

# **Maskeliya Plantations PLC**

## **Interim Financial Statements**



**FOR THE SIX MONTHS ENDED  
30 SEPTEMBER 2012**

## BALANCE SHEET

	As at 30/09/12 Rs. ' 000	As at 30/09/11 Rs. ' 000	As at 31/03/12 Rs. ' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Leasehold Property	205,201	211,424	208,275
Immovable estate assets on finance lease (other than leasehold property)	126,642	137,382	131,255
Tangible assets other than immature/mature plantations	1,272,332	708,870	681,322
Immature/Mature Plantations	1,731,136	1,520,340	1,640,887
Biological Assets - Timber Plantation	-	-	613,208
	<u>3,335,311</u>	<u>2,578,016</u>	<u>3,274,947</u>
<b>CURRENT ASSETS</b>			
Inventories	397,040	354,287	432,673
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	21,031	21,030	21,033
Trade and other Receivables	126,428	103,693	128,290
ESC Recoverable	26,087	17,106	23,673
Amount due from Related Parties	2,108	7,123	2,555
Cash and Bank balances	5,096	5,959	4,778
	<u>625,716</u>	<u>557,124</u>	<u>660,928</u>
<b>TOTAL ASSETS</b>	<b><u>3,961,027</u></b>	<b><u>3,135,140</u></b>	<b><u>3,935,875</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)	346,657	(403,073)	290,929
<b>TOTAL EQUITY</b>	<u>1,236,657</u>	<u>486,927</u>	<u>1,180,929</u>
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	599,649	177,532	396,707
Retiring Benefit Obligations	854,496	1,023,467	882,848
Deferred Income	238,647	253,115	246,088
Net liability to lessor payable after one year	120,044	121,912	120,954
	<u>1,812,836</u>	<u>1,576,026</u>	<u>1,646,597</u>
<b>CURRENT LIABILITIES</b>			
Trade & Other payables	345,152	435,170	438,103
Dividend payable	2,009	2,009	2,009
Amount due to Related parties	253,699	193,344	209,437
Interest Bearing Loans & Borrowings	308,841	439,902	456,967
Net liability to lessor payable within one year	1,833	1,762	1,833
	<u>911,534</u>	<u>1,072,187</u>	<u>1,108,349</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>3,961,027</u></b>	<b><u>3,135,140</u></b>	<b><u>3,935,875</u></b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	45.84	18.05	43.78

The above figures are subject to audit

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.

Approved and signed for and on behalf of the Board of Directors of Maskeliya Plantations PLC.



S S Poholiyadde  
Director  
Colombo



J H P Ratnayeke  
Director

12 November 2012

## INCOME STATEMENT

	Quarter Ended 30 September			Six Months Ended 30 September		
	2012	2011	Variance	2012	2011	Variance
	Rs. ' 000	Rs. ' 000	+ / (-) %	Rs. ' 000	Rs. ' 000	+ / (-) %
Revenue	755,870	550,041	37	1,720,858	1,499,824	15
Cost of Sales	<u>(655,829)</u>	<u>(699,091)</u>	6	<u>(1,497,060)</u>	<u>(1,894,720)</u>	21
Gross Profit / (Loss)	100,041	(149,050)	167	223,798	(394,896)	157
Other Operating Income	2,844	2,992	(5)	10,828	7,248	49
Gain on Change in Fair Value of Biological Assets	-	-	-	-	-	-
Administration Expenses	(11,586)	(12,747)	9	(23,998)	(22,842)	(5)
Management Fee	(38,466)	(23,236)	(66)	(86,885)	(63,901)	(36)
Finance Cost	<u>(31,323)</u>	<u>(21,902)</u>	(43)	<u>(68,015)</u>	<u>(47,304)</u>	(44)
Profit / (Loss) before Taxation	21,510	(203,943)	<b>111</b>	55,728	(521,695)	111
Income Tax Expense	-	-	-	-	-	-
<b>Net Profit / (Loss) for the period</b>	<b><u>21,510</u></b>	<b><u>(203,943)</u></b>	<b>111</b>	<b><u>55,728</u></b>	<b><u>(521,695)</u></b>	<b>111</b>
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings Per Share	0.80	(7.56)		2.07	(19.34)	

The above figures are subject to audit

# CASH FLOW STATEMENT

<b>For the Six months ended</b>	<b>30/09/2012</b>	<b>30/09/2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Rs. ' 000</b>	<b>Rs. ' 000</b>
Net Profit before Taxation	55,728	(521,695)
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	52,479	51,756
Provision for Defined Benefit Plan Cost	38,741	304,230
Amortisation of Grants	(4,980)	(4,980)
Profit on Disposal of Property, Plant & Equipment	-	(1,225)
Finance Costs	68,215	47,304
<b>Operating Profit before Working Capital changes</b>	<b>210,183</b>	<b>(124,610)</b>
(Increase)/Decrease in Trade and other receivables	3,750	68,941
(Increase)/Decrease in Inventories	35,632	138,720
Increase/(Decrease) in Trade and other payables	(79,713)	5,063
Increase/(Decrease) in amounts due to Related Parties	44,262	7,476
(Increase)/Decrease in amounts due from Related Parties	447	783
<b>Cash Generated from Operations</b>	<b>214,561</b>	<b>96,373</b>
Finance Costs Paid	(54,546)	(34,957)
Defined Benefit Plan Costs paid	(67,092)	(28,747)
Tax Paid	(4,300)	(4,626)
<b>Net Cash from Operating Activities</b>	<b>88,623</b>	<b>28,043</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants Received	(2,461)	5,297
Proceed from Sale of Property, Plant & Equipment	-	1,225
Field Development Expenditure	(107,282)	(139,381)
Purchase of Property, Plant & Equipment	(5,561)	(5,800)
<b>Net Cash used in Investing Activities</b>	<b>(115,304)</b>	<b>(138,659)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends Paid	-	(19)
Payment of Government lease rentals	(27,819)	(6,821)
Proceeds from loans	300,000	-
Payment of loans	(68,377)	(106,338)
<b>Net Cash from Financing Activities</b>	<b>203,804</b>	<b>(113,178)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>177,123</b>	<b>(223,794)</b>
<b>A. Cash &amp; Cash Equivalents at the beginning of the period</b>	<b>(317,226)</b>	<b>(88,261)</b>
<b>B. Cash &amp; Cash Equivalents at the end of the period</b>	<b>(140,103)</b>	<b>(312,055)</b>
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Call Deposit	-	-
Cash & Bank Balances	4,778	8,664
Bank Overdrafts	(322,004)	(96,925)
	<u>(317,226)</u>	<u>(88,261)</u>
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Call Deposit	-	-
Cash & Bank Balances	5,096	5,959
Bank Overdrafts	(145,199)	(318,014)
	<u>(140,103)</u>	<u>(312,055)</u>

The above figures are subject to audit

## STATEMENT OF CHANGES IN EQUITY

	Stated	General	Retained	Comprehensive	Total	Total Equity
	Capital	Reserve	Earnings	Income Revaluation		
	Rs. ' 000	Rs. ' 000	Rs. ' 000	surplus on Timber plantation Rs. ' 000	Rs. ' 000	Rs. ' 000
<b>Balance as at 31 March 2011</b>	<b>350,000</b>	<b>540,000</b>	<b>118,622</b>	-	<b>118,622</b>	1,008,622
Net profit/ (Loss) for the period	-	-	(521,695)	-	(521,695)	(521,695)
<b>Balance as at 30 September 2011</b>	<b>350,000</b>	<b>540,000</b>	<b>(403,073)</b>	-	<b>(403,073)</b>	<b>486,927</b>
<b>Balance as at 31 March 2012</b>	<b>350,000</b>	<b>540,000</b>	<b>(251,760)</b>	<b>542,689</b>	<b>290,929</b>	<b>1,180,929</b>
Net profit/(Loss) for the period	-	-	55,728	-	55,728	55,728
<b>Balance as at 30 September 2012</b>	<b>350,000</b>	<b>540,000</b>	<b>(196,032)</b>	<b>542,689</b>	<b>346,657</b>	<b>1,236,657</b>

The above figures are subject to audit

## NOTES TO THE FINANCIAL STATEMENTS

For the Six Months Ended 30 September	Quarter Ended		Six Months Ended		Year ended
	2012	2011	2012	2011	31 March
	Rs.	Rs.	Rs.	Rs.	2012 Rs.
<b>1 Market Price per Share</b>					
- Last Traded price	19.90	22.20	19.90	22.20	17.10
- Highest	21.00	26.80	21.00	31.00	31.00
- Lowest	11.00	21.10	10.00	21.10	13.50
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 2012 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.				
	The Company is in process of adopting Sri Lanka Accounting Standards (SLFRS/LKAS) with effect from 1st April 2012 and the impact to the Statement of Comprehensive Income and Net Assets base has not been determined since such work is presently in progress. The Interim Financial Statements are also prepared in accordance with the second option given in the "Ruling on the Comparative Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka dated 2nd March 2012.				
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 2012.				

## NOTES TO THE FINANCIAL STATEMENTS CONTD...

### 7 Twenty Largest Shareholders

	as at 30/09/2012		as at 31/03/2012	
	Number of Shares held	% of the Holding	Number of Shares held	% of the Holding
1 R.P.C Management Services (Pvt) Ltd	19,823,844	73.48	19,823,844	73.48
2 Mr C.P De Silva	780,500	2.89	780,500	2.89
3 David Pieris Motor Company Ltd	539,547	2.00	610,081	2.26
4 Amina Investment Ltd	300,000	1.11	187,000	0.69
5 Mr.M. Radhakrishnan	260,600	0.97	260,600	0.97
6 Mr.M.N Singa Laxana	116,100	0.43	-	
7 Freudenberg Shipping Agencies Ltd	95,500	0.35	95,500	0.35
8 Mr J. Asanath Priyantha	89,400	0.33	89,400	0.33
9 Dee Investment(Pvt)Ltd	84,100	0.31	84,100	0.31
10 Mr R.R.S Ananda	80,000	0.30	80,000	0.30
11 HSBC International Nominees Ltd-SSBT-Deutsche	70,800	0.26	70,800	0.26
12 Commercial Bank of Ceylon PLC - Mr G. Ramanan	65,400	0.24	65,400	0.24
13 Mr M.H Nassim Hussain	56,900	0.21	73,500	0.27
14 Seylan Bank LTD/Govindasamy Ramanan	52,840	0.20	-	
15 Confifi Management Services (Pvt)Ltd	50,100	0.19	50,100	0.19
16 Emerging Markets Investment Management (Pvt)Ltd	50,000	0.19	50,000	0.19
17 Cocoshell Activated Carbon Company Ltd	49,100	0.18	49,100	0.18
18 Mr R.A Kelly	47,566	0.18	47,566	0.18
19 Mr.M.P Eranda Perera	40,000	0.15	-	
20 Mr K.M.A.R.K Almuhairi	38,000	0.14	38,000	0.14
	<b>22,690,297</b>	<b>84.11</b>		
Balance held by 13,848 shareholders (2011/12 - 16,703 Shareholders)	4,286,448	15.89	4,285,945	15.89
Total no. of Shares	<b>26,976,745</b>	<b>100.00</b>	<b>26,976,745</b>	<b>100.00</b>

The percentage of shares held as at

	30/09/2012		31/03/2012	
	Number of Shares	%	Number of Shares	%
Public Holding	7,151,501	26.51	7,146,801	26.49
Other Holding	19,825,244	73.49	19,829,944	73.51
<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	30/09/2012	31/03/2012
Dr.S Yaddhegige	-	-
J H P Ratnayake	-	-
S S Poholiyadde - Appointed w.e.f. 15.08.2012	-	-
S P Jayakoddy - Resigned w.e.f. 13.08.2012	-	4,700
Dr.A Ekanayake Resigned - w.e.f. 31.08.2012	-	-
Dr.H S D Soysa	1,400	1,400

## SEGMENT INFORMATION

### Geographical Segment

For the Six months ended 30 September 2012

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	472,833	393,319	637,475	552,405.00	338,879	267,648	271,671	286,452	1,720,858	1,499,824
Revenue Expenditure	(370,931)	(375,388)	(488,245)	(555,346.00)	(260,877)	(270,187)	(285,787)	(337,813)	(1,405,840)	(1,538,734)
Depreciation/ Amortization	(14,862)	(14,051)	(15,202)	(15,694.00)	(10,727)	(11,164)	(11,688)	(10,847)	(52,479)	(51,756)
Gratuity	(9,660)	(74,169)	(14,138)	(115,380.00)	(5,940)	(43,969)	(9,003)	(70,712)	(38,741)	(304,230)
<b>Segment Results</b>	<b>77,380</b>	<b>(70,289)</b>	<b>119,890</b>	<b>(134,015)</b>	<b>61,335</b>	<b>(57,672)</b>	<b>(34,807)</b>	<b>(132,920)</b>	<b>223,798</b>	<b>(394,896)</b>
Other Income									10,828	7,248
Administration Expenses									(26,156)	(22,842)
Management Fees									(86,885)	(63,901)
Finance Cost									(65,857)	(47,304)
Income Tax expenses									-	-
<b>Profit /(Loss)for the period</b>									<b>55,728</b>	<b>(521,695)</b>

The above figures are subject to audit

## 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 Yaddhige - Chairman J H P Ratnayake - Deputy Chairman S S Poholiyadde - Appointed w.e.f. 15.08.2012 S P Jayakoddy - Resigned w.e.f. 13.08.2012 Dr.A Ekanayake - Resigned w.e.f. 31.08.2012 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 : <a href="http://www.arpico.com">www.arpico.com</a> E-mail : <a href="mailto:mpl.rpk@arpico.com">mpl.rpk@arpico.com</a>