



ODEL PLC

**Interim Report**

4th Quarter - 2018/19

# Income Statement

Year ended 31 March 2019

GROUP	Quarter ended 31 March 2019		Year ended 31 March 2019	
	Unaudited	Unaudited	Unaudited	Audited
	2018/19	2017/18	2018/19	2017/18
	LKR	LKR	LKR	LKR
Revenue	2,128,141,084	1,930,014,700	8,159,711,110	7,412,571,089
Cost of sales	(958,619,433)	(1,122,323,332)	(4,001,672,103)	(3,934,192,156)
Gross profit	1,169,521,651	807,691,368	4,158,039,008	3,478,378,933
Other income	278,849,199	190,963,250	297,213,401	200,394,920
Distribution expenses	(131,325,760)	(126,331,580)	(459,310,251)	(470,398,448)
Administrative expenses	(956,238,902)	(674,448,001)	(3,072,913,849)	(2,565,212,758)
Operating Profit/(Loss)	360,806,187	197,875,037	923,028,309	643,162,647
Finance costs	(206,722,554)	(98,908,996)	(628,599,227)	(398,495,922)
Finance income	1,387,948	1,804,076	6,228,001	6,528,305
Profit/(Loss) before tax	155,471,581	100,770,117	300,657,083	251,195,030
Income tax expense	(766,290)	(24,251,447)	(61,299,841)	(51,853,122)
Profit/(Loss) for the period	154,705,292	76,518,670	239,357,242	199,341,908
Attributable to:				
Owners of the parent	154,705,292	76,518,670	239,357,242	199,341,908
Non controlling interest	-	-	-	-
	154,705,292	76,518,670	239,357,242	199,341,908
Earning per share				
Basic, profit for the period attributable to ordinary equity holders of the parent	0.57	0.28	0.88	0.73

# STATEMENT COMPREHENSIVE INCOME

Year ended 31 March 2019

Group	Quarter ended 31 March 2019		Year ended 31 March 2019	
	Unaudited	Unaudited	Unaudited	Audited
	2018/19	2017/18	2018/19	2017/18
	LKR	LKR	LKR	LKR
Profit for the period	154,705,292	76,518,670	239,357,242	199,341,908
Comprehensive income				
Actuarial gain/(loss) on defined benefit plans	(6,830,583)	(15,270,946)	(6,830,583)	(15,270,946)
Income tax effect	2,239,123	4,275,865	2,239,123	4,275,865
	(4,591,460)	(10,995,081)	(4,591,460)	(10,995,081)
Revaluation of land and buildings	514,592,161	696,560,464	514,592,161	696,560,464
Income tax effect	(46,067,451)	(859,509,158)	(46,067,451)	(859,509,158)
	468,524,710	(162,948,694)	468,524,710	(162,948,694)
Other comprehensive profit/(loss) for the period, net	463,933,249	(173,943,775)	463,933,249	(173,943,775)
Total comprehensive income for the period, net of tax	618,638,541	(97,425,105)	703,290,491	25,398,133
Attributable to:				
Equity holders of the parent	618,638,541	(97,425,105)	703,290,491	25,398,133
Non-controlling interests	-	-	-	-

# STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

Group	Unaudited	Audited
	31-03-2019	31-03-2018
	LKR	LKR
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant & equipment	8,293,125,786	6,971,930,422
Investment property	1,364,000,000	1,130,000,000
Other non current assets	2,292,751,017	619,406,970
Intangible assets	393,180,924	475,286,720
Investment in subsidiaries	-	-
Other financial assets	206,595,965	134,808,896
Goodwill	445,565,053	104,680,409
Deferred tax asset	49,415,223	75,948,141
	13,044,633,968	9,512,061,558
<b>Current Assets</b>		
Inventories	3,583,984,170	3,014,292,870
Trade and other receivables	1,359,426,298	957,332,003
Amounts due from related parties	134,847,805	109,074,830
Income Tax Refund Due	103,661,805	33,168,546
Other current assets	348,318,534	63,642,928
Other financial assets	1,440,000	8,592,724
Cash and bank balances	128,805,331	175,721,010
	5,660,483,943	4,361,824,911
<b>Total Assets</b>	<b>18,705,117,911</b>	<b>13,873,886,469</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,795,513,620	2,795,513,620
Revaluation surplus	2,998,011,356	2,529,486,647
Retained earnings	2,095,212,316	1,931,200,186
	7,888,737,292	7,256,200,453
<b>Non Current Liabilities</b>		
Interest bearing borrowings	3,045,059,408	366,485,618
Deferred tax liabilities	937,796,437	877,039,036
Deferred liability	72,521,173	45,007,901
Other non current liabilities	229,145,314	130,921,572
Retirement benefit liability	75,956,191	69,888,564
	4,360,478,522	1,489,342,691
<b>Current Liabilities</b>		
Trade and other payables	1,042,428,850	1,056,473,578
Amounts due to related parties	296,128,703	131,712,197
Income tax payable	1,834,619	11,828,283
Interest bearing borrowings	5,098,876,680	3,891,251,295
Deferred liability	16,633,244	37,077,972
	6,455,902,096	5,128,343,325
<b>Total Equity and Liabilities</b>	<b>18,705,117,911</b>	<b>13,873,886,469</b>
Net asset per share	28.99	26.66

These financial statements are in compliance with the requirements of the companies Act No 7 of 2007

Sgd.

**Senior Manager Finance Operations & Compliance**

The board of directors is responsible for these Financial Statements.

Signed for and on behalf of the board by

Sgd.

**Chairman**

Date : 31 May 2019

Colombo

Sgd.

**Director**

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

Group	Attributable to equity holders of the parent			
	Revaluation Reserve	Stated Capital	Retained Earnings	Total Equity
	LKR	LKR	LKR	LKR
Balance as at 01 Apr 2017	2,686,714,934	2,795,513,620	1,748,573,766	7,230,802,320
Net profit/(loss) for the period			199,341,908	199,341,908
Other comprehensive income	(162,948,694)		(10,995,081)	(173,943,775)
	2,523,766,240	2,795,513,620	1,936,920,593	7,256,200,453
Adjustment on transfer of reserves to retained earnings	5,720,407		(5,720,407)	-
Balance as at 31 March 2018	2,529,486,647	2,795,513,620	1,931,200,186	7,256,200,453
Balance as at 01 Apr 2018	2,529,486,647	2,795,513,620	1,931,200,186	7,256,200,453
Net profit/(loss) for the period			239,357,242	239,357,242
Other comprehensive income	468,524,710		(4,591,460)	463,933,249
	2,998,011,356	2,795,513,620	2,165,965,968	7,959,490,944
Dividends			(70,753,652)	(70,753,652)
Balance as at 31 March 2019	2,998,011,356	2,795,513,620	2,095,212,316	7,888,737,292

# CASH FLOW STATEMENT

Year ended 31 March 2019

Group	Unaudited	Audited
	2018/19	2017/18
	LKR	LKR
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Net profit/(loss) before Income tax expense	300,657,083	251,195,030
Adjustments for		
Depreciation & amortizations	393,454,338	259,055,718
Intangible assets amortization	84,763,126	100,685,832
Finance costs	628,599,227	398,495,922
Lease Interest	29,396	-
Finance income	(6,228,001)	(6,528,305)
Derecognition of property, plant & equipment		-
Impairment reversal of property plant and equipment		1,150,108
(Profit)/loss on disposal of property, plant & equipment	(4,171,223)	(6,533,817)
Fair value (gain)/loss on investment property	(234,000,000.00)	(189,000,000.00)
Provision for define benefit plans	6,020,450	13,619,332
Operating profit before working capital changes	1,169,124,396	822,139,820
Decrease/(Increase) in inventories	(402,832,256)	(630,066,218)
Decrease/(Increase) in trade and other receivables	(263,960,061)	(168,836,110)
Decrease/(Increase) in dues from related parties	(25,772,975)	(54,620,351)
Decrease/(Increase) in other financial assets	(64,634,345)	(64,262,399)
Decrease/(Increase) in other current/non current assets	(1,916,494,946)	(683,049,898)
(Decrease)/Increase in dues to related parties	164,416,506	130,688,761
(Decrease)/Increase in trade and other payables	(173,767,183)	180,571,380
(Decrease)/Increase in other current/non current liabilities	98,223,742	130,921,572
(Decrease)/Increase in deferred liability	(21,080,964)	19,334,036
Cash generated from operations	(1,436,778,087)	(317,179,407)
Finance costs paid	(628,599,227)	(398,495,922)
Defined benefit plan costs paid	(15,414,119)	(6,828,541)
Income tax paid/Dividend Tax Paid	(98,324,775)	(129,821,286)
Net cash from/(used in) operating activities	(2,179,116,208)	(852,325,155)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant & equipment	(1,183,950,255)	(825,513,336)
Investment in equity shares of subsidiaries	(509,182,969)	-
Acquisition of intangible assets	(1,464,440)	-
Finance income	6,228,001	2,448,082
Proceed from disposal of fixed assets	5,846,603	8,127,941
Net cash flows from/(used in) investing activities	(1,682,523,061)	(814,937,313)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from interest bearing borrowings	4,584,360,425	8,252,261,281
Repayment of interest bearing borrowings	(892,843,141)	(6,756,776,935)
Repayment of lease rentals	(342,646)	-
Dividends paid	(70,753,652)	-
Net cash flows from/(used in) financing activities	3,620,420,986	1,495,484,346
Net increase/(decrease) in cash and cash equivalents	(241,218,282)	(171,778,122)
Cash and cash equivalents at the beginning of the period	(649,805,990)	(478,027,868)
Cash and cash equivalents at the end of the period_Note 01	(891,024,272)	(649,805,990)
Note_01		
Cash and bank balances	128,805,331	175,721,010
Bank Overdraft_included in Interest bearing borrowings	(1,019,829,604)	(825,527,000)
Cash and cash equivalents at the end of the period	(891,024,273)	(649,805,990)

# Income Statement

Year ended 31 March 2019

Company	Quarter ended 31 March 2019		Year ended 31 March 2019	
	Unaudited	Unaudited	Unaudited	Audited
	2018/19	2017/18	2018/19	2017/18
	LKR	LKR	LKR	LKR
Revenue	1,352,909,143	1,379,407,348	5,531,143,563	5,697,834,565
Cost of sales	(514,427,322)	(762,629,305)	(2,565,558,015)	(3,001,917,379)
Gross profit	838,481,821	616,778,043	2,965,585,548	2,695,917,186
Other income	320,522,799	155,675,836	324,681,922	170,312,620
Distribution expenses	(103,376,609)	(95,405,419)	(350,335,603)	(356,865,101)
Administrative expenses	(618,198,161)	(543,504,068)	(2,135,679,040)	(2,049,966,641)
Operating Profit/(Loss)	437,429,850	133,544,392	804,252,827	459,398,064
Finance costs	(178,059,938)	(96,091,868)	(500,835,131)	(403,317,626)
Finance income	12,530,046	9,460,903	55,109,871	36,978,098
Profit/(Loss) before tax	271,899,958	46,913,427	358,527,567	93,058,536
Income tax expense	1,968,246	(7,160,516)	(11,615,811)	10,240,571
Profit/(Loss) for the period	273,868,204	39,752,911	346,911,756	103,299,107
Earning per share				
Basic, profit for the period attributable to ordinary equity holders of the parent	1.01	0.15	1.27	0.38

# STATEMENT COMPREHENSIVE INCOME

Year ended 31 March 2019

Company	Quarter ended 31 March 2019		Year ended 31 March 2019	
	Unaudited	Unaudited	Unaudited	Audited
	2018/19	2017/18	2018/19	2017/18
	LKR	LKR	LKR	LKR
Profit for the period	273,868,204	39,752,911	346,911,756	103,299,107
Comprehensive income				
Actuarial gain/(loss) on defined benefit plans	(4,614,786)	(11,121,348)	(4,614,786)	(11,121,348)
Income tax effect	1,292,140	3,113,977	1,292,140	3,113,977
	(3,322,646)	(8,007,371)	(3,322,646)	(8,007,371)
Revaluation of land and buildings	143,392,161	559,637,388	143,392,161	559,637,388
Income tax effect	(11,467,451)	(757,040,710)	(11,467,451)	(757,040,710)
	131,924,710	(197,403,322)	131,924,710	(197,403,322)
Other comprehensive profit/(loss) for the period, net	128,602,064	(205,410,693)	128,602,064	(205,410,693)
Total comprehensive income for the period, net of tax	402,470,267	(165,657,782)	475,513,820	(102,111,586)
Attributable to:				
Equity holders of the parent	402,470,267	(165,657,782)	475,513,820	(102,111,586)
Non-controlling interests	-	-	-	-



# STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

## Company

	Unaudited 31-03-2019 LKR	Audited 31-03-2018 LKR
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant & equipment	3,256,885,854	2,611,276,970
Investment Property	3,614,000,000	3,295,000,000
Intangible assets	1,359,011	-
Investment in subsidiaries	2,797,642,874	2,286,972,430
Other financial assets	206,595,965	100,205,186
	<b>9,876,483,704</b>	<b>8,293,454,586</b>
<b>Current Assets</b>		
Inventories	1,946,205,132	1,894,886,042
Trade and other receivables	717,360,003	685,238,232
Amounts due from related parties	347,444,539	527,181,142
Income Tax Refund Due	81,225,154	24,641,586
Other financial assets	1,440,000	8,592,724
Cash and bank balances	35,046,769	62,261,092
	<b>3,128,721,597</b>	<b>3,202,800,818</b>
<b>Total Assets</b>	<b>13,005,205,301</b>	<b>11,496,255,404</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	2,795,513,620	2,795,513,620
Revaluation surplus	2,121,316,015	1,989,391,305
Retained earnings	1,738,157,211	1,465,321,753
	<b>6,654,986,846</b>	<b>6,250,226,678</b>
<b>Non Current Liabilities</b>		
Interest bearing borrowings	586,409,642	366,485,618
Deferred tax liabilities	797,139,055	775,347,933
Deferred liability	52,703,679	55,403,280
Retirement benefit liability	60,947,904	55,321,269
	<b>1,497,200,280</b>	<b>1,252,558,100</b>
<b>Current Liabilities</b>		
Trade and other payables	703,281,854	601,244,844
Amounts due to related parties	731,079,059	437,662,855
Interest bearing borrowings	3,410,356,032	2,942,716,892
Deferred liability	8,301,230	11,846,035
	<b>4,853,018,175</b>	<b>3,993,470,626</b>
<b>Total Equity and Liabilities</b>	<b>13,005,205,301</b>	<b>11,496,255,404</b>
		-
Net asset per share	24.46	22.97

These financial statements are in compliance with the requirements of the companies Act No 7 of 2007

Sgd.

.....  
**Senior Manager Finance Operations & Compliance**

The board of directors is responsible for these Financial Statements.  
 Signed for and on behalf of the board by

Sgd.

.....  
**Chairman**

Date : 31 May 2019  
 Colombo

Sgd.

.....  
**Director**

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

Company	Revaluation Reserve	Stated Capital	Retained Earnings	Total Equity
	LKR	LKR	LKR	LKR
Balance as at 01 Apr 2017	2,184,526,197	2,795,513,620	1,372,298,447	6,352,338,264
Net profit/(loss) for the period			103,299,107	103,299,107
Other comprehensive income	(197,403,322)		(8,007,371)	(205,410,693)
	1,987,122,875	2,795,513,620	1,467,590,183	6,250,226,678
Revaluation surplus transferred to retained earnings	2,268,432		(2,268,432)	-
Balance as at 31 March 2018	1,989,391,307	2,795,513,620	1,465,321,751	6,250,226,678
Balance as at 01 Apr 2018	1,989,391,305	2,795,513,620	1,465,321,753	6,250,226,678
Net profit/(loss) for the period			346,911,756	346,911,756
Other comprehensive income	131,924,710		(3,322,646)	128,602,064
	2,121,316,015	2,795,513,620	1,808,910,863	6,725,740,498
Dividends			(70,753,652)	(70,753,652)
Balance as at 31 March 2019	2,121,316,015	2,795,513,620	1,738,157,211	6,654,986,846

## CASH FLOW STATEMENT

Year ended 31 March 2019

Company	Unaudited	Audited
	2018/19	2017/18
	LKR	LKR
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Net profit/(loss) before Income tax expense	358,527,567	93,058,536
Adjustments for		
Depreciation	255,607,413	149,449,736
Intangible assets amortization	242,604	-
Finance costs	500,835,131	403,317,626
Finance income	(55,109,871)	(36,978,098)
Impairment reversal of property plant and equipment	-	1,150,108
(Profit)/loss on disposal of property, plant & equipment	(3,853,951)	(4,086,943)
Fair value (gain)/loss on investment property	(319,000,000)	(55,000,000)
Dividend income	-	(109,440,000)
Provision for define benefit plans	12,787,376	10,683,623
Operating profit before working capital changes	750,036,269	452,154,588
Decrease/(Increase) in inventories	(51,319,090)	(157,851,170)
Decrease/(Increase) in trade and other receivables	(32,121,771)	13,944,842
Decrease/(Increase) in dues from related parties	229,262,923	(252,370,412)
Decrease/(Increase) in other current financial assets	(99,238,055)	(47,413,880)
(Decrease)/Increase in dues to related parties	209,037,854	203,519,582
(Decrease)/Increase in trade and other payables	102,037,010	(147,158,244)
(Decrease)/Increase in deferred liability	(6,244,406)	13,145,118
Cash generated from operations	1,101,450,734	77,970,424
Finance costs paid	(416,456,781)	(346,356,390)
Defined benefit plan costs paid	(11,775,527)	(6,066,983)
Income tax paid/Dividend Tax Paid	(45,116,117)	(22,644,903)
Net cash from/(used in) operating activities	628,102,310	(297,097,852)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant & equipment	(770,966,967)	(549,142,065)
Investment in equity shares of subsidiaries	(510,670,444)	(189,583,390)
Acquisition of intangible assets	(1,601,615)	-
Dividend received	-	109,440,000
Finance income	5,583,551	2,406,350
Proceed from disposal of fixed assets	5,529,331	4,457,110
Net cash flows from/(used in) investing activities	(1,272,126,145)	(622,421,995)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from long term interest bearing borrowings	1,505,131,027	6,651,106,251
Repayment of long term interest bearing borrowings	(744,377,272)	(5,875,766,138)
Dividends paid	(70,753,652)	-
Net cash flows from/(used in) financing activities	690,000,103	775,340,113
Net increase/(decrease) in cash and cash equivalents	45,976,268	(144,179,734)
Cash and cash equivalents at the beginning of the period	(658,130,421)	(513,950,687)
Cash and cash equivalents at the end of the period _ Note 01	(612,154,153)	(658,130,421)
<b>Note_01</b>		
Cash and bank balances	35,046,769	62,261,092
Bank Overdraft included in Interest bearing borrowings	(647,200,922)	(720,391,513)
Cash and cash equivalents at the end of the period	(612,154,153)	(658,130,421)

## NOTES TO THE FINANCIAL STATEMENT

Year ended 31 March 2019

- 1 Odel PLC is a limited liability company incorporated and domiciled in Sri Lanka whose shares are publicly traded in the Colombo Stock Exchange. The registered office of Odel PLC is located at No 475/32, Kotte Road, Rajagiriya.
- 2 The financial statements for the period ended 31st March 2019, includes the company referring to Odel PLC, as the holding company and the Group referring to the companies whose accounts have been consolidated therein.
- 3 During the reporting period, the Company invested Rs 210,670,440/= in the ordinary shares of Odel Properties One (Pvt) Ltd, a fully owned subsidiary, of which the business is to carry out developing, owning, managing, operating, selling, leasing and renting of mixed development project, under the agreement with the Board of Investment of Sri Lanka.

- 3 Market Price per share

Quarter ended		31-Mar-2019	31-Mar-2018
		LKR	LKR
Highest	:	30.00	26.00
Lowest	:	24.50	21.20
Closing	:	26.10	25.29

- 4 The Interim Financial Statements of the Company and Group have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2018, which is in compliance with LKAS 34 'Interim Financial Reporting' and all figures are subject to audit.
- 5 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.
- 6 Stated capital is represented by number of shares in issue as given below;

Ordinary shares held	2019	2018
As at 31 March	272,129,431	272,129,431

The percentage of shares held by the public as at 31 March 2019 was 2.26% (2018 ~ 2.28%). The number of shareholders representing the public holding was 5,148 (2018 ~ 5,285)

Market Capitalisation of public share holding is LKR 160,783,073 (2018 - LKR 156,817,726)

- 7 The numbers of shares held by the directors are as follows.

Name of the Director	31 Mar 2019
Mr. A.K Pathirage	48,292
Mr. H.K Kaimal	Nil
Dr. S. Sellaih	Nil
Mr. R.P Pathirana	Nil
Dr. I.C Ruanthi De Silva	Nil

## NOTES TO THE FINANCIAL STATEMENT

Year ended 31 March 2019

8 Twenty largest shareholders of the company as at 31 March 2019 are as follows.

No	Name	No of Shares	Percentage %
1	SOFTLOGIC RETAIL HOLDINGS (PRIVATE) LIMITED	240,920,868	88.53
2	COMMERCIAL BANK OF CEYLON PLC/SOFTLOGIC RETAIL HOLDINGS (PVT) LTD	25,000,000	9.19
3	Mrs. ELAINE BRYNHILDA HELGA ANIL PERERA	527,000	0.19
4	AYENKA HOLDINGS PRIVATE LIMITED	509,408	0.19
5	MERCANTILE INVESTMENTS AND FINANCE PLC	300,000	0.11
6	TANGERINE TOURS (PVT) LIMITED	225,600	0.08
7	BANK OF CEYLON NO. 1 ACCOUNT	222,295	0.08
8	MR. INDIKA PRASAD GALHENAGE	200,100	0.07
9	ASHA FINANCIAL SERVICES LIMITED/MR.C.N.PAKIANATHAN	150,100	0.06
10	Mr. NAYANAKA ARJUNA SAMARAKOON	100,000	0.04
11	MISS NEESHA HARNAM	99,800	0.04
12	PEOPLE'S LEASING & FINANCE PLC/DR.H.S.D.SOYSA & MRS.G.SOYSA	90,000	0.03
13	COMMERCIAL BANK OF CEYLON PLC/ANDARADENIYA ESTATE (PVT) LTD	81,700	0.03
14	MR. AMARAKOON MUDIYANSELAGE WEERASINGHE	66,200	0.02
15	Mr. MADHURA SUPUN HIRIPITIYA	60,305	0.02
16	BANSEI SECURITIES CAPITAL (PVT) LTD/M.A.U. GNANATILAKE	55,950	0.02
17	Mr. SARATH KUSUM WICKREMESINGHE	55,000	0.02
18	DFCC BANK PLC/MR.M.C.FERNANDO	54,191	0.02
19	Mr. DILIP SUDHIRA JAYAWICKRAMA	50,000	0.02
20	MR. ASOKA KARIYAWASAM PATHIRAGE	48,292	0.02

9 There were no significant contingent liabilities at the date of the statement of financial position except for following

1. Odel PLC has executed letter of credits for 107,492,185 LKR ( 428,363 USD / 21,181 EUR)
2. Softlogic Brands (Pvt) Ltd has executed letter of credits for 112,115,156 LKR ( 417,482 USD / 178,036 EUR / 18,630 SGD)

10 Total value of capital commitments as at reporting period as follows,

- a) Odel Properties One (Pvt) Ltd which is a fully owned subsidiary, has entered into agreements with;
  - i. Access Engineering PLC for Rs 570 Mn to construct the diaphragm wall and piling work of the proposed Odel mixed development project.
  - ii. China Construction Third Engineering Bureau Co, Ltd for 7,017 Mn on rest of the commercial development on the above project.2
  - iii. Non contracted capital commitments  
Estimated non contracted commitment for the above project will be Rs 8,310 Mn.
- b) Odel PLC has entered in to a Rent/ Licence agreement with Colombo City Centre Partners (Pvt) Ltd for 5 to 9 years and the total commitment under the agreement is Rs.738,226,949
- c) Odel PLC has entered in to a Lease agreement with Shangri-La Hotels Lanka (Pvt) Ltd for 2 to 5 years and the total minimum commitment under the agreement is 7,776,618 USD
- d) Softlogic Brands (Pvt) Ltd entered into a Rent/ Licence agreement with Colombo City Centre Partners (Pvt) Ltd for 3 to 5 years and the total commitment under the agreement is Rs.769,719,412
- e) Softlogic Brands (Pvt) Ltd entered in to a Lease agreement with Shangri-La Hotels Lanka (Pvt) Ltd for 3 to 5 years and the total minimum commitment under the agreement is 5,348,078 USD

## NOTES TO THE FINANCIAL STATEMENT

Year ended 31 March 2019

- 11 Odel PLC acquired 100% of the voting shares of Cotton Collection (Pvt) Ltd for 300 Mn on 28th August 2018, of which the principal activity and nature of operation is to engage in retail business.

### Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Cotton Collections (Pvt) Ltd as at the date of acquisition were

Description	Fair value recognised on the acquisition
<b>Non-current assets</b>	
Property, plant and equipment	17,782,666
Intangible assets	1,192,889
Other non current assets	41,524,706
<b>Current assets</b>	
Inventories	166,859,044
Trade and other receivables	138,134,234
Cash in hand and at bank	17,639,717
<b>Total Assets</b>	<b>383,133,256</b>
<b>Non-current liabilities</b>	
Interest bearing borrowings	145,622
Employee benefit liabilities	8,630,714
<b>Current liabilities</b>	
Trade and other payables	187,871,963
Current portion of interest bearing borrowings	546,916
Bank overdrafts	226,822,686
<b>Total Liabilities</b>	<b>424,017,901</b>
<b>Total identifiable net liability at faire value</b>	<b>(40,884,645)</b>
Goodwill arising on acquisition	(340,884,645)
<b>Purchase Consideration transferred</b>	<b>300,000,000</b>
<b>Net Cash flow on the acquisition</b>	
Cash paid on the acquisition	(300,000,000)
Cash acquired	17,639,717
Bank overdraft acquired	(226,822,686)
<b>Net cash out flow</b>	<b>(509,182,969)</b>

## NOTES TO THE FINANCIAL STATEMENT

Year ended 31 March 2019

12	Related party transactions	Group		Company	
		2019	2018	2019	2018
		LKR	LKR	LKR	LKR
	<b>Ultimate Parent</b>				
	(Purchase)/sale of goods	355,252	134,872	-	99,250
	(Purchase)/sale of goods	-	-	-	-
	(Receiving)/rendering of services	-	-	-	-
	(Receiving)/rendering of services	(113,052,222)	(55,633,501)	(63,813,992)	(53,032,140)
	Guarantee fees paid / (received)	-	1,334,415	-	-
	<b>Companies Under Common Control</b>				
	(Purchase)/sale of goods	722,715,862	566,249,794	82,915,299	82,362,520
	(Purchase)/sale of goods	(760,126,941)	(675,939,479)	(685,067,003)	(486,580,782)
	(Receiving)/rendering of services	398,432,553	518,453,222	294,543,809	258,144,771
	(Receiving)/rendering of services	(435,459,441)	(523,404,177)	(124,163,824)	(337,683,637)
	(Purchase)/sale of fixed assets	19,110,662	-	-	-
	(Purchase)/sale of fixed assets	(60,510,172)	-	(59,992,682)	-
	Guarantee fees paid/(received)	-	-	-	-
	<b>Equity Accounted Investees</b>				
	(Purchase)/sale of goods	-	-	-	-
	(Receiving)/rendering of services	-	-	-	-
	<b>Key Management Personal (KMP)</b>				
	(Purchase)/sale of goods	-	-	-	-
	(Receiving)/rendering of services	-	-	-	-
	Directors fees (paid)/received	(3,600,000)	(3,600,000)	(3,600,000)	(3,600,000)
	<b>Close Family Members of KMP</b>				
	(Purchase)/sale of goods	-	-	-	-
	(Receiving)/rendering of services	-	-	-	-
	<b>Post Employee Benefit Plan</b>				
	(Receiving)/rendering of services	-	-	-	-

- 13 No circumstances have arisen since the date of the statement of financial position which would require adjustment to or disclosure in the financial statements.

## CORPORATE INFORMATION

### Name of company

Odel PLC

### Legal form

Public Limited Liability Company  
Incorporated in Sri Lanka in 1990

### Registered office of the company

# 475/32,  
Kotte Road,  
Rajagiriya.

### Company registration No.

PV 7206 PQ

### Directors

Mr A K Pathirage - Chairman/Executive Director  
Mr H.K Kaimal - Non Executive Director  
Dr S Selliah - Independent Non Executive Director  
Mr R.P Pathirana - Independent Non Executive Director  
Dr I.C.R De Silva - Independent Non Executive Director

### Audit Committee

Mr R.P Pathirana - Chairman  
Dr S Selliah  
Dr I.C.R De Silva

### Remuneration Committee

Mr R.P Pathirana  
Dr S Selliah

### Related Party Transactions Review Committee

Dr I.C.R De Silva - Chairperson  
Mr R.P Pathirana  
Mr H.K Kaimal

### Secretaries and registrars

Soflogic Corporate Services (Pvt) Ltd  
No 14, De Fonseka Place,  
Colombo 5.

### Auditors

Ernst & Young  
Chartered Accountants,  
201 De Saram Place,  
P.O. Box 101,  
Colombo.

### Bankers

Bank of Ceylon  
Commercial Bank  
DFCC Bank  
Hatton National Bank  
Nation Trust Bank  
Sampath Bank  
Seylan Bank  
Union Bank

### Investor Relations

Odel PLC  
475/32, Kotte Road,  
Rajagiriya.  
Tel: 0115885000  
[web: www.odel.lk](http://www.odel.lk)



