



KOTMALE HOLDINGS PLC

Provisional Financial Statements
Twelve months ended 31 March 2019



A MEMBER OF
C T HOLDINGS PLC



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group					
	For the Three Months ended 31 March			For the Twelve Months ended 31 March		
	2019 Rs.'000	2018 Rs.'000	Variance (%)	2019 Rs.'000	2018 Rs.'000	Variance (%)
Revenue	699,787	582,396	20	2,545,600	2,317,243	10
Cost of sales	(525,204)	(433,800)	(21)	(1,892,134)	(1,731,565)	(9)
Gross profit	174,583	148,596	17	653,466	585,678	12
Other income	224	34,384	(99)	2,854	115,078	(98)
Distribution expenses	(82,600)	(72,521)	(14)	(303,694)	(277,559)	(9)
Administrative expenses	(39,257)	(31,796)	(23)	(147,525)	(122,627)	(20)
Result from operating activities	52,950	78,662	(33)	205,101	300,569	(32)
Finance income	3,329	15,697	(79)	18,565	66,528	(72)
Finance cost	(366)	(799)	54	(1,350)	(1,262)	(7)
Net finance income /(cost)	2,963	14,898	(80)	17,215	65,266	(74)
Profit before taxation	55,913	93,560	(40)	222,316	365,835	(39)
Tax on profit for the period	(18,980)	(29,011)	35	(66,354)	(104,998)	37
Profit after tax on profit	36,933	64,549	(43)	155,962	260,837	(40)
Dividend tax expense	-	(50,256)	100	-	(50,256)	100
Profit for the period	36,933	14,293	158	155,962	210,581	(26)
Other comprehensive income						
Revaluation of land and building	-	86,093	(100)	-	86,093	(100)
Actuarial gain/(losses) on employee benefits	141	(334)	142	141	(334)	142
Tax on other comprehensive income	(39)	(9,416)	100	(39)	(9,416)	100
Other comprehensive income, net of tax	102	76,343	(100)	102	76,343	(100)
Total comprehensive income for the period	37,035	90,636	(59)	156,064	286,924	(46)
	Rs.Cts	Rs.Cts		Rs.Cts	Rs.Cts	
Earnings per share	1.18	0.46		4.97	6.71	

Note : The above figures are subject to audit.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Company					
	For the Three Months ended 31 March			For the Twelve Months ended 31 March		
	2019 Rs.'000	2018 Rs.'000	Variance (%)	2019 Rs.'000	2018 Rs.'000	Variance (%)
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other income	-	478,945	(100)	-	559,359	(100)
Distribution expenses	-	-	-	-	-	-
Administrative expenses	(1,135)	(6,448)	82	(3,966)	(27,865)	86
Result from operating activities	(1,135)	472,497	(100)	(3,966)	531,494	(101)
Finance income	1,574	3,167	(50)	7,232	14,970	(52)
Finance cost	-	(26)	100	(4)	(32)	88
Net finance income / (cost)	1,574	3,141	(50)	7,228	14,938	(52)
Profit before taxation	439	475,638	(100)	3,262	546,432	(99)
Tax expenses	(377)	(6,554)	94	(2,025)	(26,373)	92
Profit for the period	62	469,084	(100)	1,237	520,059	(100)
Other comprehensive income						
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	62	469,084	(100)	1,237	520,059	(100)
	Rs.Cts	Rs.Cts		Rs.Cts	Rs.Cts	
Earnings per share	0.00	14.94		0.04	16.56	

Note : The above figures are subject to audit.

STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	31-Mar-19 Rs.000	31-Mar-18 (Audited) Rs.000	31-Mar-19 Rs.000	31-Mar-18 (Audited) Rs.000
ASSETS				
Non current assets				
Property, plant and equipment	731,859	546,114	-	-
Intangible assets	55,863	55,863	-	-
Investments in subsidiaries	-	-	185,400	185,400
	787,722	601,977	185,400	185,400
Current assets				
Inventories	165,242	153,988	-	-
Trade and other receivables	358,965	239,421	1,840	1,794
Amounts due from related companies	42,299	20,905	131,317	133,377
Short term investments	123,230	207,754	54,712	51,223
Cash at banks and in hand	10,841	26,230	2,410	7,234
	700,577	648,298	190,279	193,628
Total assets	1,488,299	1,250,275	375,679	379,028
EQUITY				
Stated capital	314,000	314,000	314,000	314,000
Reserves	198,791	197,831	3,054	3,054
Retained earnings	432,891	276,826	39,969	38,732
Total equity	945,682	788,657	357,023	355,786
Non current liabilities				
Deferred tax liabilities	47,569	45,136	-	-
Employee benefits	32,513	28,049	-	-
	80,082	73,185	-	-
Current liabilities				
Trade and other payables	199,346	194,938	4,155	9,580
Amounts due to related companies	33,322	2,305	13,820	6,839
Current tax liabilities	180,769	162,426	681	6,823
Bank overdrafts	49,098	28,764	-	-
	462,535	388,433	18,656	23,242
Total liabilities	542,617	461,618	18,656	23,242
Total equity and liabilities	1,488,299	1,250,275	375,679	379,028

Note : The above figures are subject to audit.

I certify that these provisional financial statements have been prepared in accordance with the requirements of the companies Act No. 7 of 2007.

Signed. Dilantha Jayawardhana (Group Chief Financial Officer)

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

These financial statements have been approved by the board on 31 May 2019

Signed on behalf of the Board;

Signed: M I Abdul Wahid (Managing Director)

Signed: Priya Edirisinghe (Director)

STATEMENT OF CHANGES IN EQUITY

Group	Stated capital	Capital reserve	Revaluation reserve	General reserve	ESOS reserve	Retained earnings	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2017	314,000	1,785	116,699	1,269	-	568,885	1,002,638
Charge relating to Super Gain Tax	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	210,581	210,581
Share Base Expenses	-	-	-	-	1,495	-	1,495
Other comprehensive income	-	-	76,583	-	-	(240)	76,343
Total comprehensive income for the period	-	-	76,583	-	1,495	210,341	288,419
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-
Interim dividend Paid - 2017/18	-	-	-	-	-	(502,400)	(502,400)
Balance as at 31 March 2018	314,000	1,785	193,282	1,269	1,495	276,826	788,657
Balance as at 1 April 2018	314,000	1,785	193,282	1,269	1,495	276,827	788,658
Profit for the period	-	-	-	-	-	155,962	155,962
Share Base Expenses	-	-	-	-	960	-	960
Other comprehensive income	-	-	-	-	-	102	102
Total comprehensive income for the period	-	-	-	-	960	156,064	157,024
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-
Balance as at 31 March 2019	314,000	1,785	193,282	1,269	2,455	432,891	945,682

Company	Stated capital	Capital reserve	Revaluation reserve	General reserve	ESOS reserve	Retained earnings	Total equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1 April 2017	314,000	1,785	-	1,269	-	21,073	338,127
Profit for the period	-	-	-	-	-	520,059	520,059
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	520,059	520,059
Transactions with owners of the Company, recognised directly in equity	-	-	-	-	-	-	-
Interim dividend Paid - 2017/18	-	-	-	-	-	(502,400)	(502,400)
Balance as at 31 March 2018	314,000	1,785	-	1,269	-	38,732	355,786
Balance as at 1 April 2018	314,000	1,785	-	1,269	-	38,732	355,786
Profit for the period	-	-	-	-	-	1,237	1,237
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	1,237	1,237
Transactions with owners of the Company, recognised directly in equity	-	-	-	-	-	-	-
Balance as at 31 March 2019	314,000	1,785	-	1,269	-	39,969	357,023

Note : The above figures are subject to audit.

STATEMENT OF CASH FLOW

	Group		Company	
	31-Mar-19 Rs.000	31-Mar-18 Rs.000	31-Mar-19 Rs.000	31-Mar-18 Rs.000
For the twelve months ended				
Cash flows from operating activities				
Profit before taxation	222,316	365,835	3,262	546,432
Adjustments for;				
Net finance income	(17,215)	(65,266)	(7,228)	(14,938)
Depreciation	49,778	44,400	-	-
Employee benefits	5,734	5,657	-	-
Share base payment expense	960	1,495	-	-
Write back of trade payables	-	(6,286)	-	-
Provisions/(reversals) for trade & other receivables	-	(1,359)	-	-
Cash generated from operations before changes in working capital	261,573	344,476	(3,966)	531,494
(Increase) / decrease in inventories	(11,254)	(3,345)	-	-
(Increase) / decrease in trade and other receivables	(138,911)	(80,377)	(5,429)	2,425
(Increase) / decrease in amounts due from related companies	(21,394)	65,859	2,060	(88,801)
Increase / (decrease) in trade and other payables	4,408	(12,115)	(5,425)	2,077
Increase / (decrease) in amounts due to related companies	31,017	(2,009)	6,981	3,415
Cash generated from operations	125,439	312,489	(5,779)	450,610
Interest paid	(1,350)	(1,261)	(4)	(32)
Gratuity paid	(1,129)	(4,253)	-	-
Tax paid	(26,249)	(98,519)	(2,784)	(29,730)
Net cash generated from operating activities	96,711	208,456	(8,567)	420,848
Cash flow from investing activities				
Acquisition of property, plant and equipment	(235,523)	(90,950)	-	-
Interest income	18,565	66,528	7,232	14,970
Net cash used in investing activities	(216,958)	(24,422)	7,232	14,970
Cash flow from financing activities				
Dividend paid to shareholders	-	(494,236)	-	(502,400)
Net cash used in financing activities	-	(494,236)	-	(502,400)
Net increase in cash and cash equivalents	(120,247)	(310,202)	(1,335)	(66,582)
Cash and cash equivalents at the beginning of the period	205,220	515,422	58,457	125,039
Cash and cash equivalents at the end of the period (Note-01)	84,973	205,220	57,122	58,457
Note - 01				
Analysis of cash and cash equivalents at the end of the period				
Short term investment	123,230	207,754	54,712	51,223
Cash in hand and at bank	10,841	26,230	2,410	7,234
Bank overdrafts	(49,098)	(28,764)	-	-
	84,973	205,220	57,122	58,457

Note : The above figures are subject to audit.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March	Group		Company	
	2019	2018	2019	2018
1 Net assets per share	30.12	25.12	11.37	11.33

2 Share Price (Rs.)	31-Mar-19	31-Mar-18
For the quarter ended		
Highest	250.00	225.00
Lowest	156.00	170.00
Last traded	230.00	200.70

- 3 The results for the quarter ended 31 March 2019 and the Statement of Financial Position as at 31 March 2019 are provisional and subject to audit.
- 4 The provisional financial statements of the Group and the Company have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These provisional financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2018.
- 5 Where appropriate, the previous year's presentation has been amended to conform to the current classification.
- 6 The Royalty arrangement between Kotmale Holdings PLC and its parent Cargills Quality Dairies (Pvt) Ltd. has been discontinued with effect from 01st April 2018.
- 7 The number of shares represented by stated capital as at 31 March 2019 is 31,400,000.

8 Related party transactions	Group		Company	
	2019	2018	2019	2018
For the twelve months ended 31 March	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Transaction with parent company				
Sales of goods	34	295	-	-
Purchases	346	186	-	-
Royalty income	-	107	-	107
Transaction with other related companies				
Sales of goods	555	513	-	-
Purchases	103	9	-	-

- 9 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.
- 10 All known expenditure items have been provided for.
- 11 The Company continues to evaluate options to complete the actions taken to date as per the disclosed intention to de-list and merge the operations of the Company with Cargills Quality Dairies (Pvt) Ltd, a wholly owned subsidiary in the Cargills Group of Companies to create a unified entity focusing on carrying out the dairy operations of the Group. However, consequent to the Company being non-compliant with Rule 7.13.1 (a) as of 01 July 2018, the Securities of the Company has been transferred to Watch List on 01 July 2018.
- 12 No events other than disclosed above, have accrued since the reporting date which would require any adjustment or disclosure in the provisional financial statements.

INVESTORS' INFORMATION
01 Top Twenty Shareholders

No.	Names of Shareholders	No. of Shares as at 31 March 2019	Holding %	No. of Shares as at 31 March 2018	Holding %
1	Cargills Quality Dairies (Pvt) Ltd.	31,192,462	99.34	31,192,462	99.34
2	Cargills (Ceylon) PLC	54,315	0.17	54,315	0.17
3	Mrs.I.S.Jayasinghe	37,500	0.12	37,500	0.12
4	Mr.K.C.Vignarajah	22,356	0.07	22,355	0.07
5	Dr.G.R.Handy	2,950	0.01	2,950	0.01
6	Uniwalkers Limited	2,550	0.01	2,550	0.01
7	Mrs.R.T. Purasinghe	2,100	0.01	2,100	0.01
8	Mr.S. Muhunthan	2,096	0.01	2,096	0.01
9	Mr.Z.G. Carimjee	2,000	0.01	2,000	0.01
9	Mrs.S.Z. Nizam	2,000	0.01	2,000	0.01
9	Mrs.P.T.D. Harasgama	2,000	0.01	2,000	0.01
12	Mr.P.R.A.Jansz	1,986	0.01	1,986	0.01
13	Mrs.B.P.Narhari	1,875	0.01	1,875	0.01
14	Mr.P.R.Gunasekara	1,600	0.01	1,600	0.01
15	Mr.D.R.Wickramasekara	1,500	0.00	1,500	0.00
15	Mr.B.Nadarajah	1,500	0.00	1,500	0.00
17	Dr.G.W.Karunaratne	1,400	0.00	1,400	0.00
18	Mr.M.R.Fernando	1,331	0.00	1,331	0.00
19	People's Leasing & Finance PLC/Mr.A.L.Ranaweera	1,308	0.00	1,308	0.00
20	Mr.A.Rajaratnam	1,300	0.00	1,300	0.00

02 Directors' Shareholding

Mr.Ranjit Page	-	-
Mr.Imtiaz Abdul Wahid	-	-
Mr. Prabhu Mathawan (Resigned w.e.f. 31 January 2019)	NA	-
Mr.Priya Edirisinghe	-	-
Mr.Sunil Mendis	-	-
Mr.Joseph Page	-	-

03 Public Holdings

Number of shares held by the public	153,222	153,222
Percentage held by the public	0.49%	0.49%
No of public share holders	536	506
Existing Float adjusted Market Capitalization (Rs.)	35,241,060	30,751,655

CORPORATE INFORMATION

Name of the Company

Kotmale Holdings PLC

Legal form

Incorporated as a Public Company in 1967 under the provisions of the Companies Ordinance No.51 of 1938 and subsequently re-registered under the Companies Act No.7 of 2007 on 6 May 2008.

In 1969 the Company was listed on the Colombo Stock Exchange.

Company Registration No - PQ 213

Board of Directors

Ranjit Page (Chairman)

Imtiaz Abdul Wahid (Managing Director)

Prabhu Mathawan (Resigned w.e.f. 31 January 2019)

Priya Edirisinghe

Sunil Mendis

Joseph Page

Registered Office

40, York Street

Colombo 01.

Company Secretary

S L W Dissanayake

Auditors

KPMG

Chartered Accountants,

32A, Sri Mohamed Macan Markar Mawatha,

Colombo 03, Sri Lanka.

Bankers

Cargills Bank Ltd.

Bank of Ceylon

Commercial Bank of Ceylon PLC

NDB Bank

Pan Asia Banking Corporation PLC

Seylan Bank PLC

The Hongkong & Shanghai Banking Corporation Ltd.

Subsidiaries

Kotmale Dairy Products (Pvt) Ltd.

Kotmale Milk Foods Ltd.

Kotmale Milk Products Ltd.

Kotmale Products Ltd.



KOTMALE HOLDINGS PLC

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