



**NESTLÉ LANKA PLC**  
**INTERIM FINANCIAL STATEMENTS**  
**31 March 2022**


**NESTLÉ LANKA PLC**
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<i>For the Period Ended 31 March</i>	<i>Year to date Performance (Unaudited)</i>		
	<b>2021</b>	<b>2022</b>	<b>%</b>
	<b>Rs. '000s</b>	<b>Rs. '000s</b>	<b>Change</b>
Revenue	11,454,867	15,051,624	31.4
Cost of Sales	(7,376,221)	(9,699,962)	31.5
<b>Gross Profit</b>	<b>4,078,646</b>	<b>5,351,662</b>	<b>31.2</b>
Other Operating Expenses	(142,323)	(1,552,297)	990.7
Marketing, Selling and Distribution Expenses	(1,597,565)	(1,690,677)	5.8
Administrative Expenses	(617,788)	(676,198)	9.5
<b>Results from Operating Activities</b>	<b>1,720,970</b>	<b>1,432,490</b>	<b>-16.8</b>
Net Finance Income/(Expenses)	95,565	(511,416)	-635.1
<b>Profit before Taxation</b>	<b>1,816,535</b>	<b>921,074</b>	<b>-49.3</b>
Income Tax Expense	(74,863)	(95,950)	28.2
<b>Profit for the Period</b>	<b>1,741,672</b>	<b>825,124</b>	<b>-52.6</b>
<b><u>Other Comprehensive Income - Net of Tax</u></b>			
Gain/(Loss) on Cash Flow Hedges	1,054	-	-100.0
<b>Total Comprehensive Income - Net of Tax</b>	<b>1,742,726</b>	<b>825,124</b>	<b>-52.7</b>
<b>Basic Earnings Per Share (EPS.) Rs.</b>	<b>32.42</b>	<b>15.36</b>	

Figures in brackets indicate deductions.

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*Jason Avancena*

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**Joselito Avancena**  
**Managing Director**

11 May 2022

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*Kumudu Dias*

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**Kumudu Dias**  
**Director Finance & Control**


**NESTLÉ LANKA PLC**
**STATEMENT OF FINANCIAL POSITION**

<b>As at :</b>	<b>31.12.2021</b>	<b>31.03.2022</b>
	<b>Rs. '000s</b>	<b>Rs. '000s</b>
	<b>Audited</b>	<b>Unaudited</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	7,850,323	7,897,160
Capital Work-In-Progress	716,060	480,460
Other Non-Current Assets	321,761	300,339
	<u>8,888,144</u>	<u>8,677,959</u>
<b>Current Assets</b>		
Inventories	6,154,678	8,034,044
Trade and Other Receivables	2,187,972	3,565,086
Amount Due from Related Parties	873,080	1,611,830
Cash and Cash Equivalents	7,011,873	11,872,833
	<u>16,227,603</u>	<u>25,083,793</u>
<b>Total Assets</b>	<b><u>25,115,747</u></b>	<b><u>33,761,752</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated Capital	537,255	537,255
Retained Earnings and Reserves	7,897,398	7,648,013
	<u>8,434,653</u>	<u>8,185,268</u>
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligations	194,530	209,989
Deferred Tax Liabilities	724,596	357,398
Non-Current Provisions	1,023,596	996,257
Non-Current Financial Liabilities	5,417,887	7,859,798
	<u>7,360,609</u>	<u>9,423,442</u>
<b>Current Liabilities</b>		
Trade and Other Payables	6,417,646	9,623,525
Amount Due to Related Parties	1,988,465	4,329,465
Current Tax Payable	728,365	931,513
Dividends Payable	84,753	1,079,144
Current Financial Liabilities	101,256	189,395
	<u>9,320,485</u>	<u>16,153,042</u>
<b>Total Liabilities</b>	<b><u>16,681,094</u></b>	<b><u>25,576,484</u></b>
<b>Total Equity and Liabilities</b>	<b><u>25,115,747</u></b>	<b><u>33,761,752</u></b>

<b>As at (Rs.) :</b>	<b>31.12.2021</b>	<b>31.03.2022</b>
<b>Net asset value per share</b>	<b>157.00</b>	<b>152.35</b>
<b>Market value per share during the quarter</b>		
- Highest	1,330.00	1,240.00
- Lowest	1,200.00	920.25
- Last traded price (Date 31/12/2021, 31/03/2022)	1,215.50	938.75

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**Joselito Avancena**  
**Managing Director**

11 May 2022

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**Kumudu Dias**  
**Director Finance & Control**



**NESTLÉ LANKA PLC**  
**STATEMENT OF CASH FLOWS**

<i>For the Period Ended 31 March</i>	<b>2021</b> <i>Rs. '000s</i>	<b>2022</b> <i>Rs. '000s</i>
<b>Cash Flows from Operating Activities</b>		
<i>Profit before Taxation</i>	1,816,535	921,074
<b>Adjustments for :</b>		
<i>Depreciation of Property, Plant and Equipment</i>	234,429	223,211
<i>Loss/ (Gain) on sale of Property, Plant and Equipment</i>	(4,891)	(50)
<i>Imputed Interest cost of Staff Loan</i>	6,446	7,405
<i>Interest Expense</i>	60,384	2,513,270
<i>Interest Income</i>	(61,092)	(1,864,372)
<i>Movement of Retirement Benefit Obligation (Excluding Actuarial Gain/ Loss)</i>	25,243	19,302
<b>Operating Profit before Working Capital Changes</b>	<b>2,077,054</b>	<b>1,819,840</b>
<b>Working Capital Changes</b>		
<i>(Increase)/ Decrease in Inventories</i>	(572,508)	(1,879,366)
<i>(Increase)/ Decrease in Trade and Other Receivables</i>	(490,706)	(1,377,114)
<i>(Increase)/ Decrease in Amount due from Related Parties</i>	(221,126)	(738,750)
<i>Increase/ (Decrease) in Trade and Other Payables</i>	325,994	3,604,077
<i>Increase/ (Decrease) in Amount due to Related Parties</i>	585,236	2,324,198
<b>Cash Generated from Operations</b>	<b>1,703,944</b>	<b>3,752,885</b>
<i>Income Tax Paid</i>	(211,998)	(287,339)
<i>Retirement Benefit Obligations Paid</i>	(2,319)	(124,963)
<b>Net Cash Flows generated from Operating Activities</b>	<b>1,489,627</b>	<b>3,340,583</b>
<b>Cash Flow from Investing Activities</b>		
<i>Investment in Property, Plant and Equipment</i>	(158,394)	(311,526)
<i>Proceeds from Sale of Property, Plant and Equipment</i>	3,723	50
<i>Movement of Other Non-Current Financial Assets</i>	2,348	21,422
<b>Net Cash Flows used in Investing Activities</b>	<b>(152,323)</b>	<b>(290,054)</b>
<b>Cash Flow from Financing Activities</b>		
<i>Payment of Lease Liabilities</i>	(16,108)	(18,439)
<i>Dividend Paid</i>	(1,874,947)	(80,118)
<i>Interest Paid</i>	(59,381)	(37,005)
<i>Interest Received</i>	4,637	55,376
<b>Net Cash Flows used in Financing Activities</b>	<b>(1,945,799)</b>	<b>(80,186)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(608,495)</b>	<b>2,970,343</b>
<i>Effect of Exchange Rate changes on Cash and Cash Equivalents</i>	50,009	1,801,591
<i>Cash and Cash Equivalents at the Beginning of the Year</i>	2,418,114	6,975,584
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>1,859,628</b>	<b>11,747,518</b>
<b>Analysis of Cash and Cash Equivalents at the End of the Year</b>		
<i>Cash and Cash Equivalents in the Statement of Financial Position</i>	3,858,912	11,872,833
<i>Current Financial Liabilities for the purpose of the Statement of Cash Flows</i> <small>[Excluding Short Term Lease Liabilities of Rs. 64,080 (2021 - Short Term Lease Liabilities Rs. 73,876 &amp; RPT Loan Rs. 1,893,000)]</small>	(1,999,284)	(125,315)
<b>Cash and Cash Equivalents in the Statement of Cash Flows</b>	<b>1,859,628</b>	<b>11,747,518</b>



**NESTLÉ LANKA PLC**

**STATEMENT OF CHANGES IN EQUITY**

	<i>Stated Capital</i>	<i>Retained Earnings</i>	<i>Other Equity Reserves *</i>	<i>Total</i>
	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>	<i>Rs. '000s</i>
<b>Balance as at 1 January 2021 (Audited)</b>	<b>537,255</b>	<b>5,434,999</b>	<b>(38,471)</b>	<b>5,933,783</b>
<b>Total Comprehensive Income for 3 months ended 31 March 2021</b>				
<i>Profit for the Period</i>	-	1,741,672	-	1,741,672
<i>Other Comprehensive Income/ (Expenses)</i>	-	-	1,054	1,054
<b>Transactions with Owners of the Company Recognised Directly in Equity</b>				
<i>Unclaimed Dividend Written Back</i>	-	-	-	-
<i>Interim Dividend</i>	-	(1,880,391)	-	(1,880,391)
<b>Balance as at 31 March 2021 (Unaudited)</b>	<b>537,255</b>	<b>5,296,280</b>	<b>(37,417)</b>	<b>5,796,118</b>
<b>Total Comprehensive Income for 9 months ended 31 December 2021</b>				
<i>Profit for the Period</i>	-	3,587,478	-	3,587,478
<i>Other Comprehensive Income/ (Expenses)</i>	-	-	108,513	108,513
<b>Transactions with Owners of the Company Recognised Directly in Equity</b>				
<i>Unclaimed Dividend Written Back</i>	-	17,053	-	17,053
<i>Interim Dividend</i>	-	-	-	-
<i>Final Dividend</i>	-	(1,074,509)	-	(1,074,509)
<b>Balance as at 31 December 2021 (Audited)</b>	<b>537,255</b>	<b>7,826,302</b>	<b>71,096</b>	<b>8,434,653</b>
<b>Balance as at 1 January 2022</b>	<b>537,255</b>	<b>7,826,302</b>	<b>71,096</b>	<b>8,434,653</b>
<b>Total Comprehensive Income for 3 months ended 31 March 2022</b>				
<i>Profit for the Period</i>	-	825,124	-	825,124
<i>Other Comprehensive Income/ (Expenses)</i>	-	-	-	-
<b>Transactions with Owners of the Company Recognised Directly in Equity</b>				
<i>Unclaimed Dividend Written Back</i>	-	-	-	-
<i>Interim Dividend</i>	-	(1,074,509)	-	(1,074,509)
<i>Final Dividend</i>	-	-	-	-
<b>Balance as at 31 March 2022 (Unaudited)</b>	<b>537,255</b>	<b>7,576,917</b>	<b>71,096</b>	<b>8,185,268</b>
* Includes Actuarial Gain/(Loss) and Results of Cash Flow Hedges				



## NESTLÉ LANKA PLC

### NOTES TO THE FINANCIAL STATEMENTS

1. The Interim Financial Statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting and other applicable Sri Lanka Accounting Standards.
2. The Stated Capital consists of 53,725,463 ordinary shares.
3. Impact due to significant currency depreciation and economic downturn  
The significant rupee depreciation coupled with economic instability has impacted many businesses and economic activities across industries. The Company also has encountered the impacts in its operations and has taken necessary steps to overcome related operational and financial risks.  
  
The Company has also proactively taken measures to reduce all non-essential expenses. However, the planned CAPEX projects will be continued to ensure future growth prospects of the Company.
4. Income Tax Expense  
The Company has made provision for the income tax liability at the rates of 18% for Manufacturing Business Profits, 14% for Export Profits and 24% for Trading and Other Income and for the deferred taxation at the average rate of 18% as per the current income tax (Amendment) Act No. 10 of 2021.
5. Events Occurring After the Reporting Date  
The Government of Sri Lanka in its Budget for 2022 proposed a one-time tax, referred to as a surcharge tax of 25% to be imposed on any companies that have earned a taxable income in excess of Rs. 2,000 Mn for the year of assessment 2020/2021. The tax is imposed by the Surcharge Tax Act No. 14 of 2022 which was passed by the Parliament of Sri Lanka and certified by the Hon. Speaker on 08 April 2022. As the Surcharge Tax Act No. 14 of 2022 was enacted after the reporting period end, the financial statements for the period ended 31 March 2022 do not reflect the tax liability that would arise in consequence, the amount of which is best estimated at Rs. 988 Mn.  
  
Except for above, there are no material events occurring after the reporting date that require a disclosure or an adjustment to the Financial Statements.
6. Contingent Liabilities  
There are no material contingent liabilities as at 31 March 2022.
7. Fair Value Measurement and Related Disclosures  
There were no significant differences in the comparison made between fair value and carrying value of financial assets and liabilities.
8. Comparative information has been reclassified where necessary, to confirm to current year's presentation.



## NESTLÉ LANKA PLC

### NOTES TO THE FINANCIAL STATEMENTS

#### Additional Notes and Other Information

- Public holding percentage - 8.05%, Number of public shareholders - 6,017
- Float Adjusted Market capitalization as at 31 March 2022 : Rs. 4,059,999,660.50.
- As the floated adjusted market capitalization is over Rs. 1 billion, Nestlé Lanka PLC complies under option 1 of Rule 7.14.1 (b) of Listing Rules.
- The Directors of the Company hold no shares in the Company except for Mr. Mahendra Dayananda, who holds 1,000 shares as at period closing.

Names and the number of shares held by the 20 major shareholders and the percentages of such shares.

No	Names	No. of Shares	%
1	Nestlé S.A	49,400,234	91.95
2	Sri Lanka Insurance Corporation Ltd - Life Fund	264,404	0.49
3	Miss Harnam Neesha Joint Mrs. Jasbinderjit Kaur Piara Singh	200,000	0.37
4	Seylan Bank PLC/ W D N H Perera	168,499	0.31
5	Deutsche Bank AG Singapore A/C2 (DCS CLT Acc For Deutsche Bank Ag Singapore - PWM WM Client)	154,297	0.29
6	SSBT- Al Mehwar Commercial Investments L.L.C	144,758	0.27
7	RBC Investor Services Bank - Coeli Sicav I-Frontier Markets Fund	141,342	0.26
8	BPSS SIN-BNP PARIBAS ARBITRAGE S.N.C.	117,710	0.22
9	Employees Provident Fund	100,000	0.19
10	Ceylon Investment PLC	85,000	0.16
11	BNYM RE-GHI Holdings Maruitius	75,000	0.14
12	Mrs. Jasbinderjit Kaur Piara Singh	74,661	0.14
13	Ceylon Guardian Investment Trust PLC	60,400	0.11
14	Mr. Udeshi Harin Noraji	60,000	0.11
15	Colombo Investment Trust PLC	50,904	0.09
16	Fairfirst Insurance Limited - Technical Reserve	50,000	0.09
17	Mr. Udeshi Morarji Meghji Joint Mrs. Asha Ajay Merchant	45,000	0.08
18	Mr. Hirdaramani Anil Kumar Lalchand	42,500	0.08
19	SSBT-Frank Russel Trust Company Comingled Benefit Funds Trust GNA-6QH3	37,878	0.07
20	Miss. M.P. Radhakrishnan Meenambigai Priyadarshini	36,667	0.07