,920)	(8,607)	(8,854)	(39,007)	(42,553)
<b>Segment Results</b>	<b>51,479</b>	<b>114,446</b>	<b>72,000</b>	<b>135,753</b>	<b>41,736</b>	<b>68,433</b>	<b>(44,827)</b>	<b>16,129</b>	<b>120,389</b>	<b>334,761</b>
Other Income									9,113	10,454
Gain on change in fair value of Biological Assets									-	-
Administration Expenses									(35,175)	(30,548)
Management Fees									(10,930)	(50,375)
Finance Cost									(113,962)	(83,956)
Income Tax (Expense)/Income									-	(4,326)
<b>Profit /(Loss)for the period</b>									<b>(30,565)</b>	<b>176,010</b>

The above figures are subject to audit



## INTERIM FINANCIAL STATEMENTS SHAREHOLDER AND INVESTOR INFORMATION

### Twenty Largest Shareholders

	as at 30/09/2018		as at 31/03/2018	
	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
Mr. M. Z. Rasheed	484,545	0.90	412,858	0.77
Mr. D. S. D. De Lanerolle	285,000	0.53	-	-
Capital Trust holdings ltd	281,485	0.52	172,900	0.32
Mr. R. A. Rishard	240,679	0.45	234,387	0.43
Mr. M. H. M. Fazal	222,529	0.41	222,529	0.41
Seylan Bank PLC / Mohamed Mushtaq Fuad	215,219	0.40	286,208	0.53
Mr. F. A. Azhar	191,400	0.35	185,296	0.34
Freudenberg Shipping Agencies Ltd	146,135	0.27	146,135	0.27
Mr. R. E. Rambukwella	136,352	0.25	118,162	0.22
Mr. A.V. Emmanuel	128,000	0.24	128,000	0.24
Mr. M. R. Rasheed	120,116	0.22	-	-
Seylan Bank PLC / Mr. Shermal Hemaka Jayasuriya	110,000	0.20	110,000	0.20
Mrs. H. P. N. Fonseka	100,000	0.19	-	-
Peoples Leasing & Finance PLC / Hi line Trading (Pvt) Ltd	96,599	0.18	96,599	0.18
Mr. A. K. senaviratne	95,600	0.18	92,269	0.17
Sandwave Limited	95,000	0.18	95,000	0.18
Dr. D. Rajakanthan	93,934	0.17	264,538	0.49
ADL Equities Limited / Mohamed zareen Rasheed	93,070	0.17	128,914	0.24
Marchant Bank of Sri Lanka and Finance / R.R.S. Ananda	91,788	0.17	104,098	0.19
	<b>48,225,848</b>	<b>89.38</b>		
Balance held by 16,465 Shareholders (2017/18 - 16,466)	5,727,642	10.62	5,803,817	10.76
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

	30/09/2018			31/03/2018		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Public Holding	16,482	8,954,493	16.60	16,484	8,954,993	16.60
Other Holding	3	44,998,997	83.40	2	44,998,497	83.40
<b>Total</b>	<b>16,485</b>	<b>53,953,490</b>	<b>100.00</b>	<b>16,486</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	30/09/2018	31/03/2018
Dr.Sena Yaddehige	-	-
S S Poholiyadde (Resigned w.e.f 02.08.2018)	-	-
Dr. L S Hettiarachchi	-	-
J L A Fernando	-	-
Shaminda Yaddehige	-	-
Dr.D S A Samaraweera	100	100
S S G Liyanage (appointed w.e.f 15.08.2018)	500	-

# 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 Yaddhegige - Chairman S S Poholiyadde (Resigned w.e.f 02.08.2018) Dr. L S Hettiarachchi J L A Fernando Shaminda Yaddhegige Dr.D S A Samaraweera S S G Liyanage (appointed w.e.f 15.08.2018)
<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 Seylan Bank - Millennium Branch 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