



Maskeliya Plantations PLC

Interim Financial Statements

**For the six months ended
30 September 2019**

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

STATEMENT OF FINANCIAL POSITION

| | As at 30/09/19 Rs. ' 000 | As at 30/09/18 Rs. ' 000 | As at 31/03/19 Rs. ' 000 |
|--|--------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Lease hold Property ,Plant and Equipment | 210,757 | 227,694 | 217,552 |
| Freehold Property, plant & equipment | 528,126 | 566,276 | 554,749 |
| Bearer Biological Assets | 2,303,834 | 2,258,488 | 2,294,216 |
| Consumable Biological Assets | 723,616 | 676,568 | 723,616 |
| | <u>3,766,333</u> | <u>3,729,026</u> | <u>3,790,133</u> |
| CURRENT ASSETS | | | |
| Produce on Bearer Biological Assets | 9,088 | 13,685 | 9,088 |
| Inventories | 428,128 | 477,795 | 590,873 |
| ACT Recoverable | 47,926 | 47,926 | 47,926 |
| VAT Receivable | 21,023 | 20,992 | 21,017 |
| Trade and other Receivables | 154,608 | 188,871 | 208,863 |
| ESC Recoverable | 70,431 | 49,969 | 65,561 |
| Amount due from Related Parties | 16,998 | 26,075 | 22,089 |
| Cash and Bank balances | 9,853 | 18,879 | 9,297 |
| | <u>758,055</u> | <u>844,192</u> | <u>974,714</u> |
| TOTAL ASSETS | <u>4,524,388</u> | <u>4,573,218</u> | <u>4,764,847</u> |
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND RESERVES | | | |
| Stated Capital - Note 03 | 673,721 | 673,721 | 673,721 |
| General Reserve | 540,000 | 540,000 | 540,000 |
| Timber Reserves | 680,865 | 633,817 | 680,865 |
| Retained Earnings | (1,236,010) | (817,233) | (868,661) |
| TOTAL EQUITY | <u>658,576</u> | <u>1,030,305</u> | <u>1,025,925</u> |
| NON CURRENT LIABILITIES & DEFERRED INCOME | | | |
| Interest Bearing Loans & Borrowings | 248,491 | 366,246 | 312,770 |
| Retiring Benefit Obligations | 1,095,556 | 977,489 | 1,110,362 |
| Deferred Tax Liability | 58,015 | 62,845 | 58,015 |
| Deferred Income | 174,381 | 186,143 | 180,381 |
| Liability to make Lease Payment after one year | 104,730 | 107,166 | 105,902 |
| | <u>1,681,173</u> | <u>1,699,889</u> | <u>1,767,430</u> |
| CURRENT LIABILITIES | | | |
| Trade & Other payables | 413,100 | 339,121 | 415,630 |
| Dividend payable | 2,008 | 2,008 | 2,008 |
| Amount due to Related parties | 614,146 | 485,871 | 520,914 |
| Interest Bearing Loans & Borrowings | 1,152,974 | 1,013,705 | 1,030,529 |
| Liability to make Lease Payment within one year | 2,411 | 2,319 | 2,411 |
| | <u>2,184,639</u> | <u>1,843,024</u> | <u>1,971,492</u> |
| TOTAL EQUITY AND LIABILITIES | <u>4,524,388</u> | <u>4,573,218</u> | <u>4,764,847</u> |

| | Rs. | Rs. | Rs. |
|----------------------|-----|-----|-----|
| Net Assets Per Share | 12 | 19 | 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.


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 G Liyanage
 Director


Dr. D S A Samaraweera
 Director

08 November 2019

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

STATEMENT OF PROFIT OR LOSS

| | Quarter Ended | | | Six Months Ended | | | Year |
|---|------------------|-----------------|--------------|------------------|-----------------|----------------|--------------|
| | September | | | September | | | Ended |
| | 2019 | 2018 | Variance | 2019 | 2018 | Variance | 31/03/2019 |
| | Rs. ' 000 | Rs. ' 000 | + / (-) | Rs. ' 000 | Rs. ' 000 | + / (-) | Rs. ' 000 |
| | | | % | | | % | |
| Revenue | 959,074 | 996,788 | (4) | 1,933,135 | 2,067,094 | (6) | 4,167,216 |
| Cost of Sales | (1,103,550) | (957,840) | (15) | (2,140,027) | (1,946,705) | (10) | (3,906,282) |
| Gross Profit / (Loss) | (144,476) | 38,948 | (471) | (206,892) | 120,389 | (272) | 260,934 |
| Other Income | 1,679 | 6,883 | (76) | 4,858 | 9,113 | (47) | 18,199 |
| Change in Fair Value of Biological Assets | - | - | - | - | - | - | 42,452 |
| Administration Expenses | (18,177) | (18,224) | 0 | (34,246) | (35,175) | 3 | (61,860) |
| Management Fee | (5,280) | (2,602) | (103) | (10,561) | (10,930) | 3 | (21,122) |
| Finance Cost | (54,686) | (61,629) | 11 | (120,508) | (113,962) | (6) | (231,622) |
| Profit /(Loss) before Taxation | (220,940) | (36,624) | (503) | (367,349) | (30,565) | (1,102) | 6,981 |
| Income Tax Expense | - | - | - | - | - | - | (1,717) |
| Net Profit/(Loss) for the period | (220,940) | (36,624) | (503) | (367,349) | (30,565) | (1,102) | 5,264 |
| | Rs. | Rs. | | Rs. | Rs. | | Rs. |
| Basic Earnings Per Share | (4.10) | (0.68) | | (6.81) | (0.57) | | 0.10 |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

STATEMENT OF COMPREHENSIVE INCOME

| | Quarter Ended | | | Six Months Ended | | | Year |
|--|------------------|-----------------|----------|------------------|-----------------|----------|-----------------|
| | September | | | September | | | Ended |
| | 2019 | 2018 | Variance | 2019 | 2018 | Variance | 31/03/2019 |
| | Rs. ' 000 | Rs. ' 000 | + / (-) | Rs. ' 000 | Rs. ' 000 | + / (-) | Rs. ' 000 |
| Profit/ (Loss) for the period | (220,940) | (36,624) | (503) | (367,349) | (30,565) | (1,102) | 5,264 |
| Other Comprehensive Income | | | | | | | |
| Remeasurement gains/ (Losses) on defined benefit plan | - | - | | | | | (46,755) |
| Income tax effect | - | - | | | | | 6,546 |
| Other Comprehensive Income for the period, net of tax | - | - | | | | | (40,209) |
| Total Comprehensive Income for the period, net of tax | <u>(220,940)</u> | <u>(36,624)</u> | (503) | <u>(367,349)</u> | <u>(30,565)</u> | (1,102) | <u>(34,945)</u> |

The above figures are subject to audit

STATEMENT OF CASH FLOW
For the Six Months Ended September

| | 30/09/2019 Rs. ' 000 | 30/09/2018 Rs. ' 000 |
|--|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxation | (367,349) | (30,565) |
| ADJUSTMENTS FOR | | |
| Depreciation/Amortization | 63,416 | 59,725 |
| Provision for Defined Benefit Plan Cost | 46,735 | 39,007 |
| Amortisation of Grants | (6,000) | (6,000) |
| Gain/(Loss) on change in fair value Timber plantations Net of Harvesting | - | - |
| Finance Costs | 120,508 | 114,266 |
| Operating Profit before Working Capital changes | (142,690) | 176,433 |
| (Increase)/Decrease in Trade and other receivables | 59,936 | 15,059 |
| (Increase)/Decrease in Inventories | 162,745 | (20,957) |
| Increase/(Decrease) in Trade and other payables | (24,658) | 123,852 |
| Increase/(Decrease) in amounts due to Related Parties | 93,232 | (164,798) |
| (Increase)/Decrease in amounts due from Related Parties | 5,091 | 26,025 |
| Cash Generated from Operations | 153,656 | 155,614 |
| Finance Costs Paid | (99,559) | (95,335) |
| Defined Benefit Plan Costs paid | (61,541) | (67,259) |
| Tax Paid | (10,551) | (5,859) |
| Net Cash from Operating Activities | (17,995) | (12,839) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Grants Received | - | - |
| Field Development Expenditure | (37,170) | (56,234) |
| Purchase of Property, Plant & Equipment | (2,445) | (35,800) |
| Net Cash used in Investing Activities | (39,615) | (92,034) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends Paid | - | - |
| Payment of Government lease rentals | - | (10,278) |
| Proceeds from loans | - | 250,000 |
| Payment of loans | (167,025) | (272,927) |
| Net Cash from Financing Activities | (167,025) | (33,205) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (224,635) | (138,078) |
| A. Cash & Cash Equivalents at the beginning of the period | (728,610) | (479,084) |
| B. Cash & Cash Equivalents at the end of the period | (953,245) | (617,162) |
| NOTE A | | |
| Cash & Cash Equivalents at the beginning of the period | | |
| Cash & Bank Balances | 9,297 | 16,505 |
| Bank Overdrafts | (737,907) | (495,589) |
| | (728,610) | (479,084) |
| NOTE B | | |
| Cash & Cash Equivalents at the end of the period | | |
| Cash & Bank Balances | 9,853 | 18,879 |
| Bank Overdrafts | (963,098) | (636,041) |
| | (953,245) | (617,162) |

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 |
|--|--------------------------------|---------------------------------|-----------------------------------|--------------------------------|------------------------------|
| Balance as at 31 March 2018 | 673,721 | 540,000 | (786,668) | 633,817 | 1,060,870 |
| Net profit/ (Loss) for the period | - | - | (30,565) | - | (30,565) |
| Other Comprehensive income | - | - | - | - | - |
| Balance as at 30 September 2018 | 673,721 | 540,000 | (817,233) | 633,817 | 1,030,305 |
| Balance as at 31 March 2019 | 673,721 | 540,000 | (868,661) | 680,865 | 1,025,925 |
| Net profit/(Loss) for the period | - | - | (367,349) | - | (367,349) |
| Other Comprehensive income | - | - | - | - | - |
| Balance as at 30 September 2019 | 673,721 | 540,000 | (1,236,010) | 680,865 | 658,576 |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS

| | Quarter Ended | | Year Ended |
|---|---------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 |
| | Rs. | Rs. | Rs. |
| 1 For the quarter Ended 30 September | | | |
| Market Price per Share | | | |
| - Last Traded price (For the quarter) | 9.50 | 10.80 | 10.80 |
| - Highest (For the quarter) | 11.40 | 16.00 | 22.00 |
| - Lowest (For the quarter) | 8.80 | 9.00 | 8.30 |
| | | As at | As at |
| | | 30/09/2019 | 31/03/2019 |
| 2 Market Capitalization & Ratios | | | |
| Market Capitalization (Rs. '000) | | 512,558 | 582,698 |
| Float adjusted Market Capitalization (Rs. '000) | | 85,085 | 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 the year ended 31 March 2019, except for the Accounting Policies and methods of computation adopted to be in compliant with the requirement of 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. Leasehold Land - The Statement of Recommended Practice (SoRP) for Right-to-use of Land on Lease was approved by the Council of the Institute of Chartered Accounts of Sri Lanka on 19th December 2012. Subsequently, the amendment to the SoRP along with the modification to the title as Statement of Alternative Treatment (SoAT) were approved by the Council on 21st August 2013. The Company is in the process of re-assessing the impact of the Right-to-use of Land and the impact to the Financial Statements yet to be quantified.

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.

Further Management is asessed 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 discloser in the Interim Financial Statements.

10 These Financial Statements for the quarter ended 30 September 2019, have been authorized for issue by the Board of Directors on 08 /11 /2019.

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the six months ended 30 September

| | Year Ended | | |
|---|------------------|-----------------|------------------|
| | 2019 | 2018 | 31 March 2019 |
| | Rs. '000 | Rs. '000 | Rs. '000 |
| <u>Maskeliya</u> | | | |
| Revenue | 508,700 | 563,679 | 1,153,619 |
| Revenue expenditure | (511,561) | (487,576) | (947,629) |
| Depreciation / amortization | (18,477) | (16,489) | (33,832) |
| Other non cash expenses - gratuity | (9,945) | (8,135) | (42,533) |
| Segment Result - Gross Profit/(Loss) | (31,284) | 51,479 | 129,625 |
| <u>Upcot</u> | | | |
| Revenue | 735,149 | 758,083 | 1,576,188 |
| Revenue expenditure | (732,705) | (655,116) | (1,295,815) |
| Depreciation / amortization | (16,077) | (15,678) | (33,213) |
| Other non cash expenses - gratuity | (18,157) | (15,289) | (64,757) |
| Segment Result - Gross Profit/(Loss) | (31,790) | 72,000 | 182,403 |
| <u>Talawakelle</u> | | | |
| Revenue | 412,937 | 427,367 | 837,601 |
| Revenue expenditure | (416,694) | (367,450) | (699,912) |
| Depreciation / amortization | (12,108) | (11,204) | (23,730) |
| Other non cash expenses - gratuity | (8,394) | (6,976) | (31,090) |
| Segment Result - Gross Profit/(Loss) | (24,259) | 41,737 | 82,869 |
| <u>Bandarawela</u> | | | |
| Revenue | 276,348 | 317,965 | 599,808 |
| Revenue expenditure | (368,914) | (337,831) | (660,446) |
| Depreciation / amortization | (16,754) | (16,354) | (34,127) |
| Other non cash expenses - gratuity | (10,239) | (8,607) | (39,198) |
| Segment Result - Gross Profit/(Loss) | (119,559) | (44,827) | (133,963) |
| <u>Total Segments</u> | | | |
| Revenue | 1,933,134 | 2,067,094 | 4,167,216 |
| Revenue expenditure | (2,029,874) | (1,847,973) | (3,603,802) |
| Depreciation / amortization | (63,416) | (59,725) | (124,902) |
| Other non cash expenses - gratuity | (46,736) | (39,007) | (177,578) |
| Total Segment Result - Gross Profit/(Loss) | (206,892) | 120,389 | 260,934 |
| Gain/(Loss) on fair value of biological assets | - | - | 42,452 |
| Other income | 4,858 | 9,113 | 18,199 |
| Administrative expenses | (34,246) | (35,175) | (61,860) |
| Management fee | (10,561) | (10,930) | (21,122) |
| Finance cost | (120,508) | (113,962) | (231,622) |
| Profit/(Loss) Before Tax | (367,349) | (30,565) | 6,981 |

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

SHAREHOLDER AND INVESTOR INFORMATION

Twenty Largest Shareholders

| | as at 30/09/2019 | | 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.D.G. Wijemanna | 345,000 | 0.64 | - | - |
| 3 Mr. D. S. D. De Lanerolle | 315,610 | 0.58 | 285,010 | 0.53 |
| 4 Capital Trust holdings Ltd. | 259,209 | 0.48 | 251,544 | 0.47 |
| 5 Mr. M. H. M. Fazal | 222,529 | 0.41 | 222,529 | 0.41 |
| 6 Mr. R. E. Rambukwella | 215,962 | 0.40 | 197,462 | 0.37 |
| 7 Mr. R. A. Rishard | 199,292 | 0.37 | 205,378 | 0.38 |
| 8 Mr. M. Z. Rasheed | 157,525 | 0.29 | 238,071 | 0.44 |
| 9 Mrs. H. P. N. Fonseka | 153,193 | 0.28 | 134,748 | 0.25 |
| 10 Dr.M.A.M.A. Akram | 149,839 | 0.28 | 117,139 | 0.22 |
| 11 Mr. F. A. Azhar | 147,400 | 0.27 | 172,900 | 0.32 |
| 12 Freudenberg Shipping Agencies Ltd | 146,135 | 0.27 | 146,135 | 0.27 |
| 13 Marchant Bank of Sri Lanka and Finance / R.R.S. Ananda | 139,674 | 0.26 | 153,025 | 0.28 |
| 14 Mr. A.V. Emmanuel | 124,999 | 0.23 | 128,000 | 0.24 |
| 15 Seylan Bank PLC / Mohamed Mushtaq Fuad | 101,038 | 0.19 | 215,219 | 0.40 |
| 16 Mr.P.K.C.P Samarasinghe | 95,837 | 0.18 | 95,837 | 0.18 |
| 17 Mr. A. K. Senaviratne | 95,600 | 0.18 | 95,600 | 0.18 |
| 18 Peoples Leasing & Finance PLC / Hi line Trading (Pvt) Ltd | 94,099 | 0.17 | 94,099 | 0.17 |
| 19 Mr.R. Maheswaran | 86,867 | 0.16 | - | - |
| 20 Miss. A. Radhakrishnan | 86,867 | 0.16 | - | - |
| | 48,135,072 | 89.22 | | |
| Balance held by 16,564 Shareholders (2018/19 - 16,552) | 5,818,418 | 10.78 | 5,903,068 | 10.94 |
| Total no. of Shares | 53,953,490 | 100.00 | 53,953,490 | 100.00 |

| The percentage of shares held as at | 30/09/2019 | | | 31/03/2019 | | |
|-------------------------------------|------------------------|-------------------|---------------|------------------------|-------------------|---------------|
| | Number of Shareholders | Number of Shares | % | Number of Shareholders | Number of Shares | % |
| Public Holding | 16,581 | 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 |
| Total | 16,584 | 53,953,490 | 100.00 | 16,572 | 53,953,490 | 100.00 |

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

| As at | 30/09/2019 | 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**

| | |
|--------------------------------------|--|
| Name of Company | Maskeliya Plantations PLC |
| Legal Form | A Quoted Public Company with Limited Liability Incorporated in Sri Lanka. |
| Date of Incorporation | 22nd June 1992 |
| Company Registration No | PQ 134 |
| Principal Business Activities | Cultivation, Manufacture and Sale of Tea, Planting and Cultivation of Timber. |
| Stock Exchange Listing | The Ordinary Shares are listed with the Colombo Stock Exchange of Sri Lanka. |
| Registered / Head Office | 310, High Level Road, Nawinna, Maharagama Sri Lanka |
| Ultimate Parent Enterprise | Richard Pieris & Company PLC |
| Board of Directors | Dr. Sena Yaddehige - Chairman Dr. L S K Hettiarachchi J L A Fernando Shaminda Yaddehige Dr.D S A Samaraweera S S G Liyanage |
| Secretaries | Richard Pieris Group Services (Private) Limited 310, High Level Road, Nawinna, Maharagama. Sri Lanka Telephone: +(94) 11-4310564 |
| Auditors | Messrs Ernst & Young Chartered Accountants 201, De Saram Place, Colombo 10, Sri Lanka. |
| Bankers | Sampath Bank - Nawam Mawatha Branch Bank of Ceylon - Corporate Branch & Regional Branches Hatton National Bank - City Office NDB Bank Nations Trust Bank Union Bank |
| Contact Details | Telephone : +(94) 11 4310500 Facsimile : +(94) 11 4310835 Internet : www.arpico.com E-mail : mpl.rpk@arpico.com |