

# MELSTACORP PLC



**INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31st MARCH 2019**

**MELSTACORP PLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

Rs. '000s For the Year ended 31st March,	GROUP			COMPANY		
	Unaudited 2019 Rs. '000	Audited 2018 Rs. '000	Variance %	Unaudited 2019 Rs. '000	Audited 2018 Rs. '000	Variance %
	<b>Gross Revenue</b>	<b>157,477,476</b>	109,956,897	43.22	<b>209,203</b>	228,319
<b>Net Revenue</b>	<b>99,292,341</b>	44,730,154	121.98	<b>209,203</b>	228,319	(8.37)
Cost of Sales, Net Benefits Paid and Interest Expenses	<b>(62,340,861)</b>	(30,345,285)	105.44	<b>(5,481)</b>	(10,188)	(46.20)
<b>Gross Profit</b>	<b>36,951,480</b>	14,384,869	156.88	<b>203,722</b>	218,131	(6.61)
Other Operating Income	<b>1,883,178</b>	3,033,673	(37.92)	<b>4,585,082</b>	4,272,152	7.32
Distribution Expenses	<b>(3,455,627)</b>	(1,916,125)	80.34	-	-	
Administrative Expenses	<b>(18,742,814)</b>	(4,804,172)	290.14	<b>(223,996)</b>	(147,656)	51.70
Other Operating Expenses	<b>34,033</b>	(2,190,571)	(101.55)	<b>(1,001,291)</b>	(1,850,209)	(45.88)
<b>Profit from Operations</b>	<b>16,670,250</b>	8,507,674	95.94	<b>3,563,517</b>	2,492,418	42.97
Finance Income	<b>2,659,498</b>	1,387,727	91.64	<b>1,322,939</b>	870,786	51.92
Finance Cost	<b>(3,827,009)</b>	(2,020,179)	89.44	<b>(612,508)</b>	(92,764)	560.29
<b>Net Finance Income/(cost)</b>	<b>(1,167,511)</b>	(632,452)		<b>710,430</b>	778,022	(8.69)
Share of Profit of Equity-Accounted Investees (Net of Tax)	<b>402,515</b>	2,266,864	(82.24)	-	-	-
<b>Profit before Tax for the Period</b>	<b>15,905,253</b>	10,142,086	56.82	<b>4,273,947</b>	3,270,440	30.68
Income Tax	<b>(6,554,178)</b>	(3,891,796)	68.41	<b>(456,935)</b>	(468,836)	(2.54)
<b>Profit for the Period</b>	<b>9,351,075</b>	6,250,290	49.61	<b>3,817,012</b>	2,801,604	36.24
<b>Other Comprehensive Income</b>						
Revaluations of Property plant and equipment	<b>977,548</b>	919,341	-	-	-	-
Net Change in Fair Value of Available for Sale Financial Assets	<b>(3,591,370)</b>	1,871,918	(291.86)	<b>(2,675,141)</b>	1,615,477	(265.59)
Net Movement on Cash flow Hedges	<b>(84,129)</b>	-	100.00	-	-	-
Exchange differences on translation of Foreign Operations	<b>1,907,579</b>	-	100.00	-	-	-
Actuarial Gain/(Losses) on retirement benefit obligations	<b>33,993</b>	(11,379)	100.00	-	(129)	-
Income tax on other comprehensive income	<b>(256,461)</b>	(1,264,302)	-	-	(28,544)	-
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	<b>123,993</b>	(27,920)	(544.10)	-	-	-
<b>Total Other Comprehensive Income</b>	<b>(888,847)</b>	1,487,658	(159.75)	<b>(2,675,141)</b>	1,586,804	(268.59)
<b>Total Comprehensive Income for the Period</b>	<b>8,462,228</b>	7,737,949	9.36	<b>1,141,871</b>	4,388,408	(73.98)
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	<b>5,612,702</b>	6,577,164	(14.66)	<b>3,817,012</b>	2,801,604	36.24
Non Controlling Interest	<b>3,738,374</b>	(326,874)	(1,243.67)	-	-	-
<b>Profit for the Period</b>	<b>9,351,075</b>	6,250,290		<b>3,817,012</b>	2,801,604	36.24
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	<b>5,320,058</b>	7,941,379	(33.01)	<b>1,141,871</b>	4,388,408	(73.98)
Non Controlling Interest	<b>3,142,170</b>	(203,431)	(1,644.59)	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>8,462,228</b>	7,737,948		<b>1,141,871</b>	4,388,408	
<b>Earnings per Share (Rs.)</b>						
Basic Earnings per Share	<b>4.82</b>	5.64	(14.66)	<b>3.28</b>	2.40	36.24

**MELSTACORP PLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

Rs. '000s For the quarter ended 31st March,	GROUP			COMPANY		
	Unaudited	Unaudited	Variance	Unaudited	Unaudited	Variance
	2019 Rs. '000	2018 Rs. '000	%	2019 Rs. '000	2018 Rs. '000	%
<b>Gross Revenue</b>	<b>46,425,376</b>	29,596,521	56.86	<b>58,726</b>	76,383	(23.12)
<b>Net Revenue</b>	<b>30,533,162</b>	12,510,259	144.06	<b>58,726</b>	76,383	(23.12)
Cost of Sales, Net Benefits Paid and Interest Expenses	<b>(18,613,531)</b>	(7,755,317)	140.01	<b>(3,662)</b>	(8,420)	(56.51)
<b>Gross Profit</b>	<b>11,919,631</b>	4,754,942	150.68	<b>55,064</b>	67,963	(18.98)
Other Operating Income	<b>1,048,125</b>	1,883,958	(44.37)	<b>1,336,219</b>	3,252,153	(58.91)
Distribution Expenses	<b>(1,042,478)</b>	(656,531)	58.79	-	-	-
Administrative Expenses	<b>(5,037,131)</b>	(1,296,742)	288.45	<b>(56,157)</b>	(39,735)	41.33
Other Operating Expenses	<b>54,926</b>	(1,990,963)	(102.76)	<b>(1,001,291)</b>	(1,845,110)	-
<b>Profit from Operations</b>	<b>6,943,073</b>	2,694,664	157.66	<b>333,836</b>	1,435,271	(76.74)
Finance Income	<b>288,053</b>	465,428	(38.11)	<b>540,763</b>	236,813	128.35
Finance Cost	<b>(1,185,623)</b>	(604,211)	96.23	<b>(449,345)</b>	(30,725)	1,362.47
<b>Net Finance Income/(cost)</b>	<b>(897,570)</b>	(138,783)	546.74	<b>91,417</b>	206,088	(55.64)
Share of Profit of Equity-Accounted Investees (Net of Tax)	<b>55,260</b>	1,045,191	(94.71)	-	-	-
Gain on Bargaining Purchases	-	(42,023)	(100.00)	-	-	-
<b>Profit before Taxation</b>	<b>6,100,763</b>	3,559,049	71.42	<b>425,253</b>	1,641,359	(74.09)
Taxation	<b>(2,118,970)</b>	(1,630,898)	29.93	<b>(332,497)</b>	(296,740)	12.05
<b>Profit for the quarter</b>	<b>3,981,793</b>	1,928,151	106.51	<b>92,756</b>	1,344,619	(93.10)
<b>Other Comprehensive Income</b>						
Revaluations of Property plant and equipment	<b>977,548</b>	919,341	-	-	-	#DIV/0!
Net Change in Fair Value of Available for Sale Financial Assets	<b>(2,307,115)</b>	311,317	(841.08)	<b>(1,779,324)</b>	419,196	(524.46)
Net Movement on Cash flow Hedges	<b>364,223</b>	-	100.00	-	-	-
Exchange differences on translation of Foreign Operations	<b>(674,099)</b>	-	100.00	-	-	-
Reversal of AFS reserve on disposal of AFS Investments	-	(5,099)	(100.00)	-	(5,099)	(100.00)
Actuarial Gain/(Losses) on retirement benefit obligations	<b>33,993</b>	(11,379)	(398.73)	-	(129)	(100.00)
Income tax on other comprehensive income	<b>(256,461)</b>	(1,264,302)	(79.72)	-	(28,544)	(100.00)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	<b>(60,772)</b>	65,854	(192.28)	-	-	-
<b>Total Other Comprehensive Income</b>	<b>(1,922,683)</b>	15,732	(12,321.48)	<b>(1,779,324)</b>	385,424	(561.65)
<b>Total Comprehensive Income for the quarter</b>	<b>2,059,110</b>	1,943,885	5.93	<b>(1,686,568)</b>	1,730,043	(197.49)
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	<b>1,769,317</b>	2,189,210	(19.18)	<b>92,756</b>	1,344,619	(93.10)
Non Controlling Interest	<b>2,212,477</b>	(261,059)	(947.50)	-	-	-
<b>Profit for the quarter</b>	<b>3,981,793</b>	1,928,151	106.51	<b>92,756</b>	1,344,619	(93.10)
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	<b>1,859,143</b>	2,081,447	(10.68)	<b>(1,686,568)</b>	1,730,043	(197.49)
Non Controlling Interest	<b>199,967</b>	(137,564)	(245.36)	-	-	-
<b>Total Comprehensive Income for the quarter</b>	<b>2,059,110</b>	1,943,883	5.93	<b>(1,686,568)</b>	1,730,043	(197.49)
<b>Earnings per Share (Rs.)</b>						
Basic Earnings per Share	<b>1.52</b>	1.88	(19.18)	<b>0.08</b>	1.15	(93.10)

MELSTACORP PLC

STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Restated	Unaudited	Audited
	31-Mar-2019	31-Mar-2018	31-Mar-2019	31-Mar-2018
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
<b>Non-Current Assets</b>				
Property, Plant and Equipment	104,259,787	92,429,232	11,524	5,159
Investment Property	6,098,151	4,977,365	5,058,728	3,835,050
Goodwill on Acquisition and Other Intangible Assets	6,442,100	6,674,814	499	218
Biological Assets	8,655,000	8,299,974	-	-
Investments in Subsidiaries	-	-	59,748,855	59,656,499
Investment in Equity Accounted Investees	6,571,902	5,507,122	952,000	-
Other Non Current Financial Investments	32,681,195	21,961,563	26,707,368	17,034,491
Deferred Tax Asset	1,506,586	2,441,921	2,094	1,781
Advances ,Other Loans and Pre Paid Leases	2,366,966	2,241,358	-	-
	<b>168,581,685</b>	<b>144,533,349</b>	<b>92,481,068</b>	<b>80,533,198</b>
<b>Currents Assets</b>				
Inventories	9,291,850	8,906,922	1,064	1,112
Produce on Bearer Biological Assets	6,761	8,198	-	-
Trade and Other Receivables	29,877,254	31,236,327	164,259	2,747,791
Advances ,Other Loans and Pre Paid Leases	76,232	67,466	-	-
Amounts due from Related Companies	1,086,733	70,758	7,174,791	3,695,336
Other Current Financial Investments	23,723,040	13,855,723	12,356,582	4,084,022
Cash at Bank and Cash in Hand	9,491,672	11,716,173	26,583	544,088
Assets held for Sale	164,125	149,125	-	-
	<b>73,717,667</b>	<b>66,010,692</b>	<b>19,723,279</b>	<b>11,072,349</b>
<b>Total Assets</b>	<b>242,299,352</b>	<b>210,544,041</b>	<b>112,204,347</b>	<b>91,605,547</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	12,638,261	14,200,414	(3,656,859)	(981,720)
Retained Earnings	(22,268,674)	(27,317,139)	5,913,705	2,421,286
Equity Attributable to Equity Holders of the parent	79,469,588	75,983,275	91,356,846	90,539,566
Non Controlling Interest	44,790,155	41,999,962	-	-
<b>Total Equity</b>	<b>124,259,743</b>	<b>117,983,236</b>	<b>91,356,846</b>	<b>90,539,566</b>
<b>Non-Current Liabilities</b>				
Interest Bearing Loans and Borrowings	33,128,316	23,355,824	-	-
Deferred Tax Liabilities	8,468,497	8,502,210	563,382	424,769
Employee Benefits	2,922,815	2,861,509	7,477	6,363
Other Liabilities	2,310,492	1,244,822	-	-
	<b>46,830,120</b>	<b>35,964,365</b>	<b>570,859</b>	<b>431,132</b>
<b>Current Liabilities</b>				
Trade and Other Payables	29,954,094	28,172,083	23,169	14,980
Other Deferred Liabilities	42,084	73,186	-	-
Amount due to Related Companies	465,977	436,752	3,668,466	306,998
Income Tax Payable	1,757,360	1,486,077	156,071	12,132
Interest Bearing Loans and Borrowings	4,267,205	7,921,354	-	-
Bank Overdrafts and Other Short Term Borrowings	34,722,771	18,506,988	16,428,936	300,739
	<b>71,209,491</b>	<b>56,596,440</b>	<b>20,276,642</b>	<b>634,849</b>
<b>Total Equity and Liabilities</b>	<b>242,299,352</b>	<b>210,544,041</b>	<b>112,204,347</b>	<b>91,605,547</b>
Net Assets per Share (Rs.)	68.19	65.20	78.39	77.69

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  
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
<b>Balance as at 1st April 2017</b>	89,100,000	7,256,767	12,137	14,499	710,214	944,140	920,163	2,572,252	-	-	(33,449,856)	68,080,316	3,216,565	71,296,881
<b>Total Comprehensive Income for the Period</b>														
Profit for the Period	-	-	-	-	-	-	-	-	-	-	6,577,164	6,577,164	(326,874)	6,250,290
<b>Other Comprehensive Income</b>														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	1,871,795	-	-	-	1,871,795	123	1,871,918
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	(16,440)	(16,440)	(16,440)	5,061	(11,379)
Revaluation of Property, Plant and Equipment	-	752,363	-	-	-	-	-	-	-	-	-	752,363	166,978	919,341
Reversal of AFS reserve on disposal of AFS Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax on other comprehensive income	-	(1,133,820)	-	-	-	-	-	-	-	-	(81,763)	(1,215,583)	(48,719)	(1,264,302)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	(27,920)	(27,920)	-	(27,920)
<b>Total Other Comprehensive Income for the period</b>	-	(381,457)	-	-	-	-	-	1,871,795	-	-	(126,123)	1,364,215	123,443	1,487,658
<b>Total Comprehensive Income for the period</b>	-	(381,457)	-	-	-	-	-	1,871,795	-	-	6,451,041	7,941,379	(203,431)	7,737,948
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	(2,843,571)	(2,843,571)	-	(2,843,571)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	78,903	78,903	78,903	-	78,903
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	5,992	-	-	151,766	-	-	-	(157,758)	-	(38,428)	(38,428)
Effect of Acquisition of Subsidiary	-	179,439	-	-	1,375	-	-	-	-	-	947,013	1,127,827	37,930,681	39,058,509
Effect of change in holding in subsidiaries (Note 19.4)	-	66	(239,751)	-	-	-	245,657	41	-	-	1,592,408	1,598,421	1,094,574	2,692,995
Effect on deemed disposal of subsidiaries (Note 5.1)	-	(44,190)	-	(20,491)	-	-	-	-	-	-	64,681	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	-	135,315	(239,751)	(14,499)	1,375	-	397,423	41	-	-	(318,324)	(38,420)	38,986,827	38,948,408
<b>Balance as at 31st March 2018</b>	89,100,000	7,010,624	(227,614)	-	711,589	944,140	1,317,586	4,444,088	-	-	(27,317,139)	75,983,275	41,999,962	117,983,237

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
<b>Balance as at 1st April 2018</b>	<b>89,100,000</b>	<b>7,010,624</b>	<b>(227,614)</b>	-	<b>711,589</b>	<b>944,140</b>	<b>1,317,586</b>	<b>4,444,088</b>	-	-	<b>(27,317,139)</b>	<b>75,983,275</b>	<b>41,999,962</b>	<b>117,983,237</b>
SLFRS Impairment Opening balance Adjustment	-	-	-	-	-	-	-	(37,359)	-	-	28,189	(9,170)	(4,533)	(13,703)
<b>Balance as at 1st April 2018 ( After opening Adj.)</b>	<b>89,100,000</b>	<b>7,010,624</b>	<b>(227,614)</b>	-	<b>711,589</b>	<b>944,140</b>	<b>1,317,586</b>	<b>4,406,729</b>	-	-	<b>(27,288,950)</b>	<b>75,974,105</b>	<b>41,995,429</b>	<b>117,969,534</b>
<b>Total Comprehensive Income for the Period</b>														
Profit for the Period	-	-	-	-	-	-	-	-	-	-	5,612,702	5,612,702	3,738,374	9,351,075
<b>Other Comprehensive Income</b>														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(3,525,158)	-	-	-	(3,525,158)	(66,212)	(3,591,370)
Net Movement on Cash flow Hedges	-	-	-	-	-	-	-	-	-	4,377	-	4,377	(88,506)	(84,129)
Exchange differences on translation of Foreign Operations	-	-	-	-	-	279,338	-	-	-	-	-	279,338	1,628,241	1,907,579
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-	-	-	-	-	40,742	40,742	(6,749)	33,993
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	136,374	-	-	-	-	(12,452)	123,922	71	123,993
Income Tax on Other Comprehensive Income	-	(209,799)	-	-	-	-	-	3,833	-	-	46,253	(159,713)	(96,748)	(256,461)
Revaluation of Property, Plant & Equipments	-	738,750	-	-	-	-	-	-	-	-	-	738,750	238,798	977,548
<b>Total Other Comprehensive Income for the period</b>	-	<b>528,951</b>	-	-	-	<b>415,712</b>	-	<b>(3,521,325)</b>	-	<b>4,377</b>	<b>74,543</b>	<b>(2,497,742)</b>	<b>1,608,895</b>	<b>(888,847)</b>
<b>Total Comprehensive Income for the period</b>	-	<b>528,951</b>	-	-	-	<b>415,712</b>	-	<b>(3,521,325)</b>	-	<b>4,377</b>	<b>5,687,245</b>	<b>3,114,959</b>	<b>5,347,269</b>	<b>8,462,228</b>
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,057,627)	(2,057,627)
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	80,041	80,041	-	80,041
Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Buy Back	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	(12,300)	-	-	640,177	-	177,923	-	-	-	(805,800)	-	-	-
Effect of dilution of percentage holding	-	(75)	(7)	-	(1)	-	-	(133)	-	-	6,725	6,509	389	6,898
Acquisition of Non Controlling Interest Chnges in % Holding of Subsidiaries	-	130,677	1,388	-	90,424	23,109	-	324	-	(4,014)	52,065	293,973	(495,304)	(201,331)
Acquisition of Non Controlling Interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	-	<b>118,302</b>	<b>1,381</b>	-	<b>730,600</b>	<b>23,109</b>	<b>177,923</b>	<b>191</b>	-	<b>(4,014)</b>	<b>(666,969)</b>	<b>380,523</b>	<b>(2,552,542)</b>	<b>(2,172,019)</b>
<b>Balance as at 31st March 2019</b>	<b>89,100,000</b>	<b>7,657,877</b>	<b>(226,233)</b>	-	<b>1,442,189</b>	<b>1,382,961</b>	<b>1,495,509</b>	<b>885,595</b>	-	<b>363</b>	<b>(22,268,674)</b>	<b>79,469,587</b>	<b>44,790,155</b>	<b>124,259,743</b>

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
<b>Balance as at 1st April 2017</b>	<b>89,100,000</b>	<b>111,691</b>	<b>(2,708,886)</b>	<b>2,491,923</b>	<b>88,994,728</b>
Profit for the Period	-	-	-	2,801,604	2,801,604
<b>Other Comprehensive Income</b>					-
Net change in fair value of available for sale financial assets	-	-	1,615,477	-	1,615,477
Reversal of AFS reserve on disposal of AFS Investments	-	-	-	-	-
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	(129)	(129)
Income tax on other comprehensive income	-	-	-	(28,544)	(28,544)
<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>1,615,477</b>	<b>(28,673)</b>	<b>1,586,804</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>1,615,477</b>	<b>2,772,931</b>	<b>4,388,408</b>
<b>Transactions with Owners of the Company directly recognized into Equity</b>					
Dividends paid during the year				(2,843,571)	(2,843,571)
<b>Transactions with Owners of the Company directly recognized into Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,843,571)</b>	<b>(2,843,571)</b>
<b>Balance as at 31st March 2018</b>	<b>89,100,000</b>	<b>111,691</b>	<b>(1,093,409)</b>	<b>2,421,283</b>	<b>90,539,562</b>
<b>Balance as at 1st April 2018</b>	<b>89,100,000</b>	<b>111,691</b>	<b>(1,093,409)</b>	<b>2,421,284</b>	<b>90,539,566</b>
SLFRS-9 Adjustment				(324,591)	(324,591)
<b>Balance as at 1st April 2018 after SLFRS Adjustments</b>	<b>89,100,000</b>	<b>111,691</b>	<b>(1,093,409)</b>	<b>2,096,693</b>	<b>90,214,975</b>
Profit for the Period	-	-	-	3,817,012	3,817,012
<b>Other Comprehensive Income</b>					-
Net change in fair value of available for sale financial assets	-	-	(2,675,141)	-	(2,675,141)
<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>(2,675,141)</b>	<b>-</b>	<b>(2,675,141)</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>(2,675,141)</b>	<b>3,817,012</b>	<b>1,141,871</b>
<b>Transactions with Owners of the Company directly recognized into Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31st March 2019</b>	<b>89,100,000</b>	<b>111,691</b>	<b>(3,768,550)</b>	<b>5,913,705</b>	<b>91,356,846</b>

**MELSTACORP PLC**  
**STATEMENTS OF CASH FLOWS**

*For the Year ended 31st March,*

	GROUP		COMPANY	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before Taxation</b>	<b>15,905,253</b>	10,142,086	<b>4,273,947</b>	3,270,440
<b>Adjustment for</b>				
Depreciation and amortization of PPE, Biological assets and intangible assets	5,719,418	2,391,187	2,335	1,443
Provision for gratuity	461,095	177,198	1,114	1,919
Interest Expenses	3,964,649	2,025,086	556,154	92,764
Interest income	(2,797,138)	(1,321,126)	(1,322,939)	(855,181)
Dividend income	(898,657)	(825,929)	(4,227,671)	(1,617,249)
(Gain) / loss on Disposal of Property, Plant and Equipment	(69,616)	(29,167)	174	-
Impairment of Investment properties	-	154,076	-	154,076
Impairment biological assets	20,799	-	-	-
Provision/ (Reversal of provisions) for Inventories	(48,214)	169,145	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	(26,452)	231,028	997,918	1,696,133
Loss of Revaluation of PPE	-	2,612	-	-
Share of profit of equity-accounted investees (net of tax)	(402,514)	(2,266,864)	-	-
Gain on Fair value of investment in equity accounted investees	-	-	-	(794,739)
Gain on repurchase of shares by subsidiaries	-	-	-	(63,373)
(Gain)/ Loss on disposal of other financial investments	(26,424)	(136,102)	-	-
Loss of remeasurement of Existing interest of EAI	-	1,774,599	-	-
disposal of biological asset	16,577	(704,774)	-	(1,188,228)
profit or loss on disposal of Subsidiaries	-	(591,363)	(4,578)	(608,557)
Fair value gain on Investment property	-	(93,312)	(352,832)	(25,624)
(Gain) / loss on Change in Fair Value of Biological Assets	(250,465)	(149,061)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(57,689)	(57,899)	56,354	(15,605)
<b>Operating Profit before Working Capital Changes</b>	<b>21,510,622</b>	10,891,420	<b>(20,025)</b>	48,219
(Increase)/Decrease in Inventories	(336,714)	(268,320)	48	(194)
(Increase)/Decrease in Receivables	(3,658,096)	(2,551,242)	31,094	(63,626)
(Increase)/Decrease in Related Party Receivable and Payable	(3,536,901)	62,929	3,718	(180,437)
Increase/(Decrease) in Payables	2,861,983	2,113,648	8,187	11,624
<b>Cash Generated from Operations</b>	<b>16,840,894</b>	10,248,435	<b>23,022</b>	(184,414)
Dividend Received	898,657	917,524	4,227,671	1,617,249
Interest Paid	(3,964,649)	(2,025,086)	(410,158)	(69,748)
Income Tax Paid	(1,610,928)	(4,044,132)	(174,694)	(505,883)
Retiring Gratuity Paid	(430,729)	(125,117)	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>11,733,245</b>	4,971,624	<b>3,665,841</b>	857,204
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of equity accounted investees	(1,080,590)	(485,409)	(650,000)	(496,630)
Proceeds from disposal of group investments	6,898	-	-	-
Investment in Subsidiaries	(201,331)	(763,921)	(316,331)	(822,615)
Proceeds from disposal of subsidiaries net of cash disposed	2,550,150	1,387,609	2,557,048	5,000
Loans disbursed to Subsidiaries	-	-	(6,639,909)	(3,195,472)
Loans settled by Subsidiaries	-	-	2,644,036	1,864,447
Net proceed from disposal/(Acquisition)of Other Investments	(24,042,821)	(44,713)	(20,676,933)	(99,067)
Acquisition of Property, Plant & Equipment, Investment properties and intangible assets	(14,792,162)	(2,782,549)	(879,830)	(537,617)
Additions of Mature and Immature Plantations	(214,623)	(199,769)	-	-
Proceeds on Disposal of Property, Plant & Equipment	249,584	1,394,496	(174)	-
Proceeds from repurchase of shares by subsidiaries	-	-	-	1,196,454
Dividend received from Equity accounted investees	577,641	-	-	-
Interest Received	2,797,138	1,321,126	749,740	655,738
<b>Net Cash Flow Used in Investing Activities</b>	<b>(34,150,116)</b>	(173,130)	<b>(23,212,352)</b>	(1,429,762)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Short Term Borrowings from Subsidiaries	-	-	2,902,805	1,087,207
Repayment of short term borrowings to subsidiaries	-	-	(2,000)	(300,333)
Laon and borrowings Received	19,620,917	4,749,736	-	-
Repayments of loan and borrowings	(13,586,703)	(7,236,868)	-	-
Dividend paid	-	(284,902)	-	(284,902)
Dividend paid by subsidiaries to minority share holders	(2,057,627)	-	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>3,976,587</b>	(2,772,034)	<b>2,900,805</b>	501,972
<b>Net Increase/Decrease in Cash &amp; Cash Equivalent during the period</b>	<b>(18,440,284)</b>	2,026,460	<b>(16,645,706)</b>	(70,586)
<b>Cash &amp; Cash Equivalents</b>				
At the beginning of the year	(6,790,815)	(8,817,275)	243,349	313,935
Net Cash and Cash Equivalent of Acquisition of Subsidiaries	-	-	-	-
Net movement during the period	(18,440,284)	2,026,460	(16,645,706)	(70,586)
<b>At the end of the year (Note A)</b>	<b>(25,231,099)</b>	(6,790,815)	<b>(16,402,357)</b>	243,349
<b>Note A-Cash and Equivalents are as follows</b>				
Short Term Deposits	8,680,289	316,658	-	-
Cash in Transit	152,440	182,332	-	-
Cash in Hand & Bank	658,943	11,217,183	26,583	544,088
Bank overdrafts and other short term borrowings	(34,722,771)	(18,506,988)	(16,428,936)	(300,739)
	<b>(25,231,099)</b>	<b>(6,790,815)</b>	<b>(16,402,357)</b>	<b>243,349</b>



**MELSTACORP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**SEGMENTAL INFORMATION**

*For the Year ended 31st March,*

**(a) Turnover**

	<b>GROUP</b>	
	<b>2019</b>	2018
	<b>Rs.'000</b>	Rs.'000
Beverages	<b>87,427,137</b>	97,082,808
Plantations	<b>4,503,197</b>	3,607,522
Telecommunications	<b>3,380,651</b>	2,964,702
Financial services	<b>3,246,142</b>	3,808,537
Diversified	<b>58,920,349</b>	2,493,328
<b>Gross Turnover</b>	<b>157,477,476</b>	109,956,896
Turnover based Taxes	<b>(58,185,135)</b>	(65,226,743)
<b>Net Turnover</b>	<b>99,292,341</b>	44,730,153

**(b) Industry Segment Profit**

Beverages	<b>9,521,763</b>	7,957,514
Plantations	<b>(559,668)</b>	144,996
Telecommunications	<b>(1,611,630)</b>	(1,597,171)
Financial services	<b>427,023</b>	418,332
Diversified	<b>7,725,251</b>	951,551
	<b>15,502,739</b>	7,875,222
Share of Associate Company Profits	<b>402,515</b>	2,266,864
<b>Net Profit Before Tax</b>	<b>15,905,253</b>	10,142,086
Taxation	<b>(6,554,178)</b>	(3,891,796)
<b>Net Profit After Tax</b>	<b>9,351,075</b>	6,250,290

**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**

		<b>31-Mar-2019</b>	<b>31-Mar-2018</b>
Net Assets Value per Share	- Group (Rs)	68.19	65.20
	- Company (Rs)	78.39	77.69
Market Price per Share	- Last Traded Rs)	36.00	58.20
	- Highest (Rs)	50.30	70.00
	- Lowest (Rs)	36.00	57.60

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

**7 Earnings per Share**

The Number of shares (1,165,398,072) held as at 31 December 2018 have been used for the purpose of Calculation of Earnings per Share.

**8 Business Combinations**

**8.1 Acquisition of Non Controlling Interest**

Melstacorp PLC has acquired 3,790,554 shares in Aitken Spence PLC. As a result, the percentage Holding has increased from 49.17% to 50.10%.

**8.2 Changes in Percentage Holding in Subsidiaries**

Melstacorp PLC has disposed 312,805 share in DCSL PLC durring the period and resulted a dilution of percentage holding from 92.463% to 92.455%

**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 2018.

**10 Comparative Figures**

The Company acquired the control of Aitken Spence PLC as at 31st March 2018. However, the Company had not completed the acquisition accounting as of the date of the issue of financial statements for the year ended 31st March 2018 and the amount used for the acquisition accounting were recorded on provisional basis. The consolidated financial statements as at 31 March 2018 included appropriate disclosure about the provisional accounting.

Accordingly, the acquisition accounting were finalized subsequent to the issue of the year ended 31st March 2018 financial statements but before the end of the measurement period. As a result , the comparative information presented in the financial statements for the year ended 2019 were restated.

Due to the Consolidation of Aitken Spence PLC and Madulsima Plantations PLC (which were recognized as Equity Accounted Investees in 2017/18) , a significant change can be seen in all Income Statement Captions when compaired with Comparative figures.

**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.

Top 20 Shareholders – 31 March 2019

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.80
2	MR. M.A. YASEEN	158,177,302	13.57
3	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.03
4	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.48
5	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	51,724,381	4.44
6	NORTHERN TRUST COMPANY S/A KUROTO FUND LP	23,400,491	2.01
7	MRS. L.E.M. YASEEN	20,425,000	1.75
8	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	16,000,000	1.37
9	LAHUGALA PLANTATION (PRIVATE) LIMITED	14,782,240	1.27
10	BNYM RE-CONSILIUM FRONTIER EQUITY FUND L.P.	13,745,754	1.18
11	MRS. S.M. CHRYSOSTOM	11,390,000	0.98
12	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.75
13	MR. D.H.S. JAYAWARDENA	7,531,332	0.65
14	MORGAN STANLEY AND CO.LLC-RWC FRONTIER MARKETS EQUITY MASTER FUND	7,295,860	0.63
15	GOLDMAN SACHS AND COMPANY S/A OLD WELL EMERGING MARKETS MASTER FUND L.P.	6,497,537	0.56
16	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	6,203,001	0.53
17	SSBT-PARAMETRIC EMERGING MARKETS FUND	5,523,537	0.47
18	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.47
19	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.43
20	SSBT-FRANK RUSSELL INVESTMENT COMPANY EMERGING MARKETS FUND-CHE7	4,787,216	0.41
		1,069,535,559	91.77
	Others	95,861,513	8.23
	Total	1,165,397,072	100.00

Percentage of Shares held by the public 42.77%  
Total No. of share holders who hold the public holding 10,427

**Float Adjusted Market Capitalization**

The Public Holding of the Company as at 31st March 2019 was 42.77% comprising of 10,427 shareholders and the Float adjusted Market Capitalization of Rs.17,944,340,400/-. In terms 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 2019**

	No of Shares	%
Mr. D. H. S. Jayawardena	Nil	Nil
Mr.A.L. Gooneratne	Nil	Nil
Mr. C. R. Jansz	Nil	Nil
Mr. N. De S. Deva Aditya	Nil	Nil
Mr. K. J. Kahanda	Nil	Nil
Dr. A. N. Balasuriya	Nil	Nil
Mr. D. Hasitha S. Jayawardena	7,531,332	0.646
Mr.R. Seevaratnam	Nil	Nil
Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya)	Nil	Nil

**MELSTACORP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**CORPORATE INFORMATION**

**NAME OF COMPANY**

Melstacorp PLC

No.110, Norris Canal Road,  
Colombo 10, Sri Lanka.  
Tel: 011-5900300,  
Fax: 011-5900333 Web: www.melsta.com

**COMPANY REGISTRATION NUMBER**

PB 11755 PQ

**BOARD OF DIRECTORS**

Mr.D. H. S.Jayawardena - Chairman  
Mr. A. L. Gooneratne - Managing Director  
Mr.C. R. Jansz  
Mr.N. De S. Deva Aditya  
Capt. K. J. Kahanda  
Dr.A. N. Balasuriya  
Mr. D. Hasitha S. Jayawardena  
Mr.R. Seevaratnam  
Ms.V. J. Senaratne (Alternate Director to Mr.N. De S. Deva Aditya)

**COMPANY SECRETARY**

Messrs. Coporate Services (Private) Limited  
No.216, De Saram Road,  
Colombo 10.

**AUDITORS**

Messrs. KPMG  
Chartered Accountants  
No.32A, Sir Mohamed Macan Marker Mawatha,  
Colombo 03, Sri Lanka.

**REGISTRARS**

Central Depository Systems (Private) Limited  
Registrar Services and Corporate Actions Unit  
No.341/5, Kotte Road,  
Rajagiriya, Sri Lanka.

**BANKERS**

Commercial Bank of Ceylon PLC  
DFCC Bank PLC  
Bank of Ceylon  
Hatton National Bank PLC