HARISCHANDRA MILLS PLC.

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

CORPORATE INFORMATION

Legal form
A Public Company with Limited Liability incorporated in Sri Lanka, whose shares are Listed in the Colombo Stock Exchange.

Registration No.
PQ 225

Date of incorporation
9th January 1953

Registered office
No. 11, C.A.Harischandra Mawatha, Matara.

Secretaries
Corporate Services (Pvt) Limited.
216, De Saram Place,
Colombo 10

Auditors
KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

Internal auditors
T&D Associates
(Chartered Accountants)
No340 1/1, Galle Road, Colombo 03

Legal advisors

F J & G De Saram
Attorneys - at - Law
216, De Saram Place,
Colombo 10

Subsidiary company
Harischandra Mills (Distributors) Limited
(wholly owned) incorporated in Sri Lanka

Board of Directors
Mr. Mudalige D.T.S.H (Chairman)
Mr. Wickremasinghe L.L.S
Mr. Jayasundara S. A S.
Mr. De Silva P.A
Mr. Sebastian S.L.
Dr. Narangoda K.S
Mr.Devasurendra R.T (Appointed w.e.f 24.09.2026)
Mr. De Silva G.S.V.(Resigned w.e.f 31.07.2026)
Mr. Bandaranayake T.K. (Resigned w.e.f 23.09.2026)
Mr. Samarasinghe S.N. (Resigned w.e.f 23.09.2026)

Remuneration Committee
Mr. Mudalige D.T.S.H (Chairman)
Mr. Bandaranayake T.K. (Resigned w.e.f 23.09.2026)
Mr. Sebastian S.L.
Mr. Jayasundara S. A S.

Audit & Risk Management Committee
Mr. L.L.S.Wickremasinghe(Chairman)
Mr. Bandaranayake T.K.(Resigned w.e.f 23.09.2026)
Mr. Mudalige D.T.S.H
Mr. Sebastian S.L.

Related Party Transactions Review Committee
Mr. L.L.S.Wickremasinghe(Chairman)
Mr. Bandaranayake T.K.(Resigned w.e.f 23.09.2026)
Mr. Mudalige D.T.S.H
Mr. Sebastian S.L.

Nomination and Governance Committee
Mr. Mudalige D.T.S.H(Chairman)
Mr. Bandaranayake T.K.(Resigned w.e.f 23.09.2026)
Mr. Sebastian S.L.
Mr. Jayasundara S. A S.

For the six months ended 30 September 2026

INCOME STATEMENT

GROUP

	Quarter Ended 30 September			Six months ended 30 September			Year Ended 31 March (Audited)
	2026	2025	VARIANCE	2026	2025	VARIANCE	2026
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	Rs. '000
Revenue	2,076,870	1,667,307	25	4,004,954	3,133,942	28	6,731,091
Cost of sales	(1,734,714)	(1,365,991)	27	(3,315,259)	(2,576,019)	29	(5,479,085)
Gross profit	342,156	301,316	14	689,695	557,923	24	1,252,006
Other income	27,732	24,964	11	50,328	32,123	57	121,799
	369,888	326,280	13	740,023	590,046	25	1,373,805
Administrative expenses	(138,967)	(141,395)	(2)	(275,505)	(269,984)	2	(566,639)
Selling & distribution expenses	(144,281)	(113,153)	28	(272,456)	(205,152)	33	(432,119)
Result from operating activities	86,640	71,732	21	192,062	114,910	67	375,047
Finance income	7,239	12,082	(40)	19,621	23,632	(17)	49,136
Finance expenses	(516)	(2,521)	(80)	(7,945)	(4,010)	98	(12,457)
Net finance income/(expenses)	6,723	9,561	(30)	11,676	19,622	(40)	36,679
Profit from ordinary activities before tax	93,363	81,293	15	203,738	134,532	51	411,726
Income tax expenses	(33,589)	(32,850)	2	(52,100)	(48,822)	7	(116,450)
Profit after taxation attributable to shareholders of Harischandra Mills PLC	59,774	48,443		151,638	85,710		295,276
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic/Diluted Earnings per Share	31.14	25.24		78.99	44.65		153.82

Notes :

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

STATEMENT OF COMPREHENSIVE INCOME
GROUP

	Quarter Ended 30 September			Six months ended 30 September			Year Ended 31 March (Audited)
	2026	2025	VARIANCE	2026	2025	VARIANCE	2026
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	Rs. '000
Profit for the period	59,774	48,443	23	151,638	85,710	77	295,276
Other comprehensive income that will not be reclassified to income statement in subsequent periods							
Re- measurement of employee benefit obligation	-	-		-	-		-14,201
Related Tax							4,260
	-	-		-	-		
Other comprehensive income for the period	-	-		-	-		(9,941)
Total comprehensive income for the period	59,774	48,443	23	151,638	85,710	77	285,335

Notes :
The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.
All values are in Rs.'000, unless otherwise stated.

STATEMENT OF FINANCIAL POSITION
GROUP

	As at 30.09.2026	As at 30.09.2025	As at 31.03.2026 (Audited)
	Rs. '000	**Rs. '000**	**Rs. '000**
ASSETS			
Non-current assets			
Property, plant & equipment	1,267,368	1,013,421	1,127,361
Intangible assets	778	1,218	989
Right of use asset	-	16	-
Deferred tax asset	13,912	-	17,426
Total non-current assets	1,282,058	1,014,655	1,145,776
Current assets			
Inventories	547,951	501,303	650,687
Trade and other receivables	695,088	612,284	726,887
Investment in unit trusts	67,442	33,422	4,633
Investment in fixed deposits	315,728	623,229	633,980
Cash & cash equivalents	76,251	25,188	18,515
Total current assets	1,702,460	1,795,426	2,034,702
Total assets	2,984,518	2,810,081	3,180,478
EQUITY & LIABILITIES			
Equity			
Stated capital	105,578	105,578	105,578
Other capital reserves	7,011	7,011	7,011
General Reserve	12,841	12,841	12,841
Retained earnings	1,845,942	1,634,152	1,834,435
Total equity attributable to equity holders of the company	1,971,372	1,759,582	1,959,865
Non Current Liabilities			
Deferred tax liabilities	-	1,465	
Employee benefit obligation	222,216	224,984	246,009
Total non current liabilities	222,216	226,449	246,009
Current Liabilities			
Trade and other payables	681,391	556,424	666,831
Provision for taxation	8,835	28,164	44,884
Bank overdraft	100,704	239,462	262,889
Total current liabilities	790,930	824,050	974,604
Total liabilities	1,013,146	1,050,499	1,220,613
Total equity & liabilities	2,984,518	2,810,081	3,180,478
	Rs.	**Rs.**	**Rs.**
Net Assets Value Per Share	1,026.97	916.64	1,020.98

Notes:
The above figures are provisional and subject to audit.
All values are in Rs.'000, unless otherwise stated.

I certify that these financial statements comply with the requirements of Companies Act No.07 of 2007.

Sgd.
.....
Mr.C.T.Gajanayake - Chief Financial Officer

Signed for and on behalf of the Board,

Sgd.
.....
Mr.D.T.S.H Mudalige
Chairman
30 October 2026

Sgd.
.....
Dr.K.S.Narangoda
Executive Director

INCOME STATEMENT

COMPANY

	Quarter Ended 30 September			Six months ended 30 September			Year Ended 31 March (Audited)
	2026 Rs. '000	2025 Rs. '000	VARIANCE %	2026 Rs. '000	2025 Rs. '000	VARIANCE %	2026 Rs. '000
Revenue	2,076,870	1,667,307	25	4,004,954	3,133,942	28	6,731,091
Cost of sales	(1,734,714)	(1,365,991)	27	(3,315,259)	(2,576,019)	29	(5,479,085)
Gross profit	342,156	301,316	14	689,695	557,923	24	1,252,006
Other operating income	27,732	24,964	11	50,328	32,123	57	121,799
	369,888	326,280	13	740,023	590,046	25	1,373,805
Administrative expenses	(138,967)	(141,395)	(2)	(275,505)	(269,984)	2	(566,609)
Selling & distribution expenses	(144,281)	(113,153)	28	(272,456)	(205,152)	33	(432,119)
Profit from operating activities	86,640	71,732	21	192,062	114,910	67	375,077
Finance income	7,239	12,082	(40)	19,621	23,632	(17)	49,136
Finance expenses	(516)	(2,521)	(80)	(7,945)	(4,010)	98	(12,457)
Net finance income	6,723	9,561	(30)	11,676	19,622	(40)	36,679
Profit from ordinary activities before tax	93,363	81,293	15	203,738	134,532	51	411,756
Income tax expenses	(33,589)	(32,850)	2	(52,100)	(48,822)	7	(116,450)
Profit after taxation attributable to shareholders of Harischandra Mills PLC	59,774	48,443		151,638	85,710		295,306
	Rs.	Rs.		Rs.	Rs.		Rs.
Basic/ Diluted earnings per share for the period	31.14	25.24		78.99	44.65		153.84

Notes :

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

STATEMENT OF COMPREHENSIVE INCOME
COMPANY

	Quarter Ended 30 September			Six months ended 30 September			Year Ended 31 March (Audited)
	2026	2025	VARIANCE	2026	2025	VARIANCE	2026
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%	Rs. '000
Profit for the period	59,774	48,443	23	151,638	85,710	77	295,306
Other comprehensive income that will not be reclassified to income statement in subsequent periods							
Re- measurement of employee benefit obligation	-	-	-	-	-	-	(14,201)
Related Tax	-	-	-	-	-	-	4,260
Other comprehensive income for the period	-	-	-	-	-	-	(9,941)
Total comprehensive income for the period	59,774	48,443	23	151,638	85,710	77	285,365

Notes :
The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.
All values are in Rs.'000, unless otherwise stated.

As at 30 September 2026

STATEMENT OF FINANCIAL POSITION
COMPANY

	As at 30.09.2026	As at 30.09.2025	As at 31.03.2026 (Audited)
	Rs. '000	**Rs. '000**	**Rs. '000**
ASSETS			
Non-current assets			
Property, plant & equipment	1,267,368	1,013,421	1,127,361
Intangible assets	778	1,218	989
Right of use asset	-	16	-
Deferred tax asset	13,912	-	17,426
Total non-current assets	1,282,058	1,014,655	1,145,776
Current assets			
Inventories	547,951	501,303	650,687
Trade and other receivables	695,088	612,284	726,887
Investment in unit trusts	67,442	33,422	4,633
Investment in fixed deposits	315,728	623,229	633,980
Cash & cash equivalents	76,206	25,143	18,470
Total current assets	1,702,415	1,795,381	2,034,657
Total assets	2,984,473	2,810,036	3,180,433
EQUITY & LIABILITIES			
Equity			
Stated Capital	105,578	105,578	105,578
Other capital reserves	11	11	11
General Reserve	12,841	12,841	12,841
Retained Earnings	1,853,227	1,641,407	1,841,720
Total equity attributable to equity holders of the company	1,971,657	1,759,837	1,960,150
Non current liabilities			
Deferred tax liabilities	-	1,465	
Employee benefit obligation	222,216	224,984	246,009
Total non current liabilities	222,216	226,449	246,009
Current liabilities			
Trade and other payables	681,061	556,124	666,501
Provision for taxation	8,835	28,164	44,884
Bank overdraft	100,704	239,462	262,889
Total current liabilities	790,600	823,750	974,274
Total liabilities	1,012,816	1,050,199	1,220,283
Total equity & liabilities	2,984,473	2,810,036	3,180,433
	Rs.	**Rs.**	**Rs.**
Net assets value per share	1,027.12	916.77	1,021.12

Notes:
The above figures are provisional and subject to audit.
All values are in Rs.'000, unless otherwise stated.

I certify that these financial statements comply with the requirements of Companies Act No.07 of 2007.

Sgd.
.....
Mr.C.T.Gajanayake - Chief Financial Officer

Signed for and on behalf of the Board,

Sgd.
.....
Mr.D.T.S.H Mudalige
Chairman

Sgd.
.....
Dr.K.S.Narangoda
Executive Director

30 October 2026

STATEMENTS OF CHANGES IN EQUITY

	2026					2025				
	Stated Capital	Other Capital Reserves	General Reserves	Retained Earnings	Total Equity	Stated Capital	Other Capital Reserves	General Reserves	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Group										
Balance as at 01 April	105,578	7,011	12,841	1,834,435	1,959,865	105,578	7,011	12,841	1,702,010	1,827,440
Retained profit for the Six months	-	-	-	151,638	151,638	-	-	-	85,710	85,710
Interim Dividend	-	-	-	-	-	-	-	-	(76,784)	(76,784)
Final Dividend	-	-	-	(140,131)	(140,131)	-	-	-	(76,784)	(76,784)
Balance as at 30 September	105,578	7,011	12,841	1,845,942	1,971,372	105,578	7,011	12,841	1,634,152	1,759,582
Company										
Balance as at 01 April	105,578	11	12,841	1,841,720	1,960,150	105,578	11	12,841	1,709,265	1,827,695
Retained profit for the Six months	-	-	-	151,638	151,638	-	-	-	85,710	85,710
Interim Dividend	-	-	-	-	-	-	-	-	(76,784)	(76,784)
Final Dividend	-	-	-	(140,131)	(140,131)	-	-	-	(76,784)	(76,784)
Balance as at 30 September	105,578	11	12,841	1,853,227	1,971,657	105,578	11	12,841	1,641,407	1,759,837

Notes :

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

CASH FLOW STATEMENTS

	Group		Company	
For the Six months ended 30 September	***2026***	***2025***	***2026***	***2025***
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**
Cash flows from operating activities				
Net profit before taxation	203,738	134,532	203,738	134,532
Adjustment for				
Provision for gratuity (Net of Payment)	-23,793	18,603	-23,793	18,603
Depreciation & amortization	77,258	47,842	77,258	47,842
Net interest income	-11,676	-19,622	-11,676	-19,622
Change in fair value of unit trusts	-2,809	-2,992	-2,809	-2,992
(Profit)/Loss on sale of property, plant & equipment	-37,235	-19,386	-37,235	-19,386
Operating profit before working capital changes	205,483	158,977	205,483	158,977
Change in working capital				
Change in inventories	102,736	-26,345	102,736	-26,345
Change in receivables	31,799	6,111	31,799	6,111
Change in payables	-48,436	-13,194	-48,436	-13,194
Cash generated from operations	291,582	125,549	291,582	125,549
Income tax paid	-84,635	-76,581	-84,635	-76,581
Net cash flows from operating activities	206,947	48,968	206,947	48,968
Cash flows used in investing activities				
Interest received (net)	11,676	19,622	11,676	19,622
Proceeds from sale of property, plant & equipment	42,790	19,388	42,790	19,388
Acquisition of property, plant & equipment	-222,609	-160,299	-222,609	-160,299
Withdrawal/(investment)proceeds from unit trusts	-60,000	112,000	-60,000	112,000
Net cash used in investing activities	-228,143	-9,289	-228,143	-9,289
Cash flows used in financing activities				
Dividends paid	-77,135	-153,568	-77,135	-153,568
Net cash used in financing activities	-77,135	-153,568	-77,135	-153,568
Net increase/(decrease) in cash & cash equivalents	-98,331	-113,889	-98,331	-113,889
Cash & Cash equivalents at the beginning	389,606	522,844	389,561	522,800
Cash & Cash equivalent at the end	291,275	408,955	291,230	408,910
Analysis of Cash & Cash Equivalents				
Cash in Hand	76,251	25,188	76,206	25,143
Short Term Deposits	315,728	623,229	315,728	623,229
Bank Overdrafts	-100,704	-239,462	-100,704	-239,462
	291,275	408,955	291,230	408,910

Notes :

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

1. **Basis of preparation**
   The Interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard - LKAS 34- Interim Financial Reporting. These Interim condensed Financial Statements do not include all the information and disclosures required in the Financial Statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2026.
2. The presentation and classification of figures for the corresponding period of the previous year have been rearranged, where relevant, to be comparable with those for the current period.
3. There have been no events subsequent to the Balance Sheet date, which require disclosures in the Interim Financial Statements.
4. The Company did not have any Contingent Liabilities outstanding or contingent assets as at the Balance Sheet date.
5. On 23 September 2026, the Company declared a final dividend of Rs. 73.00 per share in respect of the financial year ended 31 March 2026. A sum of Rs. 77,134,544 was settled through online payment, and the remaining Rs. 62,996,256 was paid on 13 October 2026

6. **Gross turnover**

	GROUP/COMPANY			
	Quarter ended		Six months ended	
	30.09.2026	30.09.2025	30.09.2026	30.09.2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Food products	1,388,310	1,214,799	2,662,363	2,241,944
Soap products	188,372	204,778	379,448	370,458
Fuel and Lubricant	500,188	247,730	963,143	521,540
	2,076,870	1,667,307	4,004,954	3,133,942

7. **Segment information**

For the six months ended 30 September	Food products		Soap		Fuel & Lubricants		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Consolidated turnover	2,662,363	2,241,944	379,448	370,458	963,143	521,540	4,004,954	3,133,942
Segmental operating profit/(loss)	149,761	86,849	(12,363)	(3,682)	4,336	(380)	141,734	82,787
Other operating income							50,328	32,123
Net finance income							11,676	19,622
Profit before taxation							203,738	134,532
Income tax expenses							(52,100)	(48,822)
Profit after taxation							151,638	85,710

Segments information	Food products		Soap		Fuel & Lubricants		Total	
For the quarter ended 30 September	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Consolidated turnover	1,388,310	1,214,799	188,372	204,778	500,188	247,730	2,076,870	1,667,307
Segmental operating profit/(loss)	66,531	50,937	(9,690)	(4,074)	2,067	(95)	58,908	46,768
Other operating income							27,732	24,964
Net finance income							6,723	9,561
Profit before taxation							93,363	81,293
Income tax expenses							(33,589)	(32,850)
Profit after taxation							59,774	48,443

EXPLANATORY NOTES Contd……

8. Stated capital and number of shares

	COMPANY		
	as at 30.09.2026	**as at 30.09.2025**	**as at 31.03.2026**
Stated capital (Rs.)	105,578,000	105,578,000	105,578,000
No of shares (Nos.)	1,919,600	1,919,600	1,919,600

9. Market price recorded during the period

	as at 30.09.2026	**as at 30.09.2025**	**as at 31.03.2026**
	Rs.	**Rs.**	**Rs.**
Highest price (Rs.)	5,500.00	4,990.00	8,500.00
Lowest price (Rs.)	4,700.00	3,700.00	4,600.00
Closing price (Rs.)	5,010.00	4,796.00	5,068.75

Notes :
The above figures are provisional and subject to audit
Figures in brackets indicate deductions
All values are in Rs.'000, unless otherwise stated.

10 Twenty largest shareholders of the company

	As at	30.09.2026		30.06.2026	
	Shareholder's name	No. of Shares	%	No. of Shares	**%**
1	Ambeon Essentials(Private)Limited	981,118	51.11%	981,118	51.11%
2	Hayleys PLC	780,026	40.63%	780,026	40.63%
3	D.H.C.Ekanayake	28,292	1.47%	28,292	1.47%
4	A G I Selvaraj	27,014	1.41%	27,014	1.41%
5	H.D. Wijayanandana	21,601	1.13%	21,601	1.13%
6	Chandra Sigamoney	4,494	0.23%	4,494	0.23%
7	C.J.Wijayawardana	3,855	0.20%	3,825	0.20%
8	Jayantha D	3,800	0.20%	3,800	0.20%
9	D.P.Navaratnam	3,531	0.18%	3,531	0.18%
10	H.A.Abeysekera	2,800	0.15%	2,800	0.15%
11	D.A.Jayasinghe	2,720	0.14%	2,720	0.14%
12	Estate of Mohommed Rafeek	2,668	0.14%	2,668	0.14%
13	Seyed Hamid Mohamed Kaleel	2,544	0.13%	2,358	0.12%
14	K.W.Samarawathie	1,760	0.09%	1,760	0.09%
15	H.G.S.Ansell	1,593	0.08%	1,593	0.08%
16	S.N.Wijayanandana	1,156	0.06%	1,156	0.06%
17	G.C.Goonathilake	1,080	0.06%	1,080	0.06%
18	C.Dahanayake	1,040	0.05%	1,040	0.05%
19	H.W.E.Tissera	1,012	0.05%	1,012	0.05%
20	N.G.Jayawardhana	1,000	0.05%	-	-

11 Public Holding

As at	**30.09.2026**	**30.06.2026**
No. of Shares	938,482	938,482
Percentage	48.89%	48.89%
Total No. of share holders who hold public holding	1,007	979

The company had float adjusted market capitalization of Rs:4,701,847,124.40 and company qualifies under option one of the minimum public holding requirement for the Diri Savi Board of the CSE.

12 Directors Share Holding

As at	**30.09.2026**		**30.06.2026**	
Name of Director				
Mr. D.T.S.H. Mudalige	-	-	-	-
Mr.S.A.S.Jayasundara	-	-	-	-
Mr. L. L. S. Wickremasinghe	-	-	-	-
Mr. P.A. De Silva	-	-	-	-
Mr. S.L. Sebastian	-	-	-	-
Dr. K.S. Narangoda	-	-	-	-
Mr. R. T. Devasurendra	-	-	-	-
Total	-	-	-	-