

INTERIM CONDENSED FINANCIAL STATEMENTS
 CONSOLIDATED INCOME STATEMENT

For the three months ended 30th June	Note	2019	2018	Change %
Goods transferred at a point in time		16,739,183	13,973,478	20
Total Revenue from contracts with customers		16,739,183	13,973,478	20
Cost of sales		(14,583,240)	(12,679,782)	15
Gross profit		2,155,943	1,293,696	67
Other operating income		349,330	367,378	(5)
Selling and distribution expenses		(688,522)	(549,094)	25
Administrative expenses		(489,906)	(426,157)	15
Other operating expenses		(258,781)	(227,884)	14
Results from operating activities		1,068,064	457,939	133
Finance cost		(440,764)	(63,652)	592
Finance income		15,960	23,383	(32)
Net Finance cost		(424,804)	(40,269)	955
Profit before tax		643,260	417,670	54
Tax expense	6	(231,175)	(178,743)	29
Profit for the period		412,085	238,927	72
Attributable to:				
Equity holders of the parent		412,085	238,927	72
		LKR	LKR	
Earnings per share				
Basic		4.34	2.51	
Dividend per share		8.00	8.00	

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

CEYLON COLD STORES PLC (PQ4)
 No. 117, Sir Chittampalam A Gardiner Mawatha
 Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	2019	2018
Profit for the period	412,085	238,927
Other comprehensive income	-	-
Total comprehensive income for the period, net of tax	412,085	238,927
Attributable to:		
Equity holders of the parent	412,085	238,927
	412,085	238,927

Note : All values are in LKR '000s, unless otherwise stated.
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INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	30.06.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	18,447,532	18,121,188
Right of use asset	6,714,177	-
Lease rentals paid in advance	-	143,237
Investment property	254,034	254,034
Intangible assets	465,645	461,672
Non-current financial assets	7,261,922	7,272,653
Other non-current assets	747,654	1,233,160
	33,890,964	27,485,944
Current assets		
Inventories	4,818,445	5,087,829
Trade and other receivables	2,576,830	3,153,862
Amounts due from related parties	4,687	3,753
Other current assets	1,003,776	1,071,050
Short-term investments	271,175	52,010
Cash in hand and at bank	642,882	713,817
	9,317,795	10,082,321
Total assets	43,208,759	37,568,265
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	918,200	918,200
Revenue reserves	11,103,724	11,451,973
Other components of equity	3,050,753	3,029,785
Total equity	15,072,677	15,399,958
Non-current liabilities		
Interest-bearing loans and borrowings	7,260,751	1,458,333
Deferred tax liabilities	1,646,479	1,620,348
Employee benefit liabilities	570,748	534,213
Other non-current liabilities	136,541	158,612
	9,614,519	3,771,506
Current liabilities		
Trade and other payables	6,667,032	7,367,446
Amounts due to related parties	241,514	301,971
Income tax liabilities	259,979	151,240
Short-term borrowings	1,197,661	1,646,315
Interest-bearing loans and borrowings	665,761	500,000
Other current liabilities	1,049,178	1,006,296
Bank overdrafts	8,440,438	7,423,533
	18,521,563	18,396,801
Total equity and liabilities	43,208,759	37,568,265
	LKR	LKR
Net assets per share	158.59	162.04

Note : All values are in LKR '000s, unless otherwise stated.
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I certify that the financial statements comply with the requirements of the Companies Act No.07 of 2007.



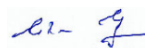
P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director

29th July 2019



J G A Cooray
Director

INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30th June	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before working capital changes	A	1,731,476	822,686
(Increase) / Decrease in inventories		269,384	(157,664)
(Increase) / Decrease in trade and other receivables		577,032	755,345
(Increase) / Decrease in amounts due from related parties		(934)	(1,661)
(Increase) / Decrease in other current assets		93,845	(124,436)
(Increase) / Decrease in non-current financial assets		10,731	(2,353)
(Increase) / Decrease in other non-current assets		(87,144)	(180,333)
Increase / (Decrease) in trade and other payables		(700,414)	(431,649)
Increase / (Decrease) in amounts due to related parties		(60,457)	14,444
Increase / (Decrease) in other current liabilities		42,882	(251,159)
Increase / (Decrease) in other non-current liabilities		(1,049)	621
Cash generated from operations		1,875,352	443,841
Finance income received		15,960	23,383
Finance costs paid*		(245,967)	(63,652)
Tax paid /set off against tax credits and refunds		(164,489)	(136,314)
Employee benefit (Gratuity) paid / transferred		(10,888)	(10,807)
Net cash flow from operating activities		1,469,968	256,451
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment		(724,961)	(1,972,972)
Purchase of intangible assets		(18,087)	(7,273)
Proceeds from sale of property, plant and equipment		2,950	156
Net cash flow used in investing activities		(740,098)	(1,980,089)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Dividend paid to equity holders of parent		(760,320)	(760,320)
Dividend paid to preference shareholders		(14)	(14)
Repayment of interest-bearing loans and borrowings		(389,557)	(125,000)
Proceeds from/(repayment of) other financial liabilities (net)		(448,654)	-
Net cash flow used in financing activities		(1,598,545)	(885,334)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(868,675)	(2,608,972)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(6,657,706)	(1,608,388)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		(7,526,381)	(4,217,360)
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Short-term investments		271,175	282,012
Cash in hand and at bank		642,882	477,796
Unfavourable balances			
Bank overdrafts		(8,440,438)	(4,977,168)
Total Cash and cash equivalents		(7,526,381)	(4,217,360)

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

Figures in brackets indicate deductions.

The above figures are not audited.

*Excludes interest expense on lease liabilities

INTERIM CONDENSED FINANCIAL STATEMENTS
 CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 30th June

2019

2018

	2019	2018
A. Profit before working capital changes		
Profit before tax	643,260	417,670
Adjustments for:		
Finance income	(15,960)	(23,383)
Finance cost	440,764	63,652
Share-based payment expense	20,968	22,446
Depreciation of property, plant and equipment	395,653	274,710
Amortisation of intangible assets	14,114	4,326
Loss on sale of property, plant and equipment	14	28,960
Amortisation of right of use assets/Lease rentals paid in advance	184,793	757
Foreign exchange loss on lease liability	447	-
Employee benefit provisions and related costs	47,423	33,548
	1,731,476	822,686

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

Figures in brackets indicate deductions.

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INTERIM CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of Parent					Total Equity
	Stated capital	ESOP reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Revenue reserves	
As at 1 April 2018	918,200	365,091	831,051	-	11,568,431	13,682,773
Profit for the period	-	-	-	-	238,927	238,927
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	238,927	238,927
Share based payment transactions	-	22,446	-	-	-	22,446
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 30 June 2018	918,200	387,537	831,051	-	11,047,024	13,183,812
As at 1 April 2019	918,200	444,375	948,136	1,637,274	11,451,973	15,399,958
Profit for the period	-	-	-	-	412,085	412,085
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	412,085	412,085
Share based payment transactions	-	20,968	-	-	-	20,968
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 30 June 2019	918,200	465,343	948,136	1,637,274	11,103,724	15,072,677

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CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY INCOME STATEMENT

For the three months ended 30th June	Note	2019	2018	Change %
Goods transferred at a point in time		3,111,439	3,071,169	1
Total Revenue from contracts with customers		3,111,439	3,071,169	1
Cost of sales		(2,004,057)	(2,119,972)	(5)
Gross profit		1,107,382	951,197	16
Dividend income		278,088	278,088	-
Other operating income		76,295	25,009	205
Selling and distribution expenses		(458,732)	(421,423)	9
Administrative expenses		(179,038)	(176,382)	2
Other operating expenses		(86,201)	(68,984)	25
Results from operating activities		737,794	587,505	26
Finance cost		(320)	(197)	62
Finance income		13,210	18,426	(28)
Net finance income		12,890	18,229	(29)
Profit before tax		750,684	605,734	24
Tax expense	6	(134,527)	(107,086)	26
Profit for the period		616,157	498,648	24
		LKR	LKR	
Dividend per share		8.00	8.00	

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Figures in brackets indicate deductions.
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INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30th June	2019	2018
Profit for the period	616,157	498,648
Other comprehensive income	-	-
Total comprehensive income for the period, net of tax	616,157	498,648

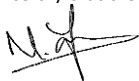
Note : All values are in LKR '000s, unless otherwise stated.
Figures in brackets indicate deductions.
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INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY STATEMENT OF FINANCIAL POSITION

As at	30.06.2019	31.03.2019
ASSETS		
Non-current assets		
Property, plant and equipment	4,066,724	4,136,237
Investment property	254,034	254,034
Intangible assets	3,151	3,700
Investments in subsidiaries	2,944,782	2,942,282
Non-current financial assets	7,145,206	7,152,805
Other non-current assets	54,764	56,896
	14,468,661	14,545,954
Current assets		
Inventories	1,104,485	1,119,560
Trade and other receivables	1,366,942	1,616,420
Amounts due from related parties	86,123	58,569
Other current assets	95,094	90,155
Short-term investments	271,175	52,010
Cash in hand and at bank	225,033	249,623
	3,148,852	3,186,337
Total assets	17,617,513	17,732,291
EQUITY AND LIABILITIES		
Stated capital	918,200	918,200
Revenue reserves	10,561,071	10,705,248
Other components of equity	2,778,427	2,766,013
Total equity	14,257,698	14,389,461
Non-current liabilities		
Deferred tax liabilities	841,889	867,135
Employee benefit liabilities	397,549	375,993
Other non-current liabilities	136,541	137,590
	1,375,979	1,380,718
Current liabilities		
Trade and other payables	1,077,748	1,151,572
Amounts due to related parties	5,269	5,414
Income tax liabilities	259,979	151,240
Other current liabilities	428,172	413,509
Bank overdrafts	212,668	240,377
	1,983,836	1,962,112
Total equity and liabilities	17,617,513	17,732,291
	LKR	LKR
Net assets per share	150.02	151.40

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

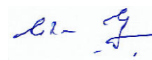


P N Fernando
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements.



D P Gamlath
Director



J G A Cooray
Director

29th July 2019

INTERIM CONDENSED FINANCIAL STATEMENTS
COMPANY STATEMENT OF CASH FLOWS

For the three months ended 30th June

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	750,684	605,734
Adjustments for:		
Finance income	(13,210)	(18,426)
Dividend income	(278,088)	(278,088)
Finance cost	320	197
Depreciation of property, plant and equipment	128,191	121,000
Loss on sale of property, plant and equipment	877	2,354
Amortization of intangible assets	549	606
Share based payment expenses	12,414	18,053
Employee benefit provisions and related costs	31,319	23,205
Profit before working capital changes	633,056	474,635
(Increase) / Decrease in inventories	15,075	(169,081)
(Increase) / Decrease in trade and other receivables	249,478	579,154
(Increase) / Decrease in amounts due from related parties	(27,554)	(30,145)
(Increase) / Decrease in other current assets	(4,939)	(64,931)
(Increase) / Decrease in non-current financial assets	7,599	5,329
(Increase) / Decrease in other non-current assets	2,132	1,247
Increase / (Decrease) in trade and other payables	(73,824)	(214,890)
Increase / (Decrease) in amounts due to related parties	(145)	2,326
Increase / (Decrease) in other current liabilities	14,663	(288,131)
Increase / (Decrease) in other non-current liabilities	(1,049)	4,476
Cash generated from operations	814,492	299,989
Finance income received*	10,710	15,301
Finance expenses paid	(320)	(197)
Tax paid /set off against tax credits and refunds	(51,034)	(40,218)
Employee benefit (Gratuity) paid / transferred	(9,763)	(6,038)
Net cash flow from operating activities	764,085	268,837
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(61,090)	(97,181)
Investment in subsidiary	-	(200,000)
Dividend income received	278,088	278,088
Proceeds from sale of property, plant and equipment	1,535	192
Net cash flow from (used in) investing activities	218,533	(18,901)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid to equity holders	(760,320)	(760,320)
Dividend paid to preference shareholders	(14)	(14)
Net cash flow used in financing activities	(760,334)	(760,334)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	222,284	(510,398)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	61,256	552,899
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	283,540	42,501
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Short-term investments	271,175	184,662
Cash in hand and at bank	225,033	207,219
Unfavourable balances		
Bank overdrafts	(212,668)	(349,380)
Total cash and cash equivalents	283,540	42,501

*Excludes inter-company notional guarantee income

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

INTERIM CONDENSED FINANCIAL STATEMENTS
 COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	ESOP reserve	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Revenue reserves	Total Equity
As at 1 April 2018	918,200	228,433	780,371	-	10,440,113	12,367,117
Profit for the period	-	-	-	-	498,648	498,648
Total comprehensive income	-	-	-	-	498,648	498,648
Share based payment transactions	-	18,053	-	-	-	18,053
Final dividend paid - 2017/18	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2017/18	-	-	-	-	(14)	(14)
As at 30 June 2018	918,200	246,486	780,371	-	10,178,427	12,123,484
As at 1 April 2019	918,200	283,727	845,012	1,637,274	10,705,248	14,389,461
Profit for the period	-	-	-	-	616,157	616,157
Total comprehensive income	-	-	-	-	616,157	616,157
Share based payment transactions	-	12,414	-	-	-	12,414
Final dividend paid - 2018/19	-	-	-	-	(760,320)	(760,320)
Preference share dividend paid - 2018/19	-	-	-	-	(14)	(14)
As at 30 June 2019	918,200	296,141	845,012	1,637,274	10,561,071	14,257,698

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CEYLON COLD STORES PLC (PQ4)
No. 117, Sir Chittampalam A Gardiner Mawatha
Colombo 02

INTERIM CONDENSED FINANCIAL STATEMENTS
OPERATING SEGMENT INFORMATION

Business segments

The following table present revenue, profit information and other disclosures regarding the Group's business segments.

For the three months ended 30th June	Manufacturing		Retail		Group Total	
	2019	2018	2019	2018	2019	2018
Goods transferred at a point in time - External revenue	3,800,616	3,033,981	12,938,567	10,939,497	16,739,183	13,973,478
- Inter segment revenue	157,506	84,636	-	-	157,506	84,636
Total revenue from contracts with customers	3,958,122	3,118,617	12,938,567	10,939,497	16,896,689	14,058,114
Eliminations of inter segment revenue					(157,506)	(84,636)
Net revenue from contracts with customers					16,739,183	13,973,478
Segment result	853,418	517,161	488,975	231,733	1,342,393	748,894
Finance cost	(64,023)	(20,198)	(376,741)	(43,454)	(440,764)	(63,652)
Finance income	10,934	19,456	5,026	3,927	15,960	23,383
Eliminations / adjustments					(274,329)	(290,955)
Profit before tax	800,329	516,419	117,260	192,206	643,260	417,670
Tax expense*	(148,374)	(82,134)	(82,801)	(96,609)	(231,175)	(178,743)
Profit for the period	651,955	434,285	34,459	95,597	412,085	238,927
Reportable Segment Assets**	19,575,463	17,185,653	23,627,342	13,034,509	43,208,759	30,239,983
Purchase and construction of Property, Plant and Equipment	88,482	850,685	636,479	1,122,287	724,961	1,972,972
Addition to Intangible Assets	811	-	17,276	7,273	18,087	7,273
Reportable Segment Liabilities***	6,405,576	6,374,328	21,823,477	10,746,540	28,136,082	17,056,171
Depreciation of Property, Plant and Equipment	174,748	132,790	220,905	141,920	395,653	274,710
Amortization of Intangible Assets	658	606	13,456	3,720	14,114	4,326
Amortisation of Right of Use Assets/Lease Rentals Paid in Advance	1,127	757	183,666	-	184,793	757
Employee benefit provisions and related costs	34,424	23,340	12,999	10,208	47,423	33,548

Inter-segment revenue and inter-company balances are eliminated on consolidation

* Retail segment tax expense includes tax on consolidation adjustments

**Segment Assets include Investment Property, Unquoted Equity Investments and Right of Use Assets

*** Segment Liabilities include Lease Liabilities

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

Figures in brackets indicate deductions.

The above figures are not audited.

INTERIM CONDENSED FINANCIAL STATEMENTS
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Cold Stores PLC is a Public Limited Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. Ordinary shares of the Company are listed on the Colombo Stock Exchange.

2 INTERIM CONDENSED FINANCIAL STATEMENTS

The Consolidated Financial Statements for the period ended 30 June 2019, comprise "the Company" referring to Ceylon Cold Stores PLC as the Holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

3 APPROVAL OF FINANCIAL STATEMENTS

The interim condensed financial statements of the Group and the Company for the quarter and year ended 30 June 2019 were authorized for issue by the Board of Directors on 29 July 2019.

4 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

4.1 Basis of Preparation

The interim condensed consolidated financial statements for the three months ended 30 June 2019 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2019.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

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

4.2 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognised during the period were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the period. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income and there were no purchases and/or disposals during the period.

Fair valuation was done as of 30 June 2019 for all unquoted equity shares classified as Level 3 within the fair value hierarchy according to fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

4.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2019, except for the adoption of new standards effective as of 1 April 2019. The Group has not opted for early adoption of any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, SLFRS 16 Leases. As required by LKAS 34, the nature and effect of these changes are disclosed below;

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The Group has adopted SLFRS 16 using modified retrospective method from 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard.

Lessor accounting under SLFRS 16 is substantially unchanged under LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 does not have an impact for leases where the Group is the lessor.

The effect of adopting SLFRS 16 ie.the increase/(decrease) as at 1 April 2019 is as follows;

	Group
	In LKR'000s
Assets	
Right of use assets	6,334,571
Lease rentals paid in advance	(715,887)
Other current assets	(41,612)
Total assets	<u>5,577,072</u>
Liabilities	
Interest-bearing loans and borrowings	5,598,093
Other deferred liabilities	(21,021)
Total Liabilities	<u>5,577,072</u>

INTERIM CONDENSED FINANCIAL STATEMENTS
 NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

a) Nature of the effect of adoption of SLFRS 16

The Group has lease contracts for lands, offices, warehouses and retail stores. Property leases are the major asset included in the right of use assets category, typically made up of lease period in between 5 to 50 years and have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. On adoption of SLFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of the transition date.

Leases previously classified as finance leases

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The requirements of SLFRS 16 was applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right of use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

	Group In LKR'000s
Operating lease commitments as at 31 March 2019	976,732
Discounted operating lease commitments at 1 April 2019	636,291
Less:	
Commitments relating to short-term leases	(153,961)
Commitments relating to leases of low-value assets	(3,846)
Add:	
Payments in optional extension periods not recognised as at 31 March 2019	5,119,609
Lease liabilities as at 1 April 2019	<u>5,598,093</u>

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in-substance of the fixed lease payments or a change in the assessment to purchase the underlying asset.

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No. 117, Sir Chittampalam A Gardiner Mawatha
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INTERIM CONDENSED FINANCIAL STATEMENTS

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease period of 12 months or less from the commencement date. It also applies to the lease of low-value assets, with further exemption of recognition to leases of office equipment that are also considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Amounts recognised in the statement of financial position and income statement

Set out below, are the carrying amounts of the Group's right of use assets and lease liabilities and the movements for the period ended 30 June 2019.

	Group	
	Right of use assets Relating to Land and Buildings	Lease liabilities
In LKR'000s		
As at 1 April 2019	6,334,571	5,598,093
Additions	564,399	564,399
Amortisation expense	(184,793)	-
Interest expense	-	194,797
Payments	-	(264,557)
Effect of Foreign Exchange Valuation	-	447
As at 30 June 2019	6,714,177	6,093,179

5 OPERATING SEGMENTS

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows;

- Manufacturing
- Retail

6 TAX

	Group		Company	
	2019	2018	2019	2018
For the three months ended 30th June				
In LKR'000s				
Income statement				
Current income tax	205,046	177,999	159,775	104,940
Deferred tax charge	26,129	744	(25,248)	2,146
	231,175	178,743	134,527	107,086

INTERIM CONDENSED FINANCIAL STATEMENTS
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

7 RELATED PARTY TRANSACTIONS
For the three months ended 30th June
In LKR '000s

	Group		Company	
	2019	2018	2019	2018
Transactions with related parties				
Ultimate Parent				
Sale of goods	205	212	-	-
Receiving of services	(83,489)	(118,435)	(23,643)	(21,078)
Subsidiaries				
Sale of goods	-	-	122,350	84,636
Purchase of goods	-	-	(35,156)	-
Rendering of services	-	-	28,343	2,372
Receiving of services	-	-	(9,796)	(6,605)
Investment in equity	-	-	-	(200,000)
Guarantee income	-	-	2,500	3,125
Royalty income	-	-	29,634	-
Companies under common control				
Sale of goods	1,347	1,504	263	123
Purchase of goods	(360,580)	(223,495)	-	(1,001)
Rendering of services	18,054	1,487	4,590	-
Receiving of Services	(378,420)	(254,609)	(11,988)	(16,764)
Franchise income received	3,121	2,892	3,121	2,892
Key Management personnel (KMP)				
Sale of goods	-	-	-	-
Close family members of KMP				
Sale of goods	-	-	-	-
Post employment benefit plan				
Contributions to the provident fund	(28,436)	(26,591)	(26,129)	(24,816)
Transactions with related parties - equity accounted investees of Ultimate Parent				
Receiving of Services	(313)	-	(313)	-
Interest received	408	173	69	45

8 Share information

8.1 Stated capital

Stated capital is represented by number of shares in issue as given below;

As at	30-06-2019	31-03-2019
Ordinary shares	95,040,000	95,040,000
Preference shares	25,000	25,000

8.2 Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares in issue as at 30 June 2019.

8.3 Market price per share

For the quarter ended 30 June	2019 LKR	2018 LKR
Highest	639.90	1,000.00
Lowest	550.00	900.00
Last traded	570.10	992.00

8.4 Public share holdings

Percentage of shares held by the public and the number of public shareholders is given below:

As at	30-06-2019	31-03-2019
Public share holding (%)	18.56%	18.56%
Public share holders	1,824	1,808
Compliant under option 01 - Float adjusted market capitalization (LKR Mn)	10,056	10,143

The Company is compliant under option 01 of the minimum threshold requirements for the Main Board of CSE, as per section 7.6 of the listing rules of CSE.

INTERIM CONDENSED FINANCIAL STATEMENTS
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

8.5 Directors' share holdings

The number of shares held by the Board of Directors (including their spouses) are as follows;

As at	30-06-2019	31-03-2019
Mr. K.N.J. Balendra - Chairman	81,904	81,904
Mr. J.G.A.Cooray	Nil	Nil
Mr. D. P. Gamlath	Nil	Nil
Mr. M. Hamza	1,000	1,000
Dr.R.S.W. Wijeratnam	Nil	Nil
Ms.S.T. Ratwatte	Nil	Nil

8.6 Twenty largest shareholders of the Company are as follows:

As at	30-06-2019		31-03-2019	
	Number of shares	%	Number of shares	%
1 John Keells Holdings PLC	67,155,812	70.66%	67,155,812	70.66%
2 Whittal Boustead (Pvt) Ltd	10,165,392	10.70%	10,165,392	10.70%
3 GF Capital Global Ltd	2,074,241	2.18%	2,074,241	2.18%
4 BBH Lux fidelity Funds-Pacific Fund	1,768,673	1.86%	1,768,673	1.86%
5 BBH-Matthews Emerging Asia Fund	1,376,891	1.45%	1,376,891	1.45%
6 JPMLU-T Rowe Price Funds SICAV	883,966	0.93%	883,966	0.93%
7 BBH-Fidelity Funds	720,196	0.76%	720,196	0.76%
8 Standard Chartered Bank Mauritius S/A Chambers Street Global Fund	455,819	0.48%	455,819	0.48%
9 Global Sea Foods (Pvt) Ltd	291,000	0.31%	373,000	0.39%
10 JPMCB NA- Fidelity Asian Values PLC	285,174	0.30%	285,174	0.30%
11 Life Insurance Corporation of India	272,912	0.29%	272,912	0.29%
12 Sisira Investors Ltd	259,132	0.27%	259,132	0.27%
13 SSBT-Deustche Bank AG Singapore A/C 01	242,153	0.25%	242,153	0.25%
14 Ayenka Holdings (Pvt) Ltd	202,034	0.21%	202,034	0.21%
15 Est. of Late M. Radhakrishnan (Deceased)	169,256	0.18%	169,256	0.18%
16 Mrs. J.R. Printer (Deceased)	167,936	0.18%	167,936	0.18%
17 Merrill J. Fernando & Sons (Pvt) Ltd	150,848	0.16%	150,848	0.16%
18 JPMCB-T.Rowe Price Institutional Frontier Markets Equity Fund	136,319	0.14%	143,440	0.15%
19 Mr. M.V. Theagarajah	133,548	0.14%	133,548	0.14%
20 Mrs. H.M. Mount (Deceased)	125,360	0.13%	125,360	0.13%

9 Dividends paid

For the three months ended 30 June	2019	2018
In LKR '000s		
Final dividend for 2018/19 LKR 8.00 (2017/18 LKR 8.00)	760,320	760,320

10 Contingencies, capital and other commitments

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 2019.

11 Events after the reporting period

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