

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2021

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the year ended 31 March,	GROUP			COMPANY		
	Unaudited 2021 Rs. '000	Audited 2020 Rs. '000	Variance %	Unaudited 2021 Rs. '000	Audited 2020 Rs. '000	Variance %
	Revenue	143,869,650	154,475,213	(6.87)	258,099	212,752
Excise duty	(66,210,774)	(56,632,092)	16.91	-	-	-
Cost of sales and net benefits paid	(53,452,863)	(64,629,064)	(17.29)	(8,092)	(8,335)	(2.91)
Gross Profit	24,206,014	33,214,057	(27.12)	250,007	204,417	22.30
Other Operating Income	2,004,546	1,713,074	17.01	7,263,478	6,778,946	7.15
Selling and distribution expenses	(1,491,288)	(2,706,261)	(44.89)	-	-	-
Administrative Expenses	(12,933,591)	(17,401,312)	(25.67)	(229,766)	(262,150)	(12.35)
Other Operating Expenses	(246,785)	(1,130,071)	(78.16)	(521,997)	(1,794,887)	-
Profit from Operations	11,538,895	13,689,487	(15.71)	6,761,722	4,926,326	37.26
Finance Income	2,230,251	3,067,046	(27.28)	1,116,172	2,026,350	(44.92)
Finance Cost	(4,870,027)	(5,878,472)	(17.15)	(721,174)	(1,592,872)	(54.72)
Net Finance Income/(cost)	(2,639,776)	(2,811,426)		394,997	433,478	(8.88)
Share of Profit of Equity-Accounted Investees (Net of Tax)	421,888	476,354	(11.43)	-	-	-
Profit before Tax for the year	9,321,007	11,354,415	(17.91)	7,156,719	5,359,804	33.53
Income Tax	(6,926,435)	(6,929,457)	(0.04)	(1,014,792)	(264,026)	284.35
Profit for the year	2,394,572	4,424,958	(45.88)	6,141,927	5,095,778	20.53
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	1,159,701	271,425	-	-	-	-
Equity investments at FVOCI – net change in fair value	(3,691,176)	1,987,348	(285.73)	(3,109,317)	1,830,328	(269.88)
Actuarial gain/(losses) on retirement benefit obligations	(467,123)	79,058	-	4,223	(424)	-
Share of other comprehensive income of equity-accounted investees (net of tax)	6,036	(6,006)	-	-	-	-
Income tax on other comprehensive income	63,393	(86,760)	-	3,604	119	-
	(2,929,170)	2,245,065	-	(3,101,491)	1,830,023	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	1,028,126	968,572	6.15	-	-	-
Net movement on Cashflow Hedges	(712,630)	(291,529)	144.45	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	306,326	1,307	23,337.34	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	621,822	678,350	(8.33)	-	-	-
Total other comprehensive income for the year	(2,307,348)	2,923,415	(178.93)	(3,101,491)	1,830,023	(269.48)
Total comprehensive income for the year	87,223	7,348,373	(98.81)	3,040,437	6,925,801	(56.10)
Profit Attributable to:						
Equity Holders of the Parent	4,883,306	3,751,898	30.16	6,141,927	5,095,778	20.53
Non Controlling Interest	(2,488,734)	673,060	(469.76)	-	-	-
Profit for the year	2,394,572	4,424,958		6,141,927	5,095,778	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	2,185,560	6,183,140	(64.65)	3,040,437	6,925,801	(56.10)
Non Controlling Interest	(2,098,337)	1,165,233	(280.08)	-	-	-
Total comprehensive income for the year	87,223	7,348,373		3,040,437	6,925,801	
Earnings per Share (Rs.)						
Basic Earnings per Share	4.19	3.22	30.16	5.27	4.37	20.53

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 31st March,	GROUP			COMPANY		
	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %
	Revenue	43,523,961	39,948,096	8.95	61,063	44,398
Excise duty	(19,568,527)	(13,832,849)	41.46	-	-	-
Cost of sales and net benefits paid	(16,004,263)	(16,759,011)	(4.50)	(4,431)	(5,827)	(23.95)
Gross Profit	7,951,172	9,356,236	(15.02)	56,632	38,571	46.83
Other Operating Income	1,111,710	726,750	52.97	1,472,221	501,024	193.84
Selling and distribution expenses	(746,334)	(889,842)	(16.13)	-	-	-
Administrative Expenses	(3,830,801)	(4,990,431)	(23.24)	(19,285)	(109,465)	(82.38)
Other Operating Expenses	2,593	(1,051,997)	(100.25)	(521,997)	(1,794,887)	-
Profit from Operations	4,488,339	3,150,716	42.45	987,571	(1,364,757)	(172.36)
Finance Income	1,076,345	953,943	12.83	241,975	351,814	(31.22)
Finance Cost	(1,005,791)	(1,653,746)	(39.18)	(127,728)	(216,020)	(40.87)
Net Finance Income/(cost)	70,554	(699,803)		114,247	135,794	(15.87)
Share of Profit of Equity-Accounted Investees (Net of Tax)	85,473	112,713	(24.17)	-	-	-
Profit before Tax for the Quarter	4,644,366	2,563,626	81.16	1,101,818	(1,228,963)	(189.65)
Income Tax	(1,617,261)	(1,575,251)	2.67	(220,903)	(76,951)	187.07
Profit for the Quarter	3,027,105	988,375	206.27	880,915	(1,305,914)	(167.46)
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	1,159,701	271,425	327.26	-	-	-
Equity investments at FVOCI – net change in fair value	(53,752)	434,223	(112.38)	12,818	261,652	(95.10)
Actuarial gain/(losses) on retirement benefit obligations	(467,123)	79,058	(690.86)	4,223	(424)	(1,096.00)
Share of other comprehensive income of equity-accounted investees (net of tax)	6,036	(5,993)	(200.71)	-	-	-
Income tax on other comprehensive income	63,393	(86,760)	(173.07)	3,604	119	2,928.25
	708,254	691,953	-	20,644	261,347	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	1,070,056	542,569	97.22	-	-	-
Net movement on Cashflow Hedges	(126,406)	(143,888)	(12.15)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	125,976	(16,353)	(870.35)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	1,069,626	382,328		-	-	
Total other comprehensive income for the quarter	1,777,880	1,074,281		20,644	261,347	
Total comprehensive income for the quarter	4,804,983	2,062,657		901,560	(1,044,567)	
Profit Attributable to:						
Equity Holders of the Parent	2,407,380	678,219	254.96	880,915	(1,305,914)	(167.46)
Non Controlling Interest	619,721	310,156	99.81	-	-	-
Profit for the Quarter	3,027,101	988,375		880,915	(1,305,914)	(167.46)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,357,441	1,437,418	133.57	901,560	(1,044,567)	(186.31)
Non Controlling Interest	1,447,540	625,239	131.52	-	-	-
Total Comprehensive Income for the Quarter	4,804,981	2,062,657		901,560	(1,044,567)	
Earnings per Share (Rs.)	2.07	0.58		0.76	(1.12)	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets				
Property, plant and equipment	111,194,207	110,891,990	13,308	16,448
Intangible assets	6,343,054	6,548,732	1,774	3,082
Investment property	6,429,861	6,144,065	5,462,675	5,100,172
Biological assets	8,754,183	8,381,594	-	-
Right- of - Use Assets	15,497,858	14,810,212	-	-
Investments in subsidiaries	0	0	60,833,411	60,869,587
Investment in equity accounted investees	7,891,428	7,214,569	1,352,000	1,127,000
Deferred tax asset	1,362,871	2,451,156	2,533	3,366
Other non current financial investments	31,528,824	33,941,301	27,174,188	30,472,385
	189,002,286	190,383,619	94,839,889	97,592,040
Currents Assets				
Inventories	9,090,340	9,995,727	1,015	1,034
Produce on bearer biological assets	9,054	3,888	-	-
Trade and other receivables	28,126,981	27,281,167	487,179	124,182
Amounts due from related companies	229,481	585,671	650,013	424,835
Other current financial investments	16,566,941	14,338,011	10,970,701	9,379,265
Other current assets	488,600	-	-	-
Cash and cash equivalents	12,320,178	9,428,830	10,755	62,301
	66,831,575	61,633,293	12,119,663	9,991,617
Assets held for Sale	1,243,219	1,189,650	-	-
Total assets	257,077,080	253,206,563	106,959,553	107,583,657
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	15,414,435	16,789,343	(4,982,618)	(1,877,918)
Retained earnings	(21,522,475)	(22,215,182)	11,942,067	8,710,425
Equity attributable to owners of the Company	82,991,960	83,674,161	96,059,449	95,932,507
Non controlling interest	39,580,664	43,082,419	-	-
Total equity	122,572,625	126,756,580	96,059,449	95,932,507
Non-Current Liabilities				
Interest bearing loans and borrowings	41,448,161	37,343,635	-	-
Lease liabilities	12,588,228	11,031,864	-	-
Employee benefits	3,787,366	3,075,541	10,823	12,020
Deferred tax liabilities	8,623,080	9,775,471	601,635	582,201
Other liabilities	676,327	673,969	-	-
	67,123,162	61,900,480	612,457	594,221
Current Liabilities				
Trade and other payables	28,972,928	25,374,221	30,893	39,038
Other liabilities	6,949	38,707	-	-
Amount due to related companies	852,453	619,372	418,101	733,092
Income tax payable	3,145,813	1,234,585	475,550	22,153
Interest bearing loans and borrowings	4,926,636	4,550,982	-	-
Lease liabilities	1,904,710	1,574,293	-	-
Bank overdrafts and other short term borrowings	27,571,805	31,157,343	9,363,102	10,262,646
	67,381,293	64,549,503	10,287,647	11,056,929
Total liabilities	134,504,455	126,449,983	10,900,104	11,651,150
Total Equity and Liabilities	257,077,080	253,206,563	106,959,553	107,583,657
Net Assets per Share (Rs.)	71.21	71.80	82.43	82.32

The above unaudited figures are provisional and subject to audit.

I certify that the Financial Statements have been prepared & presented in compliance with the requirements of Companies 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

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent											Non controlling interest	Total equity	
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Available for sale	Investment	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)			Total
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	Rs.'000	Rs.'000			Rs.'000
Balance as at 1st April 2019	89,100,000	8,185,466	12,137	20,491	1,352,238	1,664,032	1,458,578	905,321	-	(18,857)	(22,452,538)	80,226,868	44,359,892	124,586,760
Adjustment on initial application of SLFRS - 16	-	-	-	-	-	-	-	-	-	-	(460,710)	(460,710)	(576,754)	(1,037,464)
Adjustment on initial application of SLFRS - 23	-	-	-	-	-	-	-	-	-	-	(99,340)	(99,340)	(98,060)	(197,400)
Adjusted balance as at 1st April 2019	89,100,000	8,185,466	12,137	20,491	1,352,238	1,664,032	1,458,578	905,321	-	(18,857)	(23,012,588)	79,666,818	43,685,078	123,351,896
Total Comprehensive Income for the Period														
Profit for the year	-	-	-	-	-	-	-	-	-	-	3,751,898	3,751,898	673,060	4,424,958
Other Comprehensive Income														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	1,987,046	-	-	-	1,987,046	302	1,987,348
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	269,645	-	-	-	-	-	-	-	-	-	269,645	1,780	271,425
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on change in Fair Value of Biological Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(65,570)	-	(65,570)	(225,959)	(291,529)
Income Tax on Other Comprehensive Income	-	(75,501)	-	-	-	-	-	(5,068)	-	-	7,850	(72,719)	(14,041)	(86,760)
Exchange difference on translation of foreign operations	-	-	-	-	-	306,595	-	-	-	-	-	306,595	661,977	968,572
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	658	-	-	-	-	(3,056)	(2,398)	(2,301)	(4,699)
Deferred tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarials gain/loss on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	8,643	8,643	70,415	79,058
Total Other Comprehensive Income for the period	-	194,144	-	-	-	307,253	-	1,981,978	-	(65,570)	13,437	2,431,242	492,173	2,923,415
Total Comprehensive Income for the period	-	194,144	-	-	-	307,253	-	1,981,978	-	(65,570)	3,765,335	6,183,140	1,165,233	7,348,373
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,672,323)	(1,672,323)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	41,459	41,459	40,925	82,384
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	(2,330,796)	(2,330,796)	-	(2,330,796)
New Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	643,964	-	147,254	-	-	-	(791,218)	-	-	-
Effect of Business Combinations of Equity accounted Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	94	94	(94)	-
Acquisition of Non Controlling Interest of Subsidiaries	-	(1,513)	-	-	2,360	212	-	(76)	-	(69)	112,163	113,077	(136,400)	(23,323)
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	369	369	-	369
Total Contributions by and Distributions to Owners	-	(1,513)	-	-	646,324	212	147,254	(76)	-	(69)	(2,967,929)	(2,175,797)	(1,767,892)	(3,943,689)
Balance as at 31st March 2020	89,100,000	8,378,097	12,137	20,491	1,998,562	1,971,497	1,605,832	2,887,223	-	(84,496)	(22,215,182)	83,674,161	43,082,419	126,756,580

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent											Non controlling interest	Total equity	
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Available for sale	Investment	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)			Total
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	Rs.'000	Rs.'000			Rs.'000
Balance as at 1st April 2020	89,100,000	8,378,097	12,137	20,491	1,998,562	1,971,497	1,605,832	2,887,223	-	(84,496)	(22,215,183)	83,674,160	43,082,421	126,756,580
Total Comprehensive Income for the Period														
Profit for the year	-	-	-	-	-	-	-	-	-	-	4,883,306	4,883,306	(2,488,734)	2,394,572
Other Comprehensive Income														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	(3,645,526)	-	-	-	(3,645,526)	(45,650)	(3,691,176)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	(221,129)	(221,129)	(245,994)	(467,123)
Revaluation of property, plant and equipment	-	824,703	-	-	-	-	-	-	-	-	-	824,703	334,998	1,159,701
Income tax on other comprehensive income	-	(40,024)	-	-	-	-	-	107	-	-	23,376	(16,540)	79,933	63,393
Exchange Difference on translation of foreign operations	-	-	-	-	-	367,432	-	-	-	-	-	367,432	660,694	1,028,126
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(160,284)	-	(160,284)	(552,346)	(712,630)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	(3,656)	-	-	-	154,156	-	-	-	-	3,099	153,599	158,762	312,362
Total Other Comprehensive Income for the period	-	781,023	-	-	-	521,588	-	(3,645,419)	-	(160,284)	(194,654)	(2,697,746)	390,397	(2,307,348)
Total Comprehensive Income for the period	-	781,023	-	-	-	521,588	-	(3,645,419)	-	(160,284)	4,688,652	2,185,560	(2,098,337)	87,223
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,417,544)	(1,417,544)
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	10,073	10,073	2,648	12,721
Acquisition of Non Controlling Interest Chnages in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	-	35,664	35,664	11,476	47,140
Dividends paid	-	-	-	-	-	-	-	-	-	-	(2,913,495)	(2,913,495)	-	(2,913,495)
Transferred From/To Retained Earnings	-	-	-	-	1,006,627	-	121,559	-	-	-	(1,128,186)	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	1,006,627	-	121,559	-	-	-	(3,995,944)	(2,867,758)	(1,403,420)	(4,271,178)
Balance as at 31st March 2021	89,100,000	9,159,120	12,137	20,491	3,005,190	2,493,086	1,727,391	(758,196)	-	(244,780)	(21,522,475)	82,991,960	39,580,664	122,572,625

MELSTACORP PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2019	89,100,000	111,691	(3,819,937)	5,945,379	91,337,133
Adjustment on initial application of SLFRS - 9	-	-	-	-	-
Adjusted balance as at 1st April 2019	89,100,000	111,691	(3,819,937)	5,945,379	91,337,133
Profit for the year	-	-	-	5,095,778	5,095,778
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	1,830,328	-	1,830,328
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	(424)	(424)
Income tax on other comprehensive income	-	-	-	119	119
Total Other Comprehensive Income for the period	-	-	1,830,328	(305)	1,830,023
Total Comprehensive Income for the period	-	-	1,830,328	5,095,473	6,925,801
Transactions with Owners of the Company directly recognized into Equity					
Gain on disposal of FVTOCI Investments	-	-	-	369	369
Dividend paid	-	-	-	(2,330,796)	(2,330,796)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	(2,330,427)	(2,330,427)
Balance as at 31st March 2020	89,100,000	111,691	(1,989,609)	8,710,425	95,932,507
Balance as at 1st April 2020	89,100,000	111,691	(1,989,609)	8,710,425	95,932,507
Profit for the year	-	-	-	6,141,927	6,141,927
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	(3,109,317)	-	(3,109,317)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	4,223	4,223
Income tax on other comprehensive income	-	4,617	-	(1,014)	3,604
Total Other Comprehensive Income for the period	-	4,617	(3,109,317)	3,210	(3,101,491)
Total Comprehensive Income for the period	-	4,617	(3,109,317)	6,145,137	3,040,437
Transactions with Owners of the Company directly recognized into Equity					
Gain on disposal of FVTOCI Investments	-	-	-	-	-
Dividend paid	-	-	-	(2,913,495)	(2,913,495)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	(2,913,495)	(2,913,495)
Balance as at 31st March 2021	89,100,000	116,308	(5,098,926)	11,942,067	96,059,449

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the year ended 31 March,

	GROUP		COMPANY	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	9,321,007	11,354,415	7,156,719	5,359,804
Adjustment for				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	7,177,482	7,606,555	7,032	6,060
Provision for Retirement benefit obligation	614,963	557,386	3,294	4,483
Interest Expenses	4,431,238	5,488,557	677,654	1,592,872
Interest income	(1,286,081)	(2,026,583)	(1,116,172)	(1,892,600)
Dividend income	(701,917)	801,075	(6,874,045)	(6,720,240)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	(34,563)	(7,673)	-	-
Loss on disposal of Investment Properties	-	11,643	-	11,643
Provision/(Reversal) for Bad & Doubtful Debts and impairment	217,115	397,062	-	-
Loss on revaluation/ impairment of Property plant and equipment	-	12,084	-	-
Impairment of receivable from related parties	-	55,244	497,314	1,331,969
Impairment of Property, Plant and Equipment	-	21,953	-	-
Share of profit of equity-accounted investees (net of tax)	(421,888)	(476,354)	-	-
(Gain)/ Loss on disposal of other financial investments	(3,766)	(21,882)	(1,118)	-
Deferred income recognized	(15,234)	(19,503)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(333,356)	(282,349)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(59,044)	(178,894)	43,521	(133,750)
Provision reversal for inventories	-	(11,081)	-	-
Fair value gain on investment property	(287,249)	(83,992)	(362,504)	(58,604)
Gain on disposal of shares of Subsidiaries	-	(54)	(25,734)	-
Provision for Impairment of subsidiaries	-	-	24,683	462,918
Operating Profit before Working Capital Changes	18,618,708	23,197,609	30,643	(35,445)
(Increase)/Decrease in Inventories	900,221	(439,348)	19	30
(Increase)/Decrease in Receivables	(934,774)	1,626,651	(257,619)	(35,434)
(Increase)/Decrease in Related Party Receivable and Payable	589,270	(235,422)	(263,151)	(124,737)
Increase/(Decrease) in Payables	3,598,707	(3,201,140)	(8,142)	15,536
Cash Generated from Operations	22,772,133	20,948,350	(498,250)	(180,050)
Dividend Received	701,917	(801,075)	6,514,007	6,720,240
Interest Paid	(2,659,848)	(4,070,277)	(645,674)	(1,453,075)
Income Tax Paid	(5,063,572)	(7,988,091)	(537,522)	(342,557)
Retiring Gratuity Paid	(403,269)	(405,171)	(269)	(364)
Net Cash Flow from Operating Activities	15,347,361	7,683,736	4,832,293	4,744,194
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in Associates and Joint Ventures	(350,820)	(199,188)	(225,000)	(175,000)
Proceeds from disposal of shares of subsidiaries	47,140	-	37,228	-
Proceeds from settlement of Loans given to Related Companies	-	-	462,150	1,007,100
Acquisition of subsidiaries net of cash acquired	-	(1,573,329)	-	(1,604,000)
Net proceed from disposal/(Acquisition) of Other Investments	(3,444,820)	10,148,159	15,182	11,129,185
Acquisition of Property, Plant & Equipment and intangible assets	(2,912,482)	(11,136,220)	(2,585)	(13,565)
Acquisition of Investment properties	(1)	(3,437)	-	-
Proceeds from sale of consumable Biological Assets	4,058	26,784	-	-
Additions of Biological Assets	(125,740)	(177,597)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(1,335,060)	(4,489,355)
Proceeds on Disposal of Property, Plant & Equipment	93,911	188,530	-	-
Interest Received	1,286,081	2,026,583	8,886	937,725
Acquisition of non controlling interest	-	(30,350)	-	(30,336)
Dividend received from equity accounted investees	420,931	99,959	-	-
Final liquidation proceeds of subsidiary	-	54	-	-
Net Cash Flow Used in Investing Activities	(4,981,742)	(630,052)	(1,039,199)	6,761,754
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees	(71,989)	(163,619)	-	34,000
proceeds from interest bearing Loans and borrowings	2,428,021	6,430,961	-	-
Repayments of interest bearing loan and borrowings	(1,921,967)	(6,158,690)	-	-
Receipt of deferred Income	8,241	6,690	-	-
Derivative Financial Liabilities recongnized	-	30,005	-	-
Dividends paid	(2,913,495)	(2,330,796)	(2,913,495)	(2,330,796)
Dividend paid by subsidiaries to minority share holders	(1,417,544)	(1,672,323)	-	-
Settlement of Advance Obtained from subsidiaries	-	-	(31,600)	(2,982,196)
Net Cash Flow from Financing Activities	(3,888,733)	(3,857,772)	(2,945,095)	(5,278,992)
Net Increase/Decrease in Cash & Cash Equivalent during the period	6,476,886	3,195,912	847,998	6,226,956
Cash & Cash Equivalents				
At the beginning of the year	(21,728,513)	(24,924,425)	(10,200,345)	(16,427,301)
Net movement during the period	6,476,886	3,195,912	847,998	6,226,956
At the end of the year (Note A)	(15,251,627)	(21,728,513)	(9,352,347)	(10,200,345)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	1,334,486	1,468,477	-	-
Cash in Hand & Bank	10,855,536	7,820,658	10,755	62,301
Cash in transit	130,156	139,695	-	-
Bank overdrafts and other short term borrowings	(27,571,805)	(31,157,343)	(9,363,102)	(10,262,646)
	(15,251,627)	(21,728,513)	(9,352,347)	(10,200,345)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the year ended 31 March,

(a) Revenue

	GROUP	
	2021	2020
	Rs.'000	Rs.'000
Beverages	97,287,605	86,796,390
Plantations	6,307,861	4,579,807
Telecommunications	2,347,444	2,715,957
Financial services	4,336,932	5,376,349
Diversified	33,589,808	55,006,710
Total gross revenue	143,869,650	154,475,213
Excise duty on beverages	(66,210,774)	(56,632,092)
Total net revenue	77,658,876	97,843,121

(b) Industry Segment Profit

Beverages	12,419,182	10,166,447
Plantations	326,555	(1,724,975)
Telecommunications	(1,139,752)	(1,435,690)
Financial services	1,086,083	514,717
Diversified	(3,792,949)	3,357,562
	8,899,119	10,878,061
Share of Profit of Equity-Accounted Investees (Net of Tax)	421,888	476,354
Net Profit Before Tax	9,321,007	11,354,415
Taxation	(6,926,435)	(6,929,457)
Net Profit After Tax	2,394,572	4,424,958

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

- 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 Reporting.
- 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 04st 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 a winding-up 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.

5 Non Financial Information

		31-Mar-2021	31-Mar-2020
Net Assets Value per Share	- Group (Rs)	71.21	71.80
	- Company (Rs)	82.43	82.32
Market Price per Share	- Last Traded Rs)	44.00	36.00
	- Highest (Rs)	78.00	50.30
	- Lowest (Rs)	42.00	36.00

6 1,165,398,072 ordinary shares represent the Stated Capital , 1,000 shares of which are Non-Voting.

7 Earnings per Share

The Number of shares (1,165,398,072) held as at 31 March 2021 have been used for the purpose of Calculation of Earnings per Share.

8 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 2020.

9 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.

Top 22 Shareholders – 31-March 2021

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	MR. M.A. YASEEN	167,012,745	14.331
3	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.030
4	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	63,887,897	5.482
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.479
6	MRS. L.E.M. YASEEN	27,900,152	2.394
7	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	16,000,000	1.373
8	LAHUGALA PLANTATION (PRIVATE) LIMITED	14,782,240	1.268
9	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
10	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	10,324,231	0.886
11	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
12	MR. D.HASITHA.S. JAYAWARDENA	7,531,332	0.646
13	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.468
14	MORGAN STANLEY AND CO.LLC-RWC FRONTIER MARKETS EQUITY MASTER FUND	4,077,755	0.350
15	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	3,936,000	0.338
16	PERSHING LLC S/A AVERBACH GRAUSON & CO.	3,427,363	0.294
17	MELLON BANK N.A.-UPS GROUP TRUST	3,066,226	0.263
18	BANK OF CEYLON-NO2 A/C (BOC PTF)	2,539,800	0.218
19	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND LP	2,442,900	0.210
20	MRS. P.M.P.G.N. PRIYADARSHANI	2,100,000	0.180
21	DFCC BANK PLC A/C 1	2,069,940	0.178
22	SEYLAN BANK PLC/W.D.N.H.PERERA	2,005,056	0.172
		1,061,565,301	91.090
	Others	103,831,771	8.910
	Total	1,165,397,072	100.000

Percentage of Shares held by the public	42.77%
Total No. of share holders who hold the public holding	12,880

Float Adjusted Market Capitalization

The Public Holding of the Company as at 31 March 2021 was 42.77% comprising of 12,880 shareholders and the Float adjusted Market Capitalization of Rs.21,931,973,360/-. Interm of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

Directors' Share Holdings as at 31 March 2021

	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

CORPORATE INFORMATION

NAME OF COMPANY

Melstacorp PLC

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

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

REGISTRARS

Central Depository Systems (Private) Limited
Registrar Services and Corporate Actions 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