

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2020

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the year ended 31st March,	GROUP			COMPANY		
	Unaudited 2020 Rs. '000	Audited 2019 Rs. '000	Variance %	Unaudited 2020 Rs. '000	Audited 2019 Rs. '000	Variance %
Revenue	154,900,310	157,482,828	(1.64)	212,752	209,203	1.70
Excise duty	(56,632,092)	(57,267,603)	(1.11)	-	-	-
Cost of sales and net benefits paid	(64,848,264)	(65,363,827)	(0.79)	(7,541)	(5,563)	35.55
Gross Profit	33,419,954	34,851,398	(4.11)	205,211	203,640	0.77
Other Operating Income	1,627,778	2,015,096	(19.22)	6,770,743	4,604,102	47.06
Selling and distribution expenses	(2,764,471)	(2,642,023)	4.63	-	-	-
Administrative Expenses	(17,500,138)	(17,575,328)	(0.43)	(265,123)	(226,318)	17.15
Other Operating Expenses	(812,908)	(8,928)	9,005.15	(1,759,901)	(1,051,977)	-
Profit from Operations	13,970,214	16,640,215	(16.05)	4,950,930	3,529,447	40.27
Finance Income	3,085,612	2,599,438	18.70	2,024,132	1,322,939	53.00
Finance Cost	(5,798,458)	(3,829,617)	51.41	(1,592,872)	(637,472)	149.87
Net Finance Income/(cost)	(2,712,846)	(1,230,179)		431,259	685,467	(37.09)
Share of Profit of Equity-Accounted Investees (Net of Tax)	476,354	395,185	20.54	-	-	-
Profit before Tax for the year	11,733,723	15,805,221	(25.76)	5,382,189	4,214,914	27.69
Income Tax	(7,027,341)	(6,930,552)	1.40	(257,843)	(418,769)	(38.43)
Profit for the year	4,706,382	8,874,669	(46.97)	5,124,347	3,796,145	34.99
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	151,900	2,076,980	-	-	-	-
Equity investments at FVOCI – net change in fair value	1,716,918	(3,589,588)	(17.34)	1,755,157	(2,726,526)	(164.37)
Actuarial gain/(losses) on retirement benefit obligations	71,191	(39,790)	-	(424)	1,603	-
Share of other comprehensive income of equity-accounted investees (net of tax)	(6,006)	(12,375)	100%	-	-	-
Income tax on other comprehensive income	(63,192)	(686,922)	-	119	(449)	-
	1,870,810	(2,251,695)	-	1,754,851	(2,725,372)	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	13,288	-	-	-	-	-
Exchange Difference on translation of foreign operations	968,572	1,907,579	(49.23)	-	-	-
Net movement on Cashflow Hedges	(291,529)	(84,129)	246.53	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	1,307	136,374	(99.04)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	691,638	1,959,824	(64.71)	-	-	-
Total other comprehensive income for the year	2,562,448	(291,871)	(977.94)	1,754,851	(2,725,372)	(164.39)
Total comprehensive income for the year	7,268,830	8,582,798	(15.31)	6,879,198	1,070,773	542.45
Profit Attributable to:						
Equity Holders of the Parent	4,002,029	5,786,185	(30.83)	5,124,347	3,796,145	34.99
Non Controlling Interest	704,353	3,088,484	(77.19)	-	-	-
Profit for the year	4,706,382	8,874,669		5,124,347	3,796,145	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	6,078,705	4,112,533	47.81	6,879,198	1,070,773	542.45
Non Controlling Interest	1,190,125	4,470,265	(73.38)	-	-	-
Total Comprehensive Income for the Year	7,268,830	8,582,798		6,879,198	1,070,773	
Earnings per Share (Rs.)						
Basic Earnings per Share	3.43	4.96	(30.83)	4.40	3.26	34.99

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 31st March,	GROUP			COMPANY		
	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %
	Revenue	39,653,069	45,306,865	(12.48)	44,398	58,726
Excise duty	(13,832,849)	(14,974,682)	(7.63)	-	-	-
Cost of sales and net benefits paid	(16,890,532)	(19,285,007)	(12.42)	(5,033)	(3,744)	34.42
Gross Profit	8,929,688	11,047,176	(19.17)	39,365	54,982	(28.40)
Other Operating Income	641,454	1,180,043	(45.64)	492,821	1,355,239	(63.64)
Selling and distribution expenses	(948,052)	(941,882)	0.66	-	-	-
Administrative Expenses	(4,456,812)	(4,384,271)	1.65	(112,438)	(58,479)	92.27
Other Operating Expenses	(734,834)	11,965	(6,241.53)	(1,759,901)	(1,051,977)	67.29
Profit from Operations	3,431,443	6,913,031	(50.36)	(1,340,153)	299,765	(547.07)
Finance Income	972,509	227,993	326.55	349,596	540,763	(35.35)
Finance Cost	(1,573,732)	(1,188,228)	32.44	(216,020)	(474,309)	(54.46)
Net Finance Income/(cost)	(601,223)	(960,235)		133,576	66,454	101.01
Share of Profit of Equity-Accounted Investees (Net of Tax)	112,713	47,930	135.16	-	-	-
Profit before Tax for the Quarter	2,942,934	6,000,726	(50.96)	(1,206,577)	366,219	(429.47)
Income Tax	(1,673,135)	(2,495,344)	(32.95)	(70,768)	(294,331)	(75.96)
Profit for the Quarter	1,269,799	3,505,382	(63.78)	(1,277,344)	71,888	(1,876.85)
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	151,900	2,076,980	(92.69)	-	-	-
Equity investments at FVOCI – net change in fair value	163,793	(2,305,333)	(107.10)	186,481	(1,830,709)	(110.19)
Actuarial gain/(losses) on retirement benefit obligations	71,191	(39,790)	(278.92)	(424)	1,603	-
Share of other comprehensive income of equity-accounted investees (net of tax)	(5,993)	(12,375)	100.00	-	-	-
Income tax on other comprehensive income	(63,192)	(686,922)	(90.80)	119	(449)	-
	317,698	(967,440)	-	186,175	(1,829,555)	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	13,288	-	100.00	-	-	-
Exchange Difference on translation of foreign operations	542,569	(674,099)	(180.49)	-	-	-
Net movement on Cashflow Hedges	(143,888)	364,223	(139.51)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	(16,353)	(48,391)	(66.21)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	395,616	(358,267)		-	-	
Total other comprehensive income for the quarter	713,314	(1,325,707)		186,175	(1,829,555)	
Total comprehensive income for the quarter	1,983,112	2,179,676		(1,091,169)	(1,757,667)	
Profit Attributable to:						
Equity Holders of the Parent	928,350	1,942,794	(52.22)	(1,277,344)	71,888	(1,876.85)
Non Controlling Interest	341,449	1,562,587	(78.15)	-	-	-
Profit for the Quarter	1,269,799	3,505,381		(1,277,344)	71,888	(1,876.85)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	1,332,983	651,614	104.57	(1,091,169)	(1,757,667)	(37.92)
Non Controlling Interest	650,129	1,528,062	(57.45)	-	-	-
Total Comprehensive Income for the Quarter	1,983,112	2,179,676		(1,091,169)	(1,757,667)	
Earnings per Share (Rs.)	0.80	1.67		(1.10)	0.06	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets				
Property, plant and equipment	111,006,807	105,353,902	16,448	11,527
Intangible assets	6,549,051	6,441,228	3,081	500
Investment property	6,140,184	6,064,200	5,128,149	5,077,749
Biological assets	8,331,693	8,650,109	-	-
Right- of - Use Assets	13,927,342	-	-	-
Investments in subsidiaries	0	-	61,342,506	59,698,169
Investment in equity accounted investees	7,225,219	6,564,576	1,127,000	952,000
Pre-paid operating leases	-	2,366,966	-	-
Deferred tax asset	1,599,040	2,134,725	3,366	2,094
Other non current financial investments	33,959,085	31,769,069	30,472,384	28,392,637
	188,738,422	169,344,775	98,092,934	94,134,676
Currents Assets				
Inventories	9,983,368	9,504,943	1,034	1,064
Produce on Bearer Biological Assets	3,887	6,762	-	-
Pre-paid operating leases	-	76,232	-	-
Trade and Other Receivables	27,594,566	28,902,920	123,952	163,919
Amounts due from Related Companies	398,688	447,777	412,881	44,786
Other Current Financial Investments	14,441,225	24,395,854	8,876,161	17,801,363
Cash and cash equivalents	9,038,648	10,766,523	64,883	33,659
	61,460,381	74,101,010	9,478,911	18,044,791
Assets held for Sale	1,189,650	164,125	-	-
Total assets	251,388,453	243,609,911	107,571,846	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	16,456,655	13,579,406	(1,953,087)	(3,708,246)
Retained Earnings	(22,051,597)	(22,452,538)	8,738,993	5,945,379
Equity attributable to owners of the Company	83,505,058	80,226,868	95,885,906	91,337,133
Non controlling interest	43,182,803	44,359,892	-	-
Total equity	126,687,861	124,586,760	95,885,906	91,337,133
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	48,607,818	32,673,679	-	-
Employee Benefits	3,078,330	2,984,870	12,020	7,477
Deferred Tax Liabilities	8,977,941	9,410,463	579,904	547,524
Other Liabilities	669,749	2,154,959	-	-
	61,333,838	47,223,971	591,925	555,001
Current Liabilities				
Trade and Other Payables	25,116,441	28,418,692	40,516	23,501
Other Liabilities	32,757	6,160	-	-
Amount due to Related Companies	761,922	637,232	773,543	3,668,665
Income Tax Payable	1,212,088	2,264,010	17,189	134,206
Interest Bearing Loans and Borrowings	5,349,492	4,782,138	-	-
Bank Overdrafts and Other Short Term Borrowings	30,894,055	35,690,948	10,262,766	16,460,961
	63,366,754	71,799,180	11,094,014	20,287,333
Total liabilities	124,700,592	119,023,151	11,685,939	20,842,334
Total Equity and Liabilities	251,388,453	243,609,911	107,571,846	112,179,467
Net Assets per Share (Rs.)	71.65	68.84	82.28	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 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 2018	89,100,000	7,010,624	12,137	20,491	711,589	944,140	1,317,586	4,444,088	-	-	(27,884,442)	75,676,214	42,306,255	117,982,468
Adjustment on initial application of SLFRS - 9	-	-	-	-	-	-	-	(18,718)	-	-	(54,917)	(73,635)	(16,673)	(90,308)
Adjustment on initial application of SLFRS - 15	-	-	-	-	-	-	-	-	-	-	111,268	111,268	2,161	113,429
Adjusted balance as at 31 March 2018	89,100,000	7,010,624	12,137	20,491	711,589	944,140	1,317,586	4,425,370	-	-	(27,828,091)	75,713,847	42,291,743	118,005,590
Total Comprehensive Income for the Period														
Profit for the year	-	-	-	-	-	-	-	-	-	-	5,786,185	5,786,185	3,088,484	8,874,669
Other Comprehensive Income														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(3,523,637)	-	-	-	(3,523,637)	(65,950)	(3,589,588)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	(45,131)	(45,131)	5,340	(39,790)
Revaluation of property, plant and equipment	-	1,782,147	-	-	-	-	-	-	-	-	-	1,782,147	294,833	2,076,980
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on change in Fair Value of Biological Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(18,843)	-	(18,843)	(65,286)	(84,129)
Income Tax on Other Comprehensive Income	-	(595,126)	-	-	-	-	-	3,604	-	-	10,224	(581,298)	(105,624)	(686,922)
Exchange difference on translation of foreign operations	-	-	-	-	-	651,017	-	-	-	-	-	651,017	1,256,562	1,907,579
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	68,327	-	-	-	-	(6,234)	62,093	61,906	123,999
Deferred tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actuarials gain/loss on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	1,187,021	-	-	-	719,344	-	(3,520,033)	-	(18,843)	(41,141)	(1,673,652)	1,381,781	(291,871)
Total Comprehensive Income for the period	-	1,187,021	-	-	-	719,344	-	(3,520,033)	-	(18,843)	5,745,044	4,112,533	4,470,265	8,582,798
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,933,782)	(1,933,782)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	40,103	40,103	39,938	80,041
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	(12,300)	-	-	640,177	-	140,992	-	-	-	(768,867)	1	1	2
Effect of Business Combinations of Equity accounted Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	6,509	6,509	389	6,898
Acquisition of Non Controlling Interest of Subsidiaries	-	120	-	-	472	548	-	(15)	-	(14)	301,381	302,493	(508,660)	(206,168)
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	51,385	51,385	-	51,385
Total Contributions by and Distributions to Owners	-	(12,180)	-	-	640,649	548	140,992	(15)	-	(14)	(369,490)	400,490	(2,402,115)	(2,001,624)
Balance as at 31st March 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)	80,226,870	44,359,892	124,586,760

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)	80,226,870	44,359,892	124,586,760
Adjustments on initial application of SLFRS-16	-	-	-	-	-	-	-	-	-	-	(553,956)	(553,956)	(670,009)	(1,223,965)
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)	(23,006,494)	79,672,914	43,689,884	123,362,795
Total Comprehensive Income for the Period														
Profit for the year	-	-	-	-	-	-	-	-	-	-	4,002,029	4,002,029	704,353	4,706,382
Other Comprehensive Income														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	1,733,967	-	-	-	1,733,967	(3,761)	1,730,206
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	1,073	1,073	70,118	71,191
Revaluation of property, plant and equipment	-	151,900	-	-	-	-	-	-	-	-	-	151,900	-	151,900
Income tax on other comprehensive income	-	(42,532)	-	-	-	-	-	99	-	-	(6,458)	(48,890)	(14,302)	(63,192)
Exchange Difference on translation of foreign operations	-	-	-	-	-	306,595	-	-	-	-	-	306,595	661,977	968,572
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(65,570)	-	(65,570)	(225,959)	(291,529)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	658	-	-	-	-	(3,056)	(2,398)	(2,301)	(4,699)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	109,368	-	-	-	307,253	-	1,734,066	-	(65,570)	(8,440)	2,076,676	485,772	2,562,448
Total Comprehensive Income for the period	-	109,368	-	-	-	307,253	-	1,734,066	-	(65,570)	3,993,589	6,078,705	1,190,125	7,268,830
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,672,403)	(1,672,403)
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	369	369	-	369
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	41,459	41,459	40,925	82,384
Dividends paid	-	-	-	-	-	-	-	-	-	-	(2,330,796)	(2,330,796)	-	(2,330,796)
Transferred From/To Retained Earnings	-	-	-	-	643,964	-	147,253	-	-	-	(791,218)	-	-	-
Acquisition of Non Controlling Interest Chnges in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	-	(35,376)	(35,376)	35,376	-
Acquisition of Non Controlling Interest of Subsidiaries	-	535	-	-	2,360	(1,835)	-	(76)	-	(69)	76,868	77,782	(101,105)	(23,323)
Effect on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	535	-	-	646,325	(1,835)	147,253	(76)	-	(69)	(3,038,694)	(2,246,562)	(1,697,207)	(3,943,769)
Balance as at 31st March 2020	89,100,000	8,295,368	12,137	20,491	1,998,562	1,969,450	1,605,831	2,639,312	-	(84,496)	(22,051,597)	83,505,058	43,182,803	126,687,861

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
Adjustment on initial application of SLFRS - 9	-	-	-	(324,591)	(324,591)
Adjusted balance as at 31 March 2018	89,100,000	111,691	(1,093,409)	2,096,693	90,214,975
Profit for the year	-	-	-	3,796,145	3,796,145
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	(2,726,526)	-	(2,726,526)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	1,603	1,603
Income tax on other comprehensive income	-	-	-	(449)	(449)
Total Other Comprehensive Income for the period	-	-	(2,726,526)	1,154	(2,725,372)
Total Comprehensive Income for the period	-	-	(2,726,526)	3,797,299	1,070,773
Transactions with Owners of the Company directly recognized into Equity					
Gain on disposal of FVTOCI Investments	-	-	-	51,385	51,385
Transactions with Owners of the Company directly recognized into Equity	-	-	-	51,385	51,385
Balance as at 31st March 2019	89,100,000	111,691	(3,819,935)	5,945,377	91,337,133
Balance as at 1st April 2019	89,100,000	111,691	(3,819,935)	5,945,379	91,337,135
Profit for the year	-	-	-	5,124,347	5,124,347
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	1,755,157	-	1,755,157
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	(424)	(424)
Income tax on other comprehensive income	-	-	-	119	119
Total Other Comprehensive Income for the period	-	-	1,755,157	(306)	1,754,851
Total Comprehensive Income for the period	-	-	1,755,157	5,124,041	6,879,198
Transactions with Owners of the Company directly recognized into Equity					
Gain on disposal of FVTOCI Investments	-	-	-	369	369
Dividend paid	-	-	-	(2,330,796)	(2,330,796)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	(2,330,427)	(2,330,427)
Balance as at 31st March 2020	89,100,000	111,691	(2,064,778)	8,738,993	95,885,908

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the year ended 31st March,

	GROUP		COMPANY	
	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	11,733,723	15,805,221	5,382,189	4,214,914
Adjustment for				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	6,836,291	5,631,430	6,060	2,175
Provision for gratuity	536,995	509,003	4,483	2,717
Interest Expenses	5,392,317	3,403,160	1,592,872	581,118
Interest income	(2,058,847)	(1,861,286)	(1,890,382)	(1,322,939)
Dividend income	(750,675)	(959,539)	(6,720,240)	(4,227,671)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	4,081	(99,178)	-	174
Amortisation of Bearer Biological assets	165,150	99,813	-	-
(gain)/Loss on Fair Value of Investment Properties	(38,944)	(263,671)	(50,401)	(371,853)
Loss on revaluation/ impairment of Property plant and equipment	5,074	75,857	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	203,867	140,018	-	-
Impairment in Receivables in Subsidiaries	-	-	1,759,901	776,264
Share of profit of equity-accounted investees (net of tax)	(476,354)	(395,185)	-	-
Gain on Fair value of investment in equity accounted investees	-	45,406	-	-
(Gain)/ Loss on disposal of other financial investments	-	(25,624)	-	-
Deferred income recognized	(15,399)	(31,178)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(284,354)	(250,466)	-	-
Impairment of Biological Assets	572,327	-	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(140,343)	80,223	-	56,354
Amotisation of prepaid operating lease	-	57,203	-	-
Bad debts written off	-	3,198	-	3,198
Gain on disposal of Subsidiary	-	-	-	(4,578)
Provision for Impairment of subsidiaries	-	-	(133,750)	272,340
Operating Profit before Working Capital Changes	21,684,908	21,964,405	(49,268)	(17,787)
(Increase)/Decrease in Inventories	(435,196)	(598,021)	30	48
(Increase)/Decrease in Receivables	1,265,888	84,739	39,966	30,524
(Increase)/Decrease in Related Party Receivable and Payable	94,112	(408,291)	(100,152)	1,633
Increase/(Decrease) in Payables	(3,453,122)	478,357	17,017	8,520
Cash Generated from Operations	19,156,589	21,521,189	(92,407)	22,938
Dividend Received	750,675	959,539	6,720,240	4,227,671
Interest Paid	(4,598,394)	(3,412,488)	(1,453,075)	(435,123)
Income Tax Paid	(8,049,651)	(5,653,664)	(343,629)	(174,703)
Retiring Gratuity Paid	(395,639)	(438,980)	(364)	-
Net Cash Flow from Operating Activities	6,863,580	12,975,596	4,830,764	3,640,783
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of equity accounted investees	(199,188)	(1,091,240)	(175,000)	(650,000)
Investment in Subsidiaries, net of cash acquired	(1,577,567)	-	(1,644,336)	-
Proceeds from disposal of subsidiaries	-	2,557,048	-	2,557,048
Proceeds from settlement of Loans given to Related Companies	-	-	-	2,620,036
Loans disbursed to Subsidiaries	-	-	(4,486,077)	-
Loans settled by Subsidiaries	-	-	1,007,100	-
Net proceed from disposal/(Acquisition) of Other Investments	9,709,596	(23,877,892)	11,054,015	(20,676,823)
Acquisition of Property, Plant & Equipment and intangible assets	(10,822,472)	(12,805,810)	(13,566)	(9,254)
Acquisition of intangible assets	(167,231)	(33,665)	-	(496)
Acquisition of Investment properties	(38,494)	-	-	-
Additions of Mature and Immature Plantations	(131,660)	(198,045)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	-	(6,710,712)
Proceeds on Disposal of Property, Plant & Equipment	169,375	159,689	-	646
Interest Received	2,058,847	1,861,286	935,507	729,493
Acquisition of investment property	-	(881,682)	-	(870,846)
Acquisition of non controlling interest	(30,336)	(206,168)	-	(201,331)
Dividend received from equity accounted investees	99,959	577,641	-	-
Net Cash Flow Used in Investing Activities	(929,171)	(33,938,838)	6,677,644	(23,212,239)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees	(162,774)	549,893	-	2,912,805
Payments of Government Lease Rentals	(31,947)	(65,262)	-	-
Short Term Borrowings from Subsidiaries	-	-	34,000	-
Repayment of short term borrowings to subsidiaries	-	-	(2,982,196)	(12,000)
Loans disbursed to Subsidiaries	-	-	-	-
Loans and borrowings Received	7,195,332	15,134,811	-	-
Repayments of loan and borrowings	(4,333,246)	(10,860,463)	-	-
Payment to Lessor on Lease Rights	(1,551,977)	-	-	-
Receipt of deferred Income	22,421	17,081	-	-
Dividends paid	(2,330,796)	-	(2,330,796)	-
Dividend paid by subsidiaries to minority share holders	(1,672,403)	(1,933,782)	-	-
Net Cash Flow from Financing Activities	(2,865,390)	2,842,278	(5,278,992)	2,900,805
Net Increase/Decrease in Cash & Cash Equivalent during the period	3,069,019	(18,120,964)	6,229,415	(16,670,651)
Cash & Cash Equivalents				
At the beginning of the year	(24,924,425)	(6,803,461)	(16,427,302)	243,349
Net movement during the period	3,069,019	(18,120,964)	6,229,415	(16,670,651)
At the end of the year (Note A)	(21,855,406)	(24,924,425)	(10,197,887)	(16,427,302)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	851,413	2,295,784	-	-
Cash in Hand & Bank	8,038,661	8,318,299	64,883	33,659
Cash in transit	148,574	152,440	-	-
Bank overdrafts and other short term borrowings	(30,894,055)	(35,690,948)	(10,262,766)	(16,460,961)
	(21,855,406)	(24,924,425)	(10,197,887)	(16,427,302)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the year ended 31st March,

(a) Revenue

Beverages

Plantations

Telecommunications

Financial services

Diversified

Total revenue

(b) Industry Segment Profit

Beverages

Plantations

Telecommunications

Financial services

Diversified

Share of Profit of Equity-Accounted Investees (Net of Tax)

Net Profit Before Tax

Taxation

Net Profit After Tax

	GROUP	
	2020	2019
	Rs.'000	Rs.'000
	86,812,401	87,433,730
	4,579,808	4,501,190
	3,163,413	2,964,778
	5,376,349	4,745,435
	54,968,339	57,837,695
	154,900,310	157,482,828
	10,303,989	9,557,143
	(1,724,657)	(577,590)
	(1,380,787)	(2,068,595)
	514,717	427,023
	3,544,106	8,072,054
	11,257,369	15,410,036
	476,354	395,185
	11,733,723	15,805,221
	(7,027,341)	(6,930,552)
	4,706,382	8,874,669

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

- 1 The interim Financial Statements have been prepared in accordance with the Accounting Policies set out in the most recent Annual Report and are in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.
- 2 Where appropriate, the previous year's presentation has been amended to conform to current year classifications.
- 3 **Amount due from the Secretary to the Treasury o/a of SLIC Shares**

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

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

In respect of Profits Earned

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

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

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

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

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

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

5 Non Financial Information

		31-Mar-2020	31-Mar-2019
Net Assets Value per Share	- Group (Rs)	71.65	68.84
	- Company (Rs)	82.28	78.37
Market Price per Share	- Last Traded Rs)	23.60	36.00
	- Highest (Rs)	43.80	50.30
	- Lowest (Rs)	23.50	36.00

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

7 Earnings per Share

The Number of shares (1,165,398,072) held as at 31 March 2020 have been used for the purpose of Calculation of Earnings per Share.

8 Business Combinations

8.1 Acquisition of subsidiary

On 19th February 2020, the group acquired 100% holding of Browns Healthacre (Pvt) Ltd at a total consideration of Rs.1.6Bn.

8.2 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 March 2020

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	MR. M.A. YASEEN	166,512,745	14.288
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	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
10	BNYM RE-CONSILIUM FRONTIER EQUITY FUNDL.P.	8,781,575	0.754
11	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
12	MR. D.H.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	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.427
19	SSBT-FRANK RUSSELL INVESTMENT COMPANY EMERGING MARKETS FUND-CHE7	4,787,216	0.411
20	SSBT-PARAMETRIC EMERGING MARKETS FUND	4,730,447	0.406
		1,068,991,426	91.728
	OTHERS	96,405,646	8.272
	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 10,689

Float Adjusted Market Capitalization

The Public Holding of the Company as at 31 March 2020 was **42.77 %** comprising of **10,689** shareholders and the Float adjusted Market Capitalization of **Rs.11,763,512,984/-**. Interm of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

Directors' Share Holdings as at 31 March 2020

	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