



Maskeliya Plantations PLC

Interim Financial Statements

**For the six months ended
30 September 2020**

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC
STATEMENT OF FINANCIAL POSITION

	As at 30/09/20 Rs. ' 000	As at 30/09/19 Rs. ' 000	As at 31/03/20 Rs. ' 000
ASSETS			
NON CURRENT ASSETS			
Lease hold Property ,Plant and Equipment	340,482	210,757	348,770
Freehold Property, plant & equipment	489,701	528,126	507,622
Bearer Biological Assets	2,291,513	2,303,834	2,298,074
Consumable Biological Assets	798,389	723,616	798,389
ACT Recoverable	47,926	47,926	47,926
	<u>3,968,011</u>	<u>3,814,259</u>	<u>4,000,781</u>
CURRENT ASSETS			
Produce on Bearer Biological Assets	10,292	9,088	10,292
Inventories	303,292	428,128	398,244
Trade and other Receivables	265,542	173,438	216,731
Tax Recoverable	81,779	72,624	81,779
Amount due from Related Parties	15,591	16,998	16,854
Cash and Bank balances	63,680	9,853	12,998
	<u>740,176</u>	<u>710,129</u>	<u>736,898</u>
TOTAL ASSETS	<u>4,708,187</u>	<u>4,524,388</u>	<u>4,737,679</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	755,637	680,865	755,637
Retained Earnings	(1,565,364)	(1,236,010)	(1,596,113)
TOTAL EQUITY	<u>403,994</u>	<u>658,576</u>	<u>373,245</u>
NON CURRENT LIABILITIES & DEFERRED INCOME			
Interest Bearing Loans & Borrowings	831,080	248,491	126,223
Retiring Benefit Obligations	1,211,282	1,095,556	1,208,307
Deferred Tax Liability	52,228	58,015	52,228
Deferred Income	164,335	174,381	169,135
Liability to make Lease Payment after one year	311,791	104,730	312,296
	<u>2,570,716</u>	<u>1,681,173</u>	<u>1,868,189</u>
CURRENT LIABILITIES			
Trade & Other payables	389,256	413,100	428,615
Dividend payable	2,008	2,008	2,008
Amount due to Related parties	660,644	614,146	724,543
Interest Bearing Loans & Borrowings	677,851	1,152,974	1,337,361
Liability to make Lease Payment within one year	3,718	2,411	3,718
	<u>1,733,477</u>	<u>2,184,639</u>	<u>2,496,245</u>
TOTAL EQUITY AND LIABILITIES	<u>4,708,187</u>	<u>4,524,388</u>	<u>4,737,679</u>
	Rs.	Rs.	Rs.
Net Assets Per Share	7	12	7

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.


S S G Liyanage
Director


J L A Fernando
Director

12 November 2020

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

STATEMENT OF PROFIT OR LOSS

	Quarter Ended September			Six Months Ended September			Year Ended
	2020 Rs. ' 000	2019 Rs. ' 000	Variance + / (-) %	2020 Rs. ' 000	2019 Rs. ' 000	Variance + / (-) %	31/03/2020 Rs. ' 000
Revenue	882,617	959,074	(8)	1,997,472	1,933,135	3	3,716,295
Cost of Sales	(862,869)	(1,103,550)	22	(1,828,284)	(2,140,027)	15	(4,076,283)
Gross Profit / (Loss)	19,748	(144,476)	(114)	169,188	(206,892)	(182)	(359,988)
Other Income	3,948	1,679	135	6,620	4,858	36	14,873
Change in Fair Value of Biological Assets	-	-	-	-	-	-	75,976
Administration Expenses	(17,607)	(18,177)	3	(33,120)	(34,246)	3	(67,280)
Management Fee	1,000	(5,280)	119	(17,571)	(10,561)	(66)	(20,202)
Finance Cost	(46,102)	(54,686)	16	(94,368)	(120,508)	22	(222,099)
Profit /(Loss) before Taxation	(39,013)	(220,940)	(82)	30,749	(367,349)	(108)	(578,720)
Income Tax Expense	-	-	-	-	-	-	2,609
Net Profit/(Loss) for the period	(39,013)	(220,940)	(82)	30,749	(367,349)	(108)	(576,111)
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic Earnings Per Share	(0.72)	(4.10)		0.57	(6.81)		(10.68)

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
	2020	2019	Variance	2020	2019	Variance	31/03/2020
	Rs. ' 000	Rs. ' 000	+ / (-)	Rs. ' 000	Rs. ' 000	+ / (-)	Rs. ' 000
Profit/ (Loss) for the period	(39,013)	(220,940)	(82)	30,749	(367,349)	(108)	(576,111)
Other Comprehensive Income							
Remeasurement gains/ (Losses) on defined benefit plan	-	-					(22,707)
Income tax effect	-	-					3,179
Other Comprehensive Income for the period, net of tax	-	-					(19,528)
Total Comprehensive Income for the period, net of tax	<u>(39,013)</u>	<u>(220,940)</u>	(82)	<u>30,749</u>	<u>(367,349)</u>	(108)	<u>(595,639)</u>

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INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

STATEMENT OF CASH FLOW

For the Six Months Ended September

	30/09/2020 Rs. ' 000	30/09/2019 Rs. ' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Taxation	30,749	(367,349)
ADJUSTMENTS FOR		
Depreciation/Amortization	63,320	63,416
Provision for Defined Benefit Plan Cost	50,998	46,735
Amortisation of Grants	(4,800)	(6,000)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting	-	-
Finance Costs	94,368	120,508
Operating Profit before Working Capital changes	234,635	(142,690)
(Increase)/Decrease in Trade and other receivables	(48,811)	59,936
(Increase)/Decrease in Inventories	94,952	162,745
Increase/(Decrease) in Trade and other payables	(39,093)	(24,658)
Increase/(Decrease) in amounts due to Related Parties	(63,899)	93,232
(Increase)/Decrease in amounts due from Related Parties	1,263	5,091
Cash Generated from Operations	179,047	153,656
Finance Costs Paid	(73,462)	(99,559)
Defined Benefit Plan Costs paid	(48,024)	(61,541)
Tax Paid	-	(10,551)
Net Cash from Operating Activities	57,561	(17,995)
CASH FLOWS FROM INVESTING ACTIVITIES		
Grants Received	-	-
Field Development Expenditure	(7,821)	(37,170)
Purchase of Property, Plant & Equipment	(22,729)	(2,445)
Net Cash used in Investing Activities	(30,550)	(39,615)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	-	-
Payment of Government lease rentals	(21,676)	-
Proceeds from loans	725,000	-
Payment of loans	(66,950)	(167,025)
Net Cash from Financing Activities	636,374	(167,025)
Net Increase/(Decrease) in Cash & Cash Equivalents	663,385	(224,635)
A. Cash & Cash Equivalents at the beginning of the period	(1,095,846)	(728,610)
B. Cash & Cash Equivalents at the end of the period	(432,461)	(953,245)
NOTE A		
Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	12,998	9,297
Bank Overdrafts	(1,108,844)	(737,907)
	(1,095,846)	(728,610)
NOTE B		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	63,680	9,853
Bank Overdrafts	(496,141)	(963,098)
	(432,461)	(953,245)

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 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
Balance as at 31 March 2020	673,721	540,000	(1,596,113)	755,637	373,245
Net profit/(Loss) for the period	-	-	30,749	-	30,749
Other Comprehensive income	-	-	-	-	-
Balance as at 30 September 2020	673,721	540,000	(1,565,364)	755,637	403,994

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

NOTES TO THE FINANCIAL STATEMENTS

	Quarter Ended		Year
	2020	2019	Ended 2020
1 For the quarter Ended 30 September	Rs.	Rs.	Rs.
Market Price per Share			
- Last Traded price (For the quarter)	15.10	9.50	6.20
- Highest (For the quarter)	16.50	11.40	11.40
- Lowest (For the quarter)	7.60	8.80	6.20

	As at	
	30/09/2020	31/03/2020
2 Market Capitalization & Ratios		
Market Capitalization (Rs. '000)	814,698	334,512
Float adjusted Market Capitalization (Rs. '000)	135,240	55,529
Price Earning Ratio (times)	26.50	-

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 method applied for the previous year.

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 assted 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 2020.

9 No circumstances have arisen since the Statement of Financial Position date, which would require adjustment or discloser 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.

11 Mr. Manoj Pathiraja has resigned from the post of Chief Executive Officer of the Company with effect from 19th October 2020.

12 These Financial Statements for the quarter ended 30 September 2020, have been authorized for issue by the Board of Directors on 12/11/2020.

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

SEGMENT INFORMATION

For the six months ended 30 September

	Year Ended		
	2020	2019	31 March 2020
	Rs. '000	Rs. '000	Rs. '000
<u>Maskeliya</u>			
Revenue	446,683	508,700	977,658
Revenue expenditure	(414,793)	(511,561)	(951,944)
Depreciation / amortization	(17,794)	(18,477)	(36,304)
Other non cash expenses - gratuity	(10,120)	(9,945)	(51,088)
Segment Result - Gross Profit/(Loss)	3,975	(31,284)	(61,677)
<u>Upcot</u>			
Revenue	631,976	735,149	1,380,290
Revenue expenditure	(589,586)	(732,705)	(1,343,848)
Depreciation / amortization	(17,286)	(16,077)	(35,582)
Other non cash expenses - gratuity	(17,920)	(18,157)	(76,943)
Segment Result - Gross Profit/(Loss)	7,183	(31,790)	(76,083)
<u>Talawakelle</u>			
Revenue	427,286	412,937	786,172
Revenue expenditure	(339,582)	(416,694)	(745,891)
Depreciation / amortization	(11,127)	(12,108)	(23,907)
Other non cash expenses - gratuity	(7,269)	(8,394)	(28,121)
Segment Result - Gross Profit/(Loss)	69,308	(24,259)	(11,748)
<u>Bandarawela</u>			
Revenue	491,527	276,348	572,175
Revenue expenditure	(377,351)	(368,914)	(706,013)
Depreciation / amortization	(16,764)	(16,754)	(33,584)
Other non cash expenses - gratuity	(8,690)	(10,239)	(43,058)
Segment Result - Gross Profit/(Loss)	88,722	(119,559)	(210,480)
<u>Total Segments</u>			
Revenue	1,997,472	1,933,134	3,716,295
Revenue expenditure	(1,721,313)	(2,029,874)	(3,747,696)
Depreciation / amortization	(62,972)	(63,416)	(129,377)
Other non cash expenses - gratuity	(44,000)	(46,736)	(199,209)
Total Segment Result - Gross Profit/(Loss)	169,188	(206,892)	(359,988)
Gain/(Loss) on fair value of biological assets	-	-	75,976
Other income	6,620	4,858	14,873
Administrative expenses	(33,120)	(34,246)	(67,280)
Management fee	(17,571)	(10,561)	(20,202)
Finance cost	(94,368)	(120,508)	(222,099)
Profit/(Loss) Before Tax	30,749	(367,349)	(578,720)

The above figures are subject to audit

INTERIM FINANCIAL STATEMENTS - MASKELIYA PLANTATIONS PLC

SHAREHOLDER AND INVESTOR INFORMATION

Twenty Largest Shareholders

	as at 30/09/2020		as at 31/03/2020	
	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	400,009	0.74
3 Mr. D. S. D. De Lanerolle	319,015	0.59	293,611	0.54
4 Hatton National Bank PLC- Ravindra Erle	231,000	0.43	-	-
5 Mrs. H. P. N. Fonseka	153,193	0.28	153,193	0.28
6 Hatton National Bank PLC- Koralagodage Don	152,000	0.28	-	-
7 Marchant Bank of Sri Lanka and Finance / R.R.S. Ananda	139,674	0.26	139,674	0.26
8 Mr. R. E. Rambukwella	137,261	0.25	235,098	0.44
9 Mr. A.V. Emmanuel	119,494	0.22	119,494	0.22
10 A.D,A Gurusinghe	115,000	0.21	-	-
11 Dialog Finance PLC/F.F. Hamiffa	106,503	0.20	-	-
12 Seylan Bank PLC /Mohamed Subair Fouzal Haqqe	101,583	0.19	81,583	0.15
13 Citizens Development Business Finance	100,499	0.19	-	-
14 Hatton National Bank PLC- Hi Line Trading (Pvt) Ltd	89,000	0.16	-	-
15 Dialog Finance PLC- M.M Fuad	87,351	0.16	-	-
16 Mr.R. Maheswaran	86,867	0.16	86,867	0.16
17 Miss. A. Radhakrishnan	86,867	0.16	86,867	0.16
18 Miss. M.P. Radhakrishnan	86,866	0.16	86,866	0.16
19 Bansei Securities Capital (PvT) Ltd - D.M.A.D.C De	86,000	0.16	50,600	0.09
20 Mr.W.L Subasinghe	85,000	0.16	93,622	0.17
	47,681,579	88.38		
Balance held by 16,582 Shareholders (2019/20 - 16,556)	6,271,911	11.62	5,723,221	10.62
Total no. of Shares	53,953,490	100.00	53,953,490	100.00

The percentage of shares held as at	30/09/2020			31/03/2020		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Public Holding	16,599	8,954,493	16.60	16,573	8,954,493	16.60
Other Holding	3	44,998,997	83.40	3	44,998,997	83.40
Total	16,602	53,953,490	100.00	16,576	53,953,490	100.00

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

As at	30/09/2020	31/03/2020
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