



TEEJAY LANKA PLC
(Formerly known as TEXTURED JERSEY LANKA PLC)
Condensed Interim Financial Statements
Period Ended 30 September 2017



TEEJAY LANKA PLC

Chairman's Review

Teejay Group continued its revenue growth recording 16% YoY for the 2nd Quarter, stemming from the expansions in India and the prevailing GSP facilities that Sri Lanka is entitled to. The order book continues to gather momentum, and the Group recorded revenue of Rs 6.1 Bn compared to Rs 5.3 Bn last year. The market challenges created by the higher cotton yarn prices persisted however, thereby depressing margins compared to the prior year. The commissioning of extra capacity in India is gradually enabling greater volumes of business and certain economies of scale, and further aided by GSP. Thus, the Group increased its profitability QoQ by 68%, reporting a profit of Rs. 370 Mn for Q2. The commissioning of the full expanded capacity in India was concluded by end September, and the group expects to reach full capacity levels of Sales towards end Q3.

The Gross Profit for the Group recorded Rs 749 Mn, a reduction of 15%, YoY. The impacts stemming from Raw Material price hikes that were first felt in Q3 last year and have largely prevailed since, are further holding. Other factors including competitive sales pricing which prevented price hikes and the growth product mix, continued in Q2. However, Gross Profit margin improved from 11.1% to 12.3% QoQ from Rs 604 Mn to Rs 749 Mn as a result of better loading and cost control measures coming into force during the quarter. With the expansion in India underway, overheads have also marginally increased mainly through depreciation and expansion related costs increases for the quarter. The impact of the GP margin has extended to PBT. However we see an increase of 54 % QoQ due to economies of scale coming into play.

Teejay Lanka also has been impacted with the ending of its tax holiday from September 2016 onwards and both Teejay India and Teejay Prints are now subjected to Tax. Hence, Taxes within the Group increased from Rs 27Mn to Rs 79Mn, a 189% increase. The Net Profit declined due to the challenges in the markets which saw softer demand, coupled with continuing high raw material price escalations and the ending of the tax holiday, and the Group recorded Rs 370 Mn for the quarter, against last year's Rs 590 Mn for the second quarter. However, Teejay Group continues with a strong balance sheet from the previous quarter with a cash balance of Rs 2.7Bn despite the dividend payment of close to Rs 1 Bn. The increase in working capital was driven by inventories to support robust coming quarters which have been historically the Group's peak numbers. The mill's fill rates are already quite high for Q3.

Teejay Group remains strong and profitable, although net profit for the 1st Half of the year declined by 40% to LKR 589 Mn in the current year. However, Quarter 2 performance has shown a good improvement in profit relative to Q1, and the group prepares for two exciting quarters ahead with greater capacity at its disposal.

The overall market remains competitive with price pressure and volatility posing challenges on selling prices and margins. Even though the cotton price volatility was expected to ease out during the third quarter, it shows signs of moving into the fourth quarter. Amidst these challenges, the Group is gearing up for its peak quarters, with the GSP benefit already bringing in surges in EU business and expected to strengthen the Customer portfolio, and the US base making strong demands for higher volumes, and for the new Innovations showcased by the company. There has also been strong demand for more Prints, which is likely to further boost profitability, and the company has begun exporting to African and other non traditional markets as well.

The Company's Synthetic Business completed a successful first year and is now running at full capacity. The Group is optimistic of bringing in more business and the second phase of expansion in India will deliver similar QoQ topline growth for Q3, and again over and above that in Q4, when capacity will be fully utilized across that quarter. These extra profits coupled with economies of scale, will likely see profit Margins reach much stronger levels during Q3 and Q4.

Whilst implementing a combination of acute and strategic plans the Group will stay on course for stringent overhead management, output increase from changing working models and continuing production efficiencies which will be key for the upcoming quarters where we aspire to leverage on our strengths in the coming months. We have already commissioned new investments for added Finishing capacity, and Knitting capacity, for Sri Lanka. Our medium-term view remains quite bullish as we navigate these challenging quarters, and we will continue our long term roadmap for a broader synthetic footprint as well.

Sgd
Bill Lam

Chairman

TEEJAY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Group						
	Quarter Ended 30 September			Period Ended 30 September			2017 Audited
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	
Revenue	6,094,068	5,257,937	16%	11,502,278	10,033,795	15%	22,137,641
Cost of sales	(5,344,708)	(4,377,147)	22%	(10,148,849)	(8,425,642)	20%	(19,061,926)
Gross profit	749,360	880,790	-15%	1,353,429	1,608,153	-16%	3,075,715
Other income	45,063	48,139	-6%	76,149	75,568	1%	194,827
Distribution expenses	(37,211)	(35,656)	4%	(71,078)	(74,766)	-5%	(132,141)
Administrative expenses	(315,454)	(285,766)	10%	(614,365)	(566,479)	8%	(1,145,996)
Results from operating activities	441,758	607,507	-27%	744,135	1,042,476	-29%	1,992,405
Non Operating Income	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Finance income	23,452	21,252	10%	28,547	43,672	-35%	89,412
Finance costs	(15,717)	(11,019)	43%	(31,982)	(25,522)	25%	(70,447)
Net finance income	7,735	10,233	-24%	(3,435)	18,150	-119%	18,965
Profit before tax	449,493	617,740	-27%	740,700	1,060,626	-30%	2,011,370
Income tax	(79,411)	(27,487)	189%	(150,913)	(71,521)	111%	(52,195)
Profit for the period	370,082	590,253	-37%	589,787	989,105	-40%	1,959,175
Attributable to:							
Equity holders of the parent	370,082	590,253	-37%	589,787	989,105	-40%	1,959,175
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	370,082	590,253	-37%	589,787	989,105	-40%	1,959,175
Basic earnings per share (LKR)	0.53	0.84		0.84	1.42		2.81

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Group						
	Quarter Ended 30 September			Period Ended 30 September			2017 Audited
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	
Profit for the period	370,082	590,253	-37%	589,787	989,105	-40%	1,959,175
Other comprehensive income							
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	15,348
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(3,403)
Currency translation differences	(23,997)	57,470	-142%	(66,197)	(4,500)	1371%	355,822
Total other comprehensive income for the period	(23,997)	57,470	-142%	(66,197)	(4,500)	1371%	367,767
Total comprehensive income for the period	346,085	647,723	-47%	523,590	984,605	-47%	2,326,942
Attributable to:							
Equity holders of the parent	346,085	647,723	-47%	523,590	984,605	-47%	2,326,942
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	346,085	647,723	-47%	523,590	984,605	-47%	2,326,942

TEEJAY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Company						
	Quarter Ended 30 September			Period Ended 30 September			2017 Audited
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	
Revenue	4,163,374	3,788,546	10%	7,632,273	7,334,889	4%	15,721,413
Cost of sales	(3,731,234)	(3,203,795)	16%	(6,896,413)	(6,282,005)	10%	(13,792,631)
Gross profit	432,140	584,751	-26%	735,860	1,052,884	-30%	1,928,782
Other income	22,910	20,949	9%	34,377	29,216	18%	379,602
Distribution expenses	(32,089)	(29,860)	7%	(58,806)	(60,818)	-3%	(107,915)
Administrative expenses	(170,193)	(151,260)	13%	(328,719)	(304,152)	8%	(605,093)
Results from operating activities	252,768	424,580	-40%	382,712	717,130	-47%	1,595,376
Non Operating Income	87,879	4,274	1956%	167,784	8,557	1861%	(3,307)
Finance income	28,884	11,685	147%	37,212	25,973	43%	60,865
Finance costs	(325)	(2,368)	-86%	(550)	(2,416)	-77%	(16,561)
Net finance income	28,559	9,317	207%	36,662	23,557	56%	44,304
Profit before tax	369,206	438,171	-16%	587,158	749,244	-22%	1,636,373
Income tax	(44,349)	(24,590)	80%	(70,645)	(49,231)	43%	(135,425)
Profit for the period	324,857	413,581	-21%	516,513	700,013	-26%	1,500,948
Attributable to:							
Equity holders of the parent	324,857	413,581	-21%	516,513	700,013	-26%	1,500,948
Non-controlling interest	Nil	Nil		Nil	Nil	Nil	Nil
	324,857	413,581	-21%	516,513	700,013	-26%	1,500,948
Basic earnings per share (LKR)	0.46	0.59		0.74	1.00		2.15

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Company						
	Quarter Ended 30 September			Period Ended 30 September			2017 Audited
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	
Profit for the period	324,857	413,581	-21%	516,513	700,013	-26%	1,500,948
Other comprehensive income							
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	20,059
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(2,808)
Currency translation differences	(21,387)	51,757	-141%	(59,093)	(5,658)	944%	319,156
Total other comprehensive income for the period	(21,387)	51,757	-100%	(59,093)	(5,658)	944%	336,407
Total comprehensive income for the period	303,470	465,338	-35%	457,420	694,355	-34%	1,837,355
Attributable to:							
Equity holders of the parent	303,470	465,338	-35%	457,420	694,355	-34%	1,837,355
Non-controlling interest	Nil	Nil		Nil	Nil		Nil
	303,470	465,338	-35%	457,420	694,355	-34%	1,837,355

TEEJAY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	Group			Company		
	As at 30 September		As at 31 March	As at 30 September		As at 31 March
	2017	2016	2017	2017	2016	2017
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
ASSETS						
Non - current assets						
Property, plant & equipment	7,414,609	5,715,928	6,960,885	3,522,285	3,168,111	3,710,806
Capital work-in-progress	352,186	889,429	337,800	177,770	575,561	79,724
Intangible assets	65,673	69,626	65,833	39,437	33,494	34,054
Goodwill	50,244	48,911	50,537	Nil	Nil	Nil
Investment in Subsidiaries	Nil	Nil	Nil	2,748,323	2,675,391	2,764,328
Lease rentals paid in advance	231,394	240,244	240,306	91,864	93,581	94,550
Deferred tax assets	180,505	116,543	242,289	Nil	Nil	Nil
	8,294,611	7,080,681	7,897,650	6,579,679	6,546,138	6,683,462
Current assets						
Inventories	3,532,886	2,809,012	2,877,542	2,405,473	2,015,698	2,041,232
Trade and other receivables	3,387,822	2,664,435	3,370,099	2,446,797	1,873,939	2,221,185
Other financial assets	1,354,881	2,299,276	1,239,670	638,199	2,137,466	992,789
Cash and cash equivalents	1,375,347	1,148,798	1,494,376	1,025,689	732,228	906,653
	9,650,936	8,921,521	8,981,687	6,516,158	6,759,331	6,161,859
Total assets	17,945,547	16,002,202	16,879,337	13,095,837	13,305,469	12,845,321
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	4,056,790	3,942,686	3,942,686	4,056,790	3,942,686	3,942,686
ESOP fund	63,746	42,283	63,746	63,746	42,283	63,746
Exchange equalisation reserve	2,379,810	2,085,684	2,446,006	2,307,630	2,041,909	2,366,723
Retained earnings	4,437,127	4,441,364	4,724,786	3,222,438	3,463,778	3,583,371
	10,937,473	10,512,017	11,177,224	9,650,604	9,490,656	9,956,526
Non - current liabilities						
Borrowings	1,162,540	70,792	567,429	Nil	Nil	Nil
Deferred tax liabilities	375,086	322,643	357,470	263,100	216,128	247,932
Retirement benefit obligations	219,325	214,852	208,120	186,721	175,017	171,228
	1,756,951	608,287	1,133,019	449,821	391,145	419,160
Current liabilities						
Trade and other payables	3,550,218	2,962,153	3,043,719	2,153,360	2,005,178	1,705,126
Current tax liability	78,886	11,291	6,535	54,004	4,638	Nil
Borrowings	1,622,019	1,908,454	1,518,840	788,048	1,413,852	764,509
	5,251,123	4,881,898	4,569,094	2,995,412	3,423,668	2,469,635
Total liabilities	7,008,074	5,490,185	5,702,113	3,445,233	3,814,813	2,888,795
Total equity and liabilities	17,945,547	16,002,202	16,879,337	13,095,837	13,305,469	12,845,321
Net Asset per share	15.58	15.05	16.00	13.75	13.59	14.25

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

Sgd

Salman Nishtar
Chief Financial Officer

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

Sgd

Sriyan Joseph de Silva Wijeyeratne
Managing Director/Chief Executive Officer

Sgd

Hasitha Premaratne
Director

31-Oct-2017

TEEJAY LANKA PLC

Statement of Changes In Equity - Group

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
Balance as at 1 April 2016	3,853,024	42,283	2,090,184	4,150,852	10,136,343
Profit for the period	Nil	Nil	Nil	1,959,175	1,959,175
Other comprehensive income	Nil	Nil	355,822	11,945	367,767
Total comprehensive income	Nil	Nil	355,822	1,971,120	2,326,942
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Transactions with owners					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
Interim dividend paid - 2016/17	Nil	Nil	Nil	(698,593)	(698,593)
Share option scheme	Nil	21,463	Nil	Nil	21,463
Balance as at 31 March 2017	3,942,686	63,746	2,446,006	4,724,786	11,177,224
Balance as at 1 April 2017	3,942,686	63,746	2,446,006	4,724,786	11,177,224
Profit for the period	Nil	Nil	Nil	589,787	589,787
Other comprehensive income	Nil	Nil	(66,197)	Nil	(66,197)
Total comprehensive income	Nil	Nil	(66,197)	589,787	523,590
Issue of shares under Employee Share Option Scheme	114,104	Nil	Nil	Nil	114,104
Transactions with owners					
Final dividend paid - 2016/17	Nil	Nil	Nil	(877,446)	(877,446)
Balance as at 30 September 2017	4,056,790	63,746	2,379,809	4,437,127	10,937,472
Balance as at 1 April 2016	3,853,024	42,283	2,090,184	4,150,852	10,136,343
Profit for the period	Nil	Nil	Nil	989,105	989,105
Other comprehensive income	Nil	Nil	(4,500)	Nil	(4,500)
Total comprehensive income	Nil	Nil	(4,500)	989,105	984,605
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Transactions with owners					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
Balance as at 30 September 2016	3,942,686	42,283	2,085,684	4,441,364	10,512,017

TEEJAY LANKA PLC

Statement of Changes In Equity - Company

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
Balance as at 1 April 2016	3,853,024	42,283	2,047,567	3,462,358	9,405,232
Profit for the period	Nil	Nil	Nil	1,500,948	1,500,948
Other comprehensive income	Nil	Nil	319,156	17,251	336,407
Total comprehensive income	Nil	Nil	319,156	1,518,199	1,837,355
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Transactions with owners					
Final dividend paid - 2015/16	Nil	Nil	Nil	(698,593)	(698,593)
Interim dividend paid - 2016/17	Nil	Nil	Nil	(698,593)	(698,593)
Share option scheme	Nil	21,463	Nil	Nil	21,463
Balance as at 31 March 2017	3,942,686	63,746	2,366,723	3,583,371	9,956,526
Balance as at 1 April 2017	3,942,686	63,746	2,366,723	3,583,371	9,956,526
Issue of shares under Employee Share Option Scheme	114,104	Nil	Nil	Nil	114,104
Profit for the period	Nil	Nil	Nil	516,513	516,513
Other comprehensive income	Nil	Nil	(59,093)	Nil	(59,093)
Total comprehensive income	Nil	Nil	(59,093)	516,513	457,420
Transactions with owners					
Final dividend paid - 2016/17	Nil	Nil	Nil	(877,445)	(877,445)
Balance as at 30 September 2017	4,056,790	63,746	2,307,630	3,222,439	9,650,605
Balance as at 1 April 2016	3,853,024	42,283	2,047,567	3,462,358	9,405,232
Issue of shares under Employee Share Option Scheme	89,662	Nil	Nil	Nil	89,662
Profit for the period	Nil	Nil	Nil	700,013	700,013
Other comprehensive income	Nil	Nil	(5,658)	Nil	(5,658)
Total comprehensive income	Nil	Nil	(5,658)	700,013	694,355
Issue of ordinary shares	Nil	Nil	Nil	(698,593)	(698,593)
Balance as at 30 September 2016	3,942,686	42,283	2,041,909	3,463,778	9,490,656

TEEJAY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Group		Company	
	Period Ended 30 September		Period Ended 30 September	
	2017	2016	2017	2016
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Cash generated from operations	1,116,304	858,343	679,084	930,251
Finance income received	28,547	43,672	37,212	25,973
Finance cost paid	(31,982)	(25,522)	(550)	(2,416)
Retirement benefit obligations paid	(18,782)	(4,257)	(3,461)	(1,919)
Net cash generated/(used) from operating activities	1,094,088	872,237	712,286	951,889
Cash flows from investing activities				
Additions to capital work - in - progress	(1,037,811)	(815,234)	(202,478)	(464,884)
Investment in financial assets	(122,455)	Nil	349,031	Nil
Net cash used in investing activities	(1,160,266)	(815,234)	146,553	(464,884)
Cash flows from financing activities				
Issue of shares under Employee Share Option Scheme	114,104	89,662	114,104	89,662
Dividend paid	(877,446)	(698,593)	(877,446)	(698,593)
Proceeds from / (settlement of) borrowings	722,025	1,106,873	(4,400)	1,397,450
Net cash used in financing activities	(41,316)	497,942	(767,742)	788,519
Net increase/(decrease) in cash and cash equivalents	(107,494)	554,946	91,097	1,275,525
Cash and cash equivalents at the beginning of the period	1,448,026	2,875,461	902,094	1,577,768
Cash and cash equivalents at the end of the period	1,340,532	3,430,407	993,191	2,853,293

TEEJAY LANKA PLC

Notes to the Financial Statements

1. Corporate Information

Teejay Lanka PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is Block D8 - D14, Seethawaka Export Processing Zone, Avissawella.

2. Condensed Interim Financial Statements

The financial statements for the period ended 30 September 2017, includes "the Company" referring to Teejay Lanka PLC.

The Company has also presented the statement of comprehensive income and the statement of financial position in United States Dollars (USD) since the functional currency of the enterprise is USD.

3. Approval of Financial Statements

The condensed interim financial statements of the Company for the 6 months ended 30 September 2017 were authorised for issue by the Board of Directors on 31 October 2017.

4. Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

The condensed interim financial statements have been prepared on a historical cost basis.

5. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

6. Other Financial Assets

Short term deposits with original maturity of more than 3 months but less than one year which previously reported under cash and cash equivalents are now shown under other financial assets.

7. 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 2017.

8. Key Ratios of the Group and the Company

	Group		Company	
	Period Ended 30 September		Quarter Ended 30 September	
	2017	2016	2017	2016
Profitability Ratios				
Net Profit Margin	5.13%	9.86%	6.77%	9.54%
Asset to Turnover	1.32	1.25	1.18	1.10
Debt : Equity	0.25	0.19	0.08	0.15
Return on Assets (ROA)	6.77%	12.77%	7.96%	11.18%
Return on Equity (ROE)	10.67%	19.16%	10.54%	14.82%

Investor Ratios

Earnings per Share (EPS) - LKR	0.84	1.42	0.74	1.00
Net Asset Value per Share - LKR	15.58	15.05	13.75	13.59
Price / Earnings Ratio (PE Ratio)	17.53	13.07	20.76	20.11
Price to Book Value Ratio (PBV Ratio)	2.50	3.14	2.84	3.48

(PE and PBV Ratios are based on a market price of LKR 39.00 per share closed 30 September 2017)

9. Number of shares representing the entity's Stated Capital - 701,956,580 Shares

10. Directors' Interest in Shares of the Company (As at 30 September 2017)

	No. of Shares	%
Sriyan Joseph de Silva Wijeyeratne	826,333	0.12
Hasitha Premaratne	40,000	0.01

TEEJAY LANKA PLC

Notes to the Financial Statements

11. Market Price per Share

	Highest (LKR)	Lowest (LKR)
Quarter ended 30 September 2017	42.30	38.30
Last traded price (on 29 September 2017)	39.00	

12. Public Shareholding 270,547,990 shares - 38.54%

The percentage of shares held by the public as at 30 September 2017 was 38.54% (270,547,990 number of shares).
The number of public shareholders as at 31 March 2017 was 8,293

13. List of the 20 Largest Shareholders

	No. of Shares	%
Brandix Lanka Ltd-Number 1 Account	232,198,344	33.08
Pacific Textured Jersey Holdings Limited	195,926,217	27.91
Bnymysanv Re-First State Investments Lvc-Stewart Investors Asia Pacific Fund	50,838,932	7.24
Citibank Newyork S/A Norges Bank Account 2	20,863,973	2.97
HSBC Intl Nom Ltd - BBH - Fidelity Funds	19,196,520	2.73
HSBC Intl Nom Ltd-BBH-Matthews Emerging Asia Fund	18,872,680	2.69
Melstacorp PLC	12,622,428	1.80
HSBC Intl Nom Ltd-JPCMB NA-Fidelity Asian Values PLC	8,634,180	1.23
Union Assurance PLC/Account No. 05 (Unit-Linked Life Insurance Fund-Equity Fund)	5,418,542	0.77
Mr. L.K.M.Fernando	5,119,300	0.73
Bnymysanv Re-CF Ruffer Investment Funds : CF Ruffer Pacific Fund	5,000,000	0.71
SEB AB-Fim Frontier Fund	4,172,470	0.59
Deutsche Bank AG-National Equity Fund	4,000,000	0.57
Union Assurance PLC/No-01A/C	2,782,495	0.40
Periceyl (Private) Limited A/C No. 03	2,694,100	0.38
East India Holding (Pvt) Ltd	2,484,630	0.35
Nuwara Eliya Property Developers (Pvt) Ltd	2,285,200	0.33
Deutsche Bank AG As Trustee For Namal Acuity Value Fund	2,250,000	
Mellon Bank N.A-Eaton Vance Trust Co. Collective Inv. Trust For Employee Benefit Plans-Eaton Vance Trust Co./Parametric		0.30
Structured Emerging Mkt. Equity Fund	2,100,000	
Mr. M.E.Wickremesinghe	2,065,000	0.29

14. Material events that occurred subsequent to the interim period

No events have occurred since the date of the statement of financial position which would require adjustments to, or disclosure in, the financial statements.

TEEJAY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Group						
	Quarter Ended 30 September			Period Ended 30 September			Year ended 31 March
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	2017 Audited
Revenue	40,281,303	35,981,063	12%	76,078,297	68,599,330	11%	149,791,200
Cost of sales	(35,327,803)	(29,954,154)	18%	(67,126,460)	(57,604,661)	17%	(128,979,807)
Gross profit	4,953,500	6,026,909	-18%	8,951,837	10,994,669	-19%	20,811,393
Other income	297,911	329,314	-10%	503,667	516,647	-3%	1,318,266
Distribution expenses	(245,958)	(244,048)	1%	(470,122)	(511,165)	-8%	(894,114)
Administrative expenses	(2,085,030)	(1,955,703)	7%	(4,063,527)	(3,872,921)	5%	(7,754,220)
Results from operating activities	2,920,423	4,156,472	-30%	4,921,855	7,127,230	-31%	13,481,325
Non Operating Income	Nil	Nil		Nil	Nil	0%	Nil
Finance income	155,095	145,453	7%	188,815	298,581	-37%	604,989
Finance costs	(103,880)	(75,437)	38%	(211,532)	(174,489)	21%	(476,672)
Net finance income	51,215	70,016	-27%	(22,717)	124,092	-118%	128,317
Profit before tax	2,971,638	4,226,488	-30%	4,899,138	7,251,322	-32%	13,609,642
Income tax	(524,896)	(188,232)	179%	(998,170)	(488,976)	104%	(353,164)
Profit for the period	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,256,478
Attributable to:							
Equity holders of the parent	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,256,478
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,256,478

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Group						
	Quarter Ended 30 September			Period Ended 30 September			Year ended 31 March
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	2017 Audited
Profit for the period	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,256,478
Other comprehensive income							
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	103,851
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(23,027)
Total other comprehensive income for the period	Nil	Nil	0%	Nil	Nil	0%	80,824
Total comprehensive income for the period	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,337,302
Attributable to:							
Equity holders of the parent	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,337,302
Non-controlling interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2,446,742	4,038,256	-39%	3,900,968	6,762,346	-42%	13,337,302

TEEJAY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Company						
	Quarter Ended 30 September			Period Ended 30 September			Year ended 31 March
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	2017 Audited
Revenue	27,520,656	25,926,476	6%	50,481,333	50,147,373	1%	106,376,702
Cost of sales	(24,663,865)	(21,925,358)	12%	(45,614,214)	(42,948,987)	6%	(93,325,877)
Gross profit	2,856,791	4,001,118	-29%	4,867,119	7,198,386	-32%	13,050,825
Other income	151,475	143,280	6%	227,373	199,742	14%	2,568,525
Distribution expenses	(212,113)	(204,363)	4%	(388,953)	(415,801)	-6%	(730,189)
Administrative expenses	(1,124,924)	(1,035,210)	9%	(2,174,210)	(2,079,437)	5%	(4,094,276)
Results from operating activities	1,671,229	2,904,825	-42%	2,531,329	4,902,890	-48%	10,794,885
Non Operating Income/ (losses)	580,866	29,250	1886%	1,109,756	58,500	1797%	(22,374)
Finance income	191,001	105,844	80%	246,126	177,573	39%	411,833
Finance costs	(2,149)	(42,043)	-95%	(3,635)	(16,516)	-78%	(112,062)
Net finance income	188,852	63,801	196%	242,491	161,057	51%	299,771
Profit before tax	2,440,947	2,997,876	-19%	3,883,576	5,122,447	-24%	11,072,282
Income tax	(293,211)	(168,290)	74%	(467,262)	(336,581)	39%	(916,334)
Profit for the period	2,147,736	2,829,586	-24%	3,416,314	4,785,866	-29%	10,155,948

TEEJAY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Company						
	Quarter Ended 30 September			Period Ended 30 September			Year ended 31 March
	2017 Unaudited	2016 Unaudited	Variance	2017 Unaudited	2016 Unaudited	Variance	2017 Audited
Profit for the period	2,147,736	2,829,586	-24%	3,416,314	4,785,866	-29%	10,155,948
Other comprehensive income							
Effect on remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	135,725
Deferred tax attributable to remeasurement of retirement benefit obligations	Nil	Nil	0%	Nil	Nil	0%	(19,002)
Total other comprehensive income for the period	Nil	Nil	0%	Nil	Nil	0%	116,723
Total comprehensive income for the period	2,147,736	2,829,586	-24%	3,416,314	4,785,866	-29%	10,272,671

TEEJAY LANKA PLC

Statement of Financial Position

(all amounts in United States Dollars)

	Group			Company		
	As at 30 September		As at 31 March	As at 30 September		As at 31 March
	2017	2016	2017	2017	2016	2017
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
ASSETS						
Non - current assets						
Property, plant & equipment	49,067,626	38,857,430	45,798,304	23,309,413	21,537,122	24,414,801
Capital work-in-progress	2,330,659	6,046,423	2,222,512	1,176,425	3,912,717	524,532
Intangible assets	434,606	473,327	433,139	260,984	227,696	224,053
Goodwill	332,502	332,502	332,502	Nil	Nil	Nil
Investment in Subsidiaries	Nil	Nil	Nil	18,187,567	18,187,567	18,187,567
Lease rentals paid in advance	1,531,293	1,633,199	1,581,064	607,925	636,174	622,080
Deferred tax Assets	1,194,528	792,272	1,594,102	Nil	Nil	Nil
	54,891,214	48,135,153	51,961,623	43,542,314	44,501,276	43,973,033
Current assets						
Inventories	23,379,564	19,095,932	18,932,441	15,918,688	13,702,912	13,430,038
Trade and other receivables	22,419,573	18,113,089	22,173,156	16,192,155	12,739,220	14,614,020
Other financial assets	8,966,193	15,630,701	8,156,262	4,223,407	14,530,701	6,531,938
Cash and cash equivalents	9,101,631	7,809,642	9,832,065	6,787,701	4,977,757	5,965,213
	63,866,961	60,649,364	59,093,924	43,121,951	45,950,590	40,541,209
Total assets	118,758,175	108,784,517	111,055,547	86,664,265	90,451,866	84,514,242
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	37,571,594	36,813,832	36,813,832	37,571,594	36,813,832	36,813,832
ESOP Fund	456,004	307,979	456,004	456,004	307,979	456,004
Retained earnings	34,353,282	34,339,897	36,269,344	25,837,166	27,396,587	28,237,934
	72,380,880	71,461,708	73,539,180	63,864,764	64,518,398	65,507,770
Non - current liabilities						
Borrowings	7,693,333	481,250	3,733,333	Nil	Nil	Nil
Deferred tax liabilities	2,482,203	2,193,359	2,351,924	1,741,118	1,469,262	1,631,241
Retirement benefit obligations	1,451,426	1,460,584	1,369,299	1,235,660	1,189,784	1,126,572
	11,626,962	4,135,193	7,454,556	2,976,778	2,659,046	2,757,813
Current liabilities						
Trade and other payables	23,494,263	20,137,004	20,025,788	14,250,278	13,631,390	11,218,664
Current Tax Liabilities	522,041	76,757	42,999	357,382	31,529	Nil
Borrowings	10,734,029	12,973,855	9,993,024	5,215,063	9,611,503	5,029,995
	34,750,333	33,187,616	30,061,811	19,822,723	23,274,422	16,248,659
Total liabilities	46,377,295	37,322,809	37,516,367	22,799,501	25,933,468	19,006,472
Total equity and liabilities	118,758,175	108,784,517	111,055,547	86,664,265	90,451,866	84,514,242

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

Sgd

Salman Nishtar
Chief Financial Officer

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

Sgd

Sriyan Joseph de Silva Wijeyeratne
Managing Director/Chief Executive Officer

Sgd

Hasitha Premaratne
Director

31-Oct-2017