

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

31st DECEMBER 2023

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the nine months ended 31st December,	GROUP			COMPANY		
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %
	Revenue	171,126,124	179,521,095	(4.68)	197,447	194,599
Excise duty	(53,528,131)	(52,026,196)	2.89	-	-	-
Cost of sales and net benefits paid	(67,079,703)	(69,185,790)	(3.04)	(7,915)	(5,309)	49.10
Gross Profit	50,518,290	58,309,109	(13.36)	189,532	189,290	0.13
Other Operating Income	1,061,844	1,142,069	(7.02)	13,291,015	6,897,678	92.69
Selling and distribution expenses	(3,552,453)	(4,293,891)	(17.27)	-	-	-
Administrative Expenses	(22,046,048)	(19,891,822)	10.83	(279,422)	(219,696)	27.19
Other Operating Expenses	(854,813)	(455,784)	87.55	-	-	-
Profit from Operations	25,126,819	34,809,681	(27.82)	13,201,125	6,867,272	92.23
Finance Income	4,409,487	11,603,150	(62.00)	1,339,588	2,111,326	(36.55)
Finance Cost	(10,948,162)	(11,226,880)	(2.48)	(927,821)	(1,790,855)	(48.19)
Net Finance Income/(cost)	(6,538,675)	376,270		411,766	320,472	28.49
Share of Profit of Equity-Accounted Investees (Net of Tax)	729,721	935,648	(22.01)	-	-	-
Profit before Tax for the period	19,317,865	36,121,600	(46.52)	13,612,892	7,187,744	89.39
Income Tax	(12,350,251)	(13,998,592)	(11.78)	(408,899)	(1,041,213)	(60.73)
Profit for the period	6,967,613	22,123,008	(68.51)	13,203,992	6,146,531	114.82
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Equity investments at FVOCI – net change in fair value	11,092,374	(2,729,897)	506.33	10,443,665	(2,261,738)	561.75
Share of other comprehensive income of equity-accounted investees (net of tax)	(6)	-	(100.00)	-	-	-
Income tax on other comprehensive income	37,054	-	100.00	-	-	-
	11,129,422	(2,729,897)	-	10,443,665	(2,261,738)	-
Items that are or may be reclassified to profit or loss						
Exchange Difference on translation of foreign operations	(483,046)	6,250,750	(107.73)	-	-	-
Net movement on Cashflow Hedges	387,934	(1,521,655)	125.49	-	-	-
Share of other comprehensive income of equity accounted investees	(94,852)	573,703	(116.53)	-	-	-
	(189,964)	5,302,798	(103.58)	-	-	-
Total other comprehensive income for the period	10,939,458	2,572,901	325.18	10,443,665	(2,261,738)	(561.75)
Total comprehensive income for the period	17,907,072	24,695,908	(27.49)	23,647,657	3,884,792	(508.72)
Profit Attributable to:						
Equity Holders of the Parent	6,682,546	17,354,697	(61.49)	13,203,992	6,146,531	114.82
Non Controlling Interest	285,067	4,768,311	94.02	-	-	-
Profit for the period	6,967,613	22,123,008		13,203,992	6,146,531	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	17,630,672	16,854,251	4.61	23,647,657	3,884,792	508.72
Non Controlling Interest	276,400	7,841,657	96.48	-	-	-
Total comprehensive income for the period	17,907,072	24,695,908		23,647,657	3,884,792	
Earnings per Share (Rs.)						
Basic Earnings per Share	5.73	14.89	(61.49)	11.33	5.27	114.82

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 31st December,	GROUP			COMPANY		
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %
	Revenue	63,428,449	61,052,096	3.89	68,216	64,617
Excise duty	(18,894,820)	(15,908,149)	18.77	-	-	-
Cost of sales and net benefits paid	(24,217,840)	(22,479,595)	7.73	(6,301)	(4,138)	52.29
Gross Profit	20,315,789	22,664,352	(10.36)	61,915	60,479	2.37
Other Operating Income	322,136	412,235	(21.86)	5,932,053	2,680,275	121.32
Selling and distribution expenses	(1,402,860)	(1,896,966)	(26.05)	-	-	-
Administrative Expenses	(8,014,721)	(7,196,663)	11.37	(114,573)	(61,912)	85.06
Other Operating Expenses	(456,402)	(158,636)	187.70	-	-	-
Profit from Operations	10,763,942	13,824,323	(22.14)	5,879,396	2,678,842	119.48
Finance Income	776,081	1,410,381	(44.97)	375,214	855,345	(56.13)
Finance Cost	(2,545,455)	(4,302,993)	(40.84)	(220,369)	(722,015)	(69.48)
Net Finance Income/(cost)	(1,769,374)	(2,892,612)		154,845	133,330	16.14
Share of Profit of Equity-Accounted Investees (Net of Tax)	245,311	176,471	39.01	-	-	-
Profit before Tax for the Quarter	9,239,879	11,108,181	(16.82)	6,034,241	2,812,171	114.58
Income Tax	(4,285,838)	(5,707,519)	(24.91)	(153,455)	(444,694)	(65.49)
Profit for the Quarter	4,954,040	5,400,663	(8.27)	5,880,786	2,367,478	148.40
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Equity investments at FVOCI – net change in fair value	542,036	(1,159,088)	146.76	644,617	(1,050,862)	161.34
Income tax on other comprehensive income	57,228	-	100.00	-	-	-
	599,264	(1,159,088)	-	644,617	(1,050,862)	-
Items that are or may be reclassified to profit or loss						
Exchange Difference on translation of foreign operations	160,992	88,988	80.91	-	-	-
Net movement on Cashflow Hedges	(316,482)	(845,928)	62.59	-	-	-
Share of other comprehensive income of equity accounted investees	147,199	144,524	1.85	-	-	-
	(8,291)	(612,416)		-	-	
Total other comprehensive income for the quarter	590,973	(1,771,504)	133.36	644,617	(1,050,862)	161.34
Total comprehensive income for the quarter	5,545,013	3,629,160	52.79	6,525,403	1,316,615	395.62
Profit Attributable to:						
Equity Holders of the Parent	2,915,640	4,997,295	(41.66)	5,880,786	2,367,478	148.40
Non Controlling Interest	2,038,400	403,368	405.35	-	-	-
Profit for the Quarter	4,954,040	5,400,663		5,880,786	2,367,478	148.40
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,556,152	3,819,459	(6.89)	6,525,403	1,316,615	395.62
Non Controlling Interest	1,988,861	(190,299)	1,145.12	-	-	-
Total Comprehensive Income for the Quarter	5,545,013	3,629,160		6,525,403	1,316,615	
Earnings per Share (Rs.)	2.50	4.29		5.05	2.03	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited 31-Dec-2023 Rs. '000s	Audited 31-Mar-2023 Rs. '000s	Unaudited 31-Dec-2023 Rs. '000s	Audited 31-Mar-2023 Rs. '000s
Non-Current Assets				
Property, plant and equipment	135,492,355	136,492,745	9,569	10,578
Intangible assets	6,025,220	5,866,940	1,706	1,574
Investment property	7,510,553	7,483,058	7,100,954	7,100,953
Biological assets	10,241,458	9,858,192	-	-
Right-of-use assets	19,464,143	20,771,731	16,433	21,913
Investments in subsidiaries	-	-	64,214,588	63,480,244
Investment in equity accounted investees	10,192,275	10,061,240	740,690	590,690
Deferred tax asset	3,305,010	6,447,688	5,893	5,593
Other non current financial investments	43,316,437	31,368,951	35,408,359	24,880,708
	235,547,451	228,350,545	107,498,193	96,092,253
Currents Assets				
Inventories	12,895,994	15,122,194	967	969
Produce on bearer biological assets	17,496	17,968	-	-
Trade and other receivables	41,299,037	37,162,724	108,590	29,208
Amounts due from related companies	521,610	566,378	1,692,088	616,862
Other current financial investments	27,742,382	29,516,425	6,022,338	4,835,439
Other current assets	560,527	566,399	-	-
Cash and cash equivalents	24,154,225	22,985,573	7,304	170,022
	107,191,270	105,937,661	7,831,287	5,652,500
Assets held for Sale	193,420	193,420	-	-
Total assets	342,932,142	334,481,626	115,329,480	101,744,753
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	70,000,000	70,000,000	70,000,000	70,000,000
Reserves	53,979,575	42,973,589	22,123,241	11,679,576
Retained earnings/(Losses)	(16,131,187)	(14,517,121)	15,104,330	10,034,813
Equity attributable to owners of the Company	107,848,388	98,456,468	107,227,571	91,714,389
Non controlling interest	49,953,527	52,335,859	-	-
Total equity	157,801,915	150,792,327	107,227,571	91,714,389
Non-Current Liabilities				
Interest bearing loans and borrowings	43,744,622	49,366,434	-	-
Lease liabilities	15,156,476	16,583,185	10,828	16,617
Retirement benefit obligations	4,090,837	4,014,696	17,792	16,697
Deferred tax liabilities	15,926,165	19,041,169	1,152,744	1,152,720
Other liabilities	690,016	662,930	-	-
	79,608,116	89,668,415	1,181,364	1,186,034
Current Liabilities				
Trade and other payables	45,958,462	42,979,456	173,860	138,468
Other liabilities	15,251	17,512	-	-
Amount due to related companies	1,702,326	2,317,827	511,891	473,284
Income tax payable	4,054,612	6,443,553	402,735	595,281
Interest bearing loans and borrowings	11,526,121	10,087,618	-	-
Lease liabilities	2,326,069	2,579,560	7,649	7,243
Bank overdrafts and other short term borrowings	39,939,270	29,595,358	5,824,409	7,630,054
	105,522,111	94,020,884	6,920,544	8,844,330
Total liabilities	185,130,227	183,689,299	8,101,908	10,030,364
Total Equity and Liabilities	342,932,142	334,481,626	115,329,480	101,744,753
Net Assets per Share (Rs.)	92.54	84.48	92.01	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/-

C.R.Jansz
Deputy Chairman

sgd/-

L.U.D.Fernando
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		
Balance as at 1st April 2022	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)
Balance as at 1st April 2022 (Adjusted)	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
Total Comprehensive Income for the Period														
Profit for the period	-	-	-	-	-	-	-	-	-	-	17,354,697	17,354,697	4,768,311	22,123,008
Other Comprehensive Income														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(2,700,635)	-	-	-	(2,700,635)	(29,262)	(2,729,897)
Share of other comprehensive income of equity-accounted	-	-	-	-	-	298,829	-	-	-	-	-	298,829	274,874	573,703
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(352,157)	-	(352,157)	(1,169,498)	(1,521,655)
Exchange difference on translation of foreign operations	-	-	-	-	-	2,253,518	-	-	-	-	-	2,253,518	3,997,232	6,250,750
Total Other Comprehensive Income for the period	-	-	-	-	-	2,552,347	-	(2,700,635)	-	(352,157)	-	(500,445)	3,073,346	2,572,901
Total Comprehensive Income for the period	-	-	-	-	-	2,552,347	-	(2,700,635)	-	(352,157)	17,354,697	16,854,251	7,841,657	24,695,908
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,436,771)	(2,436,771)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	57,553	57,553	54,484	112,037
Acquisition of Non Controlling Interest Cnages in % Holding of Subsidiaries	-	9,598	-	-	72,775	143,161	(7,854)	(512)	-	(20,199)	(37,815)	159,154	(787,210)	(628,056)
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	(2,738,683)	(2,738,683)	-	(2,738,683)
Transferred From/To Retained Earnings	-	-	-	-	-	-	91,169	-	-	-	(91,169)	-	-	-
Total Contributions by and Distributions to Owners	-	9,598	-	-	72,775	143,161	83,315	(512)	-	(20,199)	(2,810,114)	(2,521,976)	(3,169,498)	(5,691,473)
Balance as at 31st December 2022	70,000,000	11,297,416	19,112,137	20,491	4,414,450	8,403,890	2,128,842	(5,576,520)	-	(1,227,893)	(10,689,767)	97,883,047	53,211,383	151,094,430

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
Balance as at 1st April 2023	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
Total Comprehensive Income for the Period														
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,682,546	6,682,546	285,067	6,967,613
Other Comprehensive Income														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	11,046,372	-	-	-	11,046,372	46,002	11,092,374
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	-	-	42,696	32,340	4,714	37,054
Exchange Difference on translation of foreign operations	-	-	-	-	-	-	(170,893)	-	-	-	-	(170,893)	(312,153)	(483,046)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	89,003	-	89,003	298,931	387,934
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	(6)	(48,696)	(46,162)	(94,858)
Total Other Comprehensive Income for the period	-	(12,167)	-	-	-	(219,583)	-	11,048,184	-	89,003	42,690	10,948,125	(8,667)	10,939,458
Total Comprehensive Income for the period	-	(12,167)	-	-	-	(219,583)	-	11,048,184	-	89,003	6,725,236	17,630,672	276,400	17,907,072
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,581,419)	(2,581,419)
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	(105,273)	(105,273)	(99,805)	(205,078)
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	-	-	-	-	-	-	-	-	-	-	(8,134,472)	(8,134,472)	-	(8,134,472)
Transferred From/To Retained Earnings	-	-	-	-	-	-	122,419	-	-	-	(122,419)	-	-	-
Total Contributions by and Distributions to Owners	-	(5,223)	-	-	-	-	105,775	(1)	-	-	(8,339,304)	(8,238,753)	(2,658,733)	(10,897,486)
Balance as at 31st December 2023	70,000,000	12,729,560	19,112,137	20,491	5,565,992	6,661,697	2,826,433	7,942,805	-	(879,539)	(16,131,187)	107,848,388	49,953,527	157,801,915

MELSTACORP PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2022	70,000,000	116,308	19,100,000	(7,092,825)	9,575,828	91,699,311
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	(198,378)	(198,378)
Balance as at 1st April 2022 (Adjusted)	70,000,000	116,308	19,100,000	(7,092,825)	9,377,450	91,500,933
Profit for the period	-	-	-	-	6,146,531	6,146,531
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	(2,261,738)	-	(2,261,738)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	(2,261,738)	-	(2,261,738)
Total Comprehensive Income for the period	-	-	-	(2,261,738)	6,146,531	3,884,792
Transactions with Owners of the Company directly recognized into Equity						
Dividend paid	-	-	-	-	(2,738,683)	(2,738,683)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(2,738,683)	(2,738,683)
Balance as at 31st December 2022	70,000,000	116,308	19,100,000	(9,354,563)	12,785,298	92,647,043
Balance as at 1st April 2023	70,000,000	109,381	19,100,000	(7,529,805)	10,034,810	91,714,386
Profit for the period	-	-	-	-	13,203,992	13,203,992
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	10,443,665	-	10,443,665
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	10,443,665	-	10,443,665
Total Comprehensive Income for the period	-	-	-	10,443,665	13,203,992	23,647,657
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(8,134,472)	(8,134,472)
Balance as at 31st December 2023	70,000,000	109,381	19,100,000	2,913,860	15,104,330	107,227,571

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the nine months ended 31st December,

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

Subscription to the right issues of 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/ Subsidiaries

Loans and borrowings Received

Repayments of loan Borrowings and payments to Lessor on Lease Rights

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
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	19,317,865	36,121,600	13,612,892	7,187,744
Adjustment for				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	6,559,893	6,804,715	8,402	9,874
Provision for gratuity	575,004	331,536	4,672	2,596
Interest Expenses	9,280,622	9,756,355	921,777	1,789,319
Interest income	(3,414,510)	(3,436,539)	(1,339,588)	(2,034,902)
Dividend income	194,710	(298,023)	(13,288,177)	(6,882,506)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	2,321	1,205	-	-
Loss of retiring of Assets held for sale	-	72,269	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	429,300	318,598	-	-
Share of profit of equity-accounted investees (net of tax)	(729,721)	(935,648)	-	-
(Gain)/ Loss on disposal of other financial investments	(4,411)	(26,674)	-	(12,616)
(Gain) on disposal of Group Investments	-	-	(2,827)	(2,485)
Amortization of Deferred Grants and Subsidies	(11,218)	(12,982)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(369,742)	(294,315)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(40,358)	(1,580,760)	6,044	(76,424)
Operating Profit before Working Capital Changes	31,789,755	46,821,337	(76,805)	(19,400)
(Increase)/Decrease in Inventories	2,226,672	(7,589,993)	2	3
(Increase)/Decrease in Receivables	(4,191,244)	(5,414,852)	(44,383)	3,217,074
(Increase)/Decrease in Related Party Receivable and Payable	(570,733)	846,851	(81,292)	(40,237)
Increase/(Decrease) in Payables	2,977,986	(3,326,833)	35,393	3,316
Cash Generated from Operations	32,232,437	31,336,509	(167,085)	3,160,756
Dividend Received	(194,710)	298,023	13,253,177	6,882,506
Interest Paid	(8,627,245)	(8,416,089)	(858,238)	(1,787,783)
Income Tax and surcharge tax Paid	(14,876,642)	(13,474,318)	(601,727)	(1,293,222)
Retiring Gratuity Paid	(490,375)	(311,891)	(3,577)	-
Net Cash Flow from Operating Activities	8,043,466	9,432,234	11,622,550	6,962,257
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of/ Investment in equity accounted investees	(153,089)	(117,500)	(150,000)	(100,000)
Dividends received from equity accounted investees	451,839	760,794	-	-
Investment in Subsidiaries, net of cash acquired	(754,714)	(1,499,440)	(755,000)	(80,000)
Proceeds from disposal of shares of subsidiaries	-	-	23,483	-
Proceeds from settlement of Loans given to Related Companies	-	-	70,000	337,835
Net of Acquisition of Non Controlling Interest and proceeds from disposal of shares in subsidiaries	23,483	(628,056)	-	(616,656)
Subscription to the right issues of Subsidiaries	-	-	-	(2,009,091)
Cash received from Repurchase of Shares by Subsidiaries	-	-	-	-
Net proceed from disposal/(Acquisition) of Other Investments	963,699	(4,389,511)	-	39,147
Acquisition of Property, Plant & Equipment, Investment Property and intangible assets	(4,109,105)	(1,896,276)	(2,048)	(4,972)
Additions of Mature and Immature Plantations net of sale of timber	(85,877)	(161,486)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(1,029,100)	(861,297)
Proceeds on retirement of assets held for sale	-	1,878,448	-	-
Proceeds on Disposal of Property, Plant & Equipment	35,741	24,406	-	-
Interest Received	3,414,510	3,436,539	4,070	648,513
Net Cash Flow Used in Investing Activities	(213,513)	(2,592,082)	(1,838,595)	(2,646,521)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees/ Subsidiaries	(85,650)	(97,848)	-	-
Loans and borrowings Received	1,700,399	395,529	-	-
Repayments of loan Borrowings and payments to Lessor on Lease Rights	(7,904,071)	(10,019,026)	(6,556)	(6,244)
Dividends paid	(8,134,472)	(5,885,255)	(8,134,472)	(5,885,255)
Dividend paid by subsidiaries to minority share holders	(2,581,419)	(2,436,771)	-	-
Net Cash Flow from Financing Activities	(17,005,213)	(18,043,371)	(8,141,028)	(5,891,499)
Net Increase/Decrease in Cash & Cash Equivalent during the year	(9,175,260)	(11,203,219)	1,642,927	(1,575,763)
Cash & Cash Equivalents				
At the beginning of the year	(6,609,785)	1,479,244	(7,460,032)	(10,508,478)
Net movement during the period	(9,175,260)	(11,203,219)	1,642,927	(1,575,763)
At the end of the year (Note A)	(15,785,045)	(9,723,975)	(5,817,105)	(12,084,241)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	4,859,024	7,962,717	-	-
Cash in Hand & Bank	19,034,121	16,153,484	7,304	13,370
Cash in transit	261,080	308,068	-	-
Bank overdrafts and other short term borrowings	(39,939,270)	(34,148,244)	(5,824,409)	(12,097,610)
	(15,785,045)	(9,723,975)	(5,817,105)	(12,084,241)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the nine months ended 31st December,

	GROUP	
	2023	2022
	Rs.'000	Rs.'000
(a) Revenue		
Beverages	90,313,814	96,815,742
Plantations	6,497,542	7,785,713
Telecommunications	893,069	1,216,571
Financial services	5,832,356	4,276,335
Diversified	67,589,343	69,426,735
Total gross revenue	171,126,124	179,521,095
Excise duty on beverages	(53,528,131)	(52,026,196)
Total net revenue	117,597,992	127,494,899
(b) Industry Segment Profit		
Beverages	17,511,586	23,811,991
Plantations	736,542	2,825,004
Telecommunications	(1,018,947)	(1,049,721)
Financial services	934,228	2,000,928
Diversified	424,735	7,597,750
	18,588,144	35,185,952
Share of Profit of Equity-Accounted Investees (Net of Tax)	729,721	935,648
Net Profit Before Tax	19,317,865	36,121,600
Taxation	(12,350,251)	(13,998,592)
Net Profit After Tax	6,967,613	22,123,008

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 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

5 Non Financial Information

		31-Dec-2023	31-Dec-2022	31-Mar-2023
Net Assets Value per Share	- Group (Rs)	92.54	83.09	84.48
	- Company (Rs)	92.01	80.72	78.70
Market Price per Share	- Last Traded Rs)	84.30	46.20	54.90
	- Highest (Rs)	90.00	55.00	61.60
	- Lowest (Rs)	73.30	40.00	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 31 December 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 mn 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.

-Group has acquired the control of Heineken Lanka Limited, the second largest Beer manufacturer in Sri Lanka after the Balance Sheet Date.

Top 25 Shareholders – 31 December 2023

RANK	NAME	NO OF SHARES	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.80
2	MR. M.A. YASEEN	152,723,880	13.10
3	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.03
4	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.48
5	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	39,000,000	3.35
6	MRS. L.E.M. YASEEN	35,000,006	3.00
7	MRS. R.R. TAKAHASHI	31,500,000	2.70
8	MR. L.E. BADER	15,665,314	1.34
9	MRS. P.M.P.G.N. PRIYADARSHANI	15,200,002	1.30
10	MR. D.H.S. JAYAWARDENA	13,014,200	1.12
11	MRS. S.M. CHRYSOSTOM	11,390,000	0.98
12	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	11,186,000	0.96
13	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.75
14	MR. D.HASITHA.S. JAYAWARDENA	7,531,332	0.65
15	RUBICOND ENTERPRISES LIMITED	5,943,859	0.51
16	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.47
17	BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED	4,937,755	0.42
18	HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	4,892,920	0.42
19	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	2,509,509	0.22
20	MELLON BANK N.A-ACADIAN FRONTIER MARKETS EQUITY FUND	2,254,951	0.19
21	RENUKA HOTELS PLC	2,000,000	0.17
22	CAPITAL ALLIANCE PLC	1,785,714	0.15
23	DFCC BANK PLC A/C 1	1,669,940	0.14
24	MR. M.J. FERNANDO (DECEASED)	1,603,308	0.14
25	INVENCO CAPITAL PRIVATE LIMITED	1,508,384	0.13
		1,078,388,738	92.52
	OTHERS	87,008,334	7.48
	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

484,892,383

Float Adjusted Market Capitalization

The Public Holding of the Company as at 31 December 2023 was **41.61%** comprising of **484,892,383** shareholders and the Float adjusted Market Capitalization of **Rs.40,876,427,886.90**. 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' Shareholdings as at 31 December 2023

	No of Shares	%
Mr. D. H. S. Jayawardena	13,014,200	1.12
Mr. C. R. Jansz	-	-
Mr.M.A.N.S Perera (Appointed w.e.f. 02/01/2023)	-	-
Mr. N. De S. Deva Aditya	-	-
Mr. K. J. Kahanda	-	-
Dr. A. N. Balasuriya	-	-
Mr. D. Hasitha S. Jayawardena	7,531,332	0.65
Mr.L.U.D.Fernando *	-	-
Ms.D.S.T. Jayawardena	38,600	0.003
Mr.Reyaz Mihular (Appointed w.e.f. 01/04/2023)	-	-
Mr.R.A. Fernando (Appointed w.e.f 12/02/2024)	-	-
Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya) (Ceased to be a Director w.e.f 1/1/2	-	-

* 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

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. C. R. Jansz

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

Mr. N. De S. Deva Aditya

Mr. K. J. Kahanda

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

Ms.D.S.T. Jayawardena

Mr.L.U.D.Fernando

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

Mr.R.A. Fernando (Appointed w.e.f 12/02/2024)

Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya) (Ceased to be a director w.e.f 1/1/2024)

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