

DISTILLERIES COMPANY OF SRI LANKA PLC



INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED
30th SEPTEMBER 2016

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the 6 months ended 30th September,	GROUP			COMPANY		
	Unaudited 2016 Rs. '000	Unaudited 2015 Rs. '000	Variance %	Unaudited 2016 Rs. '000	Unaudited 2015 Rs. '000	Variance %
	Gross Revenue	54,328,350	39,871,940	36.26	45,005,723	31,901,070
Net Revenue	19,577,497	15,604,544	25.46	13,062,827	9,697,135	34.71
Cost of Sales, Net Benefits Paid and Interest Expenses	(11,615,425)	(9,319,973)	24.63	(7,064,520)	(5,410,257)	30.58
Gross Profit	7,962,072	6,284,571	26.69	5,998,307	4,286,878	39.92
Other Operating Income	408,486	408,246	0.06	85,247	860,659	(90.10)
Distribution Expenses	(854,985)	(745,063)	14.75	(205,212)	(171,614)	19.58
Administrative Expenses	(1,848,357)	(1,632,958)	13.19	(503,981)	(499,286)	0.94
Other Operating Expenses	(28,827)	(35,656)	(19.15)	-	-	-
Profit from Operations	5,638,389	4,279,140	31.76	5,374,361	4,476,637	20.05
Finance Income	565,412	318,046	77.78	227,690	33,727	575.10
Finance Cost	(546,924)	(259,132)	111.06	(566,798)	(122,607)	362.29
Net Finance Income/(cost)	18,488	58,914		(339,108)	(88,880)	281.54
Share of Profit of Equity-Accounted Investees (Net of Tax)	395,903	307,108	28.91	-	-	-
Profit before Taxation	6,052,780	4,645,162	30.30	5,035,253	4,387,757	14.76
Taxation	(2,182,202)	(1,588,977)	37.33	(1,804,892)	(1,314,375)	37.32
Profit for the Year	3,870,578	3,056,185	26.65	3,230,361	3,073,382	5.11
Other Comprehensive Income						
Net Change in Fair Value of Available for Sale Financial Assets	1,841,147	(675,157)	(372.70)	259,556	(40,066)	(747.82)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	58,052	118,325	(50.94)	-	-	-
Total Other Comprehensive Income	1,899,199	(556,832)	(441.07)	259,556	(40,066)	(747.82)
Total Comprehensive Income for the Year	5,769,777	2,499,353	130.85	3,489,917	3,033,316	15.05
Profit Attributable to:						
Equity Holders of the Parent	4,109,969	3,204,659	28.25	3,230,361	3,073,382	5.11
Non Controlling Interest	(239,391)	(148,474)	61.23	-	-	-
Profit for the Year	3,870,578	3,056,185		3,230,361	3,073,382	5.11
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	6,009,128	2,647,827	126.95	3,489,917	3,033,316	15.05
Non Controlling Interest	(239,351)	(148,474)	61.21	-	-	-
Total Comprehensive Income for the Year	5,769,777	2,499,353		3,489,917	3,033,316	
Earnings per Share (Rs.)						
Basic Earnings per Share	13.70	10.68	28.25	10.77	10.24	5.11

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s <i>For the quarter ended 30th September,</i>	GROUP			COMPANY		
	Unaudited	Unaudited	Variance	Unaudited	Unaudited	Variance
	2016 Rs. '000	2015 Rs. '000	%	2016 Rs. '000	2015 Rs. '000	%
Gross Revenue	28,446,311	20,643,448	37.80	23,695,388	16,509,318	43.53
Net Revenue	10,232,707	8,027,594	27.47	6,892,470	5,015,589	37.42
Cost of Sales, Net Benefits Paid and Interest Expenses	(6,225,119)	(5,053,158)	23.19	(3,756,188)	(2,970,476)	26.45
Gross Profit	4,007,588	2,974,436	34.73	3,136,282	2,045,113	53.35
Other Operating Income	118,343	198,515	(40.39)	49,786	887,690	(94.39)
Distribution Expenses	(345,899)	(287,481)	20.32	(92,992)	(86,684)	7.28
Administrative Expenses	(961,985)	(763,044)	26.07	(282,522)	(269,036)	5.01
Other Operating Expenses	(10,798)	(23,468)	(53.99)	-	-	-
Profit from Operations	2,807,249	2,098,958	33.74	2,810,554	2,577,083	9.06
Finance Income	463,798	65,761	605.28	210,904	15,664	1,246.43
Finance Cost	(309,951)	(110,091)	181.54	(486,466)	(47,163)	931.46
Net Finance Income/(cost)	153,847	(44,330)	(447.05)	(275,562)	(31,499)	774.83
Share of Profit of Equity-Accounted Investees (Net of Tax)	245,972	144,010	70.80	-	-	-
Profit before Taxation	3,207,068	2,198,638	45.87	2,534,992	2,545,584	(0.42)
Taxation	(1,139,807)	(818,866)	39.19	(909,605)	(666,178)	36.54
Profit for the period	2,067,261	1,379,772	49.83	1,625,387	1,879,406	(13.52)
Other Comprehensive Income						
Net Change in Fair Value of Available for Sale Financial Assets	1,761,697	(718,586)	(345.16)	130,287	20,032	550.39
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	16,050	125,293	(87.19)	-	-	-
Total Other Comprehensive Income	1,777,747	(593,293)	(399.64)	130,287	20,032	550.39
Total Comprehensive Income for the Period	3,845,008	786,479	388.89	1,755,674	1,899,438	(7.57)
Profit Attributable to:						
Equity Holders of the Parent	2,186,974	1,449,295	50.90	1,625,387	1,879,406	(13.52)
Non Controlling Interest	(119,713)	(69,523)	72.19	-	-	-
Profit for the Period	2,067,261	1,379,772	50	1,625,387	1,879,406	(13.52)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,964,635	856,002	363	1,755,674	1,899,438	(7.57)
Non Controlling Interest	(119,627)	(69,523)	72	-	-	-
Total Comprehensive Income for the Period	3,845,008	786,479	389	1,755,674	1,899,438	(7.57)
Earnings per Share (Rs.)						
Basic Earnings per Share	7.29	4.83	50.90	5.42	6.26	

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF FINANCIAL POSITION

<i>As at,</i>	GROUP			COMPANY		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	30-Sep-16	30-Sep-2015	31-Mar-2016	30-Sep-16	30-Sep-2015	31-Mar-2016
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets						
Property, Plant and Equipment	22,522,661	19,182,800	22,283,214	6,431,259	6,159,882	6,657,068
Investment Property	1,213,752	585,917	1,195,695	-	-	-
Goodwill on Acquisition and Other Intangible Assets	2,722,843	2,597,095	2,472,672	11,140	19,031	15,091
Biological Assets	4,065,157	3,702,381	3,914,452	-	-	-
Investments in Subsidiaries	-	-	-	75,000,000	48,320,750	48,320,750
Investment in Equity Accounted Investees	26,636,995	25,660,198	26,293,943	28,704	28,704	28,703
Other Non Current Financial Investments	19,416,585	16,904,748	15,588,519	3,872,400	2,520,982	2,368,254
Deferred Tax Asset	607,967	502,715	702,452	49,884	54,845	49,884
Finance Lease, Hire Purchases and Operating Leases	1,960,310	1,385,646	1,634,071	-	-	-
Advances and Other Loans	384,639	474,752	433,724	-	-	-
	79,530,909	70,996,252	74,518,742	85,393,387	57,104,194	57,439,750
Currents Assets						
Inventories	5,449,756	5,367,470	6,014,160	2,884,255	2,768,561	3,489,835
Trade and Other Receivables	10,311,123	10,713,457	11,279,695	4,730,117	4,323,264	6,287,602
Finance Lease, Hire Purchases and Operating Leases	844,106	557,310	931,350	-	-	-
Advances and Other Loans	1,544,570	1,320,056	1,840,213	-	-	-
Amounts due from Related Companies	129,200	11,288	135,133	77,888	1,041,180	1,909,572
Other Current Financial Investments	2,315,808	2,582,714	2,998,528	52,914	180,527	58,409
Cash at Bank and Cash in Hand	3,093,637	4,766,651	1,588,014	384,833	256,308	231,146
	23,688,200	25,318,946	24,787,093	8,130,007	8,569,840	11,976,564
Total Assets	103,219,109	96,315,198	99,305,835	93,523,394	65,674,034	69,416,314
EQUITY AND LIABILITIES						
Equity						
Stated Capital	300,000	300,000	300,000	300,000	300,000	300,000
Reserve	24,436,437	22,255,908	22,471,622	11,778,447	11,301,637	11,518,891
Retained Earnings	43,461,350	40,120,786	40,431,973	43,462,123	40,740,004	41,236,762
Equity Attributable to Equity Holders of the parent	68,197,787	62,676,694	63,203,595	55,540,570	52,341,641	53,055,653
Non Controlling Interest	3,289,975	3,671,644	3,529,347	-	-	-
Total Equity	71,487,762	66,348,338	66,732,942	55,540,570	52,341,641	53,055,653
Non-Current Liabilities						
Interest Bearing Loans and Borrowings	4,672,420	2,357,596	2,831,914	25,300,081	-	-
Deferred Tax Liabilities	2,011,206	1,328,438	2,108,642	988,000	532,164	988,000
Employee Benefits	1,033,453	965,253	1,018,298	112,844	126,896	124,708
Other Deferred Liabilities	244,888	256,079	250,494	-	-	-
	7,961,967	4,907,366	6,209,348	26,400,925	659,060	1,112,708
Current Liabilities						
Trade and Other Payables	12,380,364	12,850,313	11,997,768	6,606,445	6,926,872	7,468,734
Deposit Liabilities	2,650,236	730,084	1,207,074	-	-	-
Other Deferred Liabilities	74,322	56,112	75,259	-	-	-
Amount due to Related Companies	303,409	468,655	294,030	2,921,217	1,456,598	1,709,280
Income Tax Payable	1,495,908	761,291	1,095,567	1,177,231	743,170	872,498
Interest Bearing Loans and Borrowings	2,561,829	889,618	2,616,212	-	-	-
Bank Overdrafts and Other Short Term Borrowing	4,303,311	9,303,421	9,077,635	877,006	3,546,693	5,197,441
	23,769,379	25,059,494	26,363,545	11,581,899	12,673,333	15,247,953
Total Equity and Liabilities	103,219,109	96,315,198	99,305,835	93,523,394	65,674,034	69,416,314
Net Assets per Share (Rs.)	227.33	208.92	210.68	185.14	174.47	176.85

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/-

N.N.Nagahawatte
Head of Finance

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

Signed for and on behalf of the board

sgd/-

D.H.S Jayawardena
Chairman/ Managing Director

03rd November 2016

sgd/-

Dr.A.N.Balasuriya
Director

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF CHANGES IN EQUITY

GROUP	Attributable to equity holders of parent											Non controlling interest	Total equity
	Stated	Revaluation	Capital	Reserve	General	Exchange	Timber	Available	Investment	Retained	Total		
	capital	reserve	reserve	fund	reserve	reserve	reserve	reserve	fund	earnings/ (losses)			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		
Balance as at 1st April 2015 (Audited)	300,000	5,846,432	110,930	5,992	8,286,434	337,838	700,076	7,463,746	-	37,952,431	61,003,879	3,820,118	64,823,997
Super Gain Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted Balance as at 1st April 2015	300,000	5,846,432	110,930	5,992	8,286,434	337,838	700,076	7,463,746	-	37,952,431	61,003,879	3,820,118	64,823,997
Net Profit for the Period	-	-	-	-	-	-	-	-	-	3,204,659	3,204,659	(148,474)	3,056,185
Other Comprehensive Income													
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(675,157)	-	-	(675,157)	-	(675,157)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	111,694	-	6,588	-	44	118,326	-	118,326
Total Other Comprehensive Income for the period	-	-	-	-	-	111,694	-	(668,569)	-	44	(556,831)	-	(556,831)
Total Comprehensive Income for the period	-	-	-	-	-	111,694	-	(668,569)	-	3,204,703	2,647,829	(148,474)	2,499,353
Transactions with Owners of the Company directly recognized into Equity													
Dividends paid for 2015/16	-	-	-	-	-	-	-	-	-	(975,000)	(975,000)	-	(975,000)
Transfer to/from retained earnings	-	-	-	-	-	-	61,335	-	-	(61,335)	-	-	-
Effect of acquisitions, disposals and change in percentage holding in subsidiaries of Equity Accounted Investees										(13)	(13)	-	(13)
Total Transactions with Owners of the Company	-	-	-	-	-	-	61,335	-	-	(1,036,348)	(975,013)	-	(975,013)
Balance as at 30th September 2015	300,000	5,846,432	110,930	5,992	8,286,434	449,532	761,411	6,795,177	-	40,120,786	62,676,694	3,671,643	66,348,336
Adjusted Balance as at 1st April 2016	300,000	8,303,335	120,019	9,335	8,613,968	592,644	833,694	3,998,627	-	40,431,973	63,203,595	3,529,347	66,732,942
Net Profit for the Period	-	-	-	-	-	-	-	-	-	4,109,969	4,109,969	(239,392)	3,870,577
Other Comprehensive Income													
Net Change in Fair Value of Available for Sale Financial Asset	-	-	-	-	-	-	-	1,841,108	-	-	1,841,108	39	1,841,147
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	84,971	-	(26,893)	-	(26)	58,052	-	58,052
Total Other Comprehensive Income for the period	-	-	-	-	-	84,971	-	1,814,215	-	(26)	1,899,159	39	1,899,199
Total Comprehensive Income for the period	-	-	-	-	-	84,971	-	1,814,215	-	4,109,943	6,009,128	(239,353)	5,769,776
Transactions with Owners of the Company directly recognized into Equity													
Transfer to/from retained earnings	-	-	-	-	-	-	65,691	-	-	(65,691)	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	(1,005,000)	(1,005,000)	(19)	(1,005,019)
Effect of acquisition of Non Controlling Interest of Equity Accounted Investees	-	-	-	-	-	(59)	-	-	-	(6,372)	(6,432)	-	(6,432)
Other changes in Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	(3,506)	(3,506)	-	(3,506)
Total Transactions with Owners of the Company	-	-	-	-	-	(59)	65,691	-	-	(1,080,569)	(1,014,938)	(19)	(1,014,957)
Balance as at 30th September 2016	300,000	8,303,335	120,019	9,335	8,613,968	677,555	899,385	5,812,842	-	43,461,347	68,197,786	3,289,975	71,487,761

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	General reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2015 (Audited)	300,000	1,295,154	107,882	8,210,000	1,728,667	38,641,622	50,283,325
Net Profit for the Period						3,073,382	3,073,382
Other Comprehensive Income							-
Net change in fair value of available for sale financial assets	-	-	-	-	(40,066)	-	(40,066)
Total Other Comprehensive Income for the period	-	-	-	-	(40,066)	-	(40,066)
Total Comprehensive Income for the period	-	-	-	-	(40,066)	3,073,382	3,033,316
Transactions with Owners of the Company directly recognized into Equity							
Dividend Paid	-	-	-	-	-	(975,000)	(975,000)
	-	-	-	-	-	(975,000)	(975,000)
Balance as at 30 September 2015	300,000	1,295,154	107,882	8,210,000	1,688,601	40,740,004	52,341,641
Balance as at 1st April 2016	300,000	1,696,692	107,882	8,210,000	1,504,317	41,236,762	53,055,653
Net Profit for the Period						3,230,361	3,230,361
Other Comprehensive Income							-
Net change in fair value of available for sale financial assets	-	-	-	-	259,556	-	259,556
	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	259,556	-	259,556
Total Comprehensive Income for the period	-	-	-	-	259,556	3,230,361	3,489,917
Transactions with Owners of the Company directly recognized into Equity							
Dividend Paid	-	-	-	-	-	(1,005,000)	(1,005,000)
	-	-	-	-	-	(1,005,000)	(1,005,000)
Balance as at 30th September 2016	300,000	1,696,692	107,882	8,210,000	1,763,873	43,462,123	55,540,570

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF CASH FLOWS

	GROUP		COMPANY	
	2016 Rs. '000	2015 Rs. '000	2016 Rs. '000	2015 Rs. '000
<i>For the 6 months ended 30th September,</i>				
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	6,052,779	4,645,162	5,035,253	4,387,757
Adjustment for				
Depreciation and amortization of PPE, Biological assets and intangible assets	1,079,161	940,515	273,367	254,390
Provision for gratuity	52,429	46,873	-	507
Interest Expenses	529,588	270,898	566,798	122,607
Interest income	(387,356)	(191,428)	(224,952)	(31,068)
Dividend income	(205,702)	(247,983)	(1,776)	(797,404)
(Gain) / loss on Disposal of Property, Plant and Equipment	(20,400)	(31,772)	(19,169)	(31,772)
Provision/ (Reversal of provisions) for Inventories	(46,760)	111,609	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	56,097	22,829	-	-
Share of profit of equity-accounted investees (net of tax)	(395,903)	(307,108)	-	-
(Profit)/loss on sale of quoted and non-quoted shares	(3,357)	(5)	-	-
Deferred income recognized	(23,977)	(5,722)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(36,000)	(36,000)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(177,618)	(126,476)	(2,738)	(2,658)
Operating Profit before Working Capital Changes	6,472,981	5,091,392	5,626,783	3,902,359
(Increase)/Decrease in Inventories	611,164	(495,029)	605,579	27,927
(Increase)/Decrease in Receivables	1,024,140	(1,508,817)	2,101,574	406,188
Increase/(Decrease) in Payables	1,813,002	3,053,615	279,743	(64,270)
Cash Generated from Operations	9,921,288	6,141,161	8,613,679	4,272,204
Interest Paid	(536,924)	(270,898)	(566,798)	(122,607)
Income Tax Paid	(1,784,812)	(1,264,597)	(1,501,126)	(832,200)
Retiring Gratuity Paid	(37,274)	(31,581)	(11,864)	(10,722)
Net Cash Flow from Operating Activities	7,562,278	4,574,085	6,533,891	3,306,675
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of equity accounted investees	(167,083)	(739,503)	-	-
Net proceed from disposal/(Acquisition)of Other Investments	(1,123,221)	(81,062)	(1,244,603)	-
Acquisition of Property, Plant & Equipment and intangible assets	(1,588,606)	(1,488,793)	(78,202)	(190,566)
Additions of Mature and Immature Plantations	(109,071)	(135,837)	-	-
Dividends Received	473,750	598,151	1,776	797,404
Proceeds on Disposal of Property, Plant & Equipment	22,170	35,558	19,175	31,774
Interest Received	387,356	191,428	224,952	31,068
Net Cash Flow Used in Investing Activities	(2,104,704)	(1,620,058)	(1,076,902)	669,680
CASH FLOW FROM FINANCING ACTIVITIES				
Laon and borrowings Received	2,872,370	1,177,473	-	-
Repayments of loan and borrowings	(1,078,910)	(536,995)	-	-
Receipt of deferred Income	11,801	2,866	-	-
Dividends paid	(982,867)	(975,000)	(982,867)	(975,000)
Dividend paid by subsidiaries to minority share holders	(19)	-	-	-
Net Cash Flow from Financing Activities	822,374	(331,656)	(982,867)	(975,000)
Net Increase/Decrease in Cash & Cash Equivalent during the year	6,279,948	2,622,371	4,474,122	3,001,355
Cash & Cash Equivalents				
At the beginning of the year	(7,489,621)	(7,159,141)	(4,966,295)	(6,291,740)
Net movement during the year	6,279,948	2,622,371	4,474,122	3,001,355
At the end of the year (Note A)	(1,209,673)	(4,536,770)	(492,173)	(3,290,385)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	1,729,276	3,799,059	-	-
Cash in Transit	579,107	69,341	84,107	69,341
Cash in Hand & Bank	785,255	898,251	300,726	186,967
Bank overdrafts and other short term borrowings	(4,303,311)	(9,303,421)	(877,006)	(3,546,693)
	(1,209,673)	(4,536,770)	(492,173)	(3,290,385)

DISTILLERIES COMPANY OF SRI LANKA PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the 6 months ended 30th September,

	GROUP	
	2016	2015
	Rs.'000	Rs.'000
(a) Turnover		
Beverages	49,368,093	35,313,016
Plantations	1,283,661	1,296,158
Telecommunications	1,553,568	1,656,207
Financial services	1,339,146	957,335
Diversified	783,882	649,224
Gross Turnover	54,328,350	39,871,940
Turnover based Taxes	(34,750,853)	(24,267,396)
Net Turnover	19,577,497	15,604,544
(b) Industry Segment Profit		
Beverages	5,914,727	4,096,662
Plantations	(67,886)	(177,929)
Telecommunications	(553,644)	(278,196)
Financial services	154,050	155,087
Diversified	209,630	542,430
	5,656,877	4,338,054
Share of Associate Company Profits	395,903	307,108
Net Profit Before Tax	6,052,780	4,645,162
Taxation	(2,182,202)	(1,588,977)
Net Profit After Tax	3,870,578	3,056,185

DISTILLERIES COMPANY OF SRI LANKA 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

		9/30/2016	30-Sep-2015	31-Mar-2016
Net Assets Value per Share	- Group (Rs)	227.33	208.92	210.68
	- Company (Rs)	185.14	174.47	176.85
Market Price per Share	- Last Traded Rs)	237.95	274.90	206.20
	- Highest (Rs)	294.00	320.00	245.90
	- Lowest (Rs)	208.00	265.00	205.00

6 300,000,000 ordinary shares represent the Stated Capital.

7 Restructure of Distilleries Company of Sri Lanka PLC/Melstacorp Limited

The Company made an application to the District Court of Colombo on 01 August 2016, seeking approval to carry out a share swap that will result in the shareholders of DCSL PLC will become shareholders of Melstacorp Limited. The proposed swap will result in DCSL PLC becoming a fully owned subsidiary of Melstacorp Limited. On 3rd August 2016, and the Court made Order approving the holding of an Extraordinary General Meeting of the shareholders of the Company to place before the shareholders a Special Resolution seeking approval for the 'Arrangement'. Once the swap is completed Melstacorp Limited will seek a listing of its shares in the Colombo Stock Exchange.

As the 'Arrangement' has received the approval of both the shareholders (DCSL and MELSTACORP) and also from the Commercial High Courts of Colombo, the swap has effectively taken place and from 30th September 2016 Melstacorp Limited had become the holding Company of DIST. However, the physical transfer of shares to and from the shareholders will take place when the approval is received from Colombo Stock Exchange (CSE) and from Securities and Exchange Commission of Sri Lanka. Therefore the Company (DCSL PLC) has continued with the existing set of Consolidated Financial Statements till the the physical transfer of shares to and from the shareholders will take place when the approval is received from Colombo Stock Exchange (CSE) and from Securities and Exchange Commission of Sri Lanka (SEC).

The new Group Financial Statements will be available to the public as the Consolidated Financial Statements of Melstacorp Limited once the Melstacorp Limited is listed in Colombo Stock Exchange with the approval of them and Securities and Exchange Commission of Sri Lanka (SEC).

8 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.

9 Contingent Liabilities

Other than the items disclosed bellow, 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 2016.

DISTILLERIES COMPANY OF SRI LANKA PLC

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

NAME OF COMPANY

Distilleries Company of Sri Lanka PLC

REGISTERED OFFICE

No.110, Norris Canal Road,
Colombo 10, Sri Lanka.
Tel: 011-2695295-7, 011-5507000
Fax: 011-2696360 Web: www.dcsigroup.com

COMPANY REGISTRATION NUMBER

PQ 112

BOARD OF DIRECTORS

Mr.D.H.S.Jayawardena - Chairman / Managing Director
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
Mr. A.L. Gooneratne (Alternate Director to Mr.N. De S. Deva Aditya)
Ms.V.J.Senaratne (Alternate Director to Mr. K.J. Kahanda)

COMPANY SECRETARY

Ms.V.J.Senaratne

AUDITORS

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

REGISTRARS

P W Corporate Secretarial (Pvt) Ltd.,
No. 3/17, Kynsey Road,
Colombo 08, Sri Lanka.

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Hong Kong & Shanghai Banking Corporation
MCB Bank
Nation's Trust Bank PLC
People's Bank
Standard Chartered Bank
Seylan Bank PLC
DFCC Bank PLC

CREDIT RATING

The Company has been assigned 'AAA (Ika)'
National Long Term Rating with a Stable
Outlook by Fitch Ratings Lanka Limited.