

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

31st DECEMBER 2019

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the 9 months ended 31st December,	GROUP			COMPANY		
	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %
Revenue	115,247,241	112,175,963	2.74	168,354	150,477	11.88
Excise duty	(42,799,243)	(42,292,921)	1.20	-	-	-
Cost of sales and net benefits paid	(47,957,732)	(46,078,820)	4.08	(2,508)	(1,819)	37.89
Gross Profit	24,490,266	23,804,221	2.88	165,846	148,658	11.56
Other Operating Income	986,324	835,053	18.12	6,277,922	3,248,863	93.23
Selling and distribution expenses	(1,816,419)	(1,700,141)	6.84	-	-	-
Administrative Expenses	(13,043,326)	(13,191,057)	(1.12)	(152,685)	(167,839)	(9.03)
Other Operating Expenses	(78,074)	(20,893)	273.69	-	-	-
Profit from Operations	10,538,770	9,727,183	8.34	6,291,083	3,229,682	94.79
Finance Income	2,113,103	2,371,445	(10.89)	1,674,536	782,176	114.09
Finance Cost	(4,224,726)	(2,641,389)	59.94	(1,376,852)	(163,163)	743.85
Net Finance Income/(cost)	(2,111,622)	(269,944)		297,683	619,013	(51.91)
Share of Profit of Equity-Accounted Investees (Net of Tax)	363,641	347,255	4.72	-	-	-
Profit before Tax for the Period	8,790,789	9,804,494	(10.34)	6,588,766	3,848,695	71.19
Income Tax	(5,354,206)	(4,435,208)	20.72	(187,075)	(124,438)	50.34
Profit for the Period	3,436,583	5,369,286	(36.00)	6,401,691	3,724,257	71.89
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	1,553,125	(1,284,255)	(220.94)	1,568,676	(895,817)	(275.11)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	(13)	-	100%	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
	1,553,112	(1,284,255)	-	1,568,676	(895,817)	-
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	426,003	2,581,678	(83.50)	-	-	-
Net movement on Cashflow Hedges	(147,641)	(448,352)	(67.07)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	17,660	184,765	(90.44)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	296,022	2,318,091	(87.23)	-	-	-
Total other comprehensive income for the period	1,849,134	1,033,836	78.86	1,568,676	(895,817)	(275.11)
Total comprehensive income for the period	5,285,718	6,403,122	(17.45)	7,970,367	2,828,440	181.79
Profit Attributable to:						
Equity Holders of the Parent	3,073,679	3,843,389	(20.03)	6,401,691	3,724,257	71.89
Non Controlling Interest	362,904	1,525,897	(76.22)	-	-	-
Profit for the Period	3,436,583	5,369,286		6,401,691	3,724,257	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	4,745,722	3,460,919	37.12	7,970,367	2,828,440	181.79
Non Controlling Interest	539,996	2,942,203	(81.65)	-	-	-
Total Comprehensive Income for the Period	5,285,718	6,403,122		7,970,367	2,828,440	
Earnings per Share (Rs.)						
Basic Earnings per Share	2.64	3.30	(20.03)	5.49	3.20	71.89

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 31st December,	GROUP			COMPANY		
	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %
	Revenue	40,072,180	39,702,092	0.93	62,033	47,758
Excise duty	(15,264,585)	(14,631,897)	4.32	-	-	-
Cost of sales and net benefits paid	(15,437,573)	(16,202,175)	(4.72)	(1,334)	(918)	45.33
Gross Profit	9,370,022	8,868,019	5.66	60,699	46,840	29.59
Other Operating Income	315,224	396,554	(20.51)	2,709,812	2,713,857	(0.15)
Selling and distribution expenses	(814,108)	(407,985)	99.54	-	-	-
Administrative Expenses	(4,563,974)	(4,690,465)	(2.70)	(54,550)	(53,531)	1.90
Other Operating Expenses	(3,032)	(3,319)	(8.63)	-	-	-
Profit from Operations	4,304,131	4,162,804	3.40	2,715,961	2,707,166	0.32
Finance Income	452,296	1,327,009	(65.92)	362,855	270,057	34.36
Finance Cost	(1,335,323)	(963,333)	38.61	(209,737)	(95,588)	119.42
Net Finance Income/(cost)	(883,026)	363,676		153,118	174,469	(12.24)
Share of Profit of Equity-Accounted Investees (Net of Tax)	121,803	138,631	(12.14)	-	-	-
Profit before Tax for the Quarter	3,542,908	4,665,111	(24.06)	2,869,079	2,881,635	(0.44)
Income Tax	(1,883,248)	(1,916,008)	(1.71)	(62,358)	(15,934)	291.35
Profit for the Quarter	1,659,660	2,749,103	(39.63)	2,806,721	2,865,701	(2.06)
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	1,789,366	2,168,708	(17.49)	1,561,613	2,131,145	(26.72)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	(13)	-	100.00	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
	1,789,353	2,168,708	-	1,561,613	2,131,145	-
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	(18,934)	1,313,718	(101.44)	-	-	-
Net movement on Cashflow Hedges	(157,232)	(393,097)	(60.00)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	39,078	114,149	(65.77)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	(137,088)	1,034,770		-	-	
Total other comprehensive income for the quarter	1,652,265	3,203,478		1,561,613	2,131,145	
Total comprehensive income for the quarter	3,311,926	5,952,582		4,368,334	4,996,846	
Profit Attributable to:						
Equity Holders of the Parent	1,265,647	1,572,252	(19.50)	2,806,721	2,865,701	(2.06)
Non Controlling Interest	394,013	1,176,851	(66.52)	-	-	-
Profit for the Quarter	1,659,660	2,749,103		2,806,721	2,865,701	(2.06)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,015,016	4,148,013	(27.31)	4,368,334	4,996,846	(12.58)
Non Controlling Interest	296,910	1,804,569	(83.55)	-	-	-
Total Comprehensive Income for the Quarter	3,311,926	5,952,582		4,368,334	4,996,846	
Earnings per Share (Rs.)	1.09	1.35		2.41	2.46	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Dec-2019	31-Mar-2019	31-Dec-2019	31-Mar-2019
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets				
Property, plant and equipment	107,910,995	105,353,902	20,417	11,527
Intangible assets	6,323,008	6,441,228	3,321	500
Investment property	6,070,259	6,064,200	5,077,748	5,077,749
Biological assets	8,827,107	8,650,109	-	-
Right- of - Use Assets	13,022,287	-	-	-
Investments in subsidiaries	-	-	59,728,506	59,698,169
Investment in equity accounted investees	7,114,381	6,564,576	1,127,000	952,000
Pre-paid operating leases	-	2,366,966	-	-
Deferred tax asset	1,627,068	2,134,725	2,094	2,094
Other non current financial investments	33,790,992	31,769,069	30,660,505	28,392,637
	184,686,098	169,344,775	96,619,592	94,134,676
Currents Assets				
Inventories	11,625,781	9,504,943	1,059	1,064
Produce on Bearer Biological Assets	4,693	6,762	-	-
Pre-paid operating leases	-	76,232	-	-
Trade and Other Receivables	27,644,503	28,902,920	123,640	163,919
Amounts due from Related Companies	386,305	447,778	315,113	44,786
Other Current Financial Investments	13,487,867	24,395,854	9,520,938	17,801,363
Cash and cash equivalents	7,867,244	10,766,523	62,722	33,659
	61,016,393	74,101,011	10,023,471	18,044,791
Assets held for Sale	1,144,235	164,125	-	-
Total assets	246,846,726	243,609,911	106,643,063	112,179,467
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	15,297,075	13,579,406	(2,139,568)	(3,708,246)
Retained Earnings	(22,025,359)	(22,452,538)	10,016,641	5,945,379
Equity attributable to owners of the Company	82,371,716	80,226,868	96,977,073	91,337,133
Non controlling interest	42,947,020	44,359,891	-	-
Total equity	125,318,736	124,586,759	96,977,073	91,337,133
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	48,208,257	32,673,679	1,485,633	-
Employee Benefits	2,997,956	2,984,870	9,151	7,477
Deferred Tax Liabilities	8,795,767	9,410,463	547,524	547,524
Other Liabilities	793,827	2,154,959	-	-
	60,795,807	47,223,971	2,042,308	555,001
Current Liabilities				
Trade and Other Payables	28,346,022	28,418,692	17,139	23,501
Other Liabilities	8,292	6,160	-	-
Amount due to Related Companies	886,564	637,232	712,619	3,668,665
Income Tax Payable	1,356,555	2,264,010	20,341	134,206
Interest Bearing Loans and Borrowings	5,381,393	4,782,138	402,200	-
Bank Overdrafts and Other Short Term Borrowings	24,753,355	35,690,948	6,471,382	16,460,961
	60,732,183	71,799,180	7,623,682	20,287,333
Total liabilities	121,527,989	119,023,151	9,665,990	20,842,334
Total Equity and Liabilities	246,846,726	243,609,911	106,643,063	112,179,467
Net Assets per Share (Rs.)	70.68	68.84	83.21	78.37

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	Timber	Available for	Investment	Cash Flow	Retained			Total
	capital	reserve	reserve	fund	reserve	fluctuation	reserve	sale	fund	Hedge Reserve	Earnings/ (Losses)			
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1st April 2018	89,100,000	7,010,624	(227,614)	20,491	(7,488,411)	944,140	1,317,586	4,444,088	-	-	(19,444,692)	75,676,213	47,308,931	122,985,144
Total Comprehensive Income for the Period														
Profit for the Period	-	-	-	-	-	-	-	-	-	-	3,843,389	3,843,389	1,525,897	5,369,286
Other Comprehensive Income														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(1,250,862)	-	-	-	(1,250,862)	(33,393)	(1,284,255)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of Property , Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on change in Fair Value of Biological Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow hedge reserve	-	-	-	-	-	-	-	-	-	(100,399)	-	(100,399)	(347,953)	(448,352)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	876,219	-	-	-	-	-	876,219	1,705,459	2,581,678
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	92,572	-	-	-	-	-	92,572	92,193	184,765
Total Other Comprehensive Income for the period	-	-	-	-	-	968,791	-	(1,250,862)	-	(100,399)	-	(382,470)	1,416,306	1,033,836
Total Comprehensive Income for the period	-	-	-	-	-	968,791	-	(1,250,862)	-	(100,399)	3,843,389	3,460,919	2,942,203	6,403,122
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,259,307)	(1,259,307)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	22,631	22,631	22,539	45,170
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	15	-	-	-	-	-	(15)	-	-	-
Effect of Business Combinations of Equity accounted Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest of Subsidiaries	-	-	-	-	-	47	-	-	-	-	286,072	286,119	(474,347)	(188,228)
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	15	47	-	-	-	-	308,688	308,750	(1,711,115)	(1,402,365)
Balance as at 31st December 2018	89,100,000	7,010,624	(227,614)	20,491	(7,488,396)	1,912,978	1,317,586	3,193,226	-	(100,399)	(15,292,615)	79,445,882	48,540,019	127,985,901

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	8,185,465	12,137	20,491	1,352,238	1,664,032	1,458,578	905,322	-	(18,856)	(22,452,538)	80,226,869	44,359,892	124,586,761
Adjustments on initial application of SLFRS-16	-	-	-	-	-	-	-	-	-	-	(372,104)	(372,104)	(491,806)	(863,911)
Adjusted balance as at 1st April 2019	89,100,000	8,185,465	12,137	20,491	1,352,238	1,664,032	1,458,578	905,322	-	(18,856)	(22,824,642)	79,854,764	43,868,086	123,722,851
Total Comprehensive Income for the Period														
Profit for the Period	-	-	-	-	-	-	-	-	-	-	3,073,679	3,073,679	362,904	3,436,583
Other Comprehensive Income														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	1,557,012	-	-	-	1,557,012	(3,887)	1,553,125
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	-	-	-	-	-	139,355	-	-	-	-	-	139,355	286,648	426,003
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(33,207)	-	(33,207)	(114,434)	(147,641)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	8,887	-	-	-	-	(5)	8,882	8,765	17,647
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	-	148,242	-	1,557,012	-	(33,207)	(5)	1,672,042	177,092	1,849,134
Total Comprehensive Income for the period	-	-	-	-	-	148,242	-	1,557,012	-	(33,207)	3,073,674	4,745,722	539,996	5,285,718
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,383,687)	(1,383,687)
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	369	369	-	369
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	23,956	23,956	23,648	47,604
Dividends paid	-	-	-	-	-	-	-	-	-	-	(2,330,796)	(2,330,796)	-	(2,330,796)
Transferred From/To Retained Earnings	-	-	-	-	-	-	44,707	-	-	-	(44,707)	-	-	-
Acquisition of Non Controlling Interest Cnages in % Holding of Subsidiaries	-	535	-	-	2,360	(1,835)	-	(76)	-	(69)	76,786	77,701	(101,024)	(23,323)
Total Contributions by and Distributions to Owners	-	535	-	-	2,360	(1,835)	44,707	(76)	-	(69)	(2,274,391)	(2,228,770)	(1,461,063)	(3,689,833)
Balance as at 31st December 2019	89,100,000	8,186,001	12,137	20,491	1,354,598	1,810,439	1,503,285	2,462,258	-	(52,133)	(22,025,359)	82,371,716	42,947,020	125,318,736

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 2018	89,100,000	111,691	(1,093,409)	2,421,284	90,539,566
Profit for the Period	-	-	-	3,724,257	3,724,257
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	(895,817)	-	(895,817)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	(895,817)	-	(895,817)
Total Comprehensive Income for the period	-	-	(895,817)	3,724,257	2,828,440
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	-
Balance as at 31st December 2018	89,100,000	111,691	(1,989,226)	6,145,541	93,368,006
Balance as at 1st April 2019	89,100,000	111,691	(3,819,935)	5,945,377	91,337,131
Profit for the Period	-	-	-	6,401,691	6,401,691
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	1,568,676	-	1,568,676
Income tax on other comprehensive income	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	1,568,676	-	1,568,676
Total Comprehensive Income for the period	-	-	1,568,676	6,401,691	7,970,367
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 December 2019	89,100,000	111,691	(2,251,259)	10,016,641	96,977,073

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the 9 months ended 31st December,

	GROUP		COMPANY	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	8,790,789	9,804,494	6,588,766	3,848,695
Adjustment for				
Depreciation and amortization of PPE, Biological assets and intangible assets	4,317,501	4,305,817	4,414	2,531
Provision for gratuity	291,002	255,170	2,038	1,439
Interest Expenses	4,013,795	2,534,366	1,376,852	163,163
Interest income	(1,802,501)	(1,412,478)	(1,571,668)	(757,636)
Dividend income	(407,108)	(393,267)	(6,277,822)	(3,244,284)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	(16,102)	(74,112)	-	-
Amortisation of Right of Use Assets	687,146	-	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	78,002	37,333	-	-
Share of profit of equity-accounted investees (net of tax)	(363,641)	(347,255)	-	-
(Gain)/ Loss on disposal of other financial investments	-	(31,567)	-	-
Gain on disposal of Group Investments	-	-	-	(4,578)
Deferred income recognized	(11,493)	(7,822)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(117,876)	(63,048)	-	-
	(31,729)	(83,556)	(102,868)	(24,541)
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss				
Operating Profit before Working Capital Changes	15,427,785	14,524,075	19,712	(15,211)
(Increase)/Decrease in Inventories	(2,118,769)	(650,494)	6	75
(Increase)/Decrease in Receivables	1,179,946	3,648,610	40,279	(216,702)
(Increase)/Decrease in Related Party Receivable and Payable	310,805	(298,024)	(419,453)	389,269
Increase/(Decrease) in Payables	(128,890)	277,626	(6,362)	3,405
Cash Generated from Operations	14,670,877	17,501,793	(365,818)	160,836
Dividend Received	482,179	677,970	6,277,822	3,244,284
Interest Paid	(3,226,437)	(3,099,245)	(1,207,043)	(163,163)
Income Tax Paid	(6,121,025)	(4,261,823)	(300,937)	(133,897)
Retiring Gratuity Paid	(280,434)	(164,081)	(364)	-
Net Cash Flow from Operating Activities	5,525,160	10,654,614	4,403,659	3,108,060
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of equity accounted investees	(205,717)	-	(175,000)	-
Investment in Subsidiaries	(30,336)	(195,155)	(30,336)	(195,155)
Proceeds from disposal of subsidiaries	-	2,557,048	-	2,557,048
Loans disbursed to Subsidiaries	-	-	(3,611,669)	(5,607,216)
Loans settled by Subsidiaries	-	-	935,371	2,037,972
Net proceed from disposal/(Acquisition)of Other Investments	10,471,285	(14,643,035)	11,049,195	(12,073,409)
Acquisition of Property, Plant & Equipment and intangible assets	(8,934,419)	(8,805,309)	(16,129)	(879,664)
Additions of Mature and Immature Plantations	(150,243)	(115,324)	-	-
Proceeds on Disposal of Property, Plant & Equipment	182,772	114,816	-	-
Interest Received	1,802,501	1,412,478	896,738	532,314
Net Cash Flow Used in Investing Activities	3,135,845	(19,674,481)	9,048,170	(13,628,110)
CASH FLOW FROM FINANCING ACTIVITIES				
Short Term Borrowings from Subsidiaries	-	-	-	2,886,606
Repayment of short term borrowings to subsidiaries	-	-	(2,980,896)	-
Loans and borrowings Received	7,133,624	12,659,393	2,011,000	-
Repayments of loan and borrowings	(4,053,326)	(9,654,114)	(132,500)	-
Receipt of deferred Income	11,493	(20,405)	-	-
Dividends paid	(2,330,796)	-	(2,330,796)	-
Dividend paid by subsidiaries to minority share holders	(1,383,687)	(1,259,307)	-	-
Net Cash Flow from Financing Activities	(622,691)	1,725,567	(3,433,192)	2,886,606
Net Increase/Decrease in Cash & Cash Equivalent during the period	8,038,313	(7,294,300)	10,018,637	(7,633,444)
Cash & Cash Equivalents				
At the beginning of the year	(24,924,425)	(6,790,815)	(16,427,302)	243,349
Net movement during the period	8,038,313	(7,294,300)	10,018,637	(7,633,444)
At the end of the year (Note A)	(16,886,112)	(14,085,115)	(6,408,665)	(7,390,095)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	1,752,602	8,254,645	-	-
Cash in Hand & Bank	5,910,954	1,704,921	62,722	-
Cash in transit	203,687	182,332	-	7,710
Bank overdrafts and other short term borrowings	(24,753,355)	(24,227,013)	(6,471,382)	(7,397,805)
	(16,886,112)	(14,085,115)	(6,408,665)	(7,390,095)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the 9 months ended 31st December,

	GROUP	
	2019	2018
	Rs.'000	Rs.'000
(a) Revenue		
Beverages	66,347,422	64,258,937
Plantations	3,452,527	3,518,368
Telecommunications	2,059,286	2,197,356
Financial services	4,259,009	3,758,279
Diversified	39,128,996	38,443,023
Total revenue	115,247,241	112,175,963
(b) Industry Segment Profit		
Beverages	7,961,440	6,507,272
Plantations	(688,691)	(292,943)
Telecommunications	(1,065,529)	(1,296,441)
Financial services	405,964	328,719
Diversified	1,813,965	4,210,631
	8,427,148	9,457,239
Share of Profit of Equity-Accounted Investees (Net of Tax)	363,641	347,255
Net Profit Before Tax	8,790,789	9,804,494
Taxation	(5,354,206)	(4,435,208)
Net Profit After Tax	3,436,583	5,369,286

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-Dec-2019	31-Dec-2018	31-Mar-2019
Net Assets Value per Share	- Group (Rs)	70.68	68.17	68.84
	- Company (Rs)	83.21	80.12	78.37
Market Price per Share	- Last Traded Rs)	43.50	50.00	36.00
	- Highest (Rs)	47.00	54.00	50.30
	- Lowest (Rs)	41.00	47.70	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 December 2019 have been used for the purpose of Calculation of Earnings per Share.

8 Business Combinations

8.1 Acquisition of Non Controlling Interest

Melstacorp PLC has acquired 750,000 shares in Aitken Spence PLC. As a result, the percentage Holding has increased from 50.14% to 50.32%.

9 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 2019.

10 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 20 Shareholders – 31 December 2019

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	MR. M.A. YASEEN	162,277,302	13.925
3	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.030
4	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	63,895,700	5.483
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.479
6	MRS. L.E.M. YASEEN	25,080,000	2.152
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	BNYM RE-CONSILIUM FRONTIER EQUITY FUNDLP.	12,404,285	1.064
10	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
11	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
12	MR. D.HASITHA.S. JAYAWARDENA	7,531,332	0.646
13	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	6,203,001	0.532
14	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND LP	6,021,000	0.517
15	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	5,932,697	0.509
16	MCSSEN RANGE PRIVATE LIMITED	5,459,864	0.468
17	MORGAN STANLEY AND CO.LLC-RWC FRONTIER MARKETS EQUITY MASTER FUND	5,291,565	0.454
18	SSBT-PARAMETRIC EMERGING MARKETS FUND	5,098,120	0.437
19	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.427
20	SSBT-FRANK RUSSELL INVESTMENT COMPANY EMERGING MARKETS FUND-CHE7	4,787,216	0.411
		1,068,746,366	91.707
	Others	96,650,706	8.293
	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 10,629

Float Adjusted Market Capitalization

The Public Holding of the Company as at 30 June 2019 was 42.77 % comprising of 10,629 shareholders and the Float adjusted Market Capitalization of Rs.21,682,746,390/-. 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 December 2019

	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