

METROPOLITAN RESOURCE HOLDINGS PLC

INTERIM REPORT

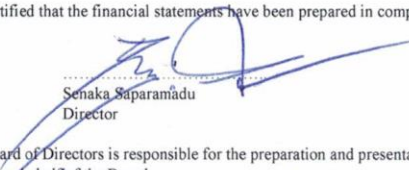
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

METROPOLITAN RESOURCE HOLDINGS PLC
INTERM STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2016

	Group			Company		
	Un Audited	Un Audited	Audited	Un Audited	Un Audited	Audited
	30th Sep 2016	30th Sep 2015	31st Mar 2016	30th Sep 2016	30th Sep 2015	31st Mar 2016
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
ASSETS						
Non Current Assets						
Right to use of Land	247,359	255,829	251,590	-	-	-
Immovable Estate Assets on Finance Lease	138,246	158,581	1,352	-	-	-
Tangible Assets other than Bearer Biological Assets	887,824	875,027	908,239	-	-	-
Consumable Biological assets	675,615	624,710	670,869	-	-	-
Intangible Assets	83,542	875	870	-	-	-
Bearer Biological assets	1,641,209	1,450,095	1,689,504	-	-	-
Capital Work In Progress	18,542	135,502	96,931	-	-	-
Total	3,692,338	3,500,618	3,619,355	-	-	-
Goodwill on consolidation	11,306	11,306	11,306	-	-	-
Investments	51,416	51,388	15,000	291,019	327,407	291,019
Total	62,722	62,694	26,306	291,019	327,407	291,019
Current Assets						
Inventories	559,960	573,396	505,168	-	-	-
Trade and other receivables	547,480	560,277	712,991	447	702	736
Amounts due from related companies	17,352	41,101	20,483	2,060	2,277	2,006
Short Term Investments	13,769	17,436	49,930	50,185	17,436	49,930
Cash & Cash Equivalents	47,466	92,811	50,296	1,689	1,758	1,293
Total	1,186,027	1,285,022	1,338,868	54,381	22,173	53,965
TOTAL ASSETS	4,941,086	4,848,334	4,984,528	345,401	349,580	344,984
EQUITY AND LIABILITIES						
Capital & Reserves						
Stated Capital	265,308	265,308	265,308	265,308	265,308	265,308
Retained earnings	606,949	567,266	593,166	82,909	86,930	81,624
Shareholders funds	872,257	832,574	858,474	348,217	352,238	346,932
Minority interest	439,279	418,033	433,196	-	-	-
Total Equity	1,311,537	1,250,608	1,291,669	348,217	352,238	346,932
Non Current Liabilities						
Interest bearing borrowings	680,776	694,448	639,997	-	-	-
Retirement benefit obligations	841,907	888,283	758,692	-	-	-
Deferred Income/ Capital Grants	421,050	431,200	429,299	-	-	-
Net liability to lessor on JEDB/SLSPC	492,642	501,988	492,642	-	-	-
Redeemable debentures	-	-	-	-	-	-
Total	2,436,375	2,515,919	2,320,629	-	-	-
Current Liabilities						
Trade and other payables	567,675	513,788	595,313	596	13	860
Amounts due to related companies	-	-	40	-	-	552
Current portion of interest bearing borrowings	187,354	96,264	233,430	-	-	-
Current portion of Lease Creditors	25,398	15,597	9,814	-	-	-
Dividend payable	212	220	189	-	-	-
Net liability to lessor on JEDB/SLSPC	9,347	8,987	9,347	-	-	-
Short term borrowings	265,525	353,667	408,143	-	-	-
Redeemable debentures- Current Maturity	-	-	-	-	-	-
Income tax liability	(3,143)	(2,459)	(3,360)	(3,412)	(2,670)	(3,360)
Bank overdrafts	140,805	95,743	119,314	-	-	-
Total	1,193,174	1,081,807	1,372,229	(2,817)	(2,658)	(1,948)
TOTAL EQUITY AND LIABILITIES	4,941,086	4,848,334	4,984,528	345,401	349,580	344,984
Net Assets Per Share	50.52	48.22	49.72	20.17	20.40	20.09

Note: All values are in Rupees thousands, unless otherwise stated. The above figures are subjects to audit.

It is certified that the financial statements have been prepared in compliance with the requirements of the companies Act No 7 of 2007.


 Senaka Saparamadu
 Director

The Board of Directors is responsible for the preparation and presentation of these Financial statements.
 Signed on behalf of the Board


 L.J. Ambani
 Director


 J. Molligoda
 Director

15th November 2016

METROPOLITAN RESOURCE HOLDINGS PLC						
INTERM COMPREHENSIVE INCOME STATEMENT						
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016						
	Group			Company		
	Un Audited	Un Audited	Audited	Un Audited	Un Audited	Audited
	30th Sep 2016	30th Sep 2015	31st Mar 2016	30th Sep 2016	30th Sep 2015	31st Mar 2016
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue	2,035,626	2,103,769	4,178,007	-	-	-
Management Fee Income	-	-	-	-	-	4,393
Cost of sales	(1,919,659)	(1,950,949)	(3,891,350)	-	-	-
Gross profit/(loss)	115,967	152,821	286,657	-	-	4,393
Other Income	147,764	105,347	274,438	-	-	640
Administrative expenses	(126,832)	(116,961)	(311,498)	(1,891)	(1,249)	(4,138)
Distribution expenses	(51,893)	(43,532)	(110,621)	-	-	-
Other operating expenses	(10,887)	5,095	(22,207)	-	-	-
Profit/(loss) from operating activities	74,119	102,769	116,769	(1,891)	(1,249)	894
Net finance cost	(58,616)	(44,786)	(110,645)	3,125	3,252	6,214
Amortization of grant	4,364	5,092	-	-	-	-
Profit before taxation	19,867	63,075	6,124	1,234	2,003	7,108
Income Tax Expenses	-	-	(322)	-	-	(52)
Profit after taxation	19,867	63,075	5,802	1,234	2,003	7,056
Minority interest	6,084	19,950	(383)	-	-	-
Net profit/(loss) attributable to Equity shareholders	13,783	43,125	6,186	1,234	2,003	7,056
	19,867	63,075	5,802	1,234	2,003	7,056
Statement of Comprehensive Income Statement						
Profit/(Loss) After Taxation	19,867	63,075	5,802	1,234	2,003	7,056
Other Comprehensive Income for the Year Actuarial Gain /(Loss) on Retirement Benefit Obligation	-	-	108,694	-	-	-
Total Comprehensive Income for the Year	19,867	63,075	114,496	1,234	2,003	7,056
Minority interest	6,084	19,950	35,111	-	-	-
Net profit/(loss) attributable to Equity shareholders	13,783	43,125	79,386	1,234	2,003	7,056
	19,867	63,075	114,496	1,234	2,003	7,056
Earnings/(loss) per share	0.80	2.50	0.36	0.07	0.12	0.41
Dividend per share	-	-	0.60	-	-	0.60

METROPOLITAN RESOURCE HOLDINGS PLC				
INCOME STATEMENT				
FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2016				
	Group		Company	
	Un Audited	Un Audited	Un Audited	Un Audited
	30th Sep 2016	30th Sep 2015	30th Sep 2016	30th Sep 2015
	Rs.000	Rs.000	Rs.000	Rs.000
Revenue	990,175	1,046,089	-	-
Cost of sales	(984,967)	(970,184)	-	-
Gross profit/(loss)	5,207	75,906	-	-
Other Income	91,897	58,892	-	-
Administrative expenses	(66,727)	(60,333)	(1,145)	(854)
Distribution expenses	(27,140)	(25,967)	-	-
Other operating expenses	(7,443)	2,520	-	-
Profit/(loss) from operating activities	(4,205)	51,017	(1,145)	(854)
Net Finance cost	(31,084)	(22,305)	1	359
Amortization of grant	2,182	2,910	-	-
Profit before taxation	(33,107)	31,622	(1,144)	(496)
Income Tax Expenses	-	-	-	-
Profit after taxation	(33,107)	31,622	(1,144)	(496)
Minority interest	(10,436)	10,488	-	-
Net profit/(loss) attributable to Equity shareholders	(22,671)	21,134	(1,144)	(496)
	(33,107)	31,622	(1,144)	(496)
Statement of Comprehensive Income Statement				
Profit/(Loss) After Taxation	(33,107)	31,622	(1,144)	(496)
Other Comprehensive Income for the Year	-	-	-	-
Total Comprehensive Income for the Year	(33,107)	31,622	(1,144)	(496)
Minority interest	(10,436)	10,488	-	-
Net profit/(loss) attributable to Equity shareholders	(22,671)	21,134	(1,144)	(496)
	(33,107)	31,622	(1,144)	(496)
Earnings/(loss) per share	(1.31)	1.22	(0.07)	(0.03)
Dividend per share	-	-	-	-

METROPOLITAN RESOURCE HOLDINGS PLC
INTERIM STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

CASH FLOWS FROM OPERATING ACTIVITIES	GROUP			COMPANY		
	Group			Company		
	Un Audited 30th Sep 2016 Rs.000	Un Audited 30th Sep 2015 Rs.000	Audited 31st Mar 2016 Rs.000	Un Audited 30th Sep 2016 Rs.000	Un Audited 30th Sep 2015 Rs.000	Audited 31st Mar 2016 Rs.000
Profit / (Loss) before taxation	19,867	63,075	6,124	1,234	2,003	7,108
Adjustments for :						
Depreciation/Amortization	83,907	80,020	160,679	-	-	-
Profit on disposal of Property, Plant and Equipment	(1,802)	(2,162)	(2,162)	-	-	-
Change in fair Value of biological assets	(18,000)	(15,000)	(123,915)	-	-	-
Interest Income	(3,009)	(3,398)	(8,030)	(2,872)	(3,253)	(6,250)
Interest Expense	54,334	39,872	71,912	1	2	36
Dividend received	(1)	-	(8,101)	(1)	-	(1)
Provision for Retirement Benefit Obligation- Gratuity	34,054	36,910	143,807	-	-	-
Lease Interest In Suspense Written Off	1,446	1,259	2,427	-	-	-
Amortization of net Income from operating right given to						
-Lalans Rubbers and LRL	(4,691)	(4,691)	(9,381)	-	-	-
-Lalans Rubbers and Aspic	-	-	-	-	-	-
Lease Interest to JEDB/SLSPC	-	-	35,104	-	-	-
Amortization of Grants & Subsidiaries	(4,364)	(5,092)	(8,729)	-	-	-
Amortization of Brand Development cost	1,776	153	-	-	-	-
Written Back - Long Outstanding Payable	-	-	-	-	-	-
Provision made for Trade and Other Receivables	-	-	2,518	-	-	-
Revaluation Gain on interest Bearing Borrowings	-	-	24,509	-	-	-
Provision made for immature plantation-bearer biological assets	-	-	5,000	-	-	-
Fair Value gain on Unit Trusts	(253)	-	-	(253)	-	-
Gain /(Loss) on Investment In Shares	-	-	(638)	-	-	(638)
Operating Profit before working capital changes	163,264	190,945	291,124	(1,891)	(1,249)	255
(Increase)/Decrease in Inventories	(25,465)	87,355	125,730	-	-	-
(Increase)/Decrease in Trade and Other Receivables	131,988	127,634	(122,856)	205	(50)	(85)
Increase/(Decrease) in Trade and Other Payables	95,397	(45,135)	(59,177)	312	(271)	368
(Increase)/Decrease in Amount due from Related Parties	18,538	(21,944)	22,234	(311)	(373)	(72)
Increase/(Decrease) in Amount due to Related Parties	2,348	(332)	40	-	(184)	576
Cash Generated from Operations	386,070	338,522	257,094	(1,686)	(2,127)	1,043
Interest Paid	(40,007)	(33,611)	(86,577)	(1)	(2)	(36)
Gratuity Paid	(54,333)	(39,870)	(72,237)	-	-	-
Income Tax Paid	(608)	(608)	(821)	(608)	(608)	(608)
Grants Received	806	1,470	7,897	-	-	-
Net Cash Flow from Operating Activities	291,928	265,904	105,357	(2,295)	(2,737)	398
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment In Immature Plantations	(126,395)	(83,475)	(166,911)	-	-	-
Harvesting of Timber Plantation	-	-	76,009	-	-	-
Addition to Biological Assets - Nursery	-	-	(7,207)	-	-	-
Acquisition of Property, Plant and Equipment	(33,709)	(23,949)	(104,326)	-	-	-
Proceeds from Disposal of Property, Plant and Equipment	1,802	2,162	2,162	-	-	-
Proceeds from Lalan Rubber (Pvt) Ltd	-	-	-	-	-	-
Acquisition of Intangible Assets	-	-	(148)	-	-	-
Interest Received - net	3,009	3,398	8,030	2,872	3,253	6,250
Increase/Decrease in Investments	(182)	-	(3,333)	-	(7,094)	(3,333)
Dividend received	1	-	8,101	1	-	1
Net Investment in Short-term Securities	-	-	-	(182)	-	-
Proceeds from disposal of Investment	-	(7,094)	-	-	-	-
Investment in Quoted Shares	(6,060)	(121,424)	-	-	-	-
Net Cash Flow from/(used in) Investing Activities	(161,535)	(230,383)	(187,624)	2,691	(3,841)	2,918
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments of Finance Lease Rental	(7,134)	(8,373)	(15,475)	-	-	-
Payments to Lesser on Leased Rights	-	-	(29,426)	-	-	-
Receipts from Interest Bearing Borrowings	238,907	385,620	437,947	-	-	-
Payment of Interest Bearing Borrowings	(331,004)	(306,037)	(187,778)	-	-	-
Long Term Borrowings -net	-	-	-	-	-	-
Short Term Loans - net	(55,489)	7,916	(30,096)	-	-	-
Redemption of Debentures	-	-	(25,000)	-	-	-
Interim Dividend Paid	-	-	(10,359)	-	-	(10,359)
Net Cash Flow from/(used in) Financing Activities	(154,720)	79,126	139,813	-	-	(10,359)
Net Increase/(Decrease) in Cash and Cash Equivalents	(24,327)	114,647	57,546	396	(6,577)	(7,043)
Cash and Cash Equivalents at beginning of the year	(69,013)	(117,579)	(126,564)	1,293	8,336	8,336
Cash and Cash Equivalents at end of the Period	(93,340)	(2,932)	(69,018)	1,689	1,758	1,293
Analysis of Cash & Cash Equivalent						
Cash In Hand & Bank	47,466	92,808	50,296	1,689	1,758	1,293
Cheques In Hand	-	-	-	-	-	-
Bank Overdraft	(140,805)	(95,740)	(119,314)	-	-	-
	(93,340)	(2,932)	(69,018)	1,689	1,758	1,293

METROPOLITAN RESOURCE HOLDINGS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

GroupAttributable to Equity Holders of the Parent.....				
	Stated Capital Rs.000	Retained Earnings Rs.000	Total Rs.000	Minority Interest Rs.000	Total Equity Rs.000
Balance as at 01st April 2015	265,308	524,139	789,447	398,085	1,187,532
Profit for the Period	-	43,125	43,125	19,950	63,075
Comprehensive Income for the Period	-	-	-	-	-
Balance as at 30th September 2015	265,308	567,264	832,572	418,035	1,250,607
Balance as at 01st April 2016	265,308	593,166	858,474	433,196	1,291,669
Profit for the Period	-	13,783	13,783	6,084	19,867
Comprehensive Income for the Period	-	-	-	-	-
Balance as at 30th September 2016	265,308	606,949	872,257	439,279	1,311,537

Company	Stated Capital Rs.000	Retained Earnings Rs.000	Total Equity Rs.000
Balance as at 01st April 2015	265,308	84,927	350,235
Profit for the Period	-	2,003	2,003
Comprehensive Income for the Period	-	-	-
Balance as at 30th September 2015	265,308	86,930	352,238
Balance as at 01st April 2016	265,308	81,624	346,932
Profit for the Period	-	1,234	1,234
Comprehensive Income for the Period	-	-	-
Balance as at 30th September 2016	265,308	82,857	348,165

METROPOLITAN RESOURCE HOLDINGS PLC						
SEGMENTAL ANALYSIS BY PRINCIPAL CROPS						
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016						
	Unaudited		Audited	Unaudited		Audited
	GROUP			COMPANY		
	30th Sep 2016 Rs 000	30th Sep 2015 Rs.000	31st March 2016 Rs 000	30th Sep 2016 Rs 000	30th Sep 2015 Rs.000	31st March 2016 Rs.000
Tea						
Revenue	2,035,626	2,087,503	4,167,878	-	-	-
Cost of Sales	(1,919,659)	(1,926,180)	(3,878,068)	-	-	-
Gross Profit/ (Loss)	115,967	161,324	289,810	-	-	-
Rubber						
Revenue	-	16,266	10,129	-	-	-
Cost of Sales	-	(24,769)	(13,282)	-	-	-
Gross Profit/ (Loss)	-	(8,503)	(3,153)	-	-	-
Management Fee	-	-	-	-	-	4,393
Operating Profit / (Loss)	115,967	152,821	286,657	-	-	4,393
Other Income	147,764	105,347	274,438	-	-	640
Administration expenses	(126,832)	(116,961)	(311,498)	(1,891)	(1,249)	(4,138)
Distribution Fees	(51,893)	(43,532)	(110,621)	-	-	-
Other operating expenses	(10,887)	5,095	(22,207)	-	-	-
Net Finance Cost	(58,616)	(44,786)	(110,645)	3,125	3,252	6,214
Amortization of grant	4,364	5,092	-	-	-	-
Profit / (Loss) from before Taxation	19,867	63,075	6,124	1,234	2,003	7,108
Taxation	-	-	(322)	-	-	(52)
Net Profit / (Loss) for the company/Group	19,867	63,075	5,802	1,234	2,003	7,056

Metropolitan Resource Holdings PLC
NOTES TO THE FINANCIAL STATEMENT

01. The above figures are provisional and subject to audit.
02. These Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the Year ended 31st March 2016, and are in compliance with the Sri Lanka Accounting Standard (SLAS) LKAS 34, Interim Financial Reporting.
03. The Presentation & classification figures for the corresponding period have been amended, where relevant, for better presentation & to be comparable with those of the current Period.
04. Net Assets per share have been calculated, for all periods, based on the Number of Shares in Issue as at 30th September 2016.
05. There have been no other events subsequent to the Balance Sheet date except the following, which require disclosure in the Interim Financial Statements.
By a circular issued on 04th November 2016, based on the valuations the Company obtained in order to bring a closure to this matter, to avoid further delay, thereby safeguarding the Interest of Minority Shareholders whose shares have suspended from trading since 31st December 2015, the Board has made arrangements to offer Rs. 33/- per share to Shareholders who wished to sell their shares due to the shares of the Company being de-listed.
- *06. There have been no significant changes in the nature of the Contingent Liabilities, as at 30th September 2016.

INVESTOR INFORMATION

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

	As at 30.09.2016 <u>Rs.</u>	As at 30.09.2015 <u>Rs.</u>
Ordinary Shares 17,264,802	265,308,222	265,308,222

02 The percentage of shares held by the public as at 30th September 2016 was 21.02% comprises of 760 shareholders (30th September 2015 - 21.02% comprised of 772 shareholders)

03 Market price per share for the Quarter ended

	30.09.2016 <u>Rs.</u>	30.09.2015 <u>Rs.</u>
Market Price per share-Highest	No Trading	34.00
Market Price per share-Lowest	No Trading	26.00
Market Price per share-Last Traded	No Trading	27.90

04 Twenty largest shareholders of the company are as follows:

As at <u>Name of the Share Holder</u>	30.09.2016 <u>No of Shares</u>	<u>%</u>
01. Mr. Dinesh Jamnadas Ambani	4,213,860	24.40
02. Ocema Investment Company (Pvt) Ltd.	3,046,875	17.65
03. Kelmarsh Investments Ltd.	2,920,706	16.92
04. Sealbe Holding AG	1,457,415	08.44
05. Mr. Lars Tryggwe Christer Murman	1,313,951	07.61
06. Mr. Carl Michael Oscarsson Haglind	1,161,537	06.73
07. Metrocorp (Pvt) Ltd	827,935	04.80
08. Dr. Romesh Dias Bandaranaike	726,046	04.21
09. People's Leasing & Finance PLC/Mr. M.N.Singa Laxana	236,450	01.37
10. Mr. Arya Keerthi Kumarasena	157,828	00.91
11. Mr. Ahangama Vithange Ravindra De Silva Jayatilleke	67,610	00.39
12. Asha Financial Services Limited/ Mr. C.N.Pakianathan	67,542	00.39
13. Sino Lanka (Pvt) Ltd	46,500	00.27
14. Mr. Lars Soderberg	36,562	00.21
15. Assetline Leasing Company Ltd/ M.N. Singa Laxana	35,700	00.21
16. First Capital Markets Ltd./ Ventura Crystal (Pvt) Ltd	30,200	00.17
17. Mr. Hasim Abdul Nasar	29,097	00.17
18. Mr. Muruga Pillai Kesawamoorthy	25,830	00.15
19. Colombo Trust Finance PLC/ A.S.M. Shiyam	25,000	00.14
20. Merchant Bank of Sri Lanka PLC/ Mr.Kamal Raja Upali Gunawardena	25,000	00.14

05 Directors Share Holding as at 30th September 2016:

<u>Name of the Director</u>	<u>No of Shares</u>	<u>%</u>
Mr. D.J. Ambani	4,213,860	24.40
Mr. L.J. Ambani	Nil	-
Mr. C.M.O. Haglind	1,161,537	6.73
Mr. J. Molligoda	6,967	0.04
Mr. G.V.M. Nanayakkara	Nil	-
Mr. A.A.D.S. Saparamadu	Nil	-
Mr. J.H. Hertzberg	Nil	-
Mr. S.A.S. Jayasundara	Nil	-

CORPORATE INFORMATION

COMPANY : Metropolitan Resource Holdings PLC

REGISTERED OFFICE : 153, Nawala Road, Narahenpita, Colombo 05

MAILING ADDRESS : 153, Nawala Road, Narahenpita, Colombo 05.

LEGAL FORM : Public Quoted Company

COMPANY REGISTRATION No. : PQ220

DIRECTORS : Mr. Dinesh Jamnadas Ambani
Mr. Lalith Jamnadas Ambani
Mr. Carl Michael Oscarsson Haglind
Mr. Gerard Victor Maurice Nanayakkara
Mr. Jayampathy Molligoda
Mr. Amarasinghe Arachchige Douglas Senaka Saparamadu
Mr. Jan Henrik Hertzberg
Mr. Sudath Ajith Samaradiwakara Jayasundara

SECRETARIES : Accounting Systems Secretarial Services (Private) Limited
Level 03, No. 11,
Castle Lane,
Colombo 04.

AUDITORS : Messrs. B D O Partners
Chartered Accountants,
P.O Box 962,
"Charter House",
65/2, Chittampalam A Gardiner Mawatha,
Colombo 02.

BANKERS : Commercial Bank of Ceylon PLC
National Development Bank PLC

SUBSIDIARIES : Bogawantalawa Tea Estates PLC
Bogawantalawa Tea Marketing (Pvt) Ltd
Ceylon Tea Gardens Limited