

DISTILLERIES COMPANY OF SRI LANKA PLC



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st March 2019

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31st March 2019

	2019 Rs.'000s <u>Unaudited</u>	2018 Rs.'000s <u>Audited</u>	Variance %
Gross Revenue	81,673,018	90,386,965	-9.6%
Net Revenue	27,715,718	29,182,824	-5.0%
Cost of Sales	(16,943,922)	(19,759,674)	-14.2%
Gross Profit	10,771,796	9,423,150	14.3%
Other Operating Income	155,563	346,639	-55.1%
Distribution Expenses	(687,519)	(694,403)	-1.0%
Administrative Expenses	(1,113,305)	(1,165,775)	-4.5%
Profit from Operations	9,126,535	7,909,611	15.4%
Finance Income	281,585	244,054	15.4%
Finance Cost	(432,007)	(828,821)	-47.9%
Net Finance Income/(cost)	(150,422)	(584,767)	-74.3%
Profit before Tax from continued operations	8,976,113	7,324,844	22.5%
Taxation	(3,681,535)	(2,975,376)	23.7%
Profit for the Year	5,294,578	4,349,468	21.7%
Other Comprehensive Income/(Expense)			
Items that will never be reclassified to Profit or Loss			
Actuarial Gain/(Loss) on Retirement Benefit Obligations	(20,341)	(2,518)	
Deferred tax on Actuarial Gain/(Loss)	-	1,007	
Deferred tax on revaluation surplus on land	-	(595,401)	
	(20,341)	(596,912)	
Items that are or may be reclassified to Profit or Loss			
Net Change in fair Value of Available for Sale Financial Assets	(848,558)	250,494	
	(848,558)	250,494	
Total Other Comprehensive Income/(Expense) for the Year	(868,899)	(346,418)	150.8%
Total Comprehensive Income/(Expense) for the Year	4,425,679	4,003,050	
Weighted Average Number of Ordinary Shares	4,600,000	771,233	
Earnings Per Share (Rs.)			
Basic Earnings per Share	1.15	5.64	-79.6%

DISTILLERIES COMPANY OF SRI LANKA PLC
INCOME STATEMENTS

For the Quarter ended 31st March 2019

	2019 Rs.'000s Unaudited	2018 Rs.'000s Unaudited	Variance %
Gross Revenue	21,694,912	24,290,490	-10.7%
Net Revenue	7,563,975	8,163,268	-7.3%
Cost of Sales	(4,072,439)	(4,494,276)	-9.4%
Gross Profit	3,491,536	3,668,992	-4.8%
Other Operating Income	46,448	125,976	-63.1%
Distribution Expenses	(258,042)	(323,150)	-20.1%
Administrative Expenses	(299,918)	(289,738)	3.5%
Profit from Operations	2,980,024	3,182,080	-6.3%
Finance Income	153,147	82,058	86.6%
Finance Cost	(185,714)	(247,977)	-25.1%
Net Finance Income/(cost)	(32,567)	(165,919)	-80.4%
Profit before Tax from continued operations	2,947,457	3,016,161	-2.3%
Taxation	(1,206,122)	(1,249,033)	-3.4%
Profit for the Period	1,741,335	1,767,128	-1.5%
Other Comprehensive Income			
Net Change in fair Value of Available for Sale Financial Assets	(493,284)	(713,973)	-30.9%
Actuarial Gain/(Losses) on retirement benefit obligations	(20,341)	-	
Total Other Comprehensive Income	(513,625)	(713,973)	
Total Comprehensive Income for the period	1,227,710	1,053,155	
Weighted Average Number of Ordinary Shares	4,600,000	2,211,111	
Earnings Per Share (Rs.)			
Basic Earnings per Share	0.38	0.80	-52.6%

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF FINANCIAL POSITION

AS AT,	Unaudited 31-Mar-19 Rs.'000s	Audited 31-Mar-18 Rs.'000s
Non Current Assets		
Property, Plant and Equipment	5,365,132	5,796,136
Other Non Current Financial Investment	2,415,338	3,242,237
	7,780,471	9,038,373
Current Assets		
Inventories	4,595,120	4,694,531
Trade and Other Receivables	8,117,070	8,735,981
Amounts Due from Related Companies	3,572,655	906,033
Other Current Financial Investment	43,372	272,616
Cash and Cash Equivalents	302,111	470,087
	16,630,328	15,079,248
Total Assets	24,410,800	24,117,621
EQUITY AND LIABILITIES		
Capital and Reserve		
Stated Capital	3,000,000	3,000,000
Capital Reserve	2,332,137	3,180,697
Revenue Reserve	1,724,453	(467,788)
	7,056,590	5,712,909
Non Current Liabilities		
Deferred Tax Liabilities	1,773,957	1,773,956
Employee Benefits	166,101	129,349
	1,940,058	1,903,305
Current Liabilities		
Trade and Other Payables	9,063,135	9,084,009
Amounts Due to Related Companies	469,585	1,225,090
Income Tax Payable	1,450,787	892,286
Bank Overdrafts and Other Short Term Borrowings	4,430,645	5,300,022
	15,414,152	16,501,407
Total Equity and Liabilities	24,410,800	24,117,621
Net Assets per Share (Rs.)	1.53	1.24

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

sgd/-

Dr.A.N.Balasuriya
Director

29th May 2019

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF CHANGES IN EQUITY

	Stated capital Rs.'000	Pending Allotment 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 2017 (UnAudited)	300,000	20,000,000.00	1,696,692	107,882	8,210,000	1,711,030	(29,790,745)	2,234,859
Super Gain Tax Paid								-
	300,000	20,000,000.00	1,696,692	107,882	8,210,000	1,711,030	(29,790,745)	2,234,859
Total Comprehensive Income for the Year								
Profit/(Loss) for the Year	-	-	-	-	-	-	4,349,468	4,349,468
Other Comprehensive Income								
Net Changes to Reserve	-	-	-	-	-	250,494	-	250,494
Actuarial gain/(losses) on Employee Benefits	-	-	-	-	-	-	(2,518)	(2,518)
Deferred tax on actuarial Loss	-	-	-	-	-	-	1,007	1,007
Deferred tax on revaluation surplus on land	-	-	(595,401)	-	-	-	-	(595,401)
Total Comprehensive Income for the Year	-	-	(595,401)	-	-	250,494	4,347,957	4,003,050
Transactions with Owners directly recorded in the Equity								
Issue of Shares	20,000,000	(20,000,000)	-	-	-	-	-	-
Transfers	(17,300,000)	-	-	-	(8,200,000)	-	25,500,000	-
Dividends paid during the year	-	-	-	-	-	-	(525,000)	(525,000)
Total contributions by and distributions to owners	2,700,000	(20,000,000)	-	-	(8,200,000)	-	24,975,000	(525,000)
Balance as at 31st March 2018	3,000,000	-	1,101,291	107,882	10,000	1,961,524	(467,788)	5,712,909
Balance as at 01st April 2018	3,000,000	-	1,101,291	107,882	10,000	1,961,524	(467,788)	5,712,909
Total Comprehensive Income for the Year								
Profit for the Year	-	-	-	-	-	-	5,294,578	5,294,578
Other Comprehensive Income								
Net Changes to Reserve	-	-	-	-	-	(848,558)	-	(848,558)
Defined Benefit Plan	-	-	-	-	-	-	(20,341)	(20,341)
Total contributions by and distributions to owners	-	-	-	-	-	(848,558)	5,274,238	4,425,679
Dividend Paid	-	-	-	-	-	-	(3,082,000)	(3,082,000)
Balance as at 31st March 2019	3,000,000	-	1,101,291	107,882	10,000	1,112,964	1,724,453	7,056,590

DISTILLERIES COMPANY OF SRI LANKA PLC
STATEMENTS OF CASH FLOWS

For the year ended 31 st March 2019	31-Mar-19 Rs. '000	31-Mar-18 Rs. '000
Cash Generated from Operations		
Profit from operations	8,976,113	7,324,844
Adjustments for		
Depreciation	533,825	563,527
Interest Expenses	423,428	828,821
Interest Income	(281,585)	(244,054)
Dividend Income	(17,782)	(99,798)
(Gain)/ Loss on Disposal of P.P.E	(33,549)	(16,304)
Reversal/provision for Fall in value of Investments	8,580	(8,009)
(Gain) /Loss on Disposal of Share	-	(72,673)
Provision for Retiring Gratuity	30,469	27,290
Operating Profit before Working Capital Changes	9,639,498	8,303,644
(Increase)/Decrease in Inventories	99,409	(205,905)
(Increase)/Decrease in Receivables	(1,842,963)	(1,978,068)
Increase/(Decrease) in Payables	(942,130)	(824,191)
Cash flows from Operating Activities	6,953,814	5,295,480
Interest paid	(366,293)	(712,777)
Income Tax paid	(3,125,264)	(2,993,595)
Retiring Gratuity paid	(14,281)	(22,689)
Net Cash flows from Operating Activities	3,447,976	1,566,419
Cash flows from Investing Activities		
Acquisition of Property Plant and Equipment	(75,831)	(138,431)
Purchase of Shares and Other Investments	-	(378,306)
Net Proceeds from Disposal of AFS	-	1,482,298
Dividends Received	17,782	78,131
Proceeds on Disposal of Property Plant and Equipment	38,964	16,304
Interest Received	132,271	148,351
Cash flows from Financing Activities	113,186	1,208,347
Dividend paid	(3,080,431)	(525,000)
Redemption/ (Investment) of Debentures	220,670	-
	(2,859,761)	(525,000)
Cash and Cash Equivalents		
At the Beginning of the year	(4,829,935)	(7,079,701)
Net Movement during the period	701,401	2,249,766
	(4,128,534)	(4,829,935)
At the End of the year		
Cash in Transit	152,440	182,332
Cash in Hand and Bank	149,671	287,755
Bank Over Draft	(590,645)	(1,225,022)
Bank & Other Borrowings	(3,840,000)	(4,075,000)
	(4,128,534)	(4,829,935)

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. Non Financial Information

		31-03-2019	31-03-2018
Net Assets Value per Share	- (Rs)	1.53	1.24
Market Price per Share	- Last Traded Rs)	14.50	N/A*
	- Highest (Rs)	35.00	N/A*
	- Lowest (Rs)	14.30	N/A*

*Shares of Distilleries Company of Sri Lanka PLC's were not trading at Colombo Stock Exchange from 30.09.2016 to 31.03.2018 due to the restructure process. Therefore market prices were not available.

4. 4,600,000,000 ordinary shares represent the Stated Capital.(300,000,000 ordinary shares were representing 30.09.2017) The calculation of basic earnings/(Loss) per share is based on the profit attributable to Ordinary shareholders and the weighted average number of shares outstandings during the period.

	31-03-2019	31-03-2018
Weighted average number of ordinary shares (000)	4,600,000	771,233

5.

The float adjusted market capitalisation as at 31st March 2019 was Rs.2,171,752,000/-, The percentage of shares held by the public as at 31st March is 3.256% and the number of public shareholders as at 31st March 2019 was 11,100.

6. The Company is not compliant with Rule 7.13.1.(a) of the Listing Rules of the Colombo Stock Exchange on minimum public holding.

7. 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.

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 31st March 2018.

DISTILLERIES COMPANY OF SRI LANKA PLC
NOTES TO THE FINANCIAL STATEMENTS

9. Top 20 Shareholders – 31st March 2019

RANK	NAME	NO OF SHARES	%
1	MELSTACORP PLC	4,252,954,164	92.456%
2	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	147,520,592	3.207%
3	LANKA MILK FOODS (CWE) LIMITED	44,991,407	0.978%
4	MR. M.A. YASEEN	25,924,620	0.564%
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	15,466,666	0.336%
6	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	14,706,431	0.320%
7	RUBBER INVESTMENT TRUST LIMITED A/C # 01	8,811,126	0.192%
8	NORTHERN TRUST COMPANY S/A KUROTO FUND LP	6,933,478	0.151%
9	MRS. L.E.M. YASEEN	5,977,777	0.130%
10	CEYLON INVESTMENT PLC A/C # 02	5,314,317	0.116%
11	UNION ASSURANCE PLC/NO-01A/C	5,304,755	0.115%
12	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	5,218,850	0.113%
13	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	4,740,740	0.103%
14	LAHUGALA PLANTATION (PRIVATE) LIMITED	4,379,922	0.095%
15	MRS. S.M. CHRYSOSTOM	3,374,814	0.073%
16	STASSEN EXPORTS (PVT) LIMITED	2,505,718	0.054%
17	MR. M.H. RAOUF	2,245,444	0.049%
18	MR. D. HASITHA S. JAYAWARDENA	2,231,505	0.049%
19	J.B. COCOSHELL (PVT) LTD	2,098,356	0.046%
20	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	1,837,926	0.040%
		4,562,538,608	99.186%
	Others	37,461,392	0.814%
	TOTAL	4,600,000,000	100.000

Percentage of Shares held by the public **3.256%**

Total No. of share holders who hold the public holding **11,100**

Directors' Shareholding as at 31st March 2019

Name	No. of Shares	%
Mr. D. H. S. Jayawardena	-	-
Mr. C. R. Jansz	-	-
Mr. N. De S. Deva Aditya	-	-
Mr. K. J. Kahanda	-	-
Dr. A. N. Balasuriya	-	-
Mr. D. Hasitha S. Jayawardena	2,231,505	0.049%
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)	-	-

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

Central Depository Systems (Private) Limited
Registrars -Unit
No.341/5, Kotte Road,
Rajagiriya, Sri Lanka.

BANKERS

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

CREDIT RATING

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