

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

31st DECEMBER 2022

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

| Rs. '000s For the nine months ended 31st December, | GROUP | | | COMPANY | | |
|---|-------------------------------|-------------------------------|---------------|-------------------------------|-------------------------------|---------------|
| | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 | Variance % | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 | Variance % |
| | Revenue | 179,521,095 | 122,352,549 | 46.72 | 194,599 | 182,974 |
| Excise duty | (52,026,196) | (51,929,172) | 0.19 | - | - | - |
| Cost of sales and net benefits paid | (69,185,790) | (42,972,355) | 61.00 | (5,309) | (5,188) | 2.32 |
| Gross Profit | 58,309,109 | 27,451,022 | 112.41 | 189,290 | 177,785 | 6.47 |
| Other Operating Income | 1,142,069 | 1,196,031 | (4.51) | 6,897,678 | 7,903,443 | (12.73) |
| Selling and distribution expenses | (4,293,891) | (1,726,120) | 148.76 | - | - | - |
| Administrative Expenses | (19,891,822) | (12,238,695) | 62.53 | (219,696) | (171,935) | 27.78 |
| Other Operating Expenses | (455,784) | (127,410) | 257.73 | - | (1,825,530) | (100.00) |
| Profit from Operations | 34,809,681 | 14,554,828 | 139.16 | 6,867,272 | 6,083,763 | 12.88 |
| Finance Income | 11,603,150 | 2,269,919 | 411.17 | 2,111,326 | 858,260 | 146.00 |
| Finance Cost | (11,226,880) | (3,887,379) | 188.80 | (1,790,855) | (448,027) | 299.72 |
| Net Finance Income/(cost) | 376,270 | (1,617,460) | | 320,472 | 410,233 | (21.88) |
| Share of Profit of Equity-Accounted Investees (Net of Tax) | 935,648 | 452,075 | 106.97 | - | - | - |
| Profit before Tax for the period | 36,121,600 | 13,389,443 | 169.78 | 7,187,744 | 6,493,996 | 10.68 |
| Income Tax | (13,998,592) | (6,301,655) | 122.14 | (1,041,213) | (799,246) | 30.27 |
| Profit for the period | 22,123,008 | 7,087,788 | 212.13 | 6,146,531 | 5,694,750 | 7.93 |
| Other comprehensive income | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | |
| Equity investments at FVOCI – net change in fair value | (2,729,897) | 1,541,874 | (277.05) | (2,261,738) | 1,395,138 | (262.12) |
| | (2,729,897) | 1,541,874 | - | (2,261,738) | 1,395,138 | - |
| Items that are or may be reclassified to profit or loss | | | | | | |
| Exchange Difference on translation of foreign operations | 6,250,750 | 8,828 | 70,705.96 | - | - | - |
| Net movement on Cashflow Hedges | (1,521,655) | 206,650 | (836.34) | - | - | - |
| Share of other comprehensive income of equity accounted investees | 573,703 | (47,339) | 1,311.90 | - | - | - |
| | 5,302,798 | 168,139 | 3,053.82 | - | - | - |
| Total other comprehensive income for the period | 2,572,901 | 1,710,013 | 50.46 | (2,261,738) | 1,395,138 | (262.12) |
| Total comprehensive income for the period | 24,695,908 | 8,797,801 | 180.71 | 3,884,792 | 7,089,888 | 45.21 |
| Profit Attributable to: | | | | | | |
| Equity Holders of the Parent | 17,354,697 | 5,706,720 | 204.11 | 6,146,531 | 5,694,750 | 7.93 |
| Non Controlling Interest | 4,768,311 | 1,381,068 | (245.26) | - | - | - |
| Profit for the period | 22,123,008 | 7,087,788 | | 6,146,531 | 5,694,750 | |
| Total Comprehensive Income Attributable to: | | | | | | |
| Equity Holders of the Parent | 16,854,251 | 7,263,393 | 132.04 | 3,884,792 | 7,089,888 | (45.21) |
| Non Controlling Interest | 7,841,657 | 1,534,408 | (411.05) | - | - | - |
| Total comprehensive income for the period | 24,695,908 | 8,797,801 | | 3,884,792 | 7,089,888 | |
| Earnings per Share (Rs.) | | | | | | |
| Basic Earnings per Share | 14.89 | 4.90 | 204.11 | 5.27 | 4.89 | 7.93 |

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

| Rs. '000s For the quarter ended 31st December, | GROUP | | | COMPANY | | |
|--|-------------------------------|-------------------------------|---------------|-------------------------------|-------------------------------|---------------|
| | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 | Variance % | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 | Variance % |
| Revenue | 61,052,096 | 50,787,694 | 20.21 | 64,617 | 59,775 | 8.10 |
| Excise duty | (15,908,149) | (22,743,615) | (30.05) | - | - | - |
| Cost of sales and net benefits paid | (22,479,595) | (16,335,890) | 37.61 | (4,138) | (4,134) | 0.10 |
| Gross Profit | 22,664,352 | 11,708,189 | 93.58 | 60,479 | 55,641 | 8.70 |
| Other Operating Income | 412,235 | 431,748 | (4.52) | 2,680,275 | 3,906,684 | (31.39) |
| Selling and distribution expenses | (1,896,966) | (749,887) | 152.97 | - | - | - |
| Administrative Expenses | (7,196,663) | (4,580,734) | 57.11 | (61,912) | (75,655) | (18.16) |
| Other Operating Expenses | (158,636) | (24,906) | 536.95 | - | - | - |
| Profit from Operations | 13,824,323 | 6,784,411 | 103.77 | 2,678,842 | 3,886,670 | (31.08) |
| Finance Income | 1,410,381 | 755,623 | 86.65 | 855,345 | 381,620 | 124.14 |
| Finance Cost | (4,302,993) | (1,320,953) | 225.75 | (722,015) | (185,694) | 288.82 |
| Net Finance Income/(cost) | (2,892,612) | (565,331) | | 133,330 | 195,926 | (31.95) |
| Share of Profit of Equity-Accounted Investees (Net of Tax) | 176,471 | 161,552 | 9.23 | - | - | - |
| Profit before Tax for the Quarter | 11,108,181 | 6,380,632 | 74.09 | 2,812,171 | 4,082,596 | (31.12) |
| Income Tax | (5,707,519) | (2,482,947) | 129.87 | (444,694) | (528,815) | (15.91) |
| Profit for the Quarter | 5,400,663 | 3,897,686 | 38.56 | 2,367,478 | 3,553,781 | (33.38) |
| Other comprehensive income | | | | | | |
| Items that will never be reclassified to profit or loss | | | | | | |
| Equity investments at FVOCI – net change in fair value | (1,159,088) | 806,812 | (243.66) | (1,050,862) | 890,963 | (217.95) |
| Share of other comprehensive income of equity-accounted investees (net of tax) | - | - | #DIV/0! | - | - | - |
| | (1,159,088) | 806,812 | - | (1,050,862) | 890,963 | - |
| Items that are or may be reclassified to profit or loss | | | | | | |
| Exchange Difference on translation of foreign operations | 88,988 | (43,650) | 303.87 | - | - | - |
| Net movement on Cashflow Hedges | (845,928) | 153,316 | (651.75) | - | - | - |
| Share of other comprehensive income of equity accounted investees | 144,524 | (12,565) | 1,250.21 | - | - | - |
| | (612,416) | 97,101 | | - | - | |
| Total other comprehensive income for the quarter | (1,771,504) | 903,913 | (295.98) | (1,050,862) | 890,963 | (217.95) |
| Total comprehensive income for the quarter | 3,629,159 | 4,801,600 | (24.42) | 1,316,615 | 4,444,743 | (70.38) |
| Profit Attributable to: | | | | | | |
| Equity Holders of the Parent | 4,997,295 | 2,218,248 | 125.28 | 2,367,478 | 3,553,781 | 33.38 |
| Non Controlling Interest | 403,368 | 1,679,438 | (75.98) | - | - | - |
| Profit for the Quarter | 5,400,663 | 3,897,686 | | 2,367,478 | 3,553,781 | (33.38) |
| Total Comprehensive Income Attributable to: | | | | | | |
| Equity Holders of the Parent | 3,819,459 | 3,041,296 | 25.59 | 1,316,615 | 4,444,743 | (70.38) |
| Non Controlling Interest | (190,300) | 1,760,304 | (110.81) | - | - | - |
| Total Comprehensive Income for the Quarter | 3,629,159 | 4,801,600 | | 1,316,615 | 4,444,743 | |
| Earnings per Share (Rs.) | 4.29 | 1.90 | | 2.03 | 3.05 | |

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

| As at, | GROUP | | COMPANY | |
|---|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| | Unaudited 31-Dec-2022 Rs. '000s | Audited 31-Mar-2022 Rs. '000s | Unaudited 31-Dec-2022 Rs. '000s | Audited 31-Mar-2022 Rs. '000s |
| Non-Current Assets | | | | |
| Property, plant and equipment | 139,370,687 | 127,785,816 | 11,380 | 13,113 |
| Intangible assets | 6,357,559 | 5,978,579 | 1,652 | 586 |
| Investment property | 7,460,128 | 7,473,414 | 6,587,405 | 6,586,161 |
| Biological assets | 9,603,697 | 9,232,870 | - | - |
| Right-of-use assets | 23,431,993 | 20,522,615 | 23,738 | 29,217 |
| Investments in subsidiaries | - | - | 61,649,144 | 60,950,002 |
| Investment in equity accounted investees | 10,211,353 | 9,233,260 | 1,452,000 | 1,352,000 |
| Deferred tax asset | 2,337,637 | 3,572,382 | 3,056 | 3,057 |
| Other non current financial investments | 27,484,681 | 30,107,057 | 24,085,810 | 26,181,711 |
| | 226,257,735 | 213,905,993 | 93,814,184 | 95,115,847 |
| Currents Assets | | | | |
| Inventories | 17,278,173 | 9,708,008 | 1,045 | 1,048 |
| Produce on bearer biological assets | 25,396 | 5,568 | - | - |
| Trade and other receivables | 40,250,476 | 32,871,963 | 2,045,573 | 3,253,557 |
| Amounts due from related companies | 453,183 | 217,959 | 3,050,531 | 2,313,973 |
| Other current financial investments | 33,889,946 | 28,000,520 | 7,929,234 | 6,787,575 |
| Other current assets | 566,707 | 583,502 | - | - |
| Cash and cash equivalents | 24,424,269 | 24,902,636 | 13,370 | 212,665 |
| | 116,888,150 | 96,290,156 | 13,039,753 | 12,568,818 |
| Assets held for Sale | 164,125 | 1,751,094 | - | - |
| Total assets | 343,310,009 | 311,947,243 | 106,853,937 | 107,684,665 |
| EQUITY AND LIABILITIES | | | | |
| Share capital and reserves | | | | |
| Stated Capital | 70,000,000 | 70,000,000 | 70,000,000 | 70,000,000 |
| Reserves | 38,572,814 | 38,785,120 | 9,861,745 | 12,123,483 |
| Retained earnings/(Losses) | (10,697,130) | (21,472,548) | 12,785,299 | 9,575,828 |
| Equity attributable to owners of the Company | 97,875,684 | 87,312,572 | 92,647,043 | 91,699,311 |
| Non controlling interest | 53,218,747 | 49,020,474 | - | - |
| Total equity | 151,094,431 | 136,333,046 | 92,647,043 | 91,699,311 |
| Non-Current Liabilities | | | | |
| Interest bearing loans and borrowings | 55,758,788 | 51,767,396 | - | - |
| Lease liabilities | 19,026,620 | 17,031,476 | 18,705 | 23,859 |
| Employee benefits | 3,979,318 | 3,912,802 | 14,352 | 11,756 |
| Deferred tax liabilities | 10,980,657 | 11,577,145 | 780,810 | 780,810 |
| Other liabilities | 834,285 | 740,368 | - | - |
| | 90,579,669 | 85,029,187 | 813,868 | 816,425 |
| Current Liabilities | | | | |
| Trade and other payables | 43,965,034 | 50,324,333 | 79,761 | 3,223,020 |
| Other liabilities | 6,032 | 5,150 | - | - |
| Amount due to related companies | 3,048,593 | 1,966,519 | 435,760 | 391,688 |
| Income tax payable | 7,561,575 | 3,424,693 | 773,113 | 826,742 |
| Interest bearing loans and borrowings | 10,305,804 | 9,200,270 | - | - |
| Lease liabilities | 2,600,627 | 2,240,653 | 6,782 | 6,336 |
| Bank overdrafts and other short term borrowings | 34,148,244 | 23,423,392 | 12,097,610 | 10,721,143 |
| | 101,635,909 | 90,585,010 | 13,393,026 | 15,168,929 |
| Total liabilities | 192,215,578 | 175,614,197 | 14,206,894 | 15,985,354 |
| Total Equity and Liabilities | 343,310,009 | 311,947,243 | 106,853,937 | 107,684,665 |
| Net Assets per Share (Rs.) | 83.98 | 74.92 | 79.50 | 78.69 |

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
Head of Finance

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
Director

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 2021 | 89,100,000 | 9,615,953 | 12,137 | 20,491 | 3,005,189 | 2,493,085 | 1,813,045 | (702,015) | - | (244,780) | (21,461,330) | 83,651,775 | 40,020,776 | 123,672,551 |
| Total Comprehensive Income for the Period | | | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | 5,706,720 | 5,706,720 | 1,381,068 | 7,087,788 |
| Other Comprehensive Income | | | | | | | | | | | | | | |
| Equity investments at FVOCI – net change in fair value | - | - | - | - | - | - | - | 1,531,049 | - | - | - | 1,531,049 | 10,823 | 1,541,872 |
| Net movement on Cashflow Hedges | - | - | - | - | - | - | - | - | - | 46,479 | - | 46,479 | 160,171 | 206,650 |
| Income Tax on Other Comprehensive Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange difference on translation of foreign operations | - | - | - | - | - | 3,641 | - | - | - | - | - | 3,641 | 5,187 | 8,828 |
| Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax) | - | (673) | - | - | - | (23,823) | - | - | - | - | - | (24,496) | (22,841) | (47,337) |
| Income tax on other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Other Comprehensive Income for the period | - | (673) | - | - | - | (20,182) | - | 1,531,049 | - | 46,479 | - | 1,556,673 | 153,340 | 1,710,013 |
| Total Comprehensive Income for the period | - | (673) | - | - | - | (20,182) | - | 1,531,049 | - | 46,479 | 5,706,720 | 7,263,393 | 1,534,408 | 8,797,801 |
| Transactions with owners directly recorded in the Equity | | | | | | | | | | | | | | |
| Dividends paid to Non Controlling Interest | - | - | - | - | - | - | - | - | - | - | - | - | (1,563,487) | (1,563,487) |
| Reduction of stated capital (Note-9 (ii)) | (19,100,000) | - | 19,100,000 | - | - | - | - | - | - | - | - | - | - | - |
| Repurchase of Non voting shares (Note-9 (i)) | - | - | - | - | - | - | - | - | - | - | (64) | (64) | - | - |
| Share of Net Assets of Equity-Accounted Investees (Net of Tax) | - | - | - | - | - | - | - | - | - | - | 10,990 | 10,990 | 18,327 | 29,317 |
| Acquisition of Non Controlling Interest Chnges in % Holding of Subsidiaries | - | - | - | - | - | - | - | - | - | - | 1,492 | 1,492 | (1,492) | - |
| Dividends Paid During the Period | - | - | - | - | - | - | - | - | - | - | (6,351,417) | (6,351,417) | - | (6,351,417) |
| Transferred From/To Retained Earnings | - | - | - | - | - | - | 84,761 | - | - | - | (84,761) | - | - | - |
| Total Contributions by and Distributions to Owners | (19,100,000) | - | 19,100,000 | - | - | - | 84,761 | - | - | - | (6,423,760) | (6,338,999) | (1,546,652) | (7,885,587) |
| Balance as at 31st December 2021 | 70,000,000 | 9,615,280 | 19,112,137 | 20,491 | 3,005,189 | 2,472,903 | 1,897,806 | 829,034 | - | (198,301) | (22,178,370) | 84,576,169 | 40,008,532 | 124,584,765 |

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 | - | - | - | - | - | - | - | - | - | - | (3,769,164) | (3,769,164) | (473,886) | (4,243,050) |
| 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) | (25,241,712) | 83,543,408 | 48,546,588 | 132,089,996 |
| 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 | | | | | | | | | | | | | | |
| Net Change in Fair Value of FVTOCI Investments | - | - | - | - | - | - | - | (2,700,635) | - | - | - | (2,700,635) | (29,262) | (2,729,897) |
| Exchange Difference on translation of foreign operations | - | - | - | - | - | 2,253,518 | - | - | - | - | - | 2,253,518 | 3,997,232 | 6,250,750 |
| Net movement on Cashflow Hedges | - | - | - | - | - | - | - | - | - | (352,157) | - | (352,157) | (1,169,498) | (1,521,655) |
| Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax) | - | - | - | - | - | 298,829 | - | - | - | - | - | 298,829 | 274,874 | 573,703 |
| 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 | - | - | - | - | - | - | - | - | - | - | 57,553 | 57,553 | 54,484 | 112,037 |
| Acquisition of Non Controlling Interest Changes 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 | - | - | - | - | - | - | - | - | - | - | (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) | (10,697,130) | 97,875,684 | 53,218,747 | 151,094,431 |

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 2021 | 89,100,000 | 116,308 | - | (5,099,857) | 11,930,964 | 96,047,415 |
| Profit for the period | - | - | - | - | 5,694,750 | 5,694,750 |
| Other Comprehensive Income | | | | | | - |
| Equity investments at FVOCI – net change in fair value | - | - | - | 1,395,138 | - | 1,395,138 |
| Actuarial Gain/(Losses) on retirement benefit obligations | - | - | - | - | - | - |
| Income tax on other comprehensive income | - | - | - | - | - | - |
| Total Other Comprehensive Income for the period | - | - | - | 1,395,138 | - | 1,395,138 |
| Total Comprehensive Income for the period | - | - | - | 1,395,138 | 5,694,750 | 7,089,888 |
| Transactions with Owners of the Company directly recognized into Equity | | | | | | |
| Reduction of stated capital (Note-9 (ii)) | (19,100,000) | - | 19,100,000 | - | - | - |
| Repurchase of Non voting shares (Note-9 (i)) | - | - | - | - | (83) | (83) |
| Dividend paid | - | - | - | - | (6,351,417) | (6,351,417) |
| Transactions with Owners of the Company directly recognized into Equity | (19,100,000) | - | 19,100,000 | - | (6,351,499) | (6,351,499) |
| Balance as at 31st December 2021 | 70,000,000 | 116,308 | 19,100,000 | (3,704,719) | 11,274,215 | 96,785,804 |
| 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 | - | - | - | - | - | - |
| Income tax on other comprehensive income | - | - | - | - | - | - |
| 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 | | | | | | |
| | - | - | - | - | (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 |

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the nine months ended 31st December,

| | GROUP | | COMPANY | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 | Unaudited 2022 Rs. '000 | Unaudited 2021 Rs. '000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit before Taxation | 36,121,600 | 13,389,443 | 7,187,744 | 6,493,996 |
| Adjustment for | | | | |
| Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets | 6,804,715 | 5,614,500 | 9,874 | 11,056 |
| Provision for gratuity | 331,536 | 310,539 | 2,596 | 2,268 |
| Interest Expenses | 9,756,355 | 3,620,351 | 1,789,319 | 448,027 |
| Interest income | (3,436,539) | (1,266,586) | (2,034,902) | (560,295) |
| Dividend income | (298,023) | (232,740) | (6,882,506) | (7,869,012) |
| (Gain) / loss on Disposal of Property, Plant and Equipment and biological assets | 1,205 | (15,088) | - | - |
| Loss of retiring of Assets held for sale | 72,269 | - | - | - |
| Provision/(Reversal) for Bad & Doubtful Debts and impairment | 318,598 | (123,982) | - | - |
| Related party receivables written-off | - | - | - | 1,825,530 |
| Gain on bargaining purchases | - | (119,503) | - | - |
| Share of profit of equity-accounted investees (net of tax) | (935,648) | (452,075) | - | - |
| (Gain)/ Loss on disposal of other financial investments | (26,674) | (48,134) | (12,616) | (34,430) |
| (Gain) on disposal of Group Investments | - | - | (2,485) | - |
| Amortization of Deferred Grants and Subsidies | (12,982) | (9,186) | - | - |
| (Gain) / loss on Change in Fair Value of Biological Assets | (294,315) | (271,017) | - | - |
| (Gain)/loss on change in fair value of financial assets at fair value through profit or loss | (1,580,760) | (499,536) | (76,424) | (297,965) |
| Operating Profit before Working Capital Changes | 46,821,337 | 19,896,987 | (19,400) | 19,175 |
| (Increase)/Decrease in Inventories | (7,589,993) | (458,234) | 3 | 12 |
| (Increase)/Decrease in Receivables | (5,414,852) | 840,546 | 3,217,074 | 478,350 |
| (Increase)/Decrease in Related Party Receivable and Payable | 846,851 | 1,294,199 | (40,237) | 155,955 |
| Increase/(Decrease) in Payables | (3,326,833) | 5,006,696 | 3,316 | 70,083 |
| Cash Generated from Operations | 31,336,509 | 26,580,194 | 3,160,756 | 723,575 |
| Dividend Received | 298,023 | 232,740 | 6,882,506 | 7,869,012 |
| Interest Paid | (8,416,089) | (2,179,640) | (1,787,783) | (580,503) |
| Income Tax and surcharge tax Paid | (13,474,318) | (6,228,386) | (1,293,222) | (424,017) |
| Retiring Gratuity Paid | (311,891) | (265,358) | - | - |
| Net Cash Flow from Operating Activities | 9,432,234 | 18,139,550 | 6,962,257 | 7,588,067 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Acquisition of/ Investment in equity accounted investees | (117,500) | (49,700) | (100,000) | - |
| Dividends received from equity accounted investees | 760,794 | 442,662 | - | - |
| Investment in Subsidiaries, net of cash acquired | (1,499,440) | (878,610) | (80,000) | - |
| Proceeds from settlement of Loans given to Related Companies | - | - | 337,835 | - |
| Net of Acquisition of Non Controlling Interest and proceeds from disposal of shares in subsidiaries | (628,056) | - | (616,656) | (677,000) |
| Subscription to the right issues of Subsidiaries | - | - | (2,009,091) | - |
| Net proceed from disposal/(Acquisition) of Other Investments | (4,389,511) | (4,900,174) | 39,147 | (44,348) |
| Acquisition of Property, Plant & Equipment, Investment Property and intangible assets | (1,896,276) | (1,131,876) | (4,972) | (5,050) |
| Additions of Mature and Immature Plantations net of sale of timber | (161,486) | (133,166) | - | - |
| Loans disbursed to Subsidiaries and Associates | - | - | (861,297) | (1,531,393) |
| Loans settled by Subsidiaries | - | - | - | 459,000 |
| Proceeds on retirement of assets held for sale | 1,878,448 | - | - | - |
| Proceeds on Disposal of Property, Plant & Equipment | 24,406 | 34,930 | - | - |
| Interest Received | 3,436,539 | 1,266,586 | 648,513 | 1,234 |
| Net Cash Flow Used in Investing Activities | (2,592,082) | (5,349,348) | (2,646,521) | (1,797,640) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net Advances received from/(repaid to) equity accounted investees/ Subsidiaries | (97,848) | (58,094) | - | - |
| Loans and borrowings Received | 395,529 | 1,481,524 | - | - |
| Repayments of loan Borrowings and payments to Lessor on Lease Rights | (10,019,026) | (3,927,933) | (6,244) | (6,244) |
| Dividends paid | (5,885,255) | (6,351,417) | (5,885,255) | (6,351,417) |
| Dividend paid by subsidiaries to minority share holders | (2,436,771) | (1,563,487) | - | - |
| Net Cash Flow from Financing Activities | (18,043,371) | (10,419,407) | (5,891,499) | (6,357,661) |
| Net Increase/Decrease in Cash & Cash Equivalent during the year | (11,203,219) | 2,370,795 | (1,575,763) | (567,234) |
| Cash & Cash Equivalents | | | | |
| At the beginning of the year | 1,479,244 | (14,781,192) | (10,508,478) | (9,353,343) |
| Net Cash and Cash Equivalents of Acquisition of Subsidiaries | - | - | - | - |
| Net movement during the period | (11,203,219) | 2,370,795 | (1,575,763) | (567,234) |
| At the end of the year (Note A) | (9,723,975) | (12,410,397) | (12,084,241) | (9,920,577) |
| Note A-Cash and Equivalents are as follows | | | | |
| Short Term Deposits | 7,962,717 | 2,418,572 | - | - |
| Cash in Hand & Bank | 16,153,484 | 10,507,576 | 13,370 | 2,502 |
| Cash in transit | 308,068 | 105,645 | - | - |
| Bank overdrafts and other short term borrowings | (34,148,244) | (25,442,191) | (12,097,610) | (9,923,079) |
| | (9,723,975) | (12,410,397) | (12,084,241) | (9,920,577) |

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the nine months ended 31st December,

| | GROUP | |
|--|---------------------|--------------|
| | 2022 | 2021 |
| | Rs.'000 | Rs.'000 |
| (a) Revenue | | |
| Beverages | 96,815,742 | 76,686,063 |
| Plantations | 7,785,713 | 5,483,791 |
| Telecommunications | 1,216,571 | 1,502,744 |
| Financial services | 4,276,335 | 3,227,849 |
| Diversified | 69,426,735 | 35,452,103 |
| Total gross revenue | 179,521,095 | 122,352,549 |
| Excise duty on beverages | (52,026,196) | (51,929,172) |
| Total net revenue | 127,494,899 | 70,423,377 |
| (b) Industry Segment Profit | | |
| Beverages | 23,811,991 | 10,310,324 |
| Plantations | 2,825,004 | 368,864 |
| Telecommunications | (1,049,721) | (1,053,972) |
| Financial services | 2,000,928 | 736,198 |
| Diversified | 7,597,750 | 2,575,955 |
| | 35,185,952 | 12,937,368 |
| Share of Profit of Equity-Accounted Investees (Net of Tax) | 935,648 | 452,075 |
| Net Profit Before Tax | 36,121,600 | 13,389,443 |
| Taxation | (13,998,592) | (6,301,655) |
| Net Profit After Tax | 22,123,008 | 7,087,788 |

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-2022 | 31-Dec-2021 | 31-Mar-2022 |
|----------------------------|-------------------|--------------------|--------------------|--------------------|
| Net Assets Value per Share | - Group (Rs) | 83.98 | 72.57 | 74.92 |
| | - Company (Rs) | 79.50 | 83.05 | 78.69 |
| Market Price per Share | - Last Traded Rs) | 46.20 | 56.10 | 41.10 |
| | - Highest (Rs) | 55.00 | 62.20 | 68.00 |
| | - Lowest (Rs) | 40.00 | 52.70 | 39.50 |

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 2022 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 2022.

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 2022. 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 2022.

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

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

10 Surcharge Tax

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

11 Events occurring after the reporting period

Subsequent to the reporting period, no circumstances have arisen which would require adjustment to or disclosure in the financial statements except for those disclosed below.

- Melstacorp PLC has declared its 2nd Interim Dividend for 2022/23 at Rs.1.70 per share amounting to Rs.1,981,175,022.40

Top 25 Shareholders – 31 December 2022

| Rank | Name | No of shares | % |
|------|--|---------------|---------|
| 1 | MILFORD EXPORTS (CEYLON) (PVT) LIMITED | 498,819,000 | 42.802 |
| 2 | LANKA MILK FOODS (CWE) LIMITED | 151,846,000 | 13.030 |
| 3 | MR. M.A. YASEEN | 140,739,105 | 12.076 |
| 4 | COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN | 52,200,000 | 4.479 |
| 5 | MRS. L.E.M. YASEEN | 52,180,145 | 4.477 |
| 6 | COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN | 39,000,000 | 3.346 |
| 7 | MR. DON HAROLD STASSEN JAYAWARDENA | 13,014,200 | 1.117 |
| 8 | MRS. S.M. CHRYSOSTOM | 11,390,000 | 0.977 |
| 9 | STASSEN EXPORTS (PVT) LIMITED | 8,746,800 | 0.751 |
| 10 | DON AND DON HOLDINGS PRIVAT LIMITED | 8,371,776 | 0.718 |
| 11 | MR. L.E. BADER | 8,151,000 | 0.699 |
| 12 | MR. DON HASITHA STASSEN JAYAWARDENA | 7,531,332 | 0.646 |
| 13 | MRS. P.M.P.G.N. PRIYADARSHANI | 7,016,052 | 0.602 |
| 14 | SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C. | 6,186,000 | 0.531 |
| 15 | MCSEN RANGE PRIVATE LIMITED | 5,459,864 | 0.468 |
| 16 | BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED | 4,937,755 | 0.424 |
| 17 | SEYLAN BANK PLC/DON & DON HOLDINGS (PVT) LTD | 4,914,613 | 0.422 |
| 18 | SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD | 4,339,369 | 0.372 |
| 19 | RUBICOND ENTERPRISES LIMITED | 4,294,921 | 0.369 |
| 20 | MR. U.K. SHARMA | 4,262,647 | 0.366 |
| 21 | MELLON BANK N.A.-UPS GROUP TRUST | 3,066,226 | 0.263 |
| 22 | PERSHING LLC S/A AVERBACH GRAUSON & CO. | 2,862,679 | 0.246 |
| 23 | MRS. T.T.A. DE SILVA WEERASOORIA | 2,300,000 | 0.197 |
| 24 | RIL PROPERTY PLC | 2,165,539 | 0.186 |
| 25 | DFCC BANK PLC A/C 1 | 2,069,940 | 0.178 |
| | | 1,045,864,963 | 89.743 |
| | OTHERS | 119,532,109 | 10.257 |
| | TOTAL | 1,165,397,072 | 100.000 |

Percentage of Shares held by the public

41.60%

Total No. of share holders who hold the public holding

14,332

Float Adjusted Market Capitalization

The Public Holding of the Company as at 31 December 2022 was 41.60% comprising of 14,332 shareholders and the Float adjusted Market Capitalization of Rs.22,395,917,174.40. 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 2022

| | No of Shares | % |
|--|--------------|--------|
| Mr. D. H. S. Jayawardena | 13,014,200 | 1.117% |
| Mr.M.A.N.S Perera (Appointed w.e.f. 02/01/2023) | - | 0.000% |
| Mr.L.U.D.Fernando (Appointed w.e.f. 22/09/2022)* | - | 0.000% |
| Mr. C. R. Jansz | - | 0.000% |
| Mr. N. De S. Deva Aditya | - | 0.000% |
| Mr. K. J. Kahanda | - | 0.000% |
| Dr. A. N. Balasuriya | - | 0.000% |
| Mr. D. Hasitha S. Jayawardena | 7,531,332 | 0.646% |
| Mr.R. Seevaratnam (Demised on 19/01/2023) | - | 0.000% |
| Ms.D.S.T. Jayawardena (Appointed w.e.f. 15/09/2022) | 38,600 | 0.003% |
| Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya) | - | 0.000% |

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

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

Mr. C. R. Jansz

Mr. N. De S. Deva Aditya

Mr. K. J. Kahanda

Dr. A. N. Balasuriya

Mr. D. Hasitha S. Jayawardena

Mr.R. Seevaratnam (Demised on 19/01/2023)

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

Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya)

COMPANY SECRETARY

Messrs. Coporate Services (Private) Limited

No.216, De Saram Road,

Colombo 10.

AUDITORS

Messrs. KPMG

Chartered Accountants

No.32A, Sir Mohamed Macan Marker Mawatha,

Colombo 03, Sri Lanka.

REGISTRARS

Central Depository Systems (Private) Limited

Registrar Services and Corporate Actions Unit

No.341/5, Kotte Road,

Rajagiriya, Sri Lanka.

BANKERS

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Bank of Ceylon

Hatton National Bank PLC

Sampath Bank PLC