



PELWATTE SUGAR INDUSTRIES LIMITED  
AND IT'S SUBSIDIARY

PROVISIONAL  
CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDING  
MARCH 2008

**PELWATTE SUGAR INDUSTRIES LIMITED & IT'S SUBSIDIARY**  
**INCOME STATEMENT**

For the year ending 31<sup>st</sup> March 2008

	Consolidated 03 month Ending 31/03/08 Rs."000"	Consolidated 03 month Ending 31/03/07 Rs."000"	Company 03 month Ending 31/03/08 Rs."000"	Company 03 month Ending 31/03/07 Rs."000"	Consolidated Year Ending 31/03/08 Rs."000"	Consolidated Year Ending 31/03/07 Rs."000"	Company Year Ending 31/03/08 Rs."000"	Company Year Ending 31/03/07 Rs."000"
<b>Revenue</b>	69,716	<b>404,184</b>	75,716	256,672	1,257,998	2,338,615	1,089,612	1,971,255
Cost of sales	(191,593)	(451,621)	(183,752)	(376,467)	(1,445,809)	(1,660,688)	(1,333,169)	(1,493,715)
<b>Gross Profit</b>	<b>(121,877)</b>	<b>(47,437)</b>	<b>(108,036)</b>	<b>(119,795)</b>	<b>(187,811)</b>	<b>677,927</b>	<b>(243,557)</b>	<b>477,540</b>
Other Operating Income	17,217	21,356	15,637	20,969	91,197	79,429	88,755	78,656
Administration & Other Operating Expenses	(65,113)	(70,811)	(62,245)	(48,359)	(283,708)	(247,680)	(239,304)	(176,130)
<b>Profit from Operating Activities</b>	<b>(169,773)</b>	<b>(96,892)</b>	<b>(154,644)</b>	<b>(147,185)</b>	<b>(380,322)</b>	<b>509,676</b>	<b>(394,106)</b>	<b>380,066</b>
Finance Cost	(57,621)	(37,098)	(59,483)	(42,505)	(191,235)	(116,777)	(194,011)	(120,883)
<b>Profit from Ordinary Activities before Tax</b>	<b>(227,394)</b>	<b>(133,990)</b>	<b>(214,127)</b>	<b>(189,690)</b>	<b>(571,557)</b>	<b>392,899</b>	<b>(588,117)</b>	<b>259,183</b>
Taxation Rebate	-	-	-	-	-	-	-	-
Taxation Charge For the Year	-	-	-	-	-	-	-	-
<b>Profit from Ordinary Activities after Tax</b>	<b>(227,394)</b>	<b>(133,990)</b>	<b>(214,127)</b>	<b>(189,690)</b>	<b>(571,557)</b>	<b>392,899</b>	<b>(588,117)</b>	<b>259,183</b>
Minority Interest	2,211	(9,285)	-	-	(2,761)	(22,290)	-	-
<b>Net Profit Attributable To the Group</b>	<b>(225,183)</b>	<b>(143,275)</b>	<b>(214,127)</b>	<b>(189,690)</b>	<b>(574,318)</b>	<b>370,609</b>	<b>(588,117)</b>	<b>259,183</b>
<b>Statement of accumulated profit/(loss)</b>								
At the Beginning of the year	2,442	3,269	-	3,269	(19,438)	(342,813)	(281,723)	(540,048)
Profit retained for the year	(225,183)	(143,275)	(214,127)	(189,690)	(574,318)	370,609	(588,117)	259,183
	<b>(222,741)</b>	<b>(140,006)</b>	<b>(214,127)</b>	<b>(186,421)</b>	<b>(593,756)</b>	<b>27,796</b>	<b>(869,840)</b>	<b>(280,865)</b>
Earnings Per Share (Rs.)	(3.31)	(2.11)	(3.15)	(2.79)	(8.45)	5.45	(8.65)	3.81

**Notes**

1. The Company and the Group have followed the same Accounting policies and methods of computation as disclosed in the recently published annual Financial statements.
2. Balances shown for the previous year have been re-classified to facilitate comparison with current year classifications.
3. The above figures are provisional and subject to Audit.
4. The values are in Sri Lankan Rupees thousands.

**PELWATTE SUGAR INDUSTRIES LIMITED**  
**PROVISIONAL FINANCIAL STATEMENTS**  
**BALANCE SHEET AS AT 31st MARCH 2008**

	Consolidated		Company		Audited	
	31/03/08 Rs."000"	31/03/07 Rs."000"	31/03/08 Rs."000"	31/03/07 Rs."000"	Group 31/03/2007 Rs."000"	Company 31/03/2007 Rs."000"
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property Plant & Equipment	1,060,805	999,113	795,010	724,302	1,059,567	784,948
Intangible Assets	-	-	-	-	-	-
Investment In Subsidiary	-	-	100,000	100,000	-	100,000
Other Investment	4,000	4,000	4,000	4,000	4,000	4,000
	<u>1,064,805</u>	<u>1,003,113</u>	<u>899,010</u>	<u>828,302</u>	<u>1,063,567</u>	<u>888,948</u>
<b>Current Assets</b>						
Inventories	685,919	424,862	672,463	411,139	432,016	422,778
Trade and Other receivables	281,146	288,450	278,820	232,578	106,373	82,293
Farmer Loans	275,048	219,542	275,048	219,542	179,774	179,774
Amount due from related parties	-	-	-	-	45,150	45,150
Short Term Deposits	268,645	760,135	268,645	749,135	684,134	684,134
Cash and Bank balances	2,805	8,868	2,805	7,682	92,663	72,768
	<u>1,513,563</u>	<u>1,701,857</u>	<u>1,497,781</u>	<u>1,620,076</u>	<u>1,540,110</u>	<u>1,486,897</u>
<b>Total Assets</b>	<b><u>2,578,368</u></b>	<b><u>2,704,970</u></b>	<b><u>2,396,791</u></b>	<b><u>2,448,378</u></b>	<b><u>2,603,677</u></b>	<b><u>2,375,845</u></b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital &amp; Reserves</b>						
Issued Capital	679,769	679,769	679,769	679,769	679,769	679,769
Reserves	390,322	390,322	390,322	390,322	390,322	390,322
Accumulated Profit /(Loss)	(593,756)	27,796	(869,840)	(280,865)	(101,633)	(361,159)
Total equity	476,335	1,097,887	200,251	789,226	968,458	708,932
Minority Interest	74,762	81,830	-	-	72,001	-
	<u>551,097</u>	<u>1,179,717</u>	<u>200,251</u>	<u>789,226</u>	<u>1,040,459</u>	<u>708,932</u>
<b>Non Current Liabilities</b>						
Long Term Liabilities	250,822	193,499	250,822	193,499	22,501	21,020
Amount due to Related Parties	72,980	67,397	387,694	360,503	66,199	340,041
Deferred Liabilities	185,681	152,262	183,112	150,055	167,709	164,988
	<u>509,483</u>	<u>413,158</u>	<u>821,628</u>	<u>704,057</u>	<u>256,409</u>	<u>526,049</u>
<b>Current Liabilities</b>						
Trade & Other Payables	892,960	287,751	751,140	172,331	471,129	348,813
Interest Bearing Loans & Borrowings	624,828	824,344	623,772	782,764	835,680	792,051
	<u>1,517,788</u>	<u>1,112,095</u>	<u>1,374,912</u>	<u>955,095</u>	<u>1,306,809</u>	<u>1,140,864</u>
<b>Total Equity &amp; Liabilities</b>	<b><u>2,578,368</u></b>	<b><u>2,704,970</u></b>	<b><u>2,396,791</u></b>	<b><u>2,448,378</u></b>	<b><u>2,603,677</u></b>	<b><u>2,375,845</u></b>
<b>Net Asset Per Share</b>	7.01	16.15	2.95	11.61	14.25	10.43
<b>Market price</b>			<b>31/03/2008</b>	<b>31/03/2007</b>		
Highest (for the period)	Rs.		27.00	50.00		
Lowest (for the period)	Rs.		22.25	35.50		
Closing	Rs.		22.50	37.00		

Note: all values are in Rupees Thousand.

**Sgd**  
N V T A Weragoda  
Director / CEO

**Sgd**  
A Wickramanayake  
Director

**PELWATTE SUGAR INDUSTRIES LIMITED AND IT'S SUBSIDIARY**  
**STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2008**

**GROUP**

	Share Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2007	679,769	3,441	15,929	136,378	234,574	(19,438)	1,050,653
Net Profit(Loss) for the period						(574,318)	(574,318)
	679,769	3,441	15,929	136,378	234,574	(593,756)	476,335

**COMPANY**

	Share Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2007	679,769	3,441	15,929	136,378	234,574	(281,723)	788,368
Net Profit(Loss) for the period						(588,117)	(588,117)
	679,769	3,441	15,929	136,378	234,574	(869,840)	200,251

**STATEMENT OF CHANGES IN EQUITY AS AT 31/03/2007**

**GROUP**

	Share Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2006	679,769	3,441	15,929	136,378	234,574	(342,813)	727,278
Net Profit(Loss) for the period						370,609	370,609
	679,769	3,441	15,929	136,378	234,574	27,796	1,097,887

**COMPANY**

	Share Capital	Revaluation Reserve	Funds Awaiting Allotment	Reserve on Off shore loan Settlement	Reserve on Government Debentures	Accumulated Profit(Loss)	Total
	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"	Rs."000"
Balance as at 01st April 2006	679,769	3,441	15,929	136,378	234,574	(540,048)	530,043
Net Profit(Loss) for the period						259,183	259,183
	679,769	3,441	15,929	136,378	234,574	(280,865)	789,226

**PELWATTE SUGAR INDUSTRIES LIMITED AND IT'S SUBSIDIARY**  
**CASHFLOW STATEMENT**

	Consolidated		Company	
	31/03/08 Rs."000"	31/03/07 Rs."000"	31/03/08 Rs."000"	31/03/07 Rs."000"
<b>Cash flows from Operating Activities</b>				
Net profit/(Loss) before income tax Expenses	(571,557)	392,899	(588,117)	259,183
<b>Adjustments for</b>				
Depreciation	93,991	107,943	71,881	86,402
Amortization of pre -operating expences	-	-	-	-
Interest Income	(86,236)	(76,308)	(86,236)	(78,326)
Finance costs	195,929	128,942	194,011	120,883
provisions for retirement benefit obligations	26,017	25,586	26,017	25,586
Written back of excess provisions	-	-	-	-
Provision for doubtful debts	-	-	-	-
<b>Operating profit before working capital changes</b>	<u>(341,856)</u>	<u>579,062</u>	<u>(382,444)</u>	<u>413,728</u>
(Increase)/Decrease in Inventories	(265,439)	(66,636)	(261,235)	(62,576)
(Increase)/Decrease in Trade & other receivables	(141,343)	(180,927)	(185,251)	(142,323)
(Increase) /Decrease in settler loans-short term	-	-	-	-
(Increase) /Decrease in Short Term deposit	480,490	(185,135)	480,490	(185,135)
Increase /(Decrease) in Trade & other payables	379,837	(31,463)	369,130	(86,769)
Increase /(Decrease) in amounts due to related parties	8,216	67,397	46,589	194,837
Cash generated from operations	119,905	182,298	67,279	131,762
Finace Cost Paid	(195,929)	(130,960)	(194,011)	(120,883)
Tax Paid	(14,596)	(1,505)		
Retirement Benefit Obligations paid	(8,046)	(6,233)	(7,895)	(6,207)
<b>Net Cash from/(used in) Operating activities</b>	<u>(98,666)</u>	<u>43,600</u>	<u>(134,627)</u>	<u>4,672</u>
Cash flows from/(used in) investing activities				
Acquisition of property plant & equipment	(157,166)	(179,347)	(143,882)	(176,438)
Sales of fixed assets	-	-	-	-
Purchase of debentures/Shares	-	-	-	-
Settler long term advances	-	-	-	-
Interest Received	86,236	78,326	86,236	78,326
<b>Net cash flow from /(used in ) Investing Activities</b>	<u>(70,930)</u>	<u>(101,021)</u>	<u>(57,646)</u>	<u>(98,112)</u>
Cash flows from/(used in) financing activities				
Loan Bearing & Borrowings	189,938	(120,571)	231,518	(51,271)
<b>Net cash flow from /(used in ) Financing Activities</b>	<u>189,938</u>	<u>(120,571)</u>	<u>231,518</u>	<u>(51,271)</u>
Net increase/(decrease) in cash and cash equivalents	20,342	(177,992)	39,245	(144,711)
Cash and cash equivalents at the beginning of the year	(642,365)	(595,967)	(660,212)	(630,435)
Cash and cash equivalents at the end of the year	<u>(622,023)</u>	<u>(773,959)</u>	<u>(620,967)</u>	<u>(775,146)</u>