

**Tea Smallholder Factories PLC**

**Interim Condensed  
Financial Statements  
Nine months ended  
31<sup>st</sup> December 2018**



**TEA SMALLHOLDER FACTORIES PLC**  
No. 04, Leyden Bastian Road, Colombo 01.

17-Jan-2019

**STATEMENT OF PROFIT OR LOSS**

Note	For the quarter ended 31st December			For the nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
Revenue from contracts with Customers	481,227	660,727	(27)	1,575,018	1,984,097	(21)
Cost of Sales	(468,233)	(640,376)	(27)	(1,582,315)	(1,881,169)	(16)
Gross Profit	<b>12,994</b>	<b>20,351</b>	(36)	<b>(7,297)</b>	<b>102,928</b>	(107)
Other Operating Income	11,992	13,617	(12)	39,002	41,305	(6)
Administrative Expenses	(15,726)	(15,353)	2	(52,821)	(46,736)	13
Management Fees	(4,200)	(6,937)	(39)	(13,788)	(24,894)	(45)
Results From Operating Activities	<b>5,060</b>	<b>11,678</b>	(57)	<b>(34,904)</b>	<b>72,603</b>	(148)
Finance Cost	(1,297)	(531)	144	(3,484)	(1,736)	101
Finance Income	984	1,864	(47)	3,377	4,982	(32)
Net Finance (Cost) / Income	(313)	1,333	(123)	(107)	3,246	(103)
<b>Profit/(Loss) Before Tax</b>	<b>4,747</b>	<b>13,011</b>	(64)	<b>(35,011)</b>	<b>75,849</b>	(146)
Tax (Expense) / Reversal	8,967	(3,663)	345	19,901	(21,300)	193
<b>Profit/(Loss) for the Period</b>	<b>13,714</b>	<b>9,348</b>	47	<b>(15,110)</b>	<b>54,549</b>	(128)
Earnings Per Share - Basic	<b>Rs.</b> 0.46	<b>Rs.</b> 0.31		<b>Rs.</b> (0.50)	<b>Rs.</b> 1.82	
Dividend Per Share	-	-		-	1.70	

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

**TEA SMALLHOLDER FACTORIES PLC**  
**No. 04, Leyden Bastian Road, Colombo 01.**

*17-Jan-2019*

**STATEMENT OF COMPREHENSIVE INCOME**

	For the quarter ended 31st December			For the nine months ended 31st December		
	2018	2017	Change %	2018	2017	Change %
<b>Profit/(Loss) for the Period</b>	<b>13,714</b>	<b>9,348</b>	<i>47</i>	<b>(15,110)</b>	<b>54,549</b>	<i>(128)</i>
<b>Other Comprehensive Income</b>						
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-	-
Tax on Other Comprehensive Income	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the year, net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Period, net of Tax</b>	<b>13,714</b>	<b>9,348</b>	<i>47</i>	<b>(15,110)</b>	<b>54,549</b>	<i>(128)</i>

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

**STATEMENT OF FINANCIAL POSITION**

**As at 31st December**

**ASSETS**

**Non-Current Assets**

Property, Plant and Equipment  
Lease Rentals Paid in Advance  
Investment Property  
Intangible Assets  
Non-Current Financial Assets  
Other Non-Current Assets

**2018**

**2017**

**As at  
31st March  
2018**

766,269  
2,505  
407,911  
7,303  
2,406  
630

766,361  
2,591  
176,263  
7,303  
2,242  
596

769,494  
2,569  
407,911  
7,303  
2,126  
564

1,187,024

955,356

1,189,967

**Current Assets**

Inventories  
Trade and Other Receivables  
Other Current Assets  
Short Term Investments  
Cash in Hand and at Bank

334,946  
35,276  
26,086  
7,956  
1,587

360,200  
47,324  
10,646  
8,275  
33,247

309,974  
84,535  
14,286  
116,810  
495

405,851

459,692

526,100

**Total Assets**

1,592,875

1,415,048

1,716,067

**EQUITY AND LIABILITIES**

**Capital and Reserves**

Stated Capital  
Revaluation Reserve  
Revenue Reserves  
Total Equity

150,000  
466,895  
587,308  
1,204,203

150,000  
403,443  
472,515  
1,025,958

150,000  
466,895  
662,418  
1,279,313

**Non-Current Liabilities**

Deferred Tax Liabilities  
Retirement Benefit Obligations  
Deferred Grants and Subsidies

174,176  
40,751  
512  
215,439

175,511  
42,857  
643  
219,011

183,765  
44,561  
527  
228,853

**Current Liabilities**

Trade and Other Payables  
Amounts due to Related Parties  
Income Tax Payable  
Other Current Liabilities  
Bank Overdraft

135,355  
4,273  
4,895  
2,252  
26,458  
173,233

148,940  
2,487  
456  
15,650  
2,546  
170,079

174,658  
3,478  
19,384  
4,281  
6,100  
207,901

**Total Equity and Liabilities**

1,592,875

1,415,048

1,716,067

**Rs.**

**Rs.**

**Rs.**

Net Assets Per Share


40.14

34.20


42.64

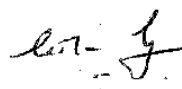
Note : All values are in Rupees '000s, unless otherwise stated.  
The above figures are not audited.

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

  
K. D. Weerasinghe  
Chief Financial Officer

The Board of Directors is responsible for these financial statements.

  
J. R. Gunaratne  
Director

  
J. G. A. Cooray  
Director

**TEA SMALLHOLDER FACTORIES PLC**  
**CASH FLOW STATEMENT**

**For the nine months ended 31st December**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit / (Loss) Before Tax

**ADJUSTMENTS FOR :**

Finance Income

Depreciation and Amortisation

Gratuity Charge and Related Cost

Amortisation of Grants

Finance Cost

(Profit) on disposal of Property, Plant and Equipment

**Operating Profit before Working Capital changes**

(Increase) / Decrease in Inventories

(Increase) / Decrease in Trade and Other Receivables

(Increase) / Decrease in Other Current Assets

(Increase) / Decrease in Other Non-Current Assets

Increase / (Decrease) in Trade and Other Payables

Increase / (Decrease) in Other Current Liabilities

**Cash Generated from Operations**

Finance Income Received

Finance Cost Paid

Gratuity Paid

Tax Paid

**Net Cash Flow from Operating Activities**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Property, Plant and Equipment

Proceeds from Sale of Property, Plant and Equipment

**Net Cash Flow from / (used) in Investing Activities**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividend Paid

**Net Cash from / (used) in Financing Activities**

**Net Increase / (Decrease) in Cash and Cash Equivalents**

Cash and Cash Equivalents at the beginning

**Note A**

Cash and Cash Equivalents at the end

**Note B**

**NOTES**

**A. Cash and Cash Equivalents at the beginning**

Cash and Bank Balances

Short Term Investments

Bank Overdraft

**B. Cash and Cash Equivalents at the end**

Cash & Bank Balances

Short Term Investments

Bank Overdraft

	2018	2017
Profit / (Loss) Before Tax	(35,011)	75,849
Finance Income	(3,377)	(4,982)
Depreciation and Amortisation	42,953	45,117
Gratuity Charge and Related Cost	4,237	5,114
Amortisation of Grants	(15)	(130)
Finance Cost	3,484	1,736
(Profit) on disposal of Property, Plant and Equipment	(960)	(6,709)
<b>Operating Profit before Working Capital changes</b>	<b>11,311</b>	<b>115,995</b>
(Increase) / Decrease in Inventories	(24,972)	(143,757)
(Increase) / Decrease in Trade and Other Receivables	48,979	27,576
(Increase) / Decrease in Other Current Assets	(11,801)	(6,465)
(Increase) / Decrease in Other Non-Current Assets	(66)	(474)
Increase / (Decrease) in Trade and Other Payables	(38,509)	(2,629)
Increase / (Decrease) in Other Current Liabilities	(2,029)	(1,877)
<b>Cash Generated from Operations</b>	<b>(17,087)</b>	<b>(11,631)</b>
Finance Income Received	3,377	4,982
Finance Cost Paid	(3,484)	(1,736)
Gratuity Paid	(8,047)	(4,512)
Tax Paid	(4,177)	(11,298)
<b>Net Cash Flow from Operating Activities</b>	<b>(29,418)</b>	<b>(24,195)</b>
Purchase of Property, Plant and Equipment	(39,688)	(34,497)
Proceeds from Sale of Property, Plant and Equipment	986	7,285
<b>Net Cash Flow from / (used) in Investing Activities</b>	<b>(38,702)</b>	<b>(27,212)</b>
Dividend Paid	(60,000)	(51,000)
<b>Net Cash from / (used) in Financing Activities</b>	<b>(60,000)</b>	<b>(51,000)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(128,120)</b>	<b>(102,406)</b>
Cash and Cash Equivalents at the beginning	111,205	143,472
Cash and Cash Equivalents at the end	<b>(16,915)</b>	<b>41,066</b>
<b>NOTES</b>		
<b>A. Cash and Cash Equivalents at the beginning</b>		
Cash and Bank Balances	495	1,117
Short Term Investments	116,810	142,355
Bank Overdraft	(6,100)	-
	<b>111,205</b>	<b>143,472</b>
<b>B. Cash and Cash Equivalents at the end</b>		
Cash & Bank Balances	1,587	33,247
Short Term Investments	7,956	8,275
Bank Overdraft	(26,458)	(456)
	<b>(16,915)</b>	<b>41,066</b>

**STATEMENT OF CHANGES IN EQUITY**

	Stated Capital	Revaluation Reserve	Retained Earnings	Total
<b>As at 1st April 2017</b>	150,000	403,443	468,966	1,022,409
Profit for the period	-	-	54,549	54,549
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	54,549	54,549
First and final dividend paid - 2016 / 2017	-	-	(51,000)	(51,000)
<b>As at 31st December 2017</b>	<b>150,000</b>	<b>403,443</b>	<b>472,515</b>	<b>1,025,958</b>
<b>As at 1st April 2018</b>	150,000	466,895	662,418	1,279,313
Profit / (Loss) for the period	-	-	(15,110)	(15,110)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(15,110)	(15,110)
First and final dividend paid - 2017 / 2018	-	-	(60,000)	(60,000)
<b>As at 31st December 2018</b>	<b>150,000</b>	<b>466,895</b>	<b>587,308</b>	<b>1,204,203</b>

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

Figures in brackets indicate deductions.

The above figures are not audited.

**TEA SMALLHOLDER FACTORIES PLC**  
**OPERATING SEGMENT INFORMATION**

<b>Geographical Segment</b>	<b>Galle</b>		<b>Matara</b>		<b>Rathnapura</b>		<b>N'Eliya</b>		<b>Total</b>	
<b>For the nine months ended 31st December</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Segment Revenue</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Goods transferred at a point in time	810,986	1,011,395	-	85,981	422,088	527,263	341,944	359,459	1,575,018	1,984,097
Net revenue from contracts with customers	810,986	1,011,395	-	85,981	422,088	527,263	341,944	359,459	1,575,018	1,984,097
<b>Segment Results</b>										
Net revenue from contracts with customers	810,986	1,011,395	-	85,981	422,088	527,263	341,944	359,459	1,575,018	1,984,097
Revenue Expenditure	(775,008)	(922,379)	-	(86,548)	(448,807)	(506,654)	(314,361)	(317,853)	(1,538,176)	(1,833,435)
Depreciation / Amortisation	(22,358)	(22,835)	-	(2,423)	(12,610)	(11,959)	(6,277)	(6,299)	(41,245)	(43,516)
Gratuity Charge and Related Costs	(1,689)	(1,670)	-	(982)	(711)	(1,122)	(494)	(445)	(2,894)	(4,218)
Segment Gross Profit / (Loss)	11,931	64,511	-	(3,972)	(40,040)	7,528	20,812	34,862	(7,297)	102,928
Other Operating Income									39,002	41,305
Finance Income									3,377	4,982
Unallocated Expenses									(56,305)	(48,472)
Management Fees									(13,788)	(24,894)
Profit / (Loss) Before Tax									(35,011)	75,849
<b>Segment Capital Expenditure</b>										
Allocated Capital Expenditure	13,241	20,955	-	62	6,144	1,998	18,303	2,223	37,688	25,237
Unallocated Capital Expenditure									2,000	9,260
									39,688	34,497
<b>As at end</b>	<b>December 2018</b>	<b>March 2018</b>	<b>December 2018</b>	<b>March 2018</b>	<b>December 2018</b>	<b>March 2018</b>	<b>December 2018</b>	<b>March 2018</b>	<b>December 2018</b>	<b>March 2018</b>
<b>Segment Assets</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Allocated Assets</b>										
<b>Non - Current Assets</b>										
Cost	535,015	533,672	-	4,834	305,501	299,961	160,884	142,864	1,001,400	981,331
Depreciation / Amortisation	(124,750)	(108,080)	-	(4,522)	(81,661)	(71,154)	(35,148)	(35,663)	(241,559)	(219,419)
Current Assets	203,531	216,496	-	127	97,062	122,385	81,657	67,696	382,250	406,704
	613,796	642,088	-	439	320,902	351,193	207,393	174,897	1,142,091	1,168,616
<b>Unallocated Assets</b>										
<b>Non - Current Assets</b>										
Cost									452,717	447,757
Depreciation / Amortisation									(25,534)	(19,702)
Current Assets									23,601	119,396
<b>Total Assets</b>									1,592,875	1,716,067
<b>Segment Liabilities</b>										
<b>Allocated Liabilities</b>										
Non Current Liabilities	13,091	13,158	-	2,917	9,033	9,958	5,103	4,738	27,226	30,771
Current Liabilities	65,498	78,400	-	1,393	23,602	34,439	29,117	29,421	118,217	143,653
	78,589	91,558	-	4,310	32,635	44,397	34,220	34,160	145,443	174,424
<b>Unallocated Liabilities</b>										
Non Current Liabilities									188,213	198,082
Current Liabilities									55,016	64,248
									243,229	262,330
<b>Total Liabilities</b>									388,672	436,755

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

**TEA SMALLHOLDER FACTORIES PLC**  
**OPERATING SEGMENT INFORMATION**

For the quarter ended 31st December

**Geographical Segment**

	Galle		Matara		Rathnapura		N'Eliya		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Segment Revenue	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Goods transferred at a point in time	242,001	320,423	-	28,074	113,503	194,258	125,722	117,972	481,227	660,727
Net revenue from contracts with customers	242,001	320,423	-	28,074	113,503	194,258	125,722	117,972	481,227	660,727

**Segment Results**

Segment Revenue	242,001	320,423	-	28,074	113,504	194,258	125,722	117,972	481,227	660,727
Revenue Expenditure	(223,161)	(299,217)	-	(29,353)	(121,253)	(190,107)	(108,739)	(104,916)	(453,153)	(623,593)
Depreciation / Amortisation	(7,660)	(7,687)	-	(811)	(4,254)	(3,995)	(2,206)	(2,103)	(14,120)	(14,596)
Gratuity Charge and Related Costs	(573)	(633)	-	(823)	(226)	(582)	(161)	(149)	(960)	(2,187)
Segment Gross Profit / (Loss)	10,607	12,886		(2,913)	(12,229)	(426)	14,616	10,804	12,994	20,351
Other Operating Income									11,992	13,617
Finance Income									984	1,864
Unallocated Expenses									(17,023)	(15,884)
Management Fees									(4,200)	(6,937)
Profit / (Loss) Before Tax									4,747	13,011

**Segment Capital Expenditure**

Allocated Capital Expenditure	3,110	9,751	-	-	1,734	1,647	16,768	-	21,611	11,398
Unallocated Capital Expenditure										-
									21,611	11,398

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

Figures in brackets indicate deductions.

The above figures are not audited.

**TEA SMALLHOLDER FACTORIES PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**1 Corporate Information**

Tea Smallholder Factories PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

**2 Approval of Financial Statements**

The interim condensed financial statements of the company for the nine months ended 31st December 2018 were authorised for issue by the Board of Directors on 17th January 2019.

**3 Basis of Preparation and Changes to the Company's Accounting Policies**

**3.1 Basis of Preparation**

The interim condensed financial statements for the nine months ended 31st December 2018 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31st March 2018.

The interim condensed financial statements are presented in Sri Lankan Rupee and all values are rounded to the nearest thousand except when otherwise indicated.

**3.2 New Accounting Standards, Interpretations and Amendments Adopted by the Company**

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

The Company 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 financial statements of the Company.

**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 Company adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Company concluded that SLFRS 15 does not have a material impact on the Company's 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 Company 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 Company recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.



## 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, the Company has applied SLFRS 9 retrospectively, with the initial application date of 1 April 2018. The Company 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 Company 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 Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

#### *The new classification and measurement of the Company'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 Company's Trade and other receivables, and Loans included under Other non-current financial assets.

Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. As the company does not hold debt instruments at FVOCI, the company has no significant impact on its statement of profit or loss or other comprehensive income in applying the classification and measurement requirements of SLFRS 9.

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

The assessment of the Company's business models was made as of the date of initial application, 1st April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1st 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 Company'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 Company'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 Company 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 Company 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 Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses

### Hedge accounting

The Company applied hedge accounting prospectively. At the date of the initial application, the Company did not hold hedging relationships eligible to be treated as continuing hedging relationships, as such, the adoption of the hedge accounting requirements of SLFRS 9 had no significant impact on the Company's financial statements.

## 4 Operating Segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the company's other components. The segments are determined based on the company's geographical spread of operations. All operating segments' operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the company's head office), head office expenses, and income tax liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

## 5 Tax Expense / (Reversal)

For the nine months ended 31st December

	2018	2017
<b>Current Income Tax</b>		
Current Tax Charge	-	18,201
Tax Refund -2017/18	(10,312)	-
	(10,312)	18,201
<b>Deferred Income Tax</b>		
Relating to origination and reversal of temporary differences	(9,589)	3,099
	(9,589)	3,099
<b>Total Tax Expense / (Reversal)</b>	<u>(19,901)</u>	<u>21,300</u>

## 6 Related Party Transactions

For the nine months ended 31st December

	2018	2017
Parent company		
Receiving of services	(2,041)	(1,298)
Companies under common control of the parent company		
Purchase of goods	(92)	(38)
Sale of goods	3	30
Receiving of services	(29,675)	(36,455)
Rent paid	(1,858)	(1,689)
Transactions with equity accounted investments of the parent		
Receiving of services	(3,281)	(2,872)
Companies which have significant influence		
Purchase of goods	(777)	(840)

### 6.1 Transactions with Key Management Personnel of the Company

The company has paid Rs. 2.7 million to their Directors as fees during the nine months ended 31st December 2018 (End December 2017 - Rs. 2.98 million). Other than that, there are no transactions, arrangements and agreements with close family members of Key Management Personnel or with companies controlled / jointly controlled / significantly influenced by Key Management Personnel and their close family members.

### 6.2 Terms and Conditions of Transactions with Related Parties

Transaction with related parties are carried out in the ordinary course of business. Outstanding current account balances at the period end are unsecured, interest free and settlement occurs in cash.

### 6.3 Management Fee

The management fee to managing agents, John Keells Teas (Private) Limited was paid at contractual price.

## 7 Share Information

	As at 31st December 2018	As at 30th September 2018
<b>7.1 Float adjusted market capitalization and Public share holdings</b>		
Number of public shareholders	1,182	1,182
Public holding percentage	33.05	33.05
Compliant under option 5 - Float adjusted market capitalization (Rs.'000s)	257,803	237,972

The Company has complied with the Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31st December 2018, the public holding of the Company stood at 33.05 percent surpassing the minimum requirement of 20 percent, under the option 5.

### 7.2 The number of shares held by the Board of Directors and the Chief Executive Officer are as follows:

	As at 31st December 2018	As at 30th September 2018
Names		
Mr. S. C. Ratnayake (Chairman) (Resigned with effect from 31 <sup>st</sup> December 2018)	Nil	Nil
Mr. K. N. J. Balendra	Nil	Nil
Mr. J. G. A. Cooray	Nil	Nil
Mr. E. H. Wijenaike	10,000	10,000
Mr. J. R. Gunaratne	Nil	Nil
Mr. S. K. L. Obeyesekere	Nil	Nil
Mr. A. S. Jayatilleke	Nil	Nil
Mr. M. H. De Silva	Nil	Nil
Mr. A. K. Gunaratne	Nil	Nil
Mr. V. A. A. Perera (Resigned with effect from 31 <sup>st</sup> December 2018)	Nil	Nil

### 7.3 Twenty largest shareholders of the company are as follows:

Seq.No.	Name	As at 31st December 2018		As at 30th September 2018	
		No. of Shares	% Holdings	No. of Shares	% Holdings
1	John Keells Holdings PLC	11,286,000	37.62	11,286,000	37.62
2	Akbar Brothers Limited	7,318,000	24.39	7,318,000	24.39
3	Central Finance Company PLC	6,854,814	22.85	6,854,814	22.85
4	CF Growth Fund Limited	1,933,678	6.45	1,933,678	6.45
5	Mr. K. D. S. R. Upasena	469,120	1.56	469,120	1.56
6	Anverally & Sons (Private) Limited	392,300	1.31	392,300	1.31
7	Seylan Bank Limited / Govindasamy Ramanan	104,102	0.35	104,102	0.35
8	Mr. D. J. De Silva Wijeyeratne	98,400	0.33	98,400	0.33
9	Mr. N. D. Kurukulasuriya	62,400	0.21	62,400	0.21
10	Dr. D. S. A. Samaraweera	53,000	0.18	53,000	0.18
11	Mrs. R. Z. Wickramanayake	44,963	0.15	44,963	0.15
12	Dr. N. I. Wickramanayake	43,691	0.15	43,691	0.15
13	Mr. C. S. N. Silvapulle	37,956	0.13	37,956	0.13
14	Mr. C. N. Lawrence	24,000	0.08	24,000	0.08
15	Mr. Z. G. Carimjee	21,947	0.07	14,274	0.05
16	Mrs. Jacintha Aloysius	20,000	0.07	20,000	0.07
17	Mrs. S. K. Leelananda	20,000	0.07	20,000	0.07
18	Mr. H. A. S. Madanayake	20,000	0.07	20,000	0.07
19	Mr. N. J. H. M. Cooray	20,000	0.07	20,000	0.07
20	Mr. E. Gunatunga	20,000	0.07	20,000	0.07
Total		28,844,371	96.18	28,836,698	96.16

### 7.4 Stated Capital is represented by number of shares in issue as given below:

	As at 31st December 2018	As at 30th September 2018
Ordinary Shares (in thousands)	30,000	30,000

### 7.5 Net Assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2018.

### 7.6 Market Price per share

For the quarter ended 31st December	2018	2017
	Rs.	Rs.
Highest	28.00	46.00
Lowest	21.80	34.00
Last Traded	26.00	40.00

### 8 Dividend paid

A first and final dividend of Rs. 2.00 per share for the financial year ended 31st March 2018 was paid on 14th June 2018.

### 9 Capital Commitments

The value of contractual commitments for acquisition of property, plant and equipment as at 31st December 2018 is Rs. 1.4 million.

### 10 Contingencies

There is no contingent liability of the company as at 31st December 2018.

### 11 Events After the Reporting Period

#### New Appointments

Mr. K. N. J. Balendra is appointed as chairman with effect from 01st January 2019.

Mr. H. R. A. Wanasinghe is appointed as CEO with effect from 01st January 2019.

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