

# MELSTACORP PLC



**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**30th SEPTEMBER 2023**

**MELSTACORP PLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

Rs. '000s For the six months ended 30th September,	GROUP			COMPANY		
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %
	<b>Revenue</b>	<b>107,697,675</b>	118,469,000	(9.09)	<b>129,230</b>	129,982
Excise duty	(34,633,311)	(36,118,048)	(4.11)	-	-	-
Cost of sales and net benefits paid	(42,861,863)	(46,706,195)	(8.23)	(1,614)	(1,171)	37.81
<b>Gross Profit</b>	<b>30,202,501</b>	35,644,757	(15.27)	<b>127,617</b>	128,811	(0.93)
Other Operating Income	739,707	729,834	1.35	7,358,962	4,217,403	74.49
Selling and distribution expenses	(2,149,593)	(2,396,925)	(10.32)	-	-	-
Administrative Expenses	(14,031,327)	(12,695,159)	10.53	(164,850)	(157,783)	4.48
Other Operating Expenses	(398,412)	(297,148)	34.08	-	-	(100.00)
<b>Profit from Operations</b>	<b>14,362,878</b>	20,985,359	(31.56)	<b>7,321,729</b>	4,188,431	74.81
Finance Income	3,633,405	10,192,769	(64.35)	964,374	1,255,981	(23.22)
Finance Cost	(8,402,707)	(6,923,887)	21.36	(707,452)	(1,068,839)	(33.81)
<b>Net Finance Income/(cost)</b>	<b>(4,769,301)</b>	3,268,882		<b>256,921</b>	187,142	37.29
Share of Profit of Equity-Accounted Investees (Net of Tax)	484,410	759,178	(36.19)	-	-	-
<b>Profit before Tax for the period</b>	<b>10,077,986</b>	25,013,418	(59.71)	<b>7,578,651</b>	4,375,573	73.20
Income Tax	(8,064,413)	(8,291,073)	(2.73)	(255,444)	(596,519)	(57.18)
<b>Profit for the period</b>	<b>2,013,573</b>	16,722,345	(87.96)	<b>7,323,206</b>	3,779,053	93.78
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Equity investments at FVOCI – net change in fair value	10,550,338	(1,570,809)	771.65	9,799,048	(1,210,876)	909.25
Share of other comprehensive income of equity-accounted investees (net of tax)	(6)	-	(100.00)	-	-	-
Income tax on other comprehensive income	(20,174)	-	100.00	-	-	-
	<b>10,530,158</b>	(1,570,809)	-	<b>9,799,048</b>	(1,210,876)	-
<b>Items that are or may be reclassified to profit or loss</b>						
Exchange Difference on translation of foreign operations	(644,038)	6,161,762	(110.45)	-	-	-
Net movement on Cashflow Hedges	704,416	(675,727)	204.25	-	-	-
Share of other comprehensive income of equity accounted investees	(242,051)	429,179	(156.40)	-	-	-
	<b>(181,673)</b>	5,915,214	(103.07)	-	-	-
<b>Total other comprehensive income for the period</b>	<b>10,348,485</b>	4,344,405	138.20	<b>9,799,048</b>	(1,210,876)	(909.25)
<b>Total comprehensive income for the period</b>	<b>12,362,059</b>	21,066,749	(41.32)	<b>17,122,255</b>	2,568,177	(566.71)
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	3,766,907	12,357,402	(69.52)	7,323,206	3,779,053	93.78
Non Controlling Interest	(1,753,333)	4,364,943	140.17	-	-	-
<b>Profit for the period</b>	<b>2,013,573</b>	16,722,345		<b>7,323,206</b>	3,779,053	
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	14,074,520	13,034,792	7.98	17,122,255	2,568,177	566.71
Non Controlling Interest	(1,712,461)	8,031,957	121.32	-	-	-
<b>Total comprehensive income for the period</b>	<b>12,362,059</b>	21,066,749		<b>17,122,255</b>	2,568,177	
<b>Earnings per Share (Rs.)</b>						
Basic Earnings per Share	3.23	10.60	(69.52)	6.28	3.24	93.78

**MELSTACORP PLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

Rs. '000s For the quarter ended 30th September,	GROUP			COMPANY		
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %
<b>Revenue</b>	<b>54,089,912</b>	59,288,569	(8.77)	<b>64,615</b>	64,864	(0.38)
Excise duty	(17,337,142)	(15,415,895)	12.46	-	-	-
Cost of sales and net benefits paid	(21,792,716)	(24,596,057)	(11.40)	(900)	(854)	5.33
<b>Gross Profit</b>	<b>14,960,054</b>	19,276,617	(22.39)	<b>63,716</b>	64,010	(0.46)
Other Operating Income	335,285	300,182	11.69	836,659	2,863,436	(70.78)
Selling and distribution expenses	(1,131,645)	(1,273,291)	(11.12)	-	-	-
Administrative Expenses	(7,420,482)	(6,497,832)	14.20	(86,639)	(93,434)	(7.27)
Other Operating Expenses	(184,295)	(192,609)	(4.32)	-	-	-
<b>Profit from Operations</b>	<b>6,558,918</b>	11,613,066	(43.52)	<b>813,736</b>	2,834,012	(71.29)
Finance Income	1,421,620	2,300,656	(38.21)	417,148	734,989	(43.24)
Finance Cost	(2,341,072)	(3,542,009)	(33.91)	(245,630)	(595,765)	(58.77)
<b>Net Finance Income/(cost)</b>	<b>(919,453)</b>	(1,241,353)		<b>171,518</b>	139,224	23.20
Share of Profit of Equity-Accounted Investees (Net of Tax)	319,594	437,081	(26.88)	-	-	-
<b>Profit before Tax for the Quarter</b>	<b>5,959,059</b>	10,808,794	(44.87)	<b>985,254</b>	2,973,236	(66.86)
Income Tax	(4,389,498)	(4,518,050)	(2.85)	(231,013)	(458,410)	(49.61)
<b>Profit for the Quarter</b>	<b>1,569,561</b>	6,290,744	(75.05)	<b>754,241</b>	2,514,826	(70.01)
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Equity investments at FVOCI – net change in fair value	8,604,809	2,801,319	207.17	8,060,957	2,771,431	190.86
Share of other comprehensive income of equity-accounted investees (net of tax)	(6)	-	100.00	-	-	-
	<b>8,604,803</b>	2,801,319	-	<b>8,060,957</b>	2,771,431	-
<b>Items that are or may be reclassified to profit or loss</b>						
Exchange Difference on translation of foreign operations	1,347,923	(48,665)	2,869.80	-	-	-
Net movement on Cashflow Hedges	43,993	697,157	(93.69)	-	-	-
Share of other comprehensive income of equity accounted investees	111,367	(104,712)	206.36	-	-	-
	<b>1,503,283</b>	543,780		<b>-</b>	<b>-</b>	
<b>Total other comprehensive income for the quarter</b>	<b>10,108,086</b>	3,345,099	202.18	<b>8,060,957</b>	2,771,431	(190.86)
<b>Total comprehensive income for the quarter</b>	<b>11,677,647</b>	9,635,844	21.19	<b>8,815,198</b>	5,286,257	(66.76)
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	1,533,686	5,466,786	(71.95)	754,241	2,514,826	(70.01)
Non Controlling Interest	35,875	823,958	(95.65)	-	-	-
<b>Profit for the Quarter</b>	<b>1,569,561</b>	6,290,744		<b>754,241</b>	2,514,826	(70.01)
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	10,656,968	8,344,669	27.71	8,815,198	5,286,257	(66.76)
Non Controlling Interest	1,020,679	1,291,175	(20.95)	-	-	-
<b>Total Comprehensive Income for the Quarter</b>	<b>11,677,647</b>	9,635,844		<b>8,815,198</b>	5,286,257	
<b>Earnings per Share (Rs.)</b>	<b>1.32</b>	4.69		<b>0.65</b>	2.16	

**MELSTACORP PLC**  
**STATEMENTS OF FINANCIAL POSITION**

As at,	GROUP		COMPANY	
	Unaudited 30 Sep-2023 Rs. '000s	Audited 31-Mar-2023 Rs. '000s	Unaudited 30 Sep-2023 Rs. '000s	Audited 31-Mar-2023 Rs. '000s
<b>Non-Current Assets</b>				
Property, plant and equipment	134,495,779	136,492,745	9,489	10,578
Intangible assets	5,836,800	5,866,940	1,621	1,574
Investment property	7,503,207	7,483,058	7,100,954	7,100,953
Biological assets	10,134,178	9,858,192	-	-
Right-of-use assets	19,594,337	20,771,731	18,259	21,913
Investments in subsidiaries	-	-	63,459,588	63,480,244
Investment in equity accounted investees	10,017,943	10,061,240	740,690	590,690
Deferred tax asset	3,242,724	6,447,688	5,426	5,593
Other non current financial investments	41,747,285	31,368,951	34,762,982	24,880,708
	<b>232,572,252</b>	<b>228,350,545</b>	<b>106,099,010</b>	<b>96,092,253</b>
<b>Currents Assets</b>				
Inventories	12,718,172	15,122,194	967	969
Produce on bearer biological assets	19,508	17,968	-	-
Trade and other receivables	40,412,706	37,162,724	24,935	29,208
Amounts due from related companies	523,868	566,378	1,390,110	616,862
Other current financial investments	29,427,265	29,516,425	5,849,869	4,835,439
Other current assets	562,080	566,399	-	-
Cash and cash equivalents	21,545,762	22,985,573	10,438	170,022
	<b>105,209,361</b>	<b>105,937,661</b>	<b>7,276,320</b>	<b>5,652,500</b>
Assets held for Sale	193,420	193,420	-	-
<b>Total assets</b>	<b>337,975,033</b>	<b>334,481,626</b>	<b>113,375,330</b>	<b>101,744,753</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Stated Capital	70,000,000	70,000,000	70,000,000	70,000,000
Reserves	53,301,003	42,973,588	21,478,624	11,679,576
Retained earnings/(Losses)	(13,927,248)	(14,517,125)	14,199,790	10,034,813
<b>Equity attributable to owners of the Company</b>	<b>109,373,755</b>	<b>98,456,463</b>	<b>105,678,414</b>	<b>91,714,389</b>
<b>Non controlling interest</b>	<b>48,876,250</b>	<b>52,335,861</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>158,250,005</b>	<b>150,792,324</b>	<b>105,678,414</b>	<b>91,714,389</b>
<b>Non-Current Liabilities</b>				
Interest bearing loans and borrowings	45,364,335	49,366,434	-	-
Lease liabilities	15,660,939	16,583,185	13,061	16,617
Retirement benefit obligations	4,069,153	4,014,696	16,235	16,697
Deferred tax liabilities	15,416,874	19,041,169	1,152,744	1,152,720
Other liabilities	598,865	662,930	-	-
	<b>81,110,166</b>	<b>89,668,414</b>	<b>1,182,039</b>	<b>1,186,034</b>
<b>Current Liabilities</b>				
Trade and other payables	41,760,662	42,979,457	178,315	138,468
Other liabilities	6,953	17,512	-	-
Amount due to related companies	1,948,820	2,317,827	493,016	473,284
Income tax payable	3,873,754	6,443,553	248,848	595,281
Interest bearing loans and borrowings	10,040,409	10,087,621	-	-
Lease liabilities	2,353,918	2,579,560	7,243	7,243
Bank overdrafts and other short term borrowings	38,630,346	29,595,358	5,587,454	7,630,054
	<b>98,614,862</b>	<b>94,020,888</b>	<b>6,514,877</b>	<b>8,844,330</b>
<b>Total liabilities</b>	<b>179,725,028</b>	<b>183,689,302</b>	<b>7,696,916</b>	<b>10,030,364</b>
<b>Total Equity and Liabilities</b>	<b>337,975,033</b>	<b>334,481,626</b>	<b>113,375,330</b>	<b>101,744,753</b>
Net Assets per Share (Rs.)	93.85	84.48	90.68	78.70

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.S.C.Mallawaarachchi  
Group Financial Controller

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/-  
M.A.N.S.Perera  
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	Fair Value reserve	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
<b>Balance as at 1st April 2022</b>	70,000,000	11,287,818	19,112,137	20,491	4,341,675	5,708,382	2,045,527	(2,875,372)	-	(855,538)	(21,472,548)	87,312,572	49,020,474	136,333,046
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	-	-	-	-	-	(3,761,801)	(3,761,801)	(481,250)	(4,243,051)
<b>Balance as at 1st April 2022 (Adjusted)</b>	70,000,000	11,287,818	19,112,137	20,491	4,341,675	5,708,382	2,045,527	(2,875,372)	-	(855,538)	(25,234,349)	83,550,771	48,539,224	132,089,995
<b>Total Comprehensive Income for the Period</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	-	12,357,402	12,357,402	4,364,943	16,722,345
<b>Other Comprehensive Income</b>														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(1,547,475)	-	-	-	(1,547,475)	(23,335)	(1,570,809)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	-	-	-	215,981	-	-	-	-	-	215,981	213,198	429,179
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on change in Fair Value of Biological Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(151,984)	-	(151,984)	(523,743)	(675,727)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	2,160,868	-	-	-	-	-	2,160,868	4,000,894	6,161,762
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	-	-	-	-	-	2,376,849	-	(1,547,475)	-	(151,984)	-	677,391	3,667,014	4,344,405
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	2,376,849	-	(1,547,475)	-	(151,984)	12,357,402	13,034,792	8,031,957	21,066,749
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,734,981)	(1,734,981)
Reduction of stated capital (Note-9 (ii))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of Non voting shares (Note-9 (i))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	47	47	(47)	-
Acquisition of Non Controlling Interest Cnages in % Holding of Subsidiaries	-	9,598	-	-	72,775	143,158	(7,898)	(518)	-	(20,199)	(37,683)	159,233	(787,292)	(628,059)
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	-	-	103,668	-	-	-	(103,668)	-	-	-
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	-	9,598	-	-	72,775	143,158	95,769	(518)	-	(20,199)	(141,304)	159,280	(2,522,320)	(2,363,040)
<b>Balance as at 30th September 2022</b>	70,000,000	11,297,416	19,112,137	20,491	4,414,450	8,228,390	2,141,296	(4,423,365)	-	(1,027,721)	(13,018,251)	96,744,843	54,048,861	150,793,704

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	Fair Value reserve	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		
<b>Balance as at 1st April 2023</b>	70,000,000	12,746,950	19,112,137	20,491	5,565,992	6,881,280	2,720,658	(3,105,378)	-	(968,542)	(14,517,119)	98,456,469	52,335,860	150,792,329
<b>Total Comprehensive Income for the Period</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	-	3,766,907	3,766,907	(1,753,333)	2,013,573
<b>Other Comprehensive Income</b>														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	10,501,125	-	-	-	10,501,125	49,214	10,550,338
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	(12,167)	-	-	-	-	-	1,812	-	-	-	(10,356)	(9,818)	(20,174)
Exchange Difference on translation of foreign operations	-	-	-	-	-	(220,510)	-	-	-	-	-	(220,510)	(423,528)	(644,038)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	161,613	-	161,613	542,803	704,416
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(124,252)	-	-	-	-	(6)	(124,258)	(117,799)	(242,057)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	-	(12,167)	-	-	-	(344,763)	-	10,502,936	-	161,613	(6)	10,307,613	40,872	10,348,485
<b>Total Comprehensive Income for the period</b>	-	(12,167)	-	-	-	(344,763)	-	10,502,936	-	161,613	3,766,901	14,074,520	(1,712,461)	12,362,059
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,769,640)	(1,769,640)
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest Changes in % Holding of Subsidiaries	-	(5,223)	-	-	-	-	(16,644)	(1)	-	-	22,860	992	22,491	23,483
Dividends paid/declared	-	-	-	-	-	-	-	-	-	-	(3,158,226)	(3,158,226)	-	(3,158,226)
Transferred From/To Retained Earnings	-	-	-	-	-	-	41,664	-	-	-	(41,664)	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	-	(5,223)	-	-	-	-	25,020	(1)	-	-	(3,177,030)	(3,157,234)	(1,747,149)	(4,904,383)
<b>Balance as at 30th September 2023</b>	70,000,000	12,729,560	19,112,137	20,491	5,565,992	6,536,517	2,745,678	7,397,557	-	(806,929)	(13,927,248)	109,373,755	48,876,250	158,250,005

**MELSTACORP PLC**  
**STATEMENTS OF CHANGES IN EQUITY**

<b>COMPANY</b>	<b>Stated capital Rs.'000</b>	<b>Revaluation reserve Rs.'000</b>	<b>Capital reserve Rs.'000</b>	<b>Available for sale reserve Rs.'000</b>	<b>Retained earnings/(losses) Rs.'000</b>	<b>Total Rs.'000</b>
<b>Balance as at 1st April 2022</b>	<b>70,000,000</b>	<b>116,308</b>	<b>19,100,000</b>	<b>(7,092,825)</b>	<b>9,575,828</b>	<b>91,699,311</b>
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	(198,378)	(198,378)
<b>Balance as at 1st April 2022 (Adjusted)</b>	<b>70,000,000</b>	<b>116,308</b>	<b>19,100,000</b>	<b>(7,092,825)</b>	<b>9,377,450</b>	<b>91,500,933</b>
Profit for the period	-	-	-	-	3,779,053	3,779,053
<b>Other Comprehensive Income</b>						-
Equity investments at FVOCI – net change in fair value	-	-	-	(1,210,876)	-	(1,210,876)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,210,876)</b>	<b>-</b>	<b>(1,210,876)</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,210,876)</b>	<b>3,779,053</b>	<b>2,568,177</b>
<b>Transactions with Owners of the Company directly recognized into Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30th September 2022</b>	<b>70,000,000</b>	<b>116,308</b>	<b>19,100,000</b>	<b>(8,303,701)</b>	<b>13,156,504</b>	<b>94,069,111</b>
<b>Balance as at 1st April 2023</b>	<b>70,000,000</b>	<b>109,381</b>	<b>19,100,000</b>	<b>(7,529,805)</b>	<b>10,034,810</b>	<b>91,714,386</b>
Profit for the period	-	-	-	-	7,323,206	7,323,206
<b>Other Comprehensive Income</b>						-
Equity investments at FVOCI – net change in fair value	-	-	-	9,799,048	-	9,799,048
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,799,048</b>	<b>-</b>	<b>9,799,048</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,799,048</b>	<b>7,323,206</b>	<b>17,122,255</b>
<b>Transactions with Owners of the Company directly recognized into Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,158,226)</b>	<b>(3,158,226)</b>
<b>Balance as at 30th September 2023</b>	<b>70,000,000</b>	<b>109,381</b>	<b>19,100,000</b>	<b>2,269,244</b>	<b>14,199,790</b>	<b>105,678,414</b>

**MELSTACORP PLC**  
**STATEMENTS OF CASH FLOWS**

For the six months ended 30th September,

**CASH FLOW FROM OPERATING ACTIVITIES**

**Profit before Taxation**

**Adjustment for**

Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets

Provision for gratuity

Interest Expenses

Interest income

Dividend income

(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets

Loss of retiring of Assets held for sale

Provision/(Reversal) for Bad & Doubtful Debts and impairment

Share of profit of equity-accounted investees (net of tax)

(Gain)/ Loss on disposal of other financial investments

(Gain) on disposal of Group Investments

Amortization of Deferred Grants and Subsidies

(Gain) / loss on Change in Fair Value of Biological Assets

(Gain)/loss on change in fair value of financial assets at fair value through profit or loss

**Operating Profit before Working Capital Changes**

(Increase)/Decrease in Inventories

(Increase)/Decrease in Receivables

(Increase)/Decrease in Related Party Receivable and Payable

Increase/(Decrease) in Payables

**Cash Generated from Operations**

Dividend Received

Interest Paid

Income Tax and surcharge tax Paid

Retiring Gratuity Paid

**Net Cash Flow from Operating Activities**

**CASH FLOW FROM INVESTING ACTIVITIES**

Acquisition of/ Investment in equity accounted investees

Dividends received from equity accounted investees

Investment in Subsidiaries, net of cash acquired

Proceeds from disposal of shares of subsidiaries

Proceeds from settlement of Loans given to Related Companies

Net Acquisition of Non Controlling Interest and proceeds from disposal of shares in subsidiaries

Cash received from Repurchase of Shares by Subsidiaries

Net proceed from disposal/(Acquisition)of Other Investments

Acquisition of Property, Plant & Equipment, Investment Property and intangible assets

Additions of Mature and Immature Plantations net of sale of timber

Loans disbursed to Subsidiaries and Associates

Proceeds on retirement of assets held for sale

Proceeds on Disposal of Property, Plant & Equipment

Interest Received

**Net Cash Flow Used in Investing Activities**

**CASH FLOW FROM FINANCING ACTIVITIES**

Net Advances received from/(repaid to) equity accounted investees

Loans and borrowings Received

Repayments of loan Borrowings and payments to Lessor on Lease Rights

Settlement of advances obtained from subsidiaries

Dividends paid

Dividend paid by subsidiaries to minority share holders

**Net Cash Flow from Financing Activities**

**Net Increase/Decrease in Cash & Cash Equivalent during the year**

**Cash & Cash Equivalents**

At the beginning of the year

Net movement during the period

**At the end of the year (Note A)**

**Note A-Cash and Equivalents are as follows**

Short Term Deposits

Cash in Hand & Bank

Cash in transit

Bank overdrafts and other short term borrowings

	GROUP		COMPANY	
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before Taxation</b>	<b>10,077,986</b>	25,013,418	<b>7,578,651</b>	4,375,573
<b>Adjustment for</b>				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	4,333,112	4,821,072	5,698	6,698
Provision for gratuity	399,720	196,529	3,115	1,731
Interest Expenses	6,903,345	5,837,192	704,189	1,068,839
Interest income	(2,838,011)	(2,212,041)	(964,374)	(1,240,845)
Dividend income	(129,248)	(167,053)	(7,356,123)	(4,202,231)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	(2,947)	3,540	-	-
Loss of retiring of Assets held for sale	-	72,269	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	348,520	136,636	-	-
Share of profit of equity-accounted investees (net of tax)	(484,410)	(759,178)	-	-
(Gain)/ Loss on disposal of other financial investments	(3,277)	(12,616)	-	(12,616)
(Gain) on disposal of Group Investments	-	-	(2,827)	(2,485)
Amortization of Deferred Grants and Subsidies	(7,919)	(8,173)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(246,494)	(196,209)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	254,253	(1,458,839)	3,263	(15,136)
<b>Operating Profit before Working Capital Changes</b>	<b>18,604,630</b>	31,266,548	<b>(28,408)</b>	(20,472)
(Increase)/Decrease in Inventories	2,402,482	(4,610,800)	2	3
(Increase)/Decrease in Receivables	(3,635,803)	(4,363,189)	4,272	(8,833)
(Increase)/Decrease in Related Party Receivable and Payable	(326,496)	664,757	(32,471)	(31,139)
Increase/(Decrease) in Payables	(1,218,795)	(3,399,536)	39,849	3,881
<b>Cash Generated from Operations</b>	<b>15,826,017</b>	19,557,780	<b>(16,756)</b>	(56,560)
Dividend Received	129,248	927,846	7,356,123	7,427,880
Interest Paid	(6,128,829)	(4,814,988)	(703,374)	(1,019,562)
Income Tax and surcharge tax Paid	(11,073,717)	(9,465,298)	(601,693)	(1,094,830)
Retiring Gratuity Paid	(332,067)	(141,283)	(3,577)	-
<b>Net Cash Flow from Operating Activities</b>	<b>(1,579,349)</b>	6,064,057	<b>6,030,723</b>	5,256,928
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of/ Investment in equity accounted investees	(153,089)	(7,500)	(150,000)	-
Dividends received from equity accounted investees	438,739	-	-	-
Investment in Subsidiaries, net of cash acquired	-	(1,499,440)	-	(622,798)
Proceeds from disposal of shares of subsidiaries	23,483	-	23,483	-
Proceeds from settlement of Loans given to Related Companies	-	-	50,000	596,791
Net Acquisition of Non Controlling Interest and proceeds from disposal of shares in subsidiaries	-	(628,059)	-	6,142
Cash received from Repurchase of Shares by Subsidiaries	-	-	-	-
Net proceed from disposal/(Acquisition)of Other Investments	10,187	(1,771,430)	-	39,147
Acquisition of Property, Plant & Equipment, Investment Property and intangible assets	(2,187,116)	(1,358,092)	(1,004)	(3,352)
Additions of Mature and Immature Plantations net of sale of timber	(84,042)	(231,178)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(905,600)	(735,991)
Proceeds on retirement of assets held for sale	-	1,878,448	-	-
Proceeds on Disposal of Property, Plant & Equipment	24,045	14,936	-	-
Interest Received	2,838,011	2,212,041	3,313	36,425
<b>Net Cash Flow Used in Investing Activities</b>	<b>910,218</b>	(1,390,274)	<b>(979,808)</b>	(683,636)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Advances received from/(repaid to) equity accounted investees	(56,370)	(65,031)	-	-
Loans and borrowings Received	811,506	333,004	-	-
Repayments of loan Borrowings and payments to Lessor on Lease Rights	(5,632,939)	(6,833,181)	(4,371)	(4,163)
Settlement of advances obtained from subsidiaries	-	-	(5,302)	-
Dividends paid	(3,158,226)	(3,146,572)	(3,158,226)	(3,146,572)
Dividend paid by subsidiaries to minority share holders	(1,769,640)	(1,734,981)	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(9,805,668)</b>	(11,446,761)	<b>(3,167,899)</b>	(3,150,735)
<b>Net Increase/Decrease in Cash &amp; Cash Equivalent during the year</b>	<b>(10,474,799)</b>	(6,772,978)	<b>1,883,016</b>	1,422,557
<b>Cash &amp; Cash Equivalents</b>				
At the beginning of the year	(6,609,785)	1,479,244	(7,460,032)	(10,508,478)
Net movement during the period	(10,474,799)	(6,772,978)	1,883,016	1,422,557
<b>At the end of the year (Note A)</b>	<b>(17,084,584)</b>	(5,293,734)	<b>(5,577,016)</b>	(9,085,921)
<b>Note A-Cash and Equivalents are as follows</b>				
Short Term Deposits	5,688,100	6,749,825	-	1,880
Cash in Hand & Bank	15,627,145	19,539,771	10,438	13,152
Cash in transit	230,517	80,227	-	-
Bank overdrafts and other short term borrowings	(38,630,346)	(31,663,557)	(5,587,454)	(9,100,953)
	<b>(17,084,584)</b>	(5,293,734)	<b>(5,577,016)</b>	(9,085,921)



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

**SEGMENTAL INFORMATION**

*For the six months ended 30th September,*

	<b>GROUP</b>	
	<b>2023</b>	2022
	<b>Rs.'000</b>	Rs.'000
<b>(a) Revenue</b>		
Beverages	<b>59,243,332</b>	65,578,349
Plantations	<b>4,410,750</b>	4,833,211
Telecommunications	<b>666,618</b>	983,380
Financial services	<b>4,302,471</b>	2,943,345
Diversified	<b>39,074,504</b>	44,130,715
<b>Total gross revenue</b>	<b>107,697,675</b>	118,469,000
<b>Excise duty on beverages</b>	<b>(34,633,311)</b>	(36,118,048)
<b>Total net revenue</b>	<b>73,064,364</b>	82,350,952
<b>(b) Industry Segment Profit</b>		
Beverages	<b>12,054,466</b>	14,664,895
Plantations	<b>508,681</b>	1,812,924
Telecommunications	<b>(458,081)</b>	(478,932)
Financial services	<b>547,412</b>	1,712,688
Diversified	<b>(3,058,902)</b>	6,542,666
	<b>9,593,576</b>	24,254,241
Share of Profit of Equity-Accounted Investees (Net of Tax)	<b>484,410</b>	759,178
<b>Net Profit Before Tax</b>	<b>10,077,986</b>	25,013,418
Taxation	<b>(8,064,413)</b>	(8,291,073)
<b>Net Profit After Tax</b>	<b>2,013,573</b>	16,722,345

**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 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 04th 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.

The Group has initiated legal actions to recover the said dues.

**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 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**

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**5 Non Financial Information**

		<b>30 Sep-2023</b>	<b>30 Sep 2022</b>	<b>31-Mar-2023</b>
Net Assets Value per Share	- Group (Rs)	93.85	83.09	84.48
	- Company (Rs)	90.68	80.72	78.70
Market Price per Share	- Last Traded Rs)	86.10	54.70	54.90
	- Highest (Rs)	89.00	60.80	61.60
	- Lowest (Rs)	60.00	35.00	45.50

**6** 1,165,397,072 ordinary shares represent the Stated Capital.

**7 Earnings per Share**

The Number of shares (1,165,397,072) held as at 30 September 2023 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 2023.

**9 Fair value measurement and related fair value disclosures**

As at reporting date there were no significant differences in the comparison made between fair value and carrying value of financial assets and liabilities, from what was disclosed in the annual report for the year ending 31st March 2023. There were no transfers between different levels of fair value hierarchy or changes to assets classes classified on recurring and non-recurring basis. Valuation techniques or significant unobservable inputs used for measuring level 3 fair values remains unchanged from 31st March 2023.

During the period under review there were no transfers in and out of level 3 financial instrument measurement and any change in fair values are captured in the statement of other comprehensive income.

Unquoted equity shares that are subjected to level 3 of fair value measurement hierarchy, were revalued as at the reporting date. Fair value would not significantly vary if one or more unobservable inputs used for valuation were changed

**10 Surcharge Tax**

As per the Surcharge Tax Act No. 14 of 2022 which was certified on 8th April 2022, the Group and Company are liable for the surcharge tax of Rs. 4,234 million and Rs.198 mn respectively for the year of assessment 2020/21. The surcharge tax thus calculated shall deemed to be an expenditure for the year ended 31st March 2021. Since the Act supersedes the requirements of the Sri Lanka Accounting Standards, the surcharge tax expense is accounted as recommended by “the Statement of Alternative Treatment (SoAT) on Accounting for Surcharge Tax” issued by the Institute of Chartered Accountants of Sri Lanka, in August 2022. The Group and Company paid Rs. 2,117 million and Rs.99mn respectively, each on 20th April 2022 and 20th July 2022, as stipulated by the Surcharge Tax Act.

**11 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 those disclosed below.

- The company has declared its First Interim Dividend for 2023/24 of Rs.4.27 per share amounting to Rs.4,976Mn subsequent to the balance sheet date.

Top 25 Shareholders – 30 September 2023

RANK	NAME	NO OF SHARES	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.80
2	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.03
3	MR. M.A. YASEEN	147,864,254	12.69
4	MRS. L.E.M. YASEEN	67,752,331	5.81
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.48
6	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	39,000,000	3.35
7	MR. L.E. BADER	17,365,071	1.49
8	MR. D.H.S. JAYAWARDENA	13,014,200	1.12
9	MRS. S.M. CHRYSOSTOM	11,390,000	0.98
10	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	11,186,000	0.96
11	MRS. P.M.P.G.N. PRIYADARSHANI	10,578,872	0.91
12	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.75
13	MR. D. HASITHA. S. JAYAWARDENA	7,531,332	0.65
14	RUBICOND ENTERPRISES LIMITED	5,943,859	0.51
15	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.47
16	HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	5,157,350	0.44
17	BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED	4,937,755	0.42
18	DFCC BANK PLC A/C 1	2,669,940	0.23
19	MELLON BANK N.A-ACADIAN FRONTIER MARKETS EQUITY FUND	2,449,159	0.21
20	RENUKA HOTELS PLC	2,000,000	0.17
21	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	1,854,614	0.16
22	INVENCO CAPITAL PRIVATE LIMITED	1,822,502	0.16
23	CAPITAL ALLIANCE PLC	1,785,714	0.15
24	MR. M.J. FERNANDO (DECEASED)	1,603,308	0.14
25	MR. Y.S.H.R.S. SILVA	1,305,882	0.11
		1,074,283,807	92.19
	OTHERS	91,113,265	7.81
	TOTAL	1,165,397,072	100.00

Percentage of Shares held by the public

41.61%

Total No. of share holders who hold the public holding

12,680

**Float Adjusted Market Capitalization**

The Public Holding of the Company as at 30th September 2023 was 41.61% comprising of 12,680 shareholders and the Float adjusted Market Capitalization of Rs.41,749,234,176.30 Intems 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' Shareholdings as at 30 September 2023**

	No of Shares	%
Mr. D. H. S. Jayawardena	13,014,200	1.117%
Mr.M.A.N.S Perera (Appointed w.e.f. 02/01/2023)	-	-
Mr. C. R. Jansz	-	-
Mr. N. De S. Deva Aditya	-	-
Mr. K. J. Kahanda	-	-
Dr. A. N. Balasuriya	-	-
Mr. D. Hasitha S. Jayawardena	7,531,332	0.646%
Mr.L.U.D.Fernando (Appointed w.e.f. 22/09/2022)*	-	-
Ms.D.S.T. Jayawardena (Appointed w.e.f. 15/09/2022)	38,600	0.003%
Mr.Reyaz Mihular (Appointed w.e.f. 01/04/2023)	-	-
Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya)	-	-

\* Mr.L.U.D. Fernando held 641,028 shares as a joint holder of Mr.L.K.M. Fernando

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

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**CORPORATE INFORMATION**

**NAME OF COMPANY**

Melstacorp PLC

No.110, Norris Canal Road,

Colombo 10, Sri Lanka.

Tel: 011-5900300

Fax: 011-5900333

Web: www.melstacorp.com

**COMPANY REGISTRATION NUMBER**

PB 11755 PQ

**BOARD OF DIRECTORS**

Mr. D. H. S. Jayawardena

Mr.M.A.N.S Perera (Appointed w.e.f.02/01/2023)

Mr. C. R. Jansz

Mr. N. De S. Deva Aditya

Mr. K. J. Kahanda

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

Ms.D.S.T. Jayawardena (Appointed w.e.f. 15/09/2022)

Mr.L.U.D.Fernando (Appointed w.e.f. 22/09/2022)

Mr.Reyaz Mihular (Appointed w.e.f. 01/04/2023)

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

Sampath Bank PLC