



**Maskeliya Plantations PLC**

**Interim Financial Statements**

**FOR THE SIX MONTHS ENDED  
September 2016**

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION

	As at 30/09/16 Rs. ' 000	As at 30/09/15 Rs. ' 000	As at 31/03/16 Rs. ' 000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Lease hold Property ,Plant and Equipment	261,692	279,309	269,783
Freehold Property, plant & equipment	537,948	568,803	550,339
Bearer Biological Assets	2,185,458	2,133,235	2,178,317
Consumable Biological Assets	615,954	604,275	615,953
Defferd Tax Assets	36,164	36,165	36,165
	3,637,216	3,621,787	3,650,557
<b>CURRENT ASSETS</b>			
Inventories	381,669	414,569	431,922
ACT Recoverable	47,926	47,926	47,926
VAT Receivable	20,110	21,025	21,024
Trade and other Receivables	194,528	155,403	202,249
ESC Recoverable	40,878	38,755	34,858
Amount due from Related Parties	4,043	3,631	2,730
Short Term Investment	-	-	-
Cash and Bank balances	7,658	7,383	10,899
	696,812	688,692	751,608
<b>TOTAL ASSETS</b>	<b>4,334,028</b>	<b>4,310,479</b>	<b>4,402,165</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated Capital - Note 01	673,721	673,721	673,721
General Reserve	540,000	540,000	540,000
Timber Reserves	573,202	561,524	573,202
Retained Earnings	(1,044,201)	(799,651)	(866,885)
<b>TOTAL EQUITY</b>	742,722	975,594	920,038
<b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>			
Interest Bearing Loans & Borrowings	477,240	550,100	470,850
Retiring Benefit Obligations	883,825	988,509	905,211
Deferred Tax Liability	-	-	-
Deferred Income	209,668	218,858	215,200
Liability to make Lease Payment after one year	111,801	113,898	112,861
	1,682,534	1,871,365	1,704,122
<b>CURRENT LIABILITIES</b>			
Trade & Other payables	485,429	395,344	374,306
Dividend payable	2,008	2,008	2,008
Amount due to Related parties	429,948	285,991	288,301
Interest Bearing Loans & Borrowings	989,243	778,034	1,111,246
Liability to make Lease Payment within one year	2,144	2,143	2,144
	1,908,772	1,463,520	1,778,005
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,334,028</b>	<b>4,310,479</b>	<b>4,402,165</b>
	-	-	-
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Net Assets Per Share	13.77	18.08	17.05

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 Eritakumbura**  
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 Poholiyadde**  
Director

  
**J L A Fernando**  
Director

09 November 2016

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

	Quarter Ended September			Six Months Ended September			Year Ended
	2016 Rs. ' 000	2015 Rs. ' 000	Variance + / (-) %	2016 Rs. ' 000	2015 Rs. ' 000	Variance + / (-) %	31/03/2016 Rs. ' 000
Revenue	776,777	815,942	(5)	1,580,798	1,737,742	(9)	3,273,852
Cost of Sales	(834,451)	(892,670)	7	(1,622,499)	(1,826,415)	11	(3,425,634)
Gross Profit / (Loss)	(57,674)	(76,728)	25	(41,701)	(88,673)	53	(151,782)
Other Operating Income	9,263	6,745	37	13,554	13,210	3	17,569
Gain on Change in Fair Value of Biological Assets	-	-	-	-	-	-	13,267
Administration Expenses	(11,317)	(9,405)	(20)	(22,589)	(21,025)	(7)	(40,011)
Management Fee	(4,082)	(33,688)	88	(9,000)	(71,224)	87	(101,531)
Finance Cost	(53,863)	(44,520)	(21)	(117,579)	(85,956)	(37)	(198,304)
Profit / (Loss) before Taxation	(117,673)	(157,596)	25	(177,315)	(253,668)	30	(460,792)
Income Tax (Expense)/Income	-	-	-	-	-	-	(7,677)
<b>Net Profit/(Loss) for the period</b>	<b>(117,673)</b>	<b>(157,596)</b>	<b>25</b>	<b>(177,315)</b>	<b>(253,668)</b>	<b>30</b>	<b>(468,469)</b>
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic Earnings Per Share	(2.18)	(2.92)		(3.29)	(4.70)		(8.68)

The above figures are subject to audit

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

	Quarter Ended September			Six Months Ended September			Year Ended
	2016 Rs.'000	2015 Rs.'000	Variance % '+/(-)	2016 Rs. ' 000	2015 Rs. ' 000	Variance % '+/(-)	31/03/2016 Rs. ' 000
<b>Profit/ (Loss) for the year</b>	(117,673)	(157,596)	25	(177,315)	(253,668)	30	(468,469)
<b>Other Comprehensive Income</b>							
Actuarial Gains/(Losses) on Defined benefit Plans	-	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-	-
<b>Other Comprehensive Income for the year, net of tax</b>	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the quarter, net of tax</b>	<u>(117,673)</u>	<u>(157,596)</u>	25	<u>(177,315)</u>	<u>(253,668)</u>	30	<u>(468,469)</u>

The above figures are subject to audit

# INTERIM FINANCIAL STATEMENTS

## STATEMENT OF CASH FLOW

For the Six Months Ended September 2016

	30/09/2016 Rs. ' 000	30/09/2015 Rs. ' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation	(177,315)	(253,668)
<b>ADJUSTMENTS FOR</b>		
Depreciation/Amortization	56,995	55,956
Provision for Defined Benefit Plan Cost	38,882	39,362
Amortisation of Grants	(6,000)	(6,000)
Gain/(Loss) on change in fair value Timber plantations Net of Harvesting Finance Costs	117,580	85,957
<b>Operating Profit before Working Capital changes</b>	<b>30,142</b>	<b>(78,393)</b>
(Increase)/Decrease in Trade and other receivables	20,445	90,709
(Increase)/Decrease in Inventories	50,253	62,796
Increase/(Decrease) in Trade and other payables	117,145	18,834
Increase/(Decrease) in amounts due to Related Parties	141,647	69,324
(Increase)/Decrease in amounts due from Related Parties	(1,313)	(924)
<b>Cash Generated from Operations</b>	<b>358,319</b>	<b>162,346</b>
Finance Costs Paid	(100,361)	(69,219)
Defined Benefit Plan Costs paid	(60,268)	(32,132)
Tax Paid	(6,019)	(4,409)
<b>Net Cash from Operating Activities</b>	<b>191,671</b>	<b>56,586</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Grants Received	468	2,551
Field Development Expenditure	(29,278)	(75,410)
Purchase of Property, Plant & Equipment	(14,381)	(2,651)
<b>Net Cash used in Investing Activities</b>	<b>(43,191)</b>	<b>(75,510)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends Paid	-	-
Payment of Government lease rentals	(36,109)	(17,525)
Proceeds from loans	200,000	300,000
Payment of loans	(247,400)	(175,847)
<b>Net Cash from Financing Activities</b>	<b>(83,509)</b>	<b>106,628</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>64,971</b>	<b>87,704</b>
A. Cash & Cash Equivalents at the beginning of the period	(655,547)	(506,565)
B. Cash & Cash Equivalents at the end of the period	<b>(590,576)</b>	<b>(418,861)</b>
<b>NOTE A</b>		
Cash & Cash Equivalents at the beginning of the period		
Cash & Bank Balances	10,899	10,427
Bank Overdrafts	(666,447)	(516,992)
	<b>(655,548)</b>	<b>(506,565)</b>
<b>NOTE B</b>		
Cash & Cash Equivalents at the end of the period		
Cash & Bank Balances	7,658	7,383
Bank Overdrafts	(598,234)	(426,244)
	<b>(590,576)</b>	<b>(418,861)</b>

The above figures are subject to audit

## INTERIM FINANCIAL STATEMENTS

### 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
<b>Balance as at 31 March 2015</b>	673,721	540,000	(545,983)	561,524	1,229,262
Net profit/ (Loss) for the period	-	-	(253,668)	-	(253,668)
Other Comprehensive income	-	-	-	-	-
<b>Balance as at 30 September 2015</b>	<b>673,721</b>	<b>540,000</b>	<b>(799,651)</b>	<b>561,524</b>	<b>975,594</b>
<b>Balance as at 31 March 2016</b>	673,721	540,000	(866,886)	573,202	920,037
Net profit/(Loss) for the period	-	-	(177,315)	-	(177,315)
Other Comprehensive income	-	-	-	-	-
<b>Balance as at 30 September 2016</b>	<b>673,721</b>	<b>540,000</b>	<b>(1,044,201)</b>	<b>573,202</b>	<b>742,722</b>

The above figures are subject to audit

**1** Stated Capital of Maskeliya Plantations PLC amounts to 673,720,950 represented by 53,953,490 shares.

**2** 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.

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 2016.

**3** 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.

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

**5** 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 2016.

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

**7** Ministry of Plantation Industries (letter dated 22.07.2016) has informed to pay an interim allowance of Rs.100/- per worker for each day worked during the months of June and July pending finalization of wage negotiations. The interim allowance cost for the month of June & July is Rs.44 Mn which has charged to the income Statement. To effect the payment, term loan facility was granted by Sri Lanka Tea Board.

**8** In accordance with the Collective Agreement between the Employers' Federation of Ceylon (EFC) and the Trade Unions, with effect from 15 October 2016, the daily basic wage of workers have been increased from Rs. 450/- to Rs.500/-. An allowance of Rs.30/- of Fixed Price Share supplement is paid in addition to Rs.60/- as an attendance incentive. Rs.140/- as a productivity incentive, totaling to Rs.730/- per day, as compared to Rs. 620/- previously.

## INTERIM FINANCIAL STATEMENTS SEGMENT INFORMATION

Geographical Segment  
For the Six Months Ended September 2016

	Maskeliya		Upcot		Talawakelle		Bandarawela		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Revenue	416,397	463,310	559,349	657,918	314,725	308,599	290,324	307,915	1,580,795	1,737,742
Revenue Expenditure	(386,680)	(433,250)	(570,590)	(614,040)	(280,504)	(302,126)	(288,842)	(381,681)	(1,526,616)	(1,731,097)
Depreciation/ Amortization	(15,793)	(14,116)	(16,134)	(16,805)	(10,658)	(10,934)	(14,410)	(14,101)	(56,995)	(55,956)
Gratuity	(9,453)	(9,721)	(14,013)	(14,684)	(6,434)	(5,845)	(8,985)	(9,112)	(38,885)	(39,362)
<b>Segment Results</b>	<b>4,471</b>	<b>6,223</b>	<b>(41,388)</b>	<b>12,389</b>	<b>17,129</b>	<b>(10,306)</b>	<b>(21,913)</b>	<b>(96,979)</b>	<b>(41,701)</b>	<b>(88,673)</b>
Other Income									13,554	13,210
Gain on change in fair value of Biological Assets									-	-
Administration Expenses									(22,589)	(21,025)
Management Fees									(9,000)	(71,224)
Finance Cost									(117,579)	(85,956)
Income Tax (Expense)/Income									-	-
<b>Profit /(Loss) for the period</b>									<b>(177,315)</b>	<b>(253,668)</b>

The above figures are subject to audit

**INTERIM FINANCIAL STATEMENTS  
SHAREHOLDER AND INVESTOR INFORMATION**

For the Six Months Ended 30 September	Quarter Ended		Year Ended
	2016 Rs.	2015 Rs.	2016 Rs.
<b>Market Price per Share</b>			
- Last Traded price ( For the quarter )	8.60	10.00	7.70
- Highest ( For the quarter )	9.50	12.40	12.40
- Lowest ( For the quarter )	7.50	9.70	7.70

**Twenty Largest Shareholders**

	as at 30/09/2016		as at 31/03/2016	
	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
David Pieris Motor Company Ltd	1,058,806	1.96	1,058,806	1.96
Bansei Securities Capital (Pvt) Ltd/Dawi Investment	952,704	1.77	-	-
Amina Investment Ltd	650,000	1.20	650,000	1.20
Seylan Bank Ltd/Govindasamy Ramanan	306,539	0.57	251,529	0.47
Mr.M.H.M.Fazal	155,858	0.29	145,858	0.27
HSBC International Nominees Ltd-SSBT-Deutsche	141,600	0.26	141,600	0.26
Freudenberg Shipping Agencies Ltd	137,295	0.25	137,295	0.25
Mr. P.S.M Fernando	122,943	0.23	122,943	0.23
Merchant Bank of Sri Lanka PLC/ R R S Ananda	104,098	0.19	104,098	0.19
Mrs.M.M.C Fernando	100,000	0.19	100,000	0.19
Mrs. J.K.P Singh	100,000	0.19	100,000	0.19
Mr.S.Senthinandhanan	97,113	0.18	-	-
Mr. R. Magdon Ismail	87,586	0.16	87,586	0.16
Mr.R.Maheswaran	86,867	0.16	-	-
Miss.A.Radhakrishnan	86,867	0.16	-	-
Miss.M.P.Radhakrishnan	86,866	0.16	-	-
Mr. A.K Seneviratne	84,766	0.16	61,156	0.11
Dee Investments (Pvt) Ltd	84,100	0.16	84,100	0.16
Mrs.V.Indraganthi	55,200	0.10	55,200	0.10
	<b>49,497,605</b>	<b>91.74</b>		
Balance held by 16,515 Shareholders (2015-16,559)	4,455,885	8.26	4,380,881	8.12
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

	30/09/2016			31/03/2016		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Public Holding	16,533	8,954,793	16.60	16,593	8,951,993	16.59
Other Holding	2	44,998,697	83.40	3	45,001,497	83.41
<b>Total</b>	<b>16,535</b>	<b>53,953,490</b>	<b>100.00</b>	<b>16,596</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	30/09/2016	31/03/2016
Dr.S Yaddhegige	-	-
S S Poholiyadde	-	-
E M M Boyagoda (Resigned 23/082016)	-	-
Dr. L S Hettiarachchi	-	-
J L A Fernando	300	300
Shaminda Yaddhegige	-	-



## **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 Yaddehige - Chairman S S Poholiyadde - Chief Executive Officer E M M Boyagoda (Resigned 23/082016) Dr. L S Hettiarachchi J L A Fernando Shaminda Yaddehige
<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