

# MELSTACORP PLC



**INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31st MARCH 2018**

**MELSTACORP PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

	Group			Company		
	Unaudited	Audited	Variance	Unaudited	Audited	Variance
	2018 Rs. '000	2017 Rs. '000	%	2018 Rs. '000	2017 Rs. '000	%
<b>Rs. '000s</b>						
<b>For the year ended 31st March</b>						
Gross revenue	<b>109,947,950</b>	108,999,117	<b>0.87</b>	<b>202,695</b>	193,249	<b>4.89</b>
Net revenue	<b>44,721,388</b>	40,193,467	<b>11.27</b>	<b>202,695</b>	193,249	<b>4.89</b>
Cost of Sales, Net benefits and Interest expenses	<b>(30,243,902)</b>	(24,856,774)	<b>21.67</b>	<b>(8,308)</b>	(6,675)	<b>24.46</b>
<b>Gross profit</b>	<b>14,477,486</b>	15,336,693	<b>(5.60)</b>	<b>194,387</b>	186,574	<b>4.19</b>
Other operating income	<b>2,673,877</b>	1,186,493	<b>125.36</b>	<b>3,665,617</b>	3,291,984	<b>11.35</b>
Distribution expenses	<b>(1,791,623)</b>	(1,897,272)	<b>(5.57)</b>	-	-	-
Administrative expenses	<b>(4,741,832)</b>	(4,505,095)	<b>5.25</b>	<b>(144,699)</b>	(133,424)	<b>8.45</b>
Other operating expenses	<b>(1,616,092)</b>	(368,497)	<b>338.56</b>	<b>(1,832,276)</b>	(1,432,212)	<b>27.93</b>
<b>Profit from operations</b>	<b>9,001,816</b>	9,752,322	<b>(7.70)</b>	<b>1,883,029</b>	1,912,922	<b>(1.56)</b>
Finance Income	<b>1,256,009</b>	703,405	<b>78.56</b>	<b>870,786</b>	1,425,673	<b>(38.92)</b>
Finance Cost	<b>(1,998,373)</b>	(1,092,238)	<b>82.96</b>	<b>(92,764)</b>	(85,488)	<b>8.51</b>
<b>Net Finance Income/(cost)</b>	<b>(742,364)</b>	<b>(388,833)</b>	<b>90.92</b>	<b>778,022</b>	<b>1,340,185</b>	<b>(41.95)</b>
Share of profit of Equity - Accounted Investees	<b>2,075,174</b>	1,326,853	<b>56.40</b>	-	-	-
Gain on Bargaining Purchases	<b>867,008</b>	-	<b>100.00</b>	-	-	-
<b>Profit before taxation</b>	<b>11,201,634</b>	10,690,342	<b>4.78</b>	<b>2,661,051</b>	3,253,107	<b>(18.20)</b>
Income Tax	<b>(3,722,328)</b>	<b>(3,890,700)</b>	<b>(4.33)</b>	<b>(200,396)</b>	(386,732)	<b>(48.18)</b>
<b>Profit/ (Loss) for the Year</b>	<b>7,479,306</b>	6,799,642	<b>10.00</b>	<b>2,460,655</b>	2,866,375	<b>(14.15)</b>
<b>Other comprehensive income</b>						
Revaluation of Property, Plant and Equipment	<b>259,038</b>	327,186	<b>(20.83)</b>	-	-	-
Gain on Change in Fair Value of Biological Asset	<b>(70,945)</b>	-	<b>100</b>	-	-	-
Net change in Fairvalue of available for sale financial assets	<b>1,921,881</b>	332,401	<b>478.18</b>	<b>1,613,277</b>	117,221	<b>1,276.27</b>
Reversal of AFS Reserves on disposal of AFS Investments	<b>2,200</b>	(2,922)	<b>(175.29)</b>	<b>2,200</b>	-	<b>100</b>
Actuarial Gain/(losses) on retirement benefit obligations	<b>(89,806)</b>	197,234	<b>(145.53)</b>	-	311	<b>(100.00)</b>
Income tax on other comprehensive income	<b>(8,464)</b>	(48,946)	<b>(82.71)</b>	<b>(657)</b>	(87)	<b>655.17</b>
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Net movement on cash flow hedges	-	-	-	-	-	-
Share of other comprehensive income of Equity Accounting investees	<b>843,106</b>	497,717	<b>69.39</b>	-	-	<b>100</b>
<b>Total Other Comprehensive Income</b>	<b>2,857,010</b>	1,302,670	<b>119.32</b>	<b>1,614,820</b>	117,445	<b>1,274.96</b>
<b>Total Comprehensive Income for the Period</b>	<b>10,336,316</b>	8,102,312	<b>27.57</b>	<b>4,075,475</b>	2,983,820	<b>36.59</b>
<b>Profit attributable to:</b>						
Equity Holders of the Parent	<b>7,717,972</b>	7,335,621	<b>5.21</b>	<b>2,460,655</b>	2,866,375	<b>(14.15)</b>
Non Controlling Interest	<b>(238,666)</b>	(535,979)	<b>(55.47)</b>	-	-	-
<b>Profit for the Year</b>	<b>7,479,306</b>	6,799,642	<b>10.00</b>	<b>2,460,655</b>	2,866,375	<b>(14.15)</b>
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	<b>10,255,808</b>	8,414,738	<b>21.88</b>	<b>4,075,475</b>	2,983,820	<b>36.59</b>
Non Controlling Interest	<b>80,508</b>	(312,426)	<b>(125.77)</b>	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>10,336,316</b>	8,102,312	<b>275.72</b>	<b>4,075,475</b>	2,983,820	<b>36.59</b>
<b>Earnings per Share (Rs.)</b>						
Basic Earnings per Share	<b>6.62</b>	<b>6.29</b>		<b>2.11</b>	<b>2.46</b>	

**MELSTACORP PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

	GROUP			COMPANY		
	Unaudited	Unaudited	Variance	Unaudited	Unaudited	Variance
	2018	2017	%	2018	2017	%
	Rs '000	Rs '000		Rs '000	Rs '000	
<i>For the quarter ended 31st March</i>						
<b>Gross revenue</b>	<b>29,587,574</b>	27,376,228	8.08	<b>152,014</b>	48,804	211.48
<b>Net revenue</b>	<b>12,501,493</b>	10,524,929	18.78	<b>152,014</b>	48,804	211.48
Cost of Sales, Net benefits and Interest expenses	<b>(7,653,934)</b>	(7,486,298)	2.24	<b>(7,835)</b>	(3,727)	110.22
<b>Gross profit</b>	<b>4,847,559</b>	3,038,631	59.53	<b>144,179</b>	45,077	219.85
Other operating income	<b>1,524,162</b>	550,829	176.70	<b>3,509,336</b>	643,033	445.75
Distribution expenses	<b>(532,029)</b>	(594,979)	(10.58)	-	-	-
Administrative expenses	<b>(1,234,402)</b>	(1,277,174)	(3.35)	<b>(85,465)</b>	(25,350)	237.14
Other operating expenses	<b>(1,416,484)</b>	(335,192)	322.59	<b>(1,836,983)</b>	(1,420,946)	29.28
<b>Profit from operations</b>	<b>3,188,806</b>	1,382,115	130.72	<b>1,731,066</b>	(758,186)	(328.32)
Finance Income	<b>333,710</b>	169,423	96.97	<b>699,005</b>	209,330	233.92
Finance Cost	<b>(582,405)</b>	(365,428)	59.38	<b>(41,036)</b>	(74,144)	(44.65)
<b>Net Finance Income/(cost)</b>	<b>(248,695)</b>	(196,005)	26.88	<b>657,968</b>	135,186	386.71
Share of profit of Equity - Accounted Investees	<b>853,501</b>	454,684	87.71	-	-	-
Gain on Bargaining Purchases	<b>824,985</b>	-	100.00	-	-	-
<b>Profit before taxation</b>	<b>4,618,597</b>	1,640,794	181.49	<b>2,389,035</b>	(623,000)	(483.47)
Income Tax	<b>(1,461,430)</b>	(439,143)	232.79	<b>(146,877)</b>	(32,228)	355.74
<b>Profit for the period</b>	<b>3,157,167</b>	1,201,651	162.74	<b>2,242,158</b>	(655,228)	(442.20)
<b>Other comprehensive income</b>						
Revaluation of Property, Plant and Equipment	<b>259,038</b>	-	100.00	-	-	-
Net change in Fair value of available for sale financial assets	<b>361,280</b>	137,250	163.23	<b>2,271,473</b>	(991,493)	(329.10)
Reversal of AFS reserve on disposal of AFS Investments	<b>2,899</b>	(975,494)	(100.30)	<b>6,907</b>	-	100.00
Actuarial Gain/(losses) on retirement benefit obligations	<b>2,200</b>	195,606	(98.88)	-	311	(100.00)
Incometax on other comprehensive income	<b>(89,806)</b>	(20,662)	334.64	<b>(657)</b>	(87)	655.17
Share of their comprehensive income of Equity-Accounting investees	<b>85,310</b>	286,392	(70.21)	-	-	100.00
<b>Total Other Comprehensive Income</b>	<b>620,921</b>	(376,908)	(264.74)	<b>2,277,723</b>	(991,269)	(329.78)
<b>Total Comprehensive Income for the Period</b>	<b>3,778,088</b>	824,743	358.09	<b>4,519,881</b>	(1,646,497)	(374.51)
<b>Profit attributable to:</b>						
Equity Holders of the Parent	<b>3,330,018</b>	140,338	2,272.86	<b>2,242,158</b>	(655,228)	(442.20)
Non Controlling Interest	<b>(172,851)</b>	(201,729)	(14.32)	-	-	-
<b>Profit for the Year</b>	<b>3,157,167</b>	1,201,651	162.74	<b>2,242,158</b>	(655,228)	(442.20)
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	<b>4,395,875</b>	1,403,380	213.23	<b>4,519,881</b>	(1,646,497)	(374.51)
Non Controlling Interest	<b>146,375</b>	(201,729)	(172.56)	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>3,778,088</b>	824,743	358.09	<b>4,519,881</b>	(1,646,497)	(374.51)
<b>Earnings per Share (Rs.)</b>	<b>2.86</b>	0.12		<b>1.92</b>	-	0.56
Basic Earnings per Share						

**MELSTACORP PLC**  
**STATEMENT OF FINANCIAL POSITION**

	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-18 Rs.'000s	31-Mar-17 Rs.'000s	31-Mar-18 Rs.'000s	31-Mar-17 Rs.'000s
<i>As at,</i>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	85,122,392	22,869,435	5,157	5,637
Investment Property	1,653,389	1,431,040	3,226,492	2,843,652
Goodwill on Acquisition and other intangible assets	18,398,810	2,327,053	217	482
Biological Assets	8,074,040	4,139,749	-	-
Leasehold properties	2,639,806	-	-	-
Right to use Land	113,534	-	-	-
Pre-paid operating leases	2,241,358	-	-	-
Investment in Subsidiaries	-	-	59,676,633	43,531,339
Investment in Equity Accounted Investees	6,334,455	28,118,731	-	20,829,353
Other Non Current Financial Investments	23,587,097	19,733,466	17,034,491	14,390,082
Deferred Tax Asset	593,891	859,604	1,208	1,208
Finance Lease, Hire Purchases and Operating Lease Receivables	-	1,623,769	-	-
Advances and Other Loans	-	526,540	-	-
	<b>148,758,772</b>	<b>81,629,387</b>	<b>79,944,198</b>	<b>81,601,753</b>
<b>Current Assets</b>				
Inventories	8,669,592	7,054,434	1,112	918
Produce on Bearer Biological Assets	-	5,246	-	-
Pre-paid operating leases	67,466	-	-	-
Trade and Other receivables	30,949,244	11,273,965	2,722,190	108,392
Finance Lease, Hire Purchases and Operating Lease Receivables	-	1,528,574	-	-
Advances and Other Loans	1,704,130	1,400,196	-	-
Current tax recoverable	392,382	-	-	-
Amounts due from Related Companies	18,170	130,087	3,695,448	2,532,176
Other Current Financial Investments	12,402,422	6,804,148	4,084,023	4,934,910
Assets classified as held for sale	149,125	-	-	-
Cash at Bank and Cash in Hand	12,018,495	2,092,774	544,058	423,469
	<b>66,371,026</b>	<b>30,289,424</b>	<b>11,046,831</b>	<b>7,999,865</b>
<b>Total Assets</b>	<b>215,129,798</b>	<b>111,918,811</b>	<b>90,991,029</b>	<b>89,601,618</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	7,317,017	12,430,172	(981,720)	(2,597,197)
Retained Earnings	(17,877,862)	(33,449,856)	2,108,350	2,491,925
Equity Attributable to Equity Holders of the Parent	78,539,155	68,080,316	90,226,630	88,994,728
Non Controlling Interest	47,113,205	3,216,565	-	-
<b>Total Equity</b>	<b>125,652,361</b>	<b>71,296,881</b>	<b>90,226,630</b>	<b>88,994,728</b>
<b>Non-Current Liabilities</b>				
Interest Bearing Loans and Borrowings	26,750,553	3,436,759	-	-
Deferred Tax Liabilities	3,940,628	2,511,310	127,167	103,757
Employee Benefits	2,851,973	906,936	4,316	4,316
Other Deferred Liabilities	1,174,850	236,899	-	-
	<b>34,718,004</b>	<b>7,091,904</b>	<b>131,483</b>	<b>108,073</b>
<b>Current Liabilities</b>				
Trade and Other Payables	26,407,124	14,322,948	13,951	3,357
Deposit Liabilities	-	1,541,694	-	-
Other Deferred Liabilities	84,590	82,653	-	-
Amount due to Related Companies	244,185	332,603	305,118	44,853
Income Tax Payable	1,427,015	1,484,690	13,108	341,073
Interest Bearing Loans and Borrowings	8,188,543	12,459,829	-	-
Bank Overdrafts and Other Short Term Borrowings	18,407,976	3,305,609	300,739	109,534
Liabilities Classified as Held for Sale	-	-	-	-
	<b>54,759,433</b>	<b>33,530,026</b>	<b>632,916</b>	<b>498,817</b>
<b>Total Equity and Liabilities</b>	<b>215,129,798</b>	<b>111,918,811</b>	<b>90,991,029</b>	<b>89,601,618</b>
Net Assets per Share	67.39	58.42	77.42	76.36

The above unaudited figures are provisional and subject to audit

I certify that the Financial Statements have been prepared and presented in compliance with Company's Act No 07 of 2007

*sgd/-*  
D.M.Welikandage  
Manager-Finance

The Directors are responsible for the preparation and presentation of these Financial Statements.  
Signed for and on behalf of the board

*sgd/-*  
D.H.S.Jayawardena  
Chairman

*sgd/-*  
A.L.Gooneratne  
Managing Director

31st May 2018 in Colombo.

MELSTACORP PLC  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of Parent												
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve fund	General Reserve	Exchange fluctuation	Timber	Available for sale	Cash flow hedge reserve	Retained Earnings	Total	Non controlling Interest	Total Equity
	RS.'000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 1 April 2017</b>	89,100,000	7,256,767	12,137	14,499	710,214	944,140	920,163	2,572,252	-	(33,449,856)	68,080,316	3,216,565	71,296,881
<b>Total Comprehensive Income for the Period</b>													
Profit For The Year	-	-	-	-	-	-	-	-	-	7,717,972	7,717,972	(238,666)	7,479,306
<b>Other Comprehensive Income</b>													
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	1,921,906	-	-	1,921,906	(25)	1,921,881
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-	-	2,200	-	-	2,200	-	2,200
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	(54,370)	(54,370)	(35,436)	(89,806)
Revaluation of Property, Plant and Equipment	-	111,789	-	-	-	-	-	-	-	-	111,789	147,249	259,038
Gain on Change in Fair Value of Biological Asset	-	-	-	-	-	-	(70,945)	-	-	31,280	(39,665)	(31,280)	(70,945)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedge reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	978,227	-	-	-	166,184	-	679	(260,018)	(41,966)	843,106	-	843,106
Income Tax on Other Comprehensive Income	-	(4,257)	-	-	-	-	-	(4,615)	-	408	(8,464)	-	(8,464)
<b>Total Other Comprehensive Income for the period</b>	-	1,085,759	-	-	-	166,184	(70,945)	1,920,170	(260,018)	(64,648)	2,776,502	80,508	2,857,010
<b>Total Comprehensive Income for the period</b>	-	1,085,759	-	-	-	166,184	(70,945)	1,920,170	(260,018)	7,653,324	10,494,474	(158,158)	10,336,316
<b>Transactions with owners directly recorded in the Equity</b>													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,143)	(1,143)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	(2,843,571)	(2,843,571)	-	(2,843,571)
Transferred From/To Retained Earnings	-	-	-	6,174	(8,200,000)	-	-	-	-	8,193,826	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-	-	-	231,082	41	-	8,444	239,567	(357,151)	(117,584)
Effect of subsidiary acquisition	-	-	-	-	-	-	-	-	-	-	-	44,422,793	44,422,793
Effect of subsidiary disposal	-	-	-	-	-	-	-	(3,305)	-	3,305	-	-	-
Effect of changes in holding percentage without change in control	-	-	(2,872)	-	-	-	-	-	-	2,556,666	2,553,794	4,875	2,558,669
<b>Owners</b>	-	-	(2,872)	6,174	(8,200,000)	-	231,082	(3,264)	-	7,918,670	(50,210)	44,069,374	44,019,164
<b>Balance as at 31 March 2018</b>	89,100,000	8,342,526	9,265	20,673	(7,489,786)	1,110,324	1,080,300	4,489,158	(260,018)	(17,877,862)	78,524,580	47,127,780	125,652,361

## MELSTACORP PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of Parent												
	Stated Capital	Revaluations	Capital Reserve	Reserve fund	General Reserve	Exchange fluctuation	Timber	Available for sale	Investment	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 1 April 2016</b>	48,320,750	7,008,181	12,137	9,335	403,968	592,644	882,829	2,269,960	-	3,705,758	63,205,562	3,529,347	66,734,909
<b>Total Comprehensive Income for the Period</b>													
Profit For The Year	-	-	-	-	-	-	-	-	-	7,335,621	7,335,621	(535,979)	6,799,642
<b>Other Comprehensive Income</b>													
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	332,471	-	-	332,471	(70)	332,401
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-	-	(2,922)	-	-	(2,922)	-	(2,922)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	111,149	111,149	86,085	197,234
Revaluation of Property, Plant and Equipment	-	161,567	-	-	-	-	-	-	-	-	161,567	165,619	327,186
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	87,019	-	-	-	351,555	-	(27,257)	-	86,400	497,717	-	497,717
Amount vested on business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(20,865)	(20,865)	(28,081)	(48,946)
<b>Total Other Comprehensive Income for the period</b>	-	<b>248,586</b>	-	-	-	<b>351,555</b>	-	<b>302,292</b>	-	<b>176,684</b>	<b>1,079,117</b>	<b>223,553</b>	<b>1,302,670</b>
<b>Total Comprehensive income for the period</b>	-	<b>248,586</b>	-	-	-	<b>351,555</b>	-	<b>302,292</b>	-	<b>7,512,305</b>	<b>8,414,738</b>	<b>(312,426)</b>	<b>8,102,312</b>
<b>Transactions with owners directly recorded in the Equity</b>													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(356)	(356)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(59)	-	-	-	22,549	22,490	-	22,490
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	(2,170,398)	(2,170,398)	-	(2,170,398)
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares	40,779,250	-	-	-	-	-	-	-	-	(40,779,250)	-	-	-
Issue of shares for Share SWAP	-	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-	-	(1,392,076)	(1,392,076)	-	(1,392,076)
Pending Allotement	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	5,164	306,246	-	37,334	-	-	(348,744)	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	<b>40,779,250</b>	<b>-</b>	<b>-</b>	<b>5,164</b>	<b>306,246</b>	<b>(59)</b>	<b>37,334</b>	<b>-</b>	<b>-</b>	<b>(44,667,919)</b>	<b>(3,539,984)</b>	<b>(356)</b>	<b>(3,540,340)</b>
<b>Balance as at 31 March 2017</b>	<b>89,100,000</b>	<b>7,256,767</b>	<b>12,137</b>	<b>14,499</b>	<b>710,214</b>	<b>944,140</b>	<b>920,163</b>	<b>2,572,252</b>	<b>-</b>	<b>(33,449,856)</b>	<b>68,080,316</b>	<b>3,216,565</b>	<b>71,296,881</b>

**MELSTACORP PLC**  
**STATEMENT OF CHANGES IN EQUITY**

Company	Stated Capital	Revaluation Reserve	Available for sale reserve	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 1 April 2016</b>	48,320,750	111,691	(2,826,109)	2,182,800	47,789,132
Net Profit for the Period				2,866,375	2,866,375
<b>Other Comprehensive Income</b>					
Net change in fair value of available for sale financial assets			117,221		117,221
Revaluation of Property, Plant and Equipment					-
Actuarial Gain/(Losses) on retirement benefit obligations				311	311
Income tax on other comprehensive income				(87)	(87)
<b>Total Other Comprehensive Income for the period</b>	-	-	117,221	224	117,445
<b>Total Comprehensive Income for the period</b>	-	-	117,221	2,866,599	2,983,820
<b>Transactions with Owners of the Company directly recognized into Equity</b>					
Issue of shares	40,779,250				40,779,250
Repurchase of shares				(1,392,076)	(1,392,076)
Dividend Paid				(1,165,398)	(1,165,398)
	40,779,250	-	-	(2,557,474)	38,221,776
<b>Balance as at 31 March 2017</b>	89,100,000	111,691	(2,708,888)	2,491,925	88,994,728
<b>Balance as at 1 April 2017</b>	89,100,000	111,691	(2,708,888)	2,491,925	88,994,728
Profit for the Period				2,460,655	2,460,655
<b>Other Comprehensive Income</b>					
Net change in fair value of available for sale financial assets			1,613,277		1,613,277
Actuarial Gain/(Losses) on retirement benefit obligations			2,200		2,200
Reversal of AFS Reserves on disposal of AFS Investments					
Income tax on other comprehensive income				(657)	(657)
<b>Total Other Comprehensive Income for the period</b>	-	-	1,615,477	(657)	1,614,820
<b>Total Comprehensive Income for the period</b>	-	-	1,615,477	2,459,998	4,075,475
<b>Transactions with Owners of the Company directly recognized into Equity</b>					
Issue of Shares					-
Share buy back					-
Dividend paid				(2,843,571)	(2,843,571)
	-	-	-	(2,843,571)	(2,843,571)
<b>Balance as at 31 March 2018</b>	89,100,000	111,691	(1,093,411)	2,108,350	90,226,630

**MELSTACORP PLC**  
**STATEMENT OF CASH FLOWS**

For the year ended 31st March,

	Group		Company	
	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000
<b>Cashflow from Operating activities</b>				
<b>Profit before taxation</b>	<b>11,201,634</b>	10,690,342	<b>2,661,051</b>	3,253,107
<b>Adjustment for</b>				
Depreciation and amortization of PPE, Biological assets and intangible assets	3,493,150	2,233,246	1,443	1,227
Provision for gratuity	294,222	171,800	-	1,569
Interest Expenses	1,998,373	1,123,116	92,764	85,488
Interest Income	(1,256,009)	(634,311)	(855,181)	(1,407,914)
Dividend Income	(715,167)	(809,750)	(1,617,070)	(1,340,363)
(Gain)/Loss on disposal of Property, Plant and Equipment	126,783	(27,627)	154,076	(1)
Provision / (Reversal of provision) for Inventories	(69,376)	(149,752)	-	-
(Gain)/Loss on Acquisition of subsidiary	1,054,591	-	-	-
Provision for doubtful debts	209,182	102,608	-	-
Impairment in Subsidiaries	-	-	1,676,000	1,432,212
Impairment in Goodwill	-	255,446	-	-
Gain on Bargaining Purchases	(867,008)	-	-	-
Share of profit of equity accounted	(2,075,174)	(1,326,853)	-	-
Deferred income recognized	(90,084)	(97,965)	-	-
Amortization of Deferred Grants and Subsidiaries	(8,199)	(11,057)	-	-
Gain on liquidation of Share Trust	-	(28,562)	-	(28,562)
Gain on repurchase of shares by Subsidiaries	-	-	(794,739)	(1,922,500)
(Gain)/loss on Change in Fair Value of Biological Assets	-	(18,839)	-	-
(Gain)/Loss on change in fairvalue of financial assets fairvalue through profit/loss	66,137	(65,772)	(15,605)	(17,758)
(Gain)/Loss on disposal of financial Investments	(63,373)	(2,225)	(63,373)	-
Gain on disposal of subsidiary	(700,810)	-	(1,188,228)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>12,598,871</b>	11,403,845	<b>51,136</b>	56,505
<b>Working Capital Changes</b>				
(Increase)/decrease in Inventories	207,367	(890,522)	(194)	52
(Increase)/decrease in Receivable	(4,403,108)	(1,700,113)	(63,645)	(31,408)
(Increase)/decrease in Related Party Receivable and Payable	(199,336)	43,619	(371,524)	44,111
(Increase)/decrease in Payables	1,890,824	2,659,815	10,593	(73,771)
<b>Cash generated from Operations</b>	<b>10,094,619</b>	11,516,644	<b>(373,634)</b>	(4,511)
Dividend Received	806,763	1,306,475	1,617,070	1,340,363
Interest paid	(1,998,373)	(1,123,116)	(69,415)	(466)
Income Tax and Super Gain Tax Paid	(4,081,616)	(3,305,021)	(505,609)	(2,854)
Retiring Gratuity Paid	(283,145)	(85,928)	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>4,538,247</b>	8,309,054	<b>668,412</b>	1,332,532
<b>Cashflow from Investing Activities</b>				
Acquisition of equity accounted investees	(484,566)	(474,453)	(498,216)	(474,453)
Acquisition of Investment Property	-	-	-	-
Disposal of subsidiaries-MRF	5,000	-	5,000	-
Disposal of subsidiaries	-	-	-	-
Acquisition of Non Controlling Interest of BPL	(117,584)	-	(117,584)	-
Proceeds from settlement of Loans given to Related Companies	-	-	2,053,209	24,863,171
Cash received from repurchase of shares by subsidiaries	-	-	1,196,454	2,500,000
Net proceeds from disposal/(Acquisition) of other Investments	(1,237,691)	(7,553,091)	(99,068)	(5,667,746)
Acquisition of biological assets	(131,846)	(253,477)	-	-
Acquisition of Property, Plant & Equipment, Investment Property and intangible assets	(2,532,915)	(4,301,939)	(537,617)	(57,698)
Acquisition of Subsidiaries (Net of Cash Acquired)	(703,445)	-	(703,445)	(20,000,000)
Loans disbursed to subsidiaries and associates	-	-	(3,195,472)	(561,370)
Proceeds on disposal of Property, Plant and Equipment	1,736,261	1,535,853	-	66
Receipt of deferred Income	-	-	-	-
Cash & cash Equivalents Acquired-Spence	478,960	-	-	-
Cash & cash Equivalents Acquired-MPL	(423,058)	-	-	-
Cash & cash Equivalents Disposed-MRF	322,447	-	-	-
Interest Received	1,256,009	634,311	655,738	226,794
<b>Net Cash Flow Used in Investing Activities</b>	<b>(1,832,428)</b>	(10,412,796)	<b>(1,241,001)</b>	828,764
<b>Cashflow from Financing activities</b>				
Advances received from Subsidiaries	-	-	1,087,207	1,534,162
Settlement of Advances Obtained from Subsidiaries	-	-	(300,333)	(2,237,400)
Loan and borrowings received	-	5,512,730	-	-
Repayment of loan and borrowings	-	(2,668,709)	-	-
Receipt of deferred income	8,019	102,821	-	-
Dividends Paid	(284,902)	(2,170,398)	(284,902)	(1,165,398)
Interest Paid	-	-	-	-
Dividends paid by subsidiaries to minority shareholders	(1,143)	(356)	-	-
<b>Net Cashflow from financing activities</b>	<b>(278,026)</b>	776,088	<b>501,972</b>	(1,868,636)
Net increase/decrease in cash and cash equivalents	<b>2,427,794</b>	(1,327,654)	<b>(70,616)</b>	292,659
At the beginning of the year	<b>(8,817,275)</b>	(7,489,621)	<b>313,935</b>	21,276
<b>At the end of the year</b>	<b>(6,389,481)</b>	(8,817,275)	<b>243,319</b>	313,935
<b>Cash and Cash Equivalents are as follows</b>				
Short Term Deposits	303,975	949,389	-	4,358
Cash in Transit	183,332	96,812	-	-
Cash in Hand & Bank	11,531,188	1,046,573	544,058	419,111
Bank Overdrafts and other short term borrowings	(18,407,976)	(10,910,049)	(300,739)	(109,534)
	<b>(6,389,481)</b>	(8,817,275)	<b>243,319</b>	313,935



**MELSTACORP PLC**  
**SEGMENTAL INFORMATION**

<i>For the year ended 31st March</i>	<b>GROUP</b>	
	<b>2018</b> Rs.000	2017 Rs.000
<b>(a) Turnover</b>		
Beverages	<b>97,082,808</b>	99,037,262
Plantations	<b>3,616,238</b>	2,266,657
Telecommunications	<b>2,964,412</b>	2,955,960
Financial services	<b>3,843,122</b>	2,745,266
Diversified	<b>2,441,370</b>	1,993,972
<b>Gross Turnover</b>	<b>109,947,950</b>	108,999,117
Turnover based Taxes	<b>(65,226,562)</b>	(68,805,650)
<b>Net Turnover</b>	<b>44,721,388</b>	40,193,467
<b>(b) Industry Segment Profit</b>		
Beverages	<b>8,141,978</b>	10,279,401
Plantations	<b>147,200</b>	(342,721)
Telecommunications	<b>(1,588,480)</b>	(1,286,696)
Financial services	<b>416,295</b>	300,522
Diversified	<b>1,142,459</b>	412,984
	<b>8,259,452</b>	9,363,490
Share of Associate Company Profits	<b>2,075,174</b>	1,326,853
Gain on Bargaining Purchases	<b>867,008</b>	-
<b>Net Profit Before Tax</b>	<b>11,201,634</b>	10,690,342
Taxation	<b>(3,722,328)</b>	(3,890,700)
<b>Net Profit After Tax</b>	<b>7,479,306</b>	6,799,642

**MELSTACORP PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

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1 The interim Financial Statements have been prepared in accordance with the Accounting Policies set out in the most recent Annual Report and are in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial

2 Where appropriate, the previous year's presentation has been amended to conform to current year classifications.

**3 Amount due from the Secretary to the Treasury o/a of SLIC Shares**

As per the Judgment delivered by the Supreme Court of the Democratic Socialist Republic of Sri Lanka on June 2009 it was declared and directed that the shares of SLIC purported to have been sold to Distilleries Consortium on 11th April 2003 along with any shares purchased from employees as per SSPA shall be deemed to have been held for and on behalf of the Secretary to the Treasury.

As directed by the said judgment, the Secretary to the Treasury returned the money that was paid by Group Subsidiary Milford Holdings (Pvt) Limited (MHL) to purchase shares from SLIC.

**In respect of Profits Earned**

Further, MHL was entitled to retain the profits of SLIC derived by MHL from 11 April 2003 to 04 June 2009 in lieu of the interest for the aforesaid investment. The Secretary to the Treasury was directed to cause profits of SLIC to be computed and audited from the date of the last audited Balance Sheet of SLIC to 04th June 2009 to enable MHL to obtain such profits.

However, Secretary to the Treasury has not yet determined the value of profits to be retained by the MHL; hence no adjustments were made to the Financial Statements in this regards.

**4 Impact of Revival of Underperforming Enterprises and Underutilized Assets Act – Pelwatte Sugar Industries PLC Group (PSIP)**

Consequent to the enactment and passage of the above Act of Parliament on 9 November 2011, the state officials are occupying the land leased to PSIP and running the operations of PSIP and its related companies. Subsequently a Compensation Tribunal was formed as required by the Act. Without assuming any liability or without any prejudice to, or impact on its rights, PSIP has submitted a claim to the Compensation Tribunal.

On 13 March 2013 Commercial High Court of Western Province (Colombo Civil) issued an order of Pelwatte Sugar Industries PLC. The Court has appointed P.E.A. Jayewickreme and G.J. David as the Liquidators.

Since our group is deprived of participating in controlling the financial, operating policies and other relevant activities, the financial statements of PSIP have been deconsolidated from the group financial statements of DCSL PLC in year 2013/14. The investment made in PSIP is classified as a fully impaired long term investment in the group.

**MELSTACORP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5 Non - Financial Information**

		<b>31-Mar-18</b>	<b>31-Mar-17</b>
Net Assets per share	- Group (Rs)	67.39	58.47
	- Company (Rs)	77.42	76.36
	- Last Traded Rs)	58.20	59.20
Market price per share	- Highest	70.00	69.50
	- Lowest	57.60	54.90

6 1,165,398,072 ordinary shares represent the Stated Capital.

**7 Earnings per Share**

The Number of shares (1,165,398,072) held as at 31 March 2018 have been used for the purpose of Calculation of Earnings per Share. Further prior year Earnings per share was restated by using number of shares held at 31st March 2018.

**8 Restructure of Distilleries Company of Sri Lanka PLC/Melstacorp Limited - Phase I**

Distilleries Company of Sri Lanka PLC ("DCSL") being the sole investor of Melstacorp Limited ("MC") has restructured the DCSL Group as described in the announcement made to CSE on 1st August 2016.

As a consequent of the restructuring of the Group, MC became the ultimate holding company of the Group and DCSL became the wholly owned subsidiary of Melstacorp PLC. The said restructuring of the Group is identified as a common control transaction, hence the acquisition method of accounting prescribed by SLFRS 3 is not applied. Further as a result of restructuring of the companies (DCSL and MC) within the common control, there is no change to the net assets of the Group previously reported. To reflect the effect of restructuring of the group under common control, the prior period financial statements were restated. The adjustment to opening net assets as at 1st April 2015 reflect the reserves consolidated by DCSL. There is no change in previously reported total assets (including goodwill), total liabilities and net assets under the DCSL .

The adjustment to opening net assets as at 1st April 2015 reflect the reserves consolidated by DCSL. There is no change in previously reported total assets (including goodwill), total liabilities and net assets under the DCSL Group. The equity previously reported is re-arranged to reflect the capital structure of the MC. Group. The equity previously reported is re-arranged to reflect the capital structure of the MC.

**9 Repurchase of Shares by Subsidiaries**

The Fully Owned Subsidiaries of Melstacorp PLC, Melsta Properties (Pvt) Ltd, Melsta Logistics (Pvt) Ltd and Periceyl (Pvt) Ltd have repurchased their own shares during the period. The Gain is recorded under Other Operating Income of the Company.

**10 Restructure of Distilleries Company of Sri Lanka PLC/Melstacorp Limited - Phase II**

The following events/transactions have been taken place as the phase II of restructure of Distilleries Company of Sri Lanka PLC/Melstacorp PLC

The existing number of shares of DCSL PLC (300Mn) have been subdivided in to 3Bn ordinary shares.

1.6Bn shares of DCSL PLC were allotted to Melstacorp PLC via private placement which was pending in allotment for Rs.20Bn.

Reduction of stated capital of DCSL PLC to enable the company to wipe out negative retained earnings

Declaration of Interim Dividend in SPECIE (Dividend in SPECIE of DCSL PLC) of Rs 2.44 per share.

**11 Impairment in Investment in Subsidiaries**

Melstacorp recorded an impairment of Rs.1.6Bn in its Investment in Subsidiary, Milford Holdings (Pvt) Ltd, the immediate parent of Lanka Bell Ltd in its Separate Financial Statements.

Milford Holdings (Pvt) Ltd, the immediate parent of Lanka Bell Ltd recorded an impairment of Rs.1.7Bn in its Investment in Subsidiary, in its Separate Financial Statements.

**12 Business Combinations**

**12.1 Acquisition of subsidiary**

On 30 September 2017, the group acquired 16,949,673 (10%) of the shares and voting interests in Madulsima Plantation PLC. As a result, the Group's equity interest in Madulsima Plantation PLC increased from 45.91% to 55.91%, obtaining the control.

On 31 March 2018, Melstacorp PLC established the control in Aitken Spence PLC under de-facto power with the equity holding of 49.17% .

**12.2 Acquisition of Non Controlling Interest**

Melstacorp PLC has acquired 3,636,363 shares in Balangoda Plantations PLC and as a result the percentage Holding has increased from 43.23% to 58.61% .

**12.3 Disposal of Subsidiary**

Melstacorp PLC divested its entire holding in its fully owned subsidiary Melsta Regal Finance Limited, on the 31st of March 2018. The resultant gain on disposal of this investment is reflected under other operating income.

**MELSTACORP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**13 Events occurring after the reporting period**

Subsequent to the reporting period, no circumstances have arisen which would require adjustment to or disclosure in the financial statements except for the followings

Melstacorp has acquired 3,790,554 shares in Aitken Spence after the Balance Sheet Date which resulted Group's holding increased to 50.1%.

Melstacorp PLC has entered into a Joint Venture Agreement with Pyramid GAMA (Pvt) Ltd for importation, processing, packaging and distribution of Cement to be undertaken through a Joint Venture Company named Melsta GAMA (Pvt) Ltd.

**14 Contingent Liabilities**

There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 March 2017.

**15 Top 20 Shareholders – 31 March 2018**

<u>Rank</u>	<u>Name</u>	<u>No of shares</u>	<u>%</u>
1	Milford Exports (Ceylon) (Pvt) Limited	497,882,000	42.722
2	Lanka Milk Foods (CWE) Limited	151,846,000	13.03
3	Mr. M A Yaseen	91,495,593	7.851
4	Commercial Bank Of Ceylon PLC/ L E M Yaseen	52,200,000	4.479
5	Bnynsany Re-Neon Liberty Lorikeet Master Fund L P	40,761,886	3.498
6	Caceis Bank Luxembourg Branch-Barca Global Master Fund L P	28,300,196	2.428
7	Northern Trust Company S/A Kuroto Fund L P	23,400,491	2.008
8	CITIBank New York S/A Norges Bank Account 2	18,694,863	1.604
9	Mrs. L E M Yaseen	16,800,038	1.442
10	Commercial Bank Ceylon PLC/ M A Yaseen	16,000,000	1.373
11	Lahugala Plantation (Private) Limited	14,782,240	1.268
12	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	13,284,575	1.14
13	Mrs. S M Chrysostom	11,390,000	0.977
14	Bnynsanv Re-Consilium Frontier Equity Fund L P	10,401,396	0.893
15	Deutsche Bank Ag-London	10,050,810	0.862
16	Stassen Exports (Pvt) Limited	8,456,800	0.726
17	Bnynsanv Re-Blackrock Frontiers Investment Trust PLC	7,639,796	0.656
18	Mr. D H S Jayawardena	7,531,332	0.646
19	HSBC Intl Nom Ltd-SSBT-Parametric Emerging Markets Fund	6,738,108	0.578
20	HSBC Intl Nom Ltd-SSBT-Parametric Tax-Managed Emerging Markets Fund	6,203,001	0.532
		<u>1,033,859,125</u>	<u>88.713</u>
	Others	<u>131,537,947</u>	<u>11.287</u>
	Total	<u><u>1,165,397,072</u></u>	<u><u>100</u></u>
	Percentage of Shares held by the public	42.82%	
	Total No. of share holders who hold the public holding	10,392	

**Directors' Share Holdings as at 31 March 2018**

	No of Shares	%
Mr. D. H. S. Jayawardena	Nil	Nil
Mr.A.L. Gooneratne	Nil	Nil
Mr. C. R. Jansz -	Nil	Nil
Mr. N. De S. Deva Aditya -	Nil	Nil
Mr. K. J. Kahanda -	Nil	Nil
Dr. A. N. Balasuriya -	Nil	Nil
Mr. D. Hasitha S. Jayawardena	7,531,332	0.646
Mr.R. Seevaratnam	Nil	Nil
Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya)	Nil	Nil

**MELSTACORP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**CORPORATE INFORMATION**

**NAME OF COMPANY**

Melstacorp PLC

**REGISTERED OFFICE**

No.110, Norris Canal Road,  
Colombo 10, Sri Lanka.  
Tel: 011-5900300,  
Fax: 011-5900333 Web: www.melsta.com

**COMPANY REGISTRATION NUMBER**

PB 11755 PQ

**BOARD OF DIRECTORS**

Mr.D.H.S.Jayawardena - Chairman  
Mr. A.L. Gooneratne - Managing Director  
Mr.C.R.Jansz  
Mr.N. De S. Deva Aditya  
Capt. K. J. Kahanda  
Dr.A.N.Balasuriya  
Mr. D. Hasitha S. Jayawardena  
Mr.R. Seevaratnam  
Ms.V.J.Senaratne (Alternate Director to Mr.N. De S. Deva Aditya)

**COMPANY SECRETARY**

Messrs. Coporate Services (Private) Limited  
No.216, De Saram Road,  
Colombo 10.

**AUDITORS**

KPMG  
Chartered Accountants  
No.32A, Sir Mohamed Macan Marker Mawatha,  
**Colombo 03, Sri Lanka.**

**REGISTRARS**

Central Depository Systems (Private) Limited  
Registrars -Unit  
No.341/5, Kotte Road,  
Rajagiriya, Sri Lanka.

**BANKERS**

Commercial Bank of Ceylon PLC  
DFCC Bank PLC  
Bank of Ceylon  
Hatton National Bank PLC