

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

30th SEPTEMBER 2019

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the 6 months ended 30th September,	GROUP			COMPANY		
	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %
Revenue	75,175,061	72,473,871	3.73	106,321	102,719	3.51
Excise duty	(27,534,658)	(27,661,024)	(0.46)	-	-	-
Cost of sales and net benefits paid	(32,520,159)	(29,876,645)	8.85	(1,174)	(901)	30.30
Gross Profit	15,120,244	14,936,202	1.23	105,147	101,818	3.27
Other Operating Income	671,100	438,499	53.04	3,568,110	535,006	566.93
Selling and distribution expenses	(1,002,311)	(1,292,156)	(22.43)	-	-	-
Administrative Expenses	(8,479,352)	(8,500,592)	(0.25)	(98,135)	(114,308)	(14.15)
Other Operating Expenses	(75,042)	(17,574)	327.00	-	-	-
Profit from Operations	6,234,638	5,564,379	12.05	3,575,122	522,516	584.21
Finance Income	1,660,807	1,044,436	59.01	1,311,681	512,119	156.13
Finance Cost	(2,889,403)	(1,678,056)	72.19	(1,167,115)	(67,575)	1,627.14
Net Finance Income/(cost)	(1,228,596)	(633,620)		144,565	444,544	(67.48)
Share of Profit of Equity-Accounted Investees (Net of Tax)	241,838	208,624	15.92	-	-	-
Profit before Tax for the Period	5,247,881	5,139,383	2.11	3,719,687	967,060	284.64
Income Tax	(3,470,958)	(2,519,202)	37.78	(124,717)	(108,504)	14.94
Profit for the Period	1,776,923	2,620,181	(32.18)	3,594,970	858,556	318.72
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	(256,017)	(3,452,963)	(92.59)	7,063	(3,026,962)	(100.23)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
	(256,017)	(3,452,963)	-	7,063	(3,026,962)	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	19,776	-	100%	-	-	-
Exchange Difference on translation of foreign operations	444,937	1,267,960	(64.91)	-	-	-
Net movement on Cashflow Hedges	9,591	(55,255)	(117.36)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	(21,418)	70,616	(130.33)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	452,886	1,283,321	(64.71)	-	-	-
Total other comprehensive income for the period	196,869	(2,169,642)	(109.07)	7,063	(3,026,962)	(100.23)
Total comprehensive income for the period	1,973,792	450,541	338.09	3,602,033	(2,168,406)	(266.11)
Profit Attributable to:						
Equity Holders of the Parent	1,808,032	2,271,135	(20.39)	3,594,970	858,556	318.72
Non Controlling Interest	(31,109)	349,046	(108.91)	-	-	-
Profit for the Period	1,776,923	2,620,181		3,594,970	858,556	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	1,730,706	(687,098)	(351.89)	3,602,033	(2,168,406)	(266.11)
Non Controlling Interest	243,086	1,137,639	(78.63)	-	-	-
Total Comprehensive Income for the Period	1,973,792	450,541		3,602,033	(2,168,406)	
Earnings per Share (Rs.)						
Basic Earnings per Share	1.55	1.95	(20.39)	3.08	0.74	318.72

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 30th September,	GROUP			COMPANY		
	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %	Unaudited 2019 Rs. '000	Unaudited 2018 Rs. '000	Variance %
	Revenue	37,603,845	37,477,850	0.34	51,214	49,562
Excise duty	(13,772,999)	(13,944,444)	(1.23)	-	-	-
Cost of sales and net benefits paid	(16,674,813)	(15,866,386)	5.10	(711)	(462)	53.90
Gross Profit	7,156,034	7,667,020	(6.66)	50,503	49,100	2.86
Other Operating Income	300,799	173,452	73.42	3,438,824	433,388	693.47
Selling and distribution expenses	(431,723)	(668,121)	(35.38)	-	-	-
Administrative Expenses	(4,247,724)	(3,989,217)	6.48	(51,305)	(47,901)	7.11
Other Operating Expenses	(63,095)	6,494	(1,071.58)	-	-	-
Profit from Operations	2,714,290	3,189,628	(14.90)	3,438,022	434,587	691.10
Finance Income	933,397	606,662	53.86	687,505	233,942	193.88
Finance Cost	(1,277,479)	(827,287)	54.42	(545,271)	(35,378)	1,441.27
Net Finance Income/(cost)	(344,082)	(220,625)		142,234	198,564	(28.37)
Share of Profit of Equity-Accounted Investees (Net of Tax)	128,067	113,648	12.69	-	-	-
Profit before Tax for the Quarter	2,498,276	3,082,651	(18.96)	3,580,256	633,151	465.47
Income Tax	(1,919,167)	(1,384,966)	38.57	(62,359)	(40,610)	53.56
Profit for the Quarter	579,109	1,697,685	(65.89)	3,517,897	592,541	493.70
Other comprehensive income						
Items that will never be reclassified to profit or loss						
Revaluation of property, plant and equipment	-	(63,992)	(100.00)	-	-	-
Equity investments at FVOCI – net change in fair value	2,852,363	(1,914,535)	(248.98)	2,628,702	(1,713,134)	(253.44)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
	2,852,363	(1,978,527)	-	2,628,702	(1,713,134)	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	19,776	-	-	-	-	-
Exchange Difference on translation of foreign operations	399,100	1,114,606	(64.19)	-	-	-
Net movement on Cashflow Hedges	94,275	(335,064)	(128.14)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	(190)	(100.00)	-	-	-
Share of other comprehensive income of equity accounted investees	(24,952)	89,570	(127.86)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	488,199	868,922		-	-	
Total other comprehensive income for the quarter	3,340,562	(1,109,605)		2,628,702	(1,713,134)	
Total comprehensive income for the quarter	3,919,671	588,080		6,146,599	(1,120,593)	
Profit Attributable to:						
Equity Holders of the Parent	623,965	1,481,784	(57.89)	3,517,897	592,541	493.70
Non Controlling Interest	(44,856)	215,901	(120.78)	-	-	-
Profit for the Quarter	579,109	1,697,685		3,517,897	592,541	493.70
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,619,176	(109,697)	(3,399.25)	6,146,599	(1,120,591)	(648.51)
Non Controlling Interest	300,495	697,777	(56.94)	-	-	-
Total Comprehensive Income for the Quarter	3,919,671	588,080		6,146,599	(1,120,591)	
Earnings per Share (Rs.)	0.54	1.27		3.02	0.51	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-2019	31-Mar-2019	30-Sep-2019	31-Mar-2019
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets				
Property, plant and equipment	107,466,690	105,353,898	18,283	11,525
Intangible assets	6,316,566	6,441,228	3,650	498
Investment property	6,065,316	6,064,200	5,077,748	5,077,748
Biological assets	8,760,481	8,650,109	-	-
Right- of - Use Assets	13,243,924	-	-	-
Investments in subsidiaries	-	-	59,728,506	59,698,170
Investment in equity accounted investees	6,915,980	6,564,576	1,127,000	952,000
Pre-paid operating leases	-	2,366,966	-	-
Deferred tax asset	1,555,088	2,134,725	2,094	2,094
Other non current financial investments	31,610,669	31,769,069	28,949,036	28,392,637
	181,934,714	169,344,771	94,906,318	94,134,672
Currents Assets				
Inventories	11,908,658	9,504,943	1,059	1,064
Produce on Bearer Biological Assets	6,759	6,762	-	-
Pre-paid operating leases	-	76,232	-	-
Trade and Other Receivables	26,040,258	28,902,919	29,353	163,919
Amounts due from Related Companies	198,973	447,778	155,386	44,786
Other Current Financial Investments	13,854,574	24,395,853	8,380,304	17,801,363
Cash and cash equivalents	7,734,230	10,766,524	29,349	33,659
	59,743,453	74,101,011	8,595,451	18,044,791
Assets held for Sale	1,145,477	164,125	-	-
Total assets	242,823,644	243,609,907	103,501,769	112,179,463
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	13,547,707	13,579,405	(3,701,180)	(3,708,246)
Retained Earnings	(21,067,706)	(22,452,538)	9,540,347	5,945,377
Equity attributable to owners of the Company	81,580,001	80,226,867	94,939,167	91,337,131
Non controlling interest	42,905,941	44,359,893	-	-
Total equity	124,485,942	124,586,760	94,939,167	91,337,131
Non-Current Liabilities				
Interest Bearing Loans and Borrowings	48,189,595	32,673,680	1,590,515	-
Employee Benefits	3,036,015	2,984,870	8,836	7,477
Deferred Tax Liabilities	8,917,847	9,410,463	547,524	547,524
Other Liabilities	805,980	2,154,959	-	-
	60,949,438	47,223,972	2,146,875	555,001
Current Liabilities				
Trade and Other Payables	25,160,635	28,418,689	15,906	23,501
Other Liabilities	8,976	6,160	-	-
Amount due to Related Companies	220,257	637,232	751,341	3,668,665
Income Tax Payable	4,524,182	2,264,008	11,698	134,204
Interest Bearing Loans and Borrowings	4,785,584	4,782,138	397,868	-
Bank Overdrafts and Other Short Term Borrowings	22,688,631	35,690,948	5,238,914	16,460,961
	57,388,264	71,799,175	6,415,727	20,287,331
Total liabilities	118,337,702	119,023,147	8,562,602	20,842,332
Total Equity and Liabilities	242,823,644	243,609,907	103,501,769	112,179,463
Net Assets per Share (Rs.)	70.00	68.84	81.47	78.37

The above unaudited figures are provisional and subject to audit.

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

sgd/-
D.M.Welikandage
Manager-Finance

The Directors are responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the board

sgd/-
D.H.S. Jayawardena
Chairman

sgd/-
A.L.Gooneratne
Managing Director

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent											Non controlling interest	Total equity	
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Available for sale	Investment	Cash Flow Hedge Reserve	Retained Earnings/ (Losses)			Total
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	Rs.'000	Rs.'000			Rs.'000
Balance as at 1st April 2018	89,100,000	7,010,624	(227,614)	20,491	(7,488,411)	944,140	1,317,586	4,444,088	-	-	(19,444,692)	75,676,213	47,308,931	122,985,144
Total Comprehensive Income for the Period														
Profit for the Period	-	-	-	-	-	-	-	-	-	-	2,271,135	2,271,135	349,046	2,620,181
Other Comprehensive Income														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(3,418,240)	-	-	-	(3,418,240)	(34,723)	(3,452,963)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of Property , Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on change in Fair Value of Biological Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow hedge reserve	-	-	-	-	-	-	-	-	-	(12,373)	-	(12,373)	(42,882)	(55,255)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference on translation of foreign operations	-	-	-	-	-	437,000	-	-	-	-	-	437,000	830,960	1,267,960
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	35,380	-	-	-	-	-	35,380	35,236	70,616
Total Other Comprehensive Income for the period	-	-	-	-	-	472,380	-	(3,418,240)	-	(12,373)	-	(2,958,233)	788,591	(2,169,642)
Total Comprehensive Income for the period	-	-	-	-	-	472,380	-	(3,418,240)	-	(12,373)	2,271,135	(687,098)	1,137,637	450,539
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(614,716)	(614,716)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Share Issue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	15	-	23,952	-	-	-	(23,967)	-	-	-
Effect of Business Combinations of Equity accounted Investors	-	-	-	-	-	-	-	-	-	-	6,509	6,509	388	6,897
Effect of Changes in Holding percentage without change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non Controlling Interest of Subsidiaries	-	-	-	-	-	-	-	-	-	-	279,935	279,935	(475,091)	(195,156)
Acquisition of control over equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in net assets of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	15	-	23,952	-	-	-	262,477	286,444	(1,089,419)	(802,975)
Balance as at 30th September 2018	89,100,000	7,010,624	(227,614)	20,491	(7,488,396)	1,416,520	1,341,538	1,025,848	-	(12,373)	(16,911,080)	75,275,559	47,357,149	122,632,708

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	Rs.'000
Balance as at 1st April 2019	89,100,000	8,185,465	12,137	20,491	1,352,238	1,664,032	1,458,578	905,322	-	-	(18,856)	(22,452,538)	80,226,869	44,359,893	124,586,762
Adjustments on initial application of SLFRS-16	-	-	-	-	-	-	-	-	-	-	-	(455,281)	(455,281)	(664,645)	(1,119,926)
Adjusted balance as at 1st April 2019	89,100,000	8,185,465	12,137	20,491	1,352,238	1,664,032	1,458,578	905,322	-	-	(18,856)	(22,907,819)	79,771,588	43,695,249	123,466,836
Total Comprehensive Income for the Period															
Profit for the Period	-	-	-	-	-	-	-	-	-	-	-	1,808,032	1,808,032	(31,109)	1,776,923
Other Comprehensive Income															
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	(215,674)	-	-	-	-	(215,674)	(20,567)	(236,241)
Income tax on other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	-	-	-	-	-	146,967	-	-	-	-	-	-	146,967	297,970	444,937
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	2,157	-	-	2,157	7,434	9,591
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(10,772)	-	-	-	-	-	(5)	(10,777)	(10,641)	(21,418)
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	-	136,195	-	(215,674)	-	2,157	(5)	(77,326)	274,195	196,869	
Total Comprehensive Income for the period	-	-	-	-	-	136,195	-	(215,674)	-	2,157	1,808,027	1,730,706	243,086	1,973,792	
Transactions with owners directly recorded in the Equity															
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(931,364)	(931,364)
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	-	-	44,707	-	-	-	-	(44,707)	-	-	-
Acquisition of Non Controlling Interest Chnages in % Holding of Subsidiaries	-	535	-	-	2,360	(1,835)	-	(76)	-	(69)	76,793	77,708	(101,031)	(23,323)	
Total Contributions by and Distributions to Owners	-	535	-	-	2,360	(1,835)	44,707	(76)	-	(69)	32,086	77,708	(1,032,394)	(954,687)	
Balance as at 30th September 2019	89,100,000	8,186,001	12,137	20,491	1,354,598	1,798,392	1,503,285	689,572	-	(16,768)	(21,067,706)	81,580,001	42,905,941	124,485,942	

MELSTACORP PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2018	89,100,000	111,691	(1,093,409)	2,421,284	90,539,566
Profit for the Period	-	-	-	858,556	858,556
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	(3,026,962)	-	(3,026,962)
Total Other Comprehensive Income for the period	-	-	(3,026,962)	-	(3,026,962)
Total Comprehensive Income for the period	-	-	(3,026,962)	858,556	(2,168,406)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	-
Balance as at 30th September 2018	89,100,000	111,691	(4,120,371)	3,279,840	88,371,160
Balance as at 1st April 2019	89,100,000	111,691	(3,819,935)	5,945,377	91,337,131
Profit for the Period	-	-	-	3,594,970	3,594,970
Other Comprehensive Income					-
Equity investments at FVOCI – net change in fair value	-	-	7,063	-	7,063
Income tax on other comprehensive income	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	7,063	-	7,063
Total Comprehensive Income for the period	-	-	7,063	3,594,970	3,602,033
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	-
Balance as at 30th September 2019	89,100,000	111,691	(3,812,872)	9,540,347	94,939,167

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the 6 months ended 30th September,

	GROUP		COMPANY	
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	5,247,881	5,139,383	3,719,687	967,060
Adjustment for				
Depreciation and amortization of PPE, Biological assets and intangible assets	2,814,544	2,892,196	2,767	788
Provision for gratuity	172,224	193,246	1,359	959
Interest Expenses	2,706,605	1,553,896	1,167,115	26,393
Interest income	1,296,742	(893,618)	(1,250,782)	(512,119)
Dividend income	(237,221)	(124,882)	(3,567,741)	(520,658)
(Gain) / loss on Disposal of Property, Plant and Equipment	(8,467)	(54,964)	-	-
Amortisation of Right of Use Assets	436,776	-	-	-
Provision/ (Reversal of provisions) for Inventories	3,687	7,322	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	87,569	30,213	-	-
Share of profit of equity-accounted investees (net of tax)	(241,838)	(208,624)	-	-
(Gain)/ Loss on disposal of other financial investments	(369)	(22,704)	(369)	(9,770)
Gain on disposal of Group Investments	-	-	-	(4,578)
Amortization of Deferred Grants and Subsidies	(8,145)	(5,215)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(79,960)	(42,345)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(48,545)	41,236	(60,899)	41,182
Operating Profit before Working Capital Changes	12,141,482	8,505,140	11,136	(10,743)
(Increase)/Decrease in Inventories	(2,407,399)	(993,397)	6	75
(Increase)/Decrease in Receivables	2,825,335	6,376,299	134,566	(73,358)
(Increase)/Decrease in Related Party Receivable and Payable	(168,171)	(190,690)	(247,652)	290,591
Increase/(Decrease) in Payables	(3,258,054)	(1,513,888)	(7,595)	57,683
Cash Generated from Operations	9,133,193	12,183,464	(109,540)	264,248
Dividend Received	277,893	149,769	3,567,741	520,658
Interest Paid	(2,288,565)	(1,990,371)	(1,011,158)	(23,250)
Income Tax Paid	(1,123,763)	(2,632,154)	(247,222)	(76,645)
Retiring Gratuity Paid	(122,706)	(126,238)	-	-
Net Cash Flow from Operating Activities	5,876,051	7,584,470	2,199,821	685,011
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of equity accounted investees	(175,000)	-	(175,000)	-
Proceeds from disposal of group investments	-	6,898	-	6,898
Investment in Subsidiaries	(23,323)	(195,155)	(30,336)	(195,155)
Proceeds from disposal of subsidiaries	-	2,550,150	-	2,550,150
Loans disbursed to Subsidiaries	-	-	(2,321,311)	(4,181,782)
Loans settled by Subsidiaries	-	-	592,556	1,375,827
Net proceed from disposal/(Acquisition)of Other Investments	10,512,353	(3,959,213)	11,201,485	(2,524,883)
Acquisition of Property, Plant & Equipment and intangible assets	(6,855,732)	(5,484,229)	(12,677)	(8,111)
Additions of Mature and Immature Plantations	(81,941)	(74,296)	-	-
Proceeds on Disposal of Property, Plant & Equipment	23,090	109,890	-	-
Interest Received	(1,296,742)	893,618	711,041	311,883
Net Cash Flow Used in Investing Activities	2,107,552	(6,152,337)	9,965,758	(2,665,173)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees	(40,889)	549,893	-	-
Repayment of short term borrowings to subsidiaries	-	-	(2,926,896)	-
Loans and borrowings Received	5,856,250	6,089,781	2,011,000	-
Repayments of loan and borrowings	(2,902,465)	(7,345,519)	(31,950)	-
Receipt of deferred Income	4,888	254,963	-	-
Dividends paid	-	-	-	-
Dividend paid by subsidiaries to minority share holders	(931,364)	(614,716)	-	-
Net Cash Flow from Financing Activities	1,986,420	(1,065,598)	(947,846)	-
Net Increase/Decrease in Cash & Cash Equivalent during the period	9,970,023	366,535	11,217,733	(1,980,162)
Cash & Cash Equivalents				
At the beginning of the year	(24,924,424)	(6,790,815)	(16,427,302)	243,349
Net movement during the period	9,970,023	-	11,217,733	(1,980,162)
At the end of the year (Note A)	(14,954,401)	(6,424,280)	(5,209,569)	(1,736,813)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	614,851	7,024,895	-	57,023
Cash in Hand & Bank	7,006,494	182,332	29,349	-
Cash in transit	112,885	1,051,234	-	10,905
Bank overdrafts and other short term borrowings	(22,688,631)	(14,682,741)	(5,238,914)	(1,804,741)
	(14,954,401)	(6,424,280)	(5,209,569)	(1,736,813)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the 6 months ended 30th September,

(a) Revenue

Beverages

Plantations

Telecommunications

Financial services

Diversified

Total revenue

(b) Industry Segment Profit

Beverages

Plantations

Telecommunications

Financial services

Diversified

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

Net Profit Before Tax

Taxation

Net Profit After Tax

	GROUP	
	2019	2018
	Rs.'000	Rs.'000
	43,010,711	42,003,718
	2,282,480	2,422,350
	1,382,118	1,482,147
	2,949,672	2,535,001
	25,550,080	24,030,656
	75,175,061	72,473,871
	5,349,404	4,209,395
	(400,490)	(56,639)
	(775,371)	(844,577)
	227,553	192,381
	604,946	1,430,198
	5,006,042	4,930,759
	241,838	208,624
	5,247,881	5,139,383
	(3,470,958)	(2,519,202)
	1,776,923	2,620,181

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

		30-Sep-2019	30-Sep-2018	31-Mar-2019
Net Assets Value per Share	- Group (Rs)	70.00	64.59	68.84
	- Company (Rs)	81.47	75.83	78.37
Market Price per Share	- Last Traded Rs)	44.80	50.00	36.00
	- Highest (Rs)	50.00	54.00	50.30
	- Lowest (Rs)	40.00	47.70	36.00

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

7 Earnings per Share

The Number of shares (1,165,398,072) held as at 30 September 2019 have been used for the purpose of Calculation of Earnings per Share.

8 Business Combinations

8.1 Acquisition of Non Controlling Interest

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

9 Contingent Liabilities

There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 March 2019.

10 Events occurring after the reporting period

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

Top 20 Shareholders – 30 September 2019

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	MR. M.A. YASEEN	162,277,302	13.925
3	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.030
4	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	63,895,700	5.483
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.479
6	MRS. L.E.M. YASEEN	20,430,000	1.753
7	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	16,000,000	1.373
8	LAHUGALA PLANTATION (PRIVATE) LIMITED	14,782,240	1.268
9	BNYM RE-CONSILIUM FRONTIER EQUITY FUNDLP.	13,745,754	1.179
10	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
11	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
12	MR. D.HASITHA.S. JAYAWARDENA	7,531,332	0.646
13	MORGAN STANLEY AND CO.LLC-RWC FRONTIER MARKETS EQUITY MASTER FUND	7,295,860	0.626
14	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	6,203,001	0.532
15	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND LP	6,021,000	0.517
16	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	5,932,697	0.509
17	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.468
18	SSBT-PARAMETRIC EMERGING MARKETS FUND	5,098,120	0.437
19	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.427
20	SSBT-FRANK RUSSELL INVESTMENT COMPANY EMERGING MARKETS FUND-CHE7	4,787,216	0.411
		1,067,442,130	91.595
	Others	97,954,942	8.405
	Total	1,165,397,072	100.000

Percentage of Shares held by the public 42.77%
Total No. of share holders who hold the public holding 10,480

Float Adjusted Market Capitalization

The Public Holding of the Company as at 30 September 2019 was 42.77 % comprising of 10,480 shareholders and the Float adjusted Market Capitalization of Rs.22,330,736,512/-. 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 30 September 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