

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

30th JUNE 2023

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the three months ended 30th June,	GROUP			COMPANY		
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Variance %
	Revenue	53,607,763	59,180,431	(9.42)	64,615	65,118
Excise duty	(17,296,169)	(20,702,153)	(16.45)	-	-	-
Cost of sales and net benefits paid	(21,069,147)	(22,110,137)	(4.71)	(714)	(317)	125.34
Gross Profit	15,242,447	16,368,140	(6.88)	63,901	64,801	(1.39)
Other Operating Income	404,422	429,652	(5.87)	6,522,302	1,353,967	381.72
Selling and distribution expenses	(1,017,948)	(1,123,634)	(9.41)	-	-	-
Administrative Expenses	(6,610,845)	(6,197,328)	6.67	(78,210)	(64,349)	21.54
Other Operating Expenses	(214,117)	(104,539)	104.82	-	-	(100.00)
Profit from Operations	7,803,960	9,372,292	(16.73)	6,507,993	1,354,419	380.50
Finance Income	2,211,786	7,892,114	(71.97)	547,226	520,992	5.04
Finance Cost	(6,061,634)	(3,381,878)	79.24	(461,822)	(473,074)	(2.38)
Net Finance Income/(cost)	(3,849,849)	4,510,236		85,403	47,918	78.23
Share of Profit of Equity-Accounted Investees (Net of Tax)	164,816	322,096	(48.83)	-	-	-
Profit before Tax for the period	4,118,927	14,204,625	(71.00)	6,593,396	1,402,337	370.17
Income Tax	(3,674,915)	(3,773,024)	(2.60)	(24,431)	(138,109)	(82.31)
Profit for the period	444,012	10,431,601	(95.74)	6,568,965	1,264,228	419.60
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Equity investments at FVOCI – net change in fair value	1,945,529	(4,372,128)	(144.50)	1,738,091	(3,982,307)	(143.65)
Income tax on other comprehensive income	(20,174)	-	100.00	-	-	-
	1,925,355	(4,372,128)	-	1,738,091	(3,982,307)	-
Items that are or may be reclassified to profit or loss						
Exchange Difference on translation of foreign operations	(1,991,961)	6,210,427	(132.07)	-	-	-
Net movement on Cashflow Hedges	660,423	(1,372,884)	(148.10)	-	-	-
Share of other comprehensive income of equity accounted investees	(353,418)	533,891	166.20	-	-	-
	(1,684,956)	5,371,434	(131.37)	-	-	-
Total other comprehensive income for the period	240,399	999,306	(75.94)	1,738,091	(3,982,307)	(143.65)
Total comprehensive income for the period	684,411	11,430,906	(94.01)	8,307,056	(2,718,080)	405.62
Profit Attributable to:						
Equity Holders of the Parent	2,233,220	6,890,615	(67.59)	6,568,965	1,264,228	419.60
Non Controlling Interest	(1,789,208)	3,540,985	150.53	-	-	-
Profit for the period	444,012	10,431,601		6,568,965	1,264,228	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,417,552	4,690,123	(27.13)	8,307,056	(2,718,080)	(405.62)
Non Controlling Interest	(2,733,141)	6,740,783	140.55	-	-	-
Total comprehensive income for the period	684,411	11,430,906		8,307,056	(2,718,080)	
Earnings per Share (Rs.)						
Basic Earnings per Share	1.92	5.91	(67.59)	5.64	1.08	419.60

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited 30 June-2023 Rs. '000s	Unaudited 31-Mar-2023 Rs. '000s	Unaudited 30 June-2023 Rs. '000s	Unaudited 31-Mar-2023 Rs. '000s
Non-Current Assets				
Property, plant and equipment	132,938,706	137,106,390	9,775	10,603
Intangible assets	6,125,200	6,215,470	1,476	1,573
Investment property	8,134,242	8,133,911	7,510,570	7,510,570
Biological assets	9,690,615	9,765,311	-	-
Right-of-use assets	19,204,485	20,750,567	20,085	21,912
Investments in subsidiaries	-	-	63,349,195	63,349,195
Investment in equity accounted investees	10,025,725	10,061,239	740,690	590,690
Deferred tax asset	2,602,495	2,201,711	3,242	3,242
Other non current financial investments	34,183,930	32,516,885	26,953,561	25,213,733
	222,905,399	226,751,483	98,588,595	96,701,517
Currents Assets				
Inventories	14,485,194	15,896,205	967	969
Produce on bearer biological assets	22,286	11,406	-	-
Trade and other receivables	38,801,948	33,224,111	6,361,677	32,982
Amounts due from related companies	623,129	1,293,581	3,439,165	2,980,455
Other current financial investments	27,527,352	32,184,787	6,095,845	5,327,478
Other current assets	565,711	566,398	-	-
Cash and cash equivalents	22,948,201	25,000,511	6,835	170,043
	104,973,821	108,176,999	15,904,489	8,511,927
Assets held for Sale	169,423	169,423	-	-
Total assets	328,048,643	335,097,905	114,493,083	105,213,444
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	70,000,000	70,000,000	70,000,000	70,000,000
Reserves	44,533,488	43,307,493	13,417,667	11,679,576
Retained earnings/(Losses)	(12,920,724)	(11,954,055)	16,951,243	13,540,506
Equity attributable to owners of the Company	101,612,765	101,353,439	100,368,911	95,220,082
Non controlling interest	48,737,382	52,917,749	-	-
Total equity	150,350,147	154,271,187	100,368,911	95,220,082
Non-Current Liabilities				
Interest bearing loans and borrowings	46,419,349	49,228,281	-	-
Lease liabilities	15,336,929	16,572,654	14,722	16,617
Employee benefits	3,961,393	4,150,086	12,197	11,456
Deferred tax liabilities	13,919,904	13,500,912	1,253,938	1,253,938
Other liabilities	754,362	679,320	-	-
	80,391,936	84,131,253	1,280,857	1,282,011
Current Liabilities				
Trade and other payables	45,405,154	43,395,335	3,265,975	98,698
Other liabilities	7,558	6,285	-	-
Amount due to related companies	1,932,439	2,593,905	470,221	463,923
Income tax payable	4,843,112	6,428,901	158,168	490,730
Interest bearing loans and borrowings	9,071,674	10,285,382	-	-
Lease liabilities	2,259,994	2,554,745	7,376	7,243
Bank overdrafts and other short term borrowings	33,786,627	31,430,912	8,941,574	7,650,757
	97,306,559	96,695,465	12,843,315	8,711,351
Total liabilities	177,698,496	180,826,718	14,124,172	9,993,362
Total Equity and Liabilities	328,048,643	335,097,905	114,493,083	105,213,444
Net Assets per Share (Rs.)	87.19	86.97	86.12	81.71

The above unaudited figures are provisional and subject to audit.

I certify that the Financial Statements have been prepared & presented in compliance with the requirements of Companies Act No. 07 of 2007.

sgd/-
D.S.C.Mallawaarachchi
Group Financial Controller

The Directors are responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the board.

sgd/-
D.H.S. Jayawardena
Chairman

sgd/-
M.A.N.S.Perera
Managing Director

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent												Non controlling interest	Total equity
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Fair Value reserve	Investment	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1st April 2022	70,000,000	11,287,818	19,112,137	20,491	4,341,675	5,708,382	2,045,527	(2,875,372)	-	(855,538)	(21,472,548)	87,312,572	49,020,474	136,333,046
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	-	-	-	-	-	-	(3,761,800)	(3,761,800)	(472,250)	(4,234,050)
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)	(25,234,348)	83,550,772	48,548,224	132,098,996
Total Comprehensive Income for the Period														
Profit for the period	-	-	-	-	-	-	-	-	-	-	6,890,615	6,890,615	3,540,985	10,431,601
Other Comprehensive Income														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(4,343,702)	-	-	-	(4,343,702)	(28,426)	(4,372,128)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	-	-	-	268,676	-	-	-	-	-	268,676	265,215	533,891
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	(308,788)	(1,064,096)	(1,372,884)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	(308,788)	-	(308,788)	-	-
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	2,183,321	-	-	-	-	-	2,183,321	4,027,106	6,210,427
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	-	2,451,997	-	(4,343,702)	-	(308,788)	-	(2,200,492)	3,199,798	999,306
Total Comprehensive Income for the period	-	-	-	-	-	2,451,997	-	(4,343,702)	-	(308,788)	6,890,615	4,690,123	6,740,783	11,430,906
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(868,727)	(868,727)
Reduction of stated capital (Note-9 (ii))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of Non voting shares (Note-9 (i))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest Chnges in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	-	(27,736)	(27,736)	16,336	(11,400)
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	-	-	103,668	-	-	-	(103,668)	-	-	-
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-	-	103,668	-	-	-	(131,404)	(27,736)	(852,391)	(880,127)
Balance as at 30th June 2022	70,000,000	11,287,818	19,112,137	20,491	4,341,675	8,160,379	2,149,195	(7,219,074)	-	(1,164,326)	(18,475,136)	88,213,159	54,436,616	142,649,775

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent												Non controlling interest	Total equity
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Fair Value reserve	Investment	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)	Total		
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1st April 2023	70,000,000	13,446,621	19,112,137	20,491	5,565,992	6,885,611	2,518,383	(3,273,201)	-	(968,542)	(11,954,054)	101,353,439	52,917,749	154,271,188
Total Comprehensive Income for the Period														
Profit for the period	-	-	-	-	-	-	-	-	-	-	2,233,220	2,233,220	(1,789,208)	444,012
Other Comprehensive Income														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	1,936,590	-	-	-	1,936,590	8,940	1,945,529
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	(12,167)	-	-	-	-	-	1,812	-	-	-	(10,356)	(9,818)	(20,174)
Exchange Difference on translation of foreign operations	-	-	-	-	-	(712,001)	-	-	-	-	-	(712,001)	(1,279,960)	(1,991,961)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	151,519	-	151,519	508,904	660,423
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(181,420)	-	-	-	-	-	(181,420)	(171,998)	(353,418)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	(12,167)	-	-	-	(893,421)	-	1,938,401	-	151,519	-	1,184,332	(943,933)	240,399
Total Comprehensive Income for the period	-	(12,167)	-	-	-	(893,421)	-	1,938,401	-	151,519	2,233,220	3,417,552	(2,733,141)	684,411
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,447,227)	(1,447,227)
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest Chnages in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid/declared	-	-	-	-	-	-	-	-	-	-	(3,158,226)	(3,158,226)	-	(3,158,226)
Transferred From/To Retained Earnings	-	-	-	-	-	-	41,664	-	-	-	(41,664)	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-	-	41,664	-	-	-	(3,199,890)	(3,158,226)	(1,447,227)	(4,605,453)
Balance as at 30th June 2023	70,000,000	13,434,454	19,112,137	20,491	5,565,992	5,992,190	2,560,047	(1,334,800)	-	(817,022)	(12,920,723)	101,612,765	48,737,382	150,350,147

MELSTACORP PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2022	70,000,000	116,308	19,100,000	(7,092,825)	9,583,297	91,706,780
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)	9,384,920	91,508,402
Profit for the period	-	-	-	-	1,264,228	1,264,228
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	(3,982,307)	-	(3,982,307)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	(3,982,307)	-	(3,982,307)
Total Comprehensive Income for the period	-	-	-	(3,982,307)	1,264,228	(2,718,080)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	-	-
Balance as at 30th June 2022	70,000,000	116,308	19,100,000	(11,075,132)	10,649,147	88,790,323
Balance as at 1st April 2023	70,000,000	109,381	19,100,000	(7,529,805)	13,540,504	95,220,080
Profit for the period	-	-	-	-	6,568,965	6,568,965
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	1,738,091	-	1,738,091
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	1,738,091	-	1,738,091
Total Comprehensive Income for the period	-	-	-	1,738,091	6,568,965	8,307,056
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(3,158,226)	(3,158,226)
Balance as at 30th June 2023	70,000,000	109,381	19,100,000	(5,791,713)	16,951,243	100,368,911

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the three months ended 30th June,

CASH FLOW FROM OPERATING ACTIVITIES

Profit before Taxation

Adjustment for

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

Provision for gratuity

Interest Expenses

Interest income

Dividend income

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

Loss of retiring of Assets held for sale

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

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

(Gain)/ Loss on disposal of other financial investments

Amortization of Deferred Grants and Subsidies

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

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

Operating Profit before Working Capital Changes

(Increase)/Decrease in Inventories

(Increase)/Decrease in Receivables

(Increase)/Decrease in Related Party Receivable and Payable

Increase/(Decrease) in Payables

Cash Generated from Operations

Dividend Received

Interest Paid

Income Tax and surcharge tax Paid

Retiring Gratuity Paid

Net Cash Flow from Operating Activities

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of/ Investment in equity accounted investees

Investment in Subsidiaries, net of cash acquired

Proceeds from settlement of Loans given to Related Companies

Cash received from Repurchase of Shares by Subsidiaries

Net proceed from disposal/(Acquisition) of Other Investments

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

Additions of Mature and Immature Plantations net of sale of timber

Loans disbursed to Subsidiaries and Associates

Proceeds on retirement of assets held for sale

Proceeds on Disposal of Property, Plant & Equipment

Interest Received

Net Cash Flow Used in Investing Activities

CASH FLOW FROM FINANCING ACTIVITIES

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

Loans and borrowings Received

Repayments of loan Borrowings and payments to Lessor on Lease Rights

Dividends paid

Dividend paid by subsidiaries to minority share holders

Net Cash Flow from Financing Activities

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

Cash & Cash Equivalents

At the beginning of the year

Net Cash and Cash Equivalents of Acquisition of Subsidiaries

Net movement during the period

At the end of the year (Note A)

Note A-Cash and Equivalents are as follows

Short Term Deposits

Cash in Hand & Bank

Cash in transit

Bank overdrafts and other short term borrowings

	GROUP		COMPANY	
	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000	Unaudited 2023 Rs. '000	Unaudited 2022 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	4,118,927	14,204,625	6,593,396	1,402,337
Adjustment for				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	2,256,864	2,460,241	3,253	3,716
Provision for gratuity	267,317	95,866	952	865
Interest Expenses	3,417,633	2,312,790	461,822	447,028
Interest income	(1,230,946)	(985,699)	(547,226)	(520,992)
Dividend income	(128,933)	(132,874)	(6,522,291)	(1,353,896)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	1,306	7,579	-	-
Loss of retiring of Assets held for sale	-	72,269	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	200,997	(21,897)	-	-
Share of profit of equity-accounted investees (net of tax)	(164,816)	(322,096)	-	-
(Gain)/ Loss on disposal of other financial investments	(1,320)	-	-	-
Amortization of Deferred Grants and Subsidies	(3,681)	(3,185)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(124,786)	(97,752)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	221,650	(733,643)	4,351	26,047
Operating Profit before Working Capital Changes	8,830,212	16,856,223	(5,743)	5,105
(Increase)/Decrease in Inventories	1,400,131	(1,496,784)	3	2
(Increase)/Decrease in Receivables	(1,500,373)	(2,709,342)	3,346	(7,190)
(Increase)/Decrease in Related Party Receivable and Payable	8,986	(289,598)	10,188	(13,863)
Increase/(Decrease) in Payables	(1,148,407)	(90,174)	(32,291)	(139)
Cash Generated from Operations	7,590,549	12,270,324	(24,497)	(16,085)
Dividend Received	128,933	296,128	189,308	4,579,545
Interest Paid	(2,575,327)	(1,757,002)	(437,215)	(425,406)
Income Tax and surcharge tax Paid	(5,262,669)	(4,190,922)	(345,720)	(463,455)
Retiring Gratuity Paid	(196,405)	(66,638)	(2,505)	-
Net Cash Flow from Operating Activities	(314,919)	6,551,889	(620,629)	3,674,599
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of/ Investment in equity accounted investees	(153,089)	(7,500)	(150,000)	-
Investment in Subsidiaries, net of cash acquired	-	(11,400)	-	-
Proceeds from settlement of Loans given to Related Companies	-	-	50,000	226,000
Cash received from Repurchase of Shares by Subsidiaries	-	-	-	-
Net proceed from disposal/(Acquisition) of Other Investments	194,748	(2,224,133)	-	-
Acquisition of Property, Plant & Equipment, Investment Property and intangible assets	(957,893)	(666,074)	(527)	(81)
Additions of Mature and Immature Plantations net of sale of timber	(21,845,12)	(98,904)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(759,000)	(404,800)
Proceeds on retirement of assets held for sale	-	1,878,448	-	-
Proceeds on Disposal of Property, Plant & Equipment	9,581	965	-	-
Interest Received	1,230,946	985,699	28,315	14,259
Net Cash Flow Used in Investing Activities	302,449	(142,899)	(831,212)	(164,622)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees	(27,689)	(32,186)	-	-
Loans and borrowings Received	106,628	155,337	-	-
Repayments of loan Borrowings and payments to Lessor on Lease Rights	(3,027,266)	(2,980,070)	(2,185)	(2,081)
Dividends paid	-	(3,146,572)	-	(3,146,572)
Dividend paid by subsidiaries to minority share holders	(1,447,227)	(868,727)	-	-
Net Cash Flow from Financing Activities	(4,395,555)	(6,872,218)	(2,185)	(3,148,653)
Net Increase/Decrease in Cash & Cash Equivalent during the year	(4,408,025)	(463,227)	(1,454,026)	361,324
Cash & Cash Equivalents				
At the beginning of the year	(6,430,401)	1,756,184	(7,480,713)	(10,508,460)
Net Cash and Cash Equivalents of Acquisition of Subsidiaries	-	-	-	-
Net movement during the period	(4,408,025)	(463,227)	(1,454,026)	361,324
At the end of the year (Note A)	(10,838,426)	1,292,956	(8,934,739)	(10,147,136)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	5,283,465	12,770,901	(47)	681,617
Cash in Hand & Bank	17,553,182	20,495,548	6,882	61,827
Cash in transit	111,554	34,054	-	-
Bank overdrafts and other short term borrowings	(33,786,627)	(32,007,548)	(8,941,574)	(10,890,580)
	(10,838,426)	1,292,956	(8,934,739)	(10,147,136)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the three months ended 30th June,

(a) Revenue

	GROUP	
	2023	2022
	Rs.'000	Rs.'000
Beverages	30,721,907	34,005,780
Plantations	2,167,152	1,770,598
Telecommunications	322,821	384,679
Financial services	1,970,013	1,376,306
Diversified	18,425,871	21,643,068
Total gross revenue	53,607,763	59,180,431
Excise duty on beverages	(17,296,169)	(20,702,153)
Total net revenue	36,311,594	38,478,278

(b) Industry Segment Profit

Beverages	6,792,941	6,518,761
Plantations	323,307	609,703
Telecommunications	(381,953)	(411,920)
Financial services	269,267	882,577
Diversified	(3,049,450)	6,283,408
	3,954,111	13,882,528
Share of Profit of Equity-Accounted Investees (Net of Tax)	164,816	322,096
Net Profit Before Tax	4,118,927	14,204,625
Taxation	(3,674,915)	(3,773,024)
Net Profit After Tax	444,012	10,431,601

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

		30 June-2023	30 June 2022	31-Mar-2023
Net Assets Value per Share	- Group (Rs)	87.19	75.45	86.97
	- Company (Rs)	86.12	76.19	81.71
Market Price per Share	- Last Traded Rs)	58.50	35.60	54.90
	- Highest (Rs)	60.20	45.00	61.60
	- Lowest (Rs)	52.00	29.50	45.50

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

7 Earnings per Share

The Number of shares (1,165,397,072) held as at 30 June 2023 have been used for the purpose of Calculation of Earnings per Share.

8 Contingent Liabilities

There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 March 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.

Top 25 Shareholders – 30 June 2023

RANK	NAME	NO OF SHARES	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.8
2	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.03
3	MR. M.A. YASEEN	136,067,117	11.68
4	MRS. L.E.M. YASEEN	54,759,348	4.7
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.48
6	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	39,000,000	3.35
7	MR. L.E. BADER	16,409,523	1.41
8	MR. D.H.S. JAYAWARDENA	13,014,200	1.12
9	MRS. S.M. CHRYSOSTOM	11,390,000	0.98
10	MRS. P.M.P.G.N. PRIYADARSHANI	9,374,922	0.8
11	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.75
12	DON AND DON HOLDINGS PRIVAT LIMITED	8,138,799	0.7
13	MR. D.HASITHA.S. JAYAWARDENA	7,531,332	0.65
14	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	6,186,000	0.53
15	RUBICOND ENTERPRISES LIMITED	5,943,859	0.51
16	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.47
17	BBH-REDWHEEL FRONTIER MARKETS EQUITY MASTER FUND LIMITED	4,937,755	0.42
18	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	4,815,443	0.41
19	HATTON NATIONAL BANK PLC - CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	3,706,950	0.32
20	MELLON BANK N.A.-UPS GROUP TRUST	3,066,226	0.26
21	MELLON BANK N.A-ACADIAN FRONTIER MARKETS EQUITY FUND	2,449,159	0.21
22	RIL PROPERTY PLC	2,165,539	0.19
23	DFCC BANK PLC A/C 1	2,069,940	0.18
24	RENUKA HOTELS PLC	2,000,000	0.17
25	MRS. R.R. TAKAHASHI	1,700,000	0.15
		1,051,797,776	90.27
	OTHERS	113,599,296	9.73
	TOTAL	1,165,397,072	100

Percentage of Shares held by the public

41.60%

Total No. of share holders who hold the public holding

13,678

Float Adjusted Market Capitalization

The Public Holding of the Company as at 30 June 2023 was 41.60% comprising of 13,678 shareholders and the Float adjusted Market Capitalization of Rs.28,358,466,552.00 Intems of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

Directors' Shareholdings as at 30 June 2023

	No of Shares	%
Mr. D. H. S. Jayawardena	13,014,200	1.117%
Mr.M.A.N.S Perera (Apponted w.e.f. 02/01/2023)	-	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%
Mr.L.U.D.Fernando (Apponited w.e.f. 22/09/2022)*	-	0.000%
Mr.Reyaz Mihular (Apponted w.e.f. 01/04/2023)	-	0.000%
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. 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)

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

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

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

COMPANY SECRETARY

Messrs. Coporate Services (Private) Limited

No.216, De Saram Road,

Colombo 10.

AUDITORS

Messrs. KPMG

Chartered Accountants

No.32A, Sir Mohamed Macan Marker Mawatha,

Colombo 03, Sri Lanka.

REGISTRARS

Central Depository Systems (Private) Limited

Registrar Services and Corporate Actions Unit

No.341/5, Kotte Road,

Rajagiriya, Sri Lanka.

BANKERS

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Bank of Ceylon

Hatton National Bank PLC

Sampath Bank PLC