

INTERIM CONDENSED FINANCIAL STATEMENTS  
CONSOLIDATED INCOME STATEMENT

	Note	Quarter ended 30 September			Six months ended 30 September		
		2018	2017	Change %	2018	2017	Change %
<b>Continuing operations</b>							
Sale of goods		14,389,357	12,483,996	15	28,362,835	24,826,736	14
<b>Revenue from contracts with customers</b>		14,389,357	12,483,996	15	28,362,835	24,826,736	14
Cost of sales		(12,962,745)	(10,773,604)	20	(25,694,019)	(21,456,971)	20
<b>Gross profit</b>		1,426,612	1,710,392	(17)	2,668,816	3,369,765	(21)
Other operating income		375,224	350,287	7	794,094	678,515	17
Selling and distribution expenses		(623,775)	(461,524)	35	(1,172,869)	(934,801)	25
Administrative expenses		(444,633)	(367,042)	21	(870,790)	(731,706)	19
Other operating expenses		(282,686)	(196,889)	44	(510,570)	(371,548)	37
<b>Results from operating activities</b>		450,742	1,035,224	(56)	908,681	2,010,225	(55)
Finance cost		(146,873)	(1,523)	9,544	(210,525)	(3,590)	5,764
Finance income		11,211	29,495	(62)	34,594	61,159	(43)
Net Finance income		(135,662)	27,972	(585)	(175,931)	57,569	(406)
Share of results of equity accounted investees		-	(2,390)	(100)	-	(7,820)	(100)
<b>Profit before tax</b>		315,080	1,060,806	(70)	732,750	2,059,974	(64)
Tax expense	6	(123,659)	(309,803)	(60)	(302,402)	(633,176)	(52)
<b>Profit for the period</b>		191,421	751,003	(75)	430,348	1,426,798	(70)
<b>Attributable to:</b>							
Equity holders of the parent		191,421	751,003	(75)	430,348	1,426,798	(70)
		<b>LKR</b>	<b>LKR</b>		<b>LKR</b>	<b>LKR</b>	
<b>Earnings per share</b>							
Basic		2.01	7.90		4.53	15.01	
<b>Dividend per share</b>							
		-	-		8.00	8.00	

Note : All values are in LKR '000s, unless otherwise stated.  
Figures in brackets indicate deductions.  
The above figures are not audited.

INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
Profit for the period	191,421	751,003	430,348	1,426,798
<b>Other comprehensive income</b>				
<b>Other comprehensive income to be reclassified to income statement in subsequent periods</b>				
Share of other comprehensive income/(Expenses) of equity accounted investees	-	(15,799)	-	38,518
Net other comprehensive income to be reclassified to income	-	(15,799)	-	38,518
Total comprehensive income for the period, net of tax	191,421	735,204	430,348	1,465,316
<b>Attributable to:</b>				
Equity holders of the parent	191,421	735,204	430,348	1,465,316
	191,421	735,204	430,348	1,465,316

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.09.2018	31.03.2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,697,174	12,868,657
Lease rentals paid in advance	144,750	146,263
Investment property	228,601	228,601
Intangible assets	274,793	165,481
Non-current financial assets	5,655,855	5,610,834
Other non-current assets	1,055,430	866,355
	23,056,603	19,886,191
<b>Current assets</b>		
Inventories	4,402,181	4,092,670
Trade and other receivables	2,367,739	2,584,748
Amounts due from related parties	8,806	2,803
Other current assets	1,888,537	1,506,373
Short term investments	60,212	923,276
Cash in hand and at bank	600,932	552,083
	9,328,407	9,661,953
<b>Total assets</b>	<b>32,385,010</b>	<b>29,548,144</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Stated capital	918,200	918,200
Revenue reserves	11,238,445	11,568,431
Other components of equity	1,237,533	1,196,142
<b>Total equity</b>	<b>13,394,178</b>	<b>13,682,773</b>
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	1,708,333	1,958,333
Deferred tax liabilities	1,430,441	1,389,306
Employee benefit liabilities	541,855	491,866
Other non-current liabilities	173,601	172,921
Other deferred liabilities	29,146	36,925
	3,883,376	4,049,351
<b>Current liabilities</b>		
Trade and other payables	6,723,033	6,413,243
Amounts due to related parties	266,581	213,365
Income tax liabilities	192,303	197,504
Interest-bearing loans and borrowings	500,000	500,000
Other current liabilities	1,056,612	1,408,161
Bank overdrafts	6,368,927	3,083,747
	15,107,456	11,816,020
<b>Total equity and liabilities</b>	<b>32,385,010</b>	<b>29,548,144</b>
	<b>LKR</b>	<b>LKR</b>
Net assets per share	140.93	143.97

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I certify that the financial statements comply with the requirements of the Companies Act, No.7 of 2007.

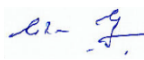


P N Fernando  
 Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.



D P Gamlath  
 Director



J G A Cooray  
 Director

25th October 2018

INTERIM CONDENSED FINANCIAL STATEMENTS  
CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September	Note	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before working capital changes	A	1,732,766	2,552,093
(Increase) / Decrease in inventories		(309,511)	166,583
(Increase) / Decrease in trade and other receivables		217,009	493,142
(Increase) / Decrease in amounts due from related parties		(6,003)	1,300
(Increase) / Decrease in other current assets		(382,164)	(792,338)
(Increase) / Decrease in non-current financial assets		(45,021)	(33,984)
(Increase) / Decrease in other non-current assets		(189,075)	(101,946)
Increase / (Decrease) in trade and other payables		309,790	509,986
Increase / (Decrease) in amounts due to related parties		53,216	571
Increase / (Decrease) in other current liabilities		(351,549)	(151,900)
Increase / (Decrease) in other deferred liabilities		(7,779)	(6,745)
Increase / (Decrease) in other non-current liabilities		680	(5,488)
<b>Cash generated from operations</b>		<b>1,022,359</b>	<b>2,631,274</b>
Finance income received		34,594	61,159
Finance costs paid		(210,525)	(3,590)
Tax paid		(266,468)	(835,212)
Gratuity paid		(17,595)	(20,273)
<b>Net cash flow from operating activities</b>		<b>562,365</b>	<b>1,833,358</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment		(3,531,274)	(1,698,989)
Purchase of intangible assets		(122,245)	(386)
Proceeds from sale of property, plant and equipment		2,093	13,150
<b>Net cash flow used in investing activities</b>		<b>(3,651,426)</b>	<b>(1,686,225)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Dividend paid to equity holders of parent		(760,320)	(760,320)
Dividend paid to preference shareholders		(14)	(14)
Proceeds from long term borrowings		-	926,000
Repayment of long term borrowings		(250,000)	-
<b>Net cash flow used in financing activities</b>		<b>(1,010,334)</b>	<b>165,666</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,099,395)</b>	<b>312,799</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		<b>(1,608,388)</b>	<b>(107,708)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END</b>		<b>(5,707,783)</b>	<b>205,091</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
<b>Favorable balances</b>			
Short term investments		60,212	1,012,401
Cash in hand and at bank		600,932	497,053
<b>Unfavorable balances</b>			
Bank overdrafts		(6,368,927)	(1,304,363)
<b>Total Cash and cash equivalents</b>		<b>(5,707,783)</b>	<b>205,091</b>

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September

	2018	2017
<b>A. Profit before working capital changes</b>		
Profit before tax	732,750	2,059,974
<b>Adjustments for:</b>		
Finance income	(34,594)	(61,159)
Finance cost	210,525	3,590
Share-based payment expense	41,391	47,534
Share of results of equity accounted investees	-	7,820
Gain on Lease rights forgone	-	(6,491)
Depreciation of property, plant and equipment	606,939	432,602
(Gain)/loss on sale of property, plant and equipment	93,409	(5,011)
Amortization of lease rentals paid in advance	1,513	9,667
Amortization of intangible assets	13,249	6,080
Gratuity provision and related costs	67,584	57,487
	<b>1,732,766</b>	<b>2,552,093</b>

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of parent						
	Stated capital	ESOP reserve	Revaluation reserve	Foreign currency translation reserve	Cash flow hedge reserve	Revenue reserves	Total Equity
<b>As at 1 April 2017</b>	918,200	270,721	947,588	867,703	82,825	10,102,361	13,189,398
Profit for the period	-	-	-	-	-	1,426,798	1,426,798
Other comprehensive income	-	-	-	43,209	(4,691)	-	38,518
Total comprehensive income	-	-	-	43,209	(4,691)	1,426,798	1,465,316
Share based payments	-	47,534	-	-	-	-	47,534
Final dividend paid - 2016/17	-	-	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2016/17	-	-	-	-	-	(14)	(14)
Changes of holding in equity accounted investees	-	-	-	-	-	(57,058)	(57,058)
<b>As at 30 September 2017</b>	918,200	318,255	947,588	910,912	78,134	10,711,767	13,884,856
<b>As at 1 April 2018</b>	918,200	365,091	831,051	-	-	11,568,431	13,682,773
Profit for the period	-	-	-	-	-	430,348	430,348
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	430,348	430,348
Share based payments	-	41,391	-	-	-	-	41,391
Final dividend paid - 2017/18	-	-	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2017/18	-	-	-	-	-	(14)	(14)
<b>As at 30 September 2018</b>	918,200	406,482	831,051	-	-	11,238,445	13,394,178

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 COMPANY INCOME STATEMENT

	Note	Quarter ended 30 September			Six months ended 30 September		
		2018	2017	Change %	2018	2017	Change %
<b>Continuing operations</b>							
Sale of goods		2,934,563	3,557,162	(18)	6,005,732	6,940,400	(13)
<b>Revenue from contracts with customers</b>		2,934,563	3,557,162	(18)	6,005,732	6,940,400	(13)
Cost of sales		(2,017,073)	(2,284,044)	(12)	(4,137,045)	(4,498,355)	(8)
<b>Gross profit</b>		917,490	1,273,118	(28)	1,868,687	2,442,045	(23)
Dividend income		-	-	-	278,088	291,023	(4)
Other operating income		59,101	7,654	672	84,110	22,704	270
Selling and distribution expenses		(401,175)	(388,926)	3	(822,598)	(770,689)	7
Administrative expenses		(157,474)	(159,934)	(2)	(333,856)	(329,987)	1
Other operating expenses		(71,185)	(87,583)	(19)	(140,169)	(159,305)	(12)
<b>Results from operating activities</b>		346,757	644,329	(46)	934,262	1,495,791	(38)
Finance cost		(3,646)	(134)	2,621	(3,843)	(635)	505
Finance income		9,060	22,504	(60)	27,486	38,750	(29)
Net finance income		5,414	22,370	(76)	23,643	38,115	(38)
<b>Profit before tax</b>		352,171	666,699	(47)	957,905	1,533,906	(38)
Tax	6	(104,972)	(192,064)	(45)	(212,058)	(352,661)	(40)
<b>Profit for the period</b>		247,199	474,635	(48)	745,847	1,181,245	(37)
		<b>LKR</b>	<b>LKR</b>		<b>LKR</b>	<b>LKR</b>	
<b>Dividend per share</b>		-	-		8.00	8.00	

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INTERIM CONDENSED FINANCIAL STATEMENTS  
COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
Profit for the period	247,199	474,635	745,847	1,181,245
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period, net of tax	247,199	474,635	745,847	1,181,245

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INTERIM CONDENSED FINANCIAL STATEMENTS  
COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.09.2018	31.03.2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,093,918	4,121,686
Investment property	228,601	228,601
Intangible assets	4,831	5,775
Investments in subsidiaries	2,936,032	2,479,782
Non-current financial assets	5,536,592	5,521,876
Other non-current assets	57,650	50,414
	12,857,624	12,408,134
<b>Current assets</b>		
Inventories	1,012,801	1,079,965
Trade and other receivables	1,349,339	1,712,353
Amounts due from related parties	130,233	42,365
Other current assets	343,238	146,549
Short term investments	21,833	489,065
Cash in hand and at bank	261,728	212,072
	3,119,172	3,682,369
<b>Total assets</b>	15,976,796	16,090,503
<b>EQUITY AND LIABILITIES</b>		
Stated capital	918,200	918,200
Revenue reserves	10,425,626	10,440,113
Other components of equity	1,039,270	1,008,804
<b>Total equity</b>	12,383,096	12,367,117
<b>Non-current liabilities</b>		
Deferred tax liabilities	839,926	843,864
Employee benefit liabilities	410,012	374,189
Other non-current liabilities	173,601	172,921
	1,423,539	1,390,974
<b>Current liabilities</b>		
Trade and other payables	964,050	1,158,883
Amounts due to related parties	8,700	1,087
Income tax liabilities	192,298	144,402
Other current liabilities	585,670	879,802
Bank overdrafts	419,443	148,238
	2,170,161	2,332,412
<b>Total equity and liabilities</b>	15,976,796	16,090,503
	<b>LKR</b>	<b>LKR</b>
Net assets per share	130.29	130.13

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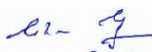


P N Fernando  
Chief Financial Officer

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D P Gamlath  
Director



J G A Cooray  
Director

INTERIM CONDENSED FINANCIAL STATEMENTS

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30th September

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	957,905	1,533,906
<b>Adjustments for:</b>		
Finance income	(27,486)	(38,750)
Dividend income	(278,088)	(291,023)
Finance cost	3,843	635
Depreciation of property, plant and equipment	243,076	234,858
Loss on sale of property, plant and equipment	2,373	1,457
Amortization of intangible assets	1,260	1,696
Share based payment expenses	30,466	32,262
Gratuity provision and related costs	46,410	38,867
<b>Profit before working capital changes</b>	979,759	1,513,908
(Increase) / Decrease in inventories	67,164	121,149
(Increase) / Decrease in trade and other receivables	363,014	491,892
(Increase) / Decrease in amounts due from related parties	(87,868)	(16,675)
(Increase) / Decrease in other current assets	(196,689)	(33,193)
(Increase) / Decrease in non-current financial assets	(14,716)	(39,766)
(Increase) / Decrease in other non-current assets	(7,236)	(15,333)
Increase / (Decrease) in trade and other payables	(194,833)	(19,314)
Increase / (Decrease) in amounts due to related parties	7,613	4,522
Increase / (Decrease) in other current liabilities	(294,132)	(146,396)
Increase / (Decrease) in other non-current liabilities	680	(5,488)
<b>Cash generated from operations</b>	622,756	1,855,306
Finance income received	21,236	38,750
Finance expenses paid	(3,843)	(635)
Tax paid	(168,100)	(544,800)
Gratuity paid	(10,587)	(11,965)
<b>Net cash flow from operating activities</b>	461,462	1,336,656
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Purchase and construction of property, plant and equipment	(218,189)	(135,421)
Purchase of intangible assets	-	(386)
Investment in subsidiary	(450,000)	-
Dividend income received	278,088	291,023
Proceeds from sale of property, plant and equipment	192	123
<b>Net cash flow used in investing activities</b>	(389,909)	155,339
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend paid to equity holders	(760,320)	(760,320)
Dividend paid to preference shareholders	(14)	(14)
Repayment of long term borrowings	-	(15,000)
<b>Net cash flow used in financing activities</b>	(760,334)	(775,334)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(688,781)	716,661
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>	552,899	207,119
<b>CASH AND CASH EQUIVALENTS AT THE END</b>	(135,882)	923,780
<b>ANALYSIS OF CASH &amp; CASH EQUIVALENTS</b>		
<b>Favorable balances</b>		
Short term investments	21,833	989,589
Cash in hand and at bank	261,728	243,261
<b>Unfavorable balances</b>		
Bank overdrafts	(419,443)	(309,070)
<b>Total cash and cash equivalents</b>	(135,882)	923,780

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INTERIM CONDENSED FINANCIAL STATEMENTS  
 COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	ESOP reserve	Revaluation reserve	Revenue reserves	Total Equity
<b>As at 1 April 2017</b>	918,200	160,065	903,042	9,477,355	11,458,662
Profit for the period	-	-	-	1,181,245	1,181,245
Total comprehensive income	-	-	-	1,181,245	1,181,245
Share based payments	-	32,262	-	-	32,262
Final dividend paid - 2016/17	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2016/17	-	-	-	(14)	(14)
<b>As at 30 September 2017</b>	918,200	192,327	903,042	9,898,266	11,911,835
<b>As at 1 April 2018</b>	918,200	228,433	780,371	10,440,113	12,367,117
Profit for the period	-	-	-	745,847	745,847
Total comprehensive income	-	-	-	745,847	745,847
Share based payments	-	30,466	-	-	30,466
Final dividend paid - 2017/18	-	-	-	(760,320)	(760,320)
Preference dividend paid - 2017/18	-	-	-	(14)	(14)
<b>As at 30 September 2018</b>	918,200	258,899	780,371	10,425,626	12,383,096

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INTERIM CONDENSED FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

For the Quarter ended 30 September	Manufacturing		Retail		Group Total	
	2018	2017	2018	2017	2018	2017
Goods transferred at a point in time - External revenue	3,530,888	3,479,460	10,858,469	9,004,536	14,389,357	12,483,996
- Inter segment revenue	72,243	77,702	-	-	72,243	77,702
<b>Total Segment revenue</b>	<b>3,603,131</b>	<b>3,557,162</b>	<b>10,858,469</b>	<b>9,004,536</b>	<b>14,461,600</b>	<b>12,561,698</b>
Eliminations of inter segment revenue					(72,243)	(77,702)
<b>Net revenue from contracts with customers</b>					<b>14,389,357</b>	<b>12,483,996</b>
<b>Segment result</b>	<b>448,451</b>	<b>649,167</b>	<b>(7,241)</b>	<b>376,746</b>	<b>441,210</b>	<b>1,025,913</b>
Finance cost	(58,355)	(134)	(88,518)	(1,389)	(146,873)	(1,523)
Finance income	6,553	23,436	4,658	6,059	11,211	29,495
Share of results of equity accounted investees	-	-	-	-	-	(2,390)
Eliminations / adjustments	-	-	-	-	9,532	9,311
<b>Profit before tax</b>	<b>396,649</b>	<b>672,469</b>	<b>(91,101)</b>	<b>381,416</b>	<b>315,080</b>	<b>1,060,806</b>
Tax expense	(141,560)	(192,325)	17,901	(117,478)	(123,659)	(309,803)
<b>Profit for the period</b>	<b>255,089</b>	<b>480,144</b>	<b>(73,200)</b>	<b>263,938</b>	<b>191,421</b>	<b>751,003</b>
Capital Expenditure	184,615	414,131	1,488,659	507,591	1,673,274	921,722
Depreciation of Property, Plant and Equipment	159,313	117,706	172,916	102,884	332,229	220,590
Amortization of Intangible Assets	654	854	8,269	2,176	8,923	3,030
Amortization of lease rentals paid in advance	756	671	-	-	756	671
Gratuity provision and related costs	23,449	19,529	10,587	9,412	34,036	28,941

Inter-segment revenue and inter-company balances are eliminated on consolidation

Segment Asset do not include Goodwill, Investment Property, Investment in Subsidiaries and Investment in Associate

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

INTERIM CONDENSED FINANCIAL STATEMENTS  
OPERATING SEGMENT INFORMATION

Business segments

The following tables present revenue, profit information and other disclosures regarding Group's business segments.

For the Six months ended 30 September	Manufacturing		Retail		Group Total	
	2018	2017	2018	2017	2018	2017
Goods transferred at a point in time - External revenue	6,564,869	6,787,276	21,797,966	18,039,460	28,362,835	24,826,736
- Inter segment revenue	156,879	153,124	-	-	156,879	153,124
<b>Total revenue from contracts with customers</b>	<b>6,721,748</b>	<b>6,940,400</b>	<b>21,797,966</b>	<b>18,039,460</b>	<b>28,519,714</b>	<b>24,979,860</b>
Eliminations of inter segment revenue					(156,879)	(153,124)
<b>Net revenue from contracts with customers</b>					<b>28,362,835</b>	<b>24,826,736</b>
<b>Segment result</b>	<b>965,612</b>	<b>1,491,662</b>	<b>224,492</b>	<b>803,649</b>	<b>1,190,104</b>	<b>2,295,311</b>
Finance cost	(78,553)	(642)	(131,972)	(2,948)	(210,525)	(3,590)
Finance income	26,009	40,888	8,585	20,271	34,594	61,159
Share of results of equity accounted investees	-	-	-	-	-	(7,820)
Eliminations / adjustments	-	-	-	-	(281,423)	(285,086)
<b>Profit before tax</b>	<b>913,068</b>	<b>1,531,908</b>	<b>101,105</b>	<b>820,972</b>	<b>732,750</b>	<b>2,059,974</b>
Tax expense	(223,694)	(353,260)	(78,708)*	(279,916)*	(302,402)	(633,176)
<b>Profit for the period</b>	<b>689,374</b>	<b>1,178,648</b>	<b>22,397</b>	<b>541,056</b>	<b>430,348</b>	<b>1,426,798</b>
Reportable Segment Assets	17,413,339	9,477,533	14,729,888	9,084,598	26,648,540	18,504,444
Capital Expenditure	1,035,302	492,147	2,618,217	1,207,228	3,653,519	1,699,375
Reportable Segment Liabilities	6,563,113	4,392,276	12,508,587	6,610,201	18,990,832	10,950,968
Depreciation of Property, Plant and Equipment	292,103	234,884	314,836	197,718	606,939	432,602
Amortization of Intangible Assets	1,260	1,696	11,989	4,384	13,249	6,080
Amortization of lease rentals paid in advance	1,513	9,667	-	-	1,513	9,667
Gratuity provision and related costs	46,789	38,867	20,795	18,620	67,584	57,487

Inter-segment revenue and inter-company balances are eliminated on consolidation

Segment Asset do not include Goodwill, Investment Property, Investment in Subsidiaries, Investment in equity accounted investees and unquoted equity investments

\* Retail segment tax expense includes tax on consolidation adjustments

Note : All values are in LKR '000s, unless otherwise stated.

Figures in brackets indicate deductions.

The above figures are not audited.

## INTERIM CONDENSED FINANCIAL STATEMENTS

### NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

#### 1 CORPORATE INFORMATION

Ceylon Cold Stores PLC is a Public Limited Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. Ordinary shares of the Company are listed on the Colombo Stock Exchange.

#### 2 INTERIM CONDENSED FINANCIAL STATEMENTS

The Consolidated Financial Statements for the period ended 30 September 2018, comprise "the Company" referring to Ceylon Cold Stores PLC as the Holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

#### 3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the 6 months ended 30 September 2018 were authorized for issue by the Board of Directors on 25th October 2018.

#### 4 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

##### 4.1 Basis of Preparation

The interim condensed consolidated financial statements for the 6 months ended 30th September 2018 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

There is no material change in the fair value and the underlying unobservable inputs used for fair valuing during the period, as compared with 31 March 2018.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2018.

##### 4.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments that require restatement of previous financial statements. As required by LKAS 34, the nature and effect of these changes are disclosed below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

##### **SLFRS 15 Revenue from Contracts with Customers**

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed the Group concluded that SLFRS 15 does not have a material impact on Group's consolidated financial statements.

##### **Sale of goods**

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

##### **Rendering of services**

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

## INTERIM CONDENSED FINANCIAL STATEMENTS

### NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

#### **SLFRS 9 Financial Instruments**

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, the Group has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018. The Group has taken an exception not to restate comparative information for prior periods with respect to classification and measurement requirements.

#### **Classification and measurement**

Except for certain trade receivables, under SLFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under SLFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under Other non-current financial assets.

Other financial assets are classified and subsequently measured, as follows:

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under SLFRS 9. Under LKAS 39, the Group's unquoted equity instruments were classified as AFS financial assets.

The assessment of the Group's business models was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under LKAS 39. Similar to the requirements of LKAS 39, SLFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

#### **Impairment**

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

SLFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

INTERIM CONDENSED FINANCIAL STATEMENTS  
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

**Hedge accounting**

The Group applied hedge accounting prospectively. At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of SLFRS 9 had no significant impact on the Group's financial statements.

5 OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- Manufacturing
- Retail

6 TAX

For the 6 months ended 30th September	Group		Company	
	2018	2017	2018	2017
<b>In LKR'000s</b>				
<b>Income statement</b>				
Current income tax	261,268	591,787	215,997	356,902
Deferred tax charge	41,134	41,389	(3,939)	(4,241)
	<b>302,402</b>	<b>633,176</b>	<b>212,058</b>	<b>352,661</b>



INTERIM CONDENSED FINANCIAL STATEMENTS  
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

7 RELATED PARTY TRANSACTIONS  
For the 6 months ended 30th September  
In LKR '000s

Group  
2018 2017  
Company  
2018 2017

Transactions with related parties

**Ultimate parent**

Sale of goods	453	377	-	-
Receiving of services	(195,851)	(83,042)	(41,540)	(34,765)

**Subsidiaries**

Sale of goods	-	-	179,511	153,124
Purchase of goods	-	-	(10,794)	-
Rendering of services	-	-	29,518	-
Receiving of services	-	-	(13,332)	(9,776)
Investment in equity	-	-	(450,000)	-
Dividends received	-	-	278,088	291,023
Guarantee income	-	-	6,250	-

**Companies under common control**

Sale of goods	2,763	4,914	264	2,241
Purchase of goods	(421,603)	(344,427)	(1,035)	(3,166)
Rendering of services	8,266	14,779	6,149	10,854
Receiving Services	(556,687)	(304,783)	(37,639)	(20,047)

**Key Management personnel (KMP)**

Sale of goods	-	-	-	-
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**Close family members of KMP**

Sale of goods	-	-	-	-
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**Post employment benefit plan**

Contributions to the provident fund	(50,754)	(51,370)	(48,520)	(47,511)
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**Transactions with related parties - equity accounted investees of Ultimate Parent**

Interest received	224	1,070	93	387
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8 Share information

8.1 Stated capital

Stated capital is represented by number of shares in issue as given below:

As at	30-09-2018	30-06-2018
Ordinary shares	95,040,000	95,040,000
Preference shares	25,000	25,000

8.2 Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at 30 September 2018.

8.3 Market price per share

For the quarter ended 30th September	2018 Rs.	2017 Rs.
Highest	992.00	889.90
Lowest	795.00	740.00
Last traded	848.90	863.40

8.4 Public share holdings

Percentage of shares held by the public and the number of public shareholders is given below:

As at	30-09-2018	30-06-2018
Public share holding (%)	18.55%	18.55%
Public share holders	1754	1,762
Compliant under option 01 - Float adjusted market capitalization (LKR Mn)	14,966	17,489

The Company is compliant under option 01 of the minimum threshold requirements for the Main Board of CSE, as per section 7.6 of the listing rules of CSE.

INTERIM CONDENSED FINANCIAL STATEMENTS  
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

8.5 Directors' share holdings

The number of shares held by the Board of Directors (including their spouses) are as follows:

As at	30-09-2018	30-06-2018
Mr. S.C. Ratnayake (Chairman)	3,344	3,344
Mr. K.N.J. Balendra	81,904	81,904
Mr. J.G.A.Cooray	Nil	Nil
Mr. D. P. Gamlath	Nil	Nil
Mr. M. Hamza	1,000	1,000
Dr.R.S.W Wijeratnam	Nil	Nil
Ms.S.T. Ratwatte	Nil	Nil
Mr. J.R Gunaratne (CEO) - Resigned on 30th June 2018	-	5,080

8.6 Twenty largest shareholders of the company are as follows:

As at	30-09-2018		30-06-2018	
	Number of shares	%	Number of shares	%
1 John Keells Holdings PLC	67,155,812	70.66%	67,155,812	70.66%
2 Whittal Boustead (Pvt) Ltd	10,165,392	10.70%	10,165,392	10.70%
3 GF Capital Global Limited	1,994,241	2.10%	2,074,241	2.18%
4 Hsbc Intl Nominees Ltd-Bbh Luxfidelity Funds-Pacific	1,768,673	1.86%	1,736,967	1.83%
5 Hsbc Intl Nom Ltd-Bbh-Matthews Emerging Asia Fund	1,387,119	1.46%	1,387,119	1.46%
6 Hsbc Intl Nominees Ltd-Jpmlu-T Rowe Price Funds SICAV	1,040,178	1.09%	861,116	0.91%
7 Global Sea Foods (Pvt) Ltd	469,638	0.49%	439,161	0.46%
8 Standard Chartered Bank Mauritius S/A Chambers Street global fund	455,819	0.48%	464,676	0.49%
9 HSBC Intl Nom Ltd - BBH - Fidelity Funds	398,433	0.42%	398,433	0.42%
10 HSBC Intl Nom Ltd-Jpmcb Na-Fidelity Asian Values PLC	285,174	0.30%	285,174	0.30%
11 Life Insurance Corporation of India	272,912	0.29%	272,912	0.29%
12 Sisira Investors Limited	259,132	0.27%	259,132	0.27%
13 Hsbc International Nominees Ltd-Ssbt-Deutsche Bank Ag Singapore A/C 01	242,153	0.25%	262,153	0.28%
14 Ayenka Holdings Private Limited	201,849	0.21%	45,017	0.05%
15 Est Of Lat M. Radhakrishnan (Deceased)	169,256	0.18%	169,256	0.18%
16 J.R.Printer (Deceased)	167,936	0.18%	167,936	0.18%
17 Seylan Bank PLC/Channa Nalin Rajahmoney	163,754	0.17%	179,692	0.19%
18 Jpmcb-T.Rowe Price Institutional Frontier Markets Equity Fund	158,535	0.17%	108,703	0.11%
19 Merrill J.Fernando & Sons (Pvt) Ltd	150,848	0.16%	150,848	0.16%
20 Mr. M.V. Theagarajah	133,548	0.14%	133,548	0.14%

9 Dividends paid

Final dividend of Rs 8.00 per share for the financial year ended 31 March 2018 was paid on 18 June 2018.

10 Comparative Information

The presentation and classification of the financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year.

11 Contingencies, capital and other commitments

There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2018.

12 Resignation and appointment of Directors

Mr. J.R Gunaratne, Executive Non Independent Director resigned from the Board of Ceylon Cold Stores PLC with effect from 30th June 2018.

13 Events after the reporting period

There have been no other events subsequent to the reporting date, which require disclose in the interim condensed financial statement other than above.