

# MELSTACORP PLC



**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**30TH SEPTEMBER 2020**

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

Rs. '000s For the 6 months ended 30th September,	GROUP			COMPANY		
	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %
	<b>Revenue</b>	<b>61,585,214</b>	74,412,393	(17.24)	<b>131,330</b>	106,321
Excise duty	(27,147,479)	(27,534,658)	(1.41)	-	-	-
Cost of sales and net benefits paid	(24,659,445)	(32,520,159)	(24.17)	(1,545)	(1,174)	31.58
<b>Gross Profit</b>	<b>9,778,289</b>	14,357,576	(31.89)	<b>129,786</b>	105,147	23.43
Other Operating Income	613,882	671,100	(8.53)	2,714,982	3,568,110	(23.91)
Selling and distribution expenses	(341,222)	(1,002,311)	(65.96)	-	-	-
Administrative Expenses	(5,801,734)	(7,716,684)	(24.82)	(135,719)	(98,135)	38.30
Other Operating Expenses	(176,275)	(75,042)	134.90	-	-	-
<b>Profit from Operations</b>	<b>4,072,939</b>	6,234,638	(34.67)	<b>2,709,048</b>	3,575,122	(24.23)
Finance Income	712,258	1,660,807	(57.11)	618,400	1,311,681	(52.85)
Finance Cost	(2,934,434)	(2,889,403)	1.56	(491,072)	(1,167,115)	(57.92)
<b>Net Finance Income/(cost)</b>	<b>(2,222,176)</b>	(1,228,596)		<b>127,327</b>	144,566	(11.92)
Share of Profit of Equity-Accounted Investees (Net of Tax)	253,157	241,838	4.68	-	-	-
<b>Profit before Tax for the period</b>	<b>2,103,921</b>	5,247,881	(59.91)	<b>2,836,376</b>	3,719,688	(23.75)
Income Tax	(3,239,773)	(3,470,958)	(6.66)	(325,930)	(124,717)	161.34
<b>Profit for the period</b>	<b>(1,135,853)</b>	1,776,923	(163.92)	<b>2,510,445</b>	3,594,971	(30.17)
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	(5,802,143)	(256,017)	2,166.31	(5,246,272)	7,063	(74,374.13)
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	-	-	-	-	-	-
	(5,802,143)	(256,017)	-	(5,246,272)	7,063	-
<b>Items that are or may be reclassified to profit or loss</b>						
Net change in fair value of available for sale financial assets	-	19,776	(100.00)	-	-	-
Exchange Difference on translation of foreign operations	(188,491)	444,937	(142.36)	-	-	-
Net movement on Cashflow Hedges	(239,728)	9,591	(2,599.51)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	82,936	(21,418)	(487.23)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	(345,283)	452,886	(176.24)	-	-	-
<b>Total other comprehensive income for the period</b>	<b>(6,147,426)</b>	196,869	(3,222.60)	<b>(5,246,272)</b>	7,063	(74,374.13)
<b>Total comprehensive income for the period</b>	<b>(7,283,279)</b>	1,973,792	(469.00)	<b>(2,735,827)</b>	3,602,034	(175.95)
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	1,421,382	1,808,032	(21.39)	2,510,445	3,594,971	(30.17)
Non Controlling Interest	(2,557,235)	(31,109)	8,120.26	-	-	-
<b>Profit for the period</b>	<b>(1,135,853)</b>	1,776,923		<b>2,510,445</b>	3,594,971	
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	(4,406,983)	1,730,706	(354.64)	(2,735,827)	3,602,034	(175.95)
Non Controlling Interest	(2,876,295)	243,086	(1,283.24)	-	-	-
<b>Total comprehensive income for the period</b>	<b>(7,283,279)</b>	1,973,792		<b>(2,735,827)</b>	3,602,034	
<b>Earnings per Share (Rs.)</b>						
Basic Earnings per Share	1.22	1.55	(21.39)	2.15	3.08	(30.17)

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

Rs. '000s For the quarter ended 30th September,	GROUP			COMPANY		
	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %	Unaudited 2020 Rs. '000	Unaudited 2019 Rs. '000	Variance %
	<b>Revenue</b>	<b>37,301,515</b>	37,290,042	0.03	<b>66,487</b>	51,214
Excise duty	(16,614,386)	(13,225,328)	25.63	-	-	-
Cost of sales and net benefits paid	(14,111,295)	(17,222,483)	(18.06)	(750)	(711)	5.46
<b>Gross Profit</b>	<b>6,575,833</b>	6,842,231	(3.89)	<b>65,738</b>	50,503	30.17
Other Operating Income	352,467	300,799	17.18	375,827	3,438,824	(89.07)
Selling and distribution expenses	(101,120)	(431,723)	(76.58)	-	-	-
Administrative Expenses	(2,830,641)	(3,933,921)	(28.05)	(91,132)	(51,305)	77.63
Other Operating Expenses	(65,505)	(63,095)	3.82	-	-	-
<b>Profit from Operations</b>	<b>3,931,033</b>	2,714,290	44.83	<b>350,432</b>	3,438,022	(89.81)
Finance Income	255,512	933,397	(72.63)	283,136	687,505	(58.82)
Finance Cost	(1,059,536)	(1,277,479)	(17.06)	(30,033)	(545,271)	(94.49)
<b>Net Finance Income/(cost)</b>	<b>(804,024)</b>	(344,082)		<b>253,103</b>	142,234	77.95
Share of Profit of Equity-Accounted Investees (Net of Tax)	123,310	128,067	(3.71)	-	-	-
<b>Profit before Tax for the Quarter</b>	<b>3,250,320</b>	2,498,276	30.10	<b>603,536</b>	3,580,256	(83.14)
Income Tax	(2,266,398)	(1,919,167)	18.09	(269,276)	(62,359)	331.82
<b>Profit for the Quarter</b>	<b>983,921</b>	579,109	69.90	<b>334,259</b>	3,517,897	(90.50)
<b>Other comprehensive income</b>						
<b>Items that will never be reclassified to profit or loss</b>						
Revaluation of property, plant and equipment	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	2,159,850	2,852,363	(24.28)	1,986,346	2,628,702	(24.44)
Actuarial gain/(losses) on retirement benefit obligations	-	-	-	-	-	-
Share of other comprehensive income of equity-accounted investees (net of tax)	-	(3,534)	(100.00)	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
	<b>2,159,850</b>	2,848,829	-	<b>1,986,346</b>	2,628,702	-
<b>Items that are or may be reclassified to profit or loss</b>						
Net change in fair value of available for sale financial assets	-	19,776	(100.00)	-	-	-
Exchange Difference on translation of foreign operations	14,929	399,100	(96.26)	-	-	-
Net movement on Cashflow Hedges	(234,796)	94,275	(349.05)	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	28,802	(21,418)	(234.48)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	<b>(191,065)</b>	491,733		<b>-</b>	<b>-</b>	
<b>Total other comprehensive income for the quarter</b>	<b>1,968,785</b>	3,340,562		<b>1,986,346</b>	2,628,702	
<b>Total comprehensive income for the quarter</b>	<b>2,952,705</b>	3,919,672		<b>2,320,605</b>	6,146,599	
<b>Profit Attributable to:</b>						
Equity Holders of the Parent	1,825,544	623,965	192.57	334,260	3,517,897	(90.50)
Non Controlling Interest	(841,623)	(44,856)	1,776.28	-	-	-
<b>Profit for the Quarter</b>	<b>983,921</b>	579,109		<b>334,260</b>	3,517,897	(90.50)
<b>Total Comprehensive Income Attributable to:</b>						
Equity Holders of the Parent	3,944,336	3,619,176	8.98	2,320,605	6,146,599	(62.25)
Non Controlling Interest	(991,630)	300,496	(430.00)	-	-	-
<b>Total Comprehensive Income for the Quarter</b>	<b>2,952,705</b>	3,919,672		<b>2,320,605</b>	6,146,599	
<b>Earnings per Share (Rs.)</b>	<b>1.57</b>	0.54		<b>0.29</b>	3.02	

**MELSTACORP PLC**  
**STATEMENTS OF FINANCIAL POSITION**

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-2020	31-Mar-2020	30-Sep-2020	31-Mar-2020
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
<b>Non-Current Assets</b>				
Property, plant and equipment	109,307,688	110,891,990	17,490	16,448
Intangible assets	6,361,059	6,548,732	2,644	3,082
Investment property	6,143,337	6,144,065	5,100,171	5,100,172
Biological assets	8,440,837	8,381,594	-	-
Right- of - Use Assets	14,160,442	14,810,212	-	-
Investments in subsidiaries	0	0	60,869,588	60,869,587
Investment in equity accounted investees	7,691,616	7,214,569	1,352,000	1,127,000
Deferred tax asset	1,472,966	2,451,156	3,366	3,366
Other non current financial investments	28,422,769	33,941,301	25,229,273	30,472,385
	<b>182,000,715</b>	<b>190,383,619</b>	<b>92,574,532</b>	<b>97,592,040</b>
<b>Currents Assets</b>				
Inventories	8,743,020	9,995,727	1,027	1,034
Produce on Bearer Biological Assets	7,136	3,888	-	-
Trade and Other Receivables	25,752,777	27,281,167	29,306	124,182
Amounts due from Related Companies	394,429	585,671	625,981	424,835
Other Current Financial Investments	15,921,856	14,338,011	10,455,134	9,379,265
Cash and cash equivalents	9,532,219	9,428,830	9,643	62,301
	<b>60,351,437</b>	<b>61,633,293</b>	<b>11,121,091</b>	<b>9,991,617</b>
Assets held for Sale	1,164,000	1,189,650	-	-
<b>Total assets</b>	<b>243,516,152</b>	<b>253,206,563</b>	<b>103,695,623</b>	<b>107,583,657</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	11,011,416	16,789,343	(7,124,188)	(1,877,918)
Retained Earnings	(20,857,314)	(22,215,182)	11,220,868	8,710,425
<b>Equity attributable to owners of the Company</b>	<b>79,254,102</b>	<b>83,674,161</b>	<b>93,196,680</b>	<b>95,932,507</b>
<b>Non controlling interest</b>	<b>39,619,535</b>	<b>43,082,419</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>118,873,638</b>	<b>126,756,580</b>	<b>93,196,680</b>	<b>95,932,507</b>
<b>Non-Current Liabilities</b>				
Interest Bearing Loans and Borrowings	38,371,177	37,343,635	-	-
Lease Liabilities	11,108,695	11,031,864	-	-
Employee Benefits	3,085,459	3,075,541	14,262	12,020
Deferred Tax Liabilities	8,720,763	9,775,471	582,201	582,201
Other Liabilities	658,053	673,969	-	-
	<b>61,944,146</b>	<b>61,900,480</b>	<b>596,463</b>	<b>594,221</b>
<b>Current Liabilities</b>				
Trade and Other Payables	28,256,074	25,374,221	33,679	39,038
Other Liabilities	3,904	38,707	-	-
Amount due to Related Companies	939,529	619,372	752,692	733,092
Income Tax Payable	2,135,641	1,234,585	189,466	22,153
Interest Bearing Loans and Borrowings	3,870,152	4,550,982	-	-
Lease Liabilities	1,556,308	1,574,293	-	-
Bank Overdrafts and Other Short Term Borrowings	25,936,760	31,157,343	8,926,643	10,262,646
	<b>62,698,368</b>	<b>64,549,503</b>	<b>9,902,480</b>	<b>11,056,929</b>
<b>Total liabilities</b>	<b>124,642,514</b>	<b>126,449,983</b>	<b>10,498,943</b>	<b>11,651,150</b>
<b>Total Equity and Liabilities</b>	<b>243,516,152</b>	<b>253,206,563</b>	<b>103,695,623</b>	<b>107,583,657</b>
Net Assets per Share (Rs.)	68.01	71.80	79.97	82.32

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/-  
Mr.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/-  
Mr.D.H.S. Jayawardena  
Chairman

sgd/-  
Mr.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 2019</b>	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
Adjustment on initial application of SLFRS - 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on initial application of SLFRS - 16	-	-	-	-	-	-	-	-	-	-	(455,281)	(455,281)	(664,645)	(1,119,926)
<b>Adjusted balance as at 1st April 2019</b>	<b>89,100,000</b>	<b>8,185,465</b>	<b>12,137</b>	<b>20,491</b>	<b>1,352,238</b>	<b>1,664,032</b>	<b>1,458,578</b>	<b>905,322</b>	<b>-</b>	<b>(18,856)</b>	<b>(22,907,819)</b>	<b>79,771,588</b>	<b>43,695,248</b>	<b>123,466,836</b>
<b>Total Comprehensive Income for the Period</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,808,032	1,808,032	(31,109)	1,776,923
<b>Other Comprehensive Income</b>														
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(215,674)	-	-	-	(215,674)	(20,567)	(236,241)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	-	2,157	-	2,157	7,434	9,591
Exchange difference on translation of foreign operations	-	-	-	-	-	146,967	-	-	-	-	-	146,967	297,970	444,937
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(10,772)	-	-	-	-	(5)	(10,777)	(10,641)	(21,418)
<b>Total Other Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,195</b>	<b>-</b>	<b>(215,674)</b>	<b>-</b>	<b>2,157</b>	<b>(5)</b>	<b>(77,327)</b>	<b>274,196</b>	<b>196,869</b>
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,195</b>	<b>-</b>	<b>(215,674)</b>	<b>-</b>	<b>2,157</b>	<b>1,808,027</b>	<b>1,730,705</b>	<b>243,087</b>	<b>1,973,792</b>
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(931,364)	(931,364)
Transferred From/To Retained Earnings	-	-	-	-	-	-	44,707	-	-	-	(44,707)	-	-	-
Acquisition of Non Controlling Interest of Subsidiaries	-	535	-	-	2,360	(1,835)	-	(76)	-	(69)	76,793	77,708	(101,031)	(23,323)
<b>Total Contributions by and Distributions to Owners</b>	<b>-</b>	<b>535</b>	<b>-</b>	<b>-</b>	<b>2,360</b>	<b>(1,835)</b>	<b>44,707</b>	<b>(76)</b>	<b>-</b>	<b>(69)</b>	<b>32,086</b>	<b>77,708</b>	<b>(1,032,395)</b>	<b>(954,687)</b>
<b>Balance as at 30th September 2019</b>	<b>89,100,000</b>	<b>8,186,000</b>	<b>12,137</b>	<b>20,491</b>	<b>1,354,598</b>	<b>1,798,392</b>	<b>1,503,285</b>	<b>689,572</b>	<b>-</b>	<b>(16,768)</b>	<b>(21,067,707)</b>	<b>81,580,001</b>	<b>42,905,940</b>	<b>124,485,941</b>

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 2020</b>	89,100,000	8,378,097	12,137	20,491	1,998,562	1,971,497	1,605,832	2,887,223	-	(84,496)	(22,215,182)	83,674,161	43,082,421	126,756,580
Adjustments on initial application of SLFRS-16														
<b>Adjusted balance as at 1st April 2020</b>	89,100,000	8,378,097	12,137	20,491	1,998,562	1,971,497	1,605,832	2,887,223	-	(84,496)	(22,215,182)	83,674,161	43,082,421	126,756,580
<b>Total Comprehensive Income for the Period</b>														
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,421,382	1,421,382	(2,557,235)	(1,135,853)
<b>Other Comprehensive Income</b>														
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	(5,760,171)	-	-	-	-	(5,760,171)	(41,972)	(5,802,143)
Exchange Difference on translation of foreign operations	-	-	-	-	-	(56,012)	-	-	-	-	-	(56,012)	(132,479)	(188,491)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	(53,919)	-	-	(53,919)	(185,809)	(239,728)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	41,737	-	-	-	-	-	41,737	41,199	82,936
<b>Total Other Comprehensive Income for the period</b>	-	-	-	-	-	(14,275)	-	(5,760,171)	-	(53,919)	-	(5,828,365)	(319,061)	(6,147,426)
<b>Total Comprehensive Income for the period</b>	-	-	-	-	-	(14,275)	-	(5,760,171)	-	(53,919)	1,421,382	(4,406,983)	(2,876,295)	(7,283,279)
<b>Transactions with owners directly recorded in the Equity</b>														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(573,685)	(573,685)
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	-	(13,074)	(13,074)	(12,906)	(25,980)
Dividends paid	-	-	-	-	-	-	-	-	-	-	0	0	-	0
Transferred From/To Retained Earnings	-	-	-	-	-	-	50,440	-	-	-	(50,440)	-	-	-
<b>Total Contributions by and Distributions to Owners</b>	-	-	-	-	-	-	50,440	-	-	-	(63,514)	(13,074)	(586,591)	(599,665)
<b>Balance as at 30th September 2020</b>	89,100,000	8,378,097	12,137	20,491	1,998,562	1,957,222	1,656,272	(2,872,948)	-	(138,416)	(20,857,314)	79,254,102	39,619,535	118,873,638

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 2019</b>	89,100,000	111,691	(3,819,935)	5,945,375	91,337,131
Adjustment on initial application of SLFRS - 9	-	-	-	-	-
<b>Adjusted balance as at 1st April 2019</b>	89,100,000	111,691	(3,819,935)	5,945,377	91,337,133
Profit for the period	-	-	-	3,594,970	3,594,970
<b>Other Comprehensive Income</b>					-
Equity investments at FVOCI – net change in fair value	-	-	7,063	-	7,063
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	-	-	7,063	-	7,063
<b>Total Comprehensive Income for the period</b>	-	-	7,063	3,594,970	3,602,033
<b>Transactions with Owners of the Company directly recognized into Equity</b>					
Gain on disposal of FVTOCI Investments	-	-	-	-	-
<b>Transactions with Owners of the Company directly recognized into Equity</b>	-	-	-	-	-
<b>Balance as at 30th September 2019</b>	89,100,000	111,691	(3,812,872)	9,540,347	94,939,166
<b>Balance as at 1st April 2020</b>	89,100,000	111,691	(1,989,607)	8,710,422	95,932,506
Profit for the period	-	-	-	2,510,445	2,510,445
<b>Other Comprehensive Income</b>					-
Equity investments at FVOCI – net change in fair value	-	-	(5,246,272)	-	(5,246,272)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
<b>Total Other Comprehensive Income for the period</b>	-	-	(5,246,272)	-	(5,246,272)
<b>Total Comprehensive Income for the period</b>	-	-	(5,246,272)	2,510,445	(2,735,827)
<b>Transactions with Owners of the Company directly recognized into Equity</b>					
Gain on disposal of FVTOCI Investments	-	-	-	-	-
Dividend paid	-	-	-	-	-
<b>Transactions with Owners of the Company directly recognized into Equity</b>	-	-	-	-	-
<b>Balance as at 30th September 2020</b>	89,100,000	111,691	(7,235,879)	11,220,868	93,196,680

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

For the 6 months ended 30th September,

	GROUP		COMPANY	
	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before Taxation</b>	<b>2,103,921</b>	5,247,881	<b>2,836,376</b>	3,719,688
<b>Adjustment for</b>				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	3,019,888	2,814,544	1,791	2,767
Provision for gratuity	171,180	172,224	2,241	1,359
Interest Expenses	2,391,754	2,706,605	420,109	1,167,115
Interest income	(572,978)	(1,296,742)	(618,400)	(1,250,782)
Dividend income	(216,111)	(237,221)	(2,714,981)	(3,567,741)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	(14,873)	(8,467)	-	-
Amortisation of Bearer Biological assets	-	-	-	-
Amortisation of Right of Use Assets	591,055	436,776	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	164,017	87,569	-	-
Share of profit of equity-accounted investees (net of tax)	(253,157)	(241,838)	-	-
(Gain)/ Loss on disposal of other financial investments	-	(369)	-	(369)
Amortization of Deferred Grants and Subsidies	(7,108)	(8,145)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(93,465)	(79,960)	-	-
	20,624	(48,545)	70,963	(60,899)
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss				
<b>Operating Profit before Working Capital Changes</b>	<b>7,304,747</b>	9,544,312	<b>(1,901)</b>	11,138
(Increase)/Decrease in Inventories	1,249,459	(2,403,712)	8	6
(Increase)/Decrease in Receivables	1,362,066	2,825,335	94,876	134,566
(Increase)/Decrease in Related Party Receivable and Payable	511,399	(168,171)	(173,671)	(247,652)
Increase/(Decrease) in Payables	2,881,853	(3,258,054)	(5,357)	(7,595)
<b>Cash Generated from Operations</b>	<b>13,309,524</b>	6,539,710	<b>(86,045)</b>	(109,537)
Dividend Received	274,176	277,893	2,714,981	3,567,741
Interest Paid	(1,321,971)	(2,288,565)	(420,109)	(1,011,158)
Income Tax Paid	(2,417,646)	(1,123,763)	(158,615)	(247,222)
Retiring Gratuity Paid	(162,150)	(122,706)	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>9,681,932</b>	3,282,569	<b>2,050,212</b>	2,199,824
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of equity accounted investees	(225,000)	(175,000)	(225,000)	(175,000)
Loans settled by Subsidiaries	-	-	244,215	592,556
Net Acquisition of Non Controlling Interest and proceeds from disposal of shares in subsidiaries	-	(23,323)	-	(30,336)
Net proceed from disposal/(Acquisition)of Other Investments	(1,888,080)	10,517,198	-	11,201,486
Acquisition of Property, Plant & Equipment and intangible assets	(1,845,710)	(6,855,732)	(2,396)	(12,677)
Additions of Mature and Immature Plantations	(5,795)	(81,941)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(784,946)	(2,321,311)
Proceeds on Disposal of Property, Plant & Equipment	21,909	23,090	-	-
Interest Received	572,978	1,296,742	1,260	711,041
<b>Net Cash Flow Used in Investing Activities</b>	<b>(3,369,699)</b>	<b>4,701,034</b>	<b>(766,868)</b>	<b>9,965,759</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Advances received from/(repaid to) equity accounted investees	(9,661)	(40,889)	-	-
Repayment of short term borrowings to subsidiaries	-	-	-	(2,926,896)
Loans and borrowings Received	700,446	5,856,250	-	2,011,000
Repayments of loan and borrowings	(1,105,360)	(2,902,465)	-	(31,950)
Receipt of deferred Income	(0)	4,888	-	-
Dividend paid by subsidiaries to minority share holders	(573,685)	(931,364)	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>(988,260)</b>	1,986,420	-	(947,846)
<b>Net Increase/Decrease in Cash &amp; Cash Equivalent during the period</b>	<b>5,323,972</b>	9,970,023	<b>1,283,345</b>	11,217,737
<b>Cash &amp; Cash Equivalents</b>				
At the beginning of the year	(21,728,513)	(24,924,424)	(10,200,345)	(16,427,302)
Net movement during the period	5,323,972	9,970,023	1,283,345	11,217,737
<b>At the end of the year (Note A)</b>	<b>(16,404,541)</b>	(14,954,401)	<b>(8,917,000)</b>	(5,209,565)
<b>Note A-Cash and Equivalents are as follows</b>				
Short Term Deposits	1,110,020	614,851	-	-
Cash in Hand & Bank	8,329,025	7,006,494	9,643	29,349
Cash in transit	93,174	112,885	-	-
Bank overdrafts and other short term borrowings	(25,936,760)	(22,688,631)	(8,926,643)	(5,238,914)
	(16,404,541)	(14,954,401)	(8,917,000)	(5,209,565)



**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**

<b>GROUP</b>	
<b>2020</b>	2019
<b>Rs.'000</b>	Rs.'000
<b>41,866,913</b>	43,010,711
<b>3,080,314</b>	2,282,480
<b>1,169,069</b>	1,382,118
<b>2,243,870</b>	2,187,004
<b>13,225,047</b>	25,550,080
<b>61,585,214</b>	74,412,393
<b>6,416,738</b>	5,349,404
<b>173,369</b>	(400,490)
<b>(438,977)</b>	(775,371)
<b>240,620</b>	227,553
<b>(4,540,986)</b>	604,946
<b>1,850,763</b>	5,006,043
<b>253,157</b>	241,838
<b>2,103,921</b>	5,247,881
<b>(3,239,773)</b>	(3,470,958)
<b>(1,135,853)</b>	1,776,923

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

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- 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>30-Sep-2020</b>	<b>30-Sep-2019</b>	<b>31-Mar-2020</b>
Net Assets Value per Share	- Group (Rs)	68.01	70.00	71.80
	- Company (Rs)	79.97	81.47	82.32
Market Price per Share	- Last Traded Rs)	34.50	44.80	36.00
	- Highest (Rs)	36.00	50.00	50.30
	- Lowest (Rs)	26.70	40.00	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 2020 have been used for the purpose of Calculation of Earnings per Share.

**8 Contingent Liabilities**

There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31 March 2020.

**9 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 2020

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	MR. M.A. YASEEN	167,012,745	14.331
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	26,800,001	2.300
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	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
10	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
11	MR. D.H.S. JAYAWARDENA	7,531,332	0.646
12	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND LP	6,021,000	0.517
13	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.468
14	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.427
15	MORGAN STANLEY AND CO.LLC-RWC FRONTIER MARKETS EQUITY MASTER FUND	4,955,414	0.425
16	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	4,418,644	0.379
17	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	4,172,366	0.358
18	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	3,948,103	0.339
19	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	3,936,000	0.338
20	MELLON BANK N.A.-UPS GROUP TRUST	3,935,631	0.338
		1,060,851,084	91.029
	Others	104,545,988	8.971
	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	12,127

**Float Adjusted Market Capitalization**

The Public Holding of the Company as at 30 September 2020 was 42.77% comprising of 12,127 shareholders and the Float adjusted Market Capitalization of Rs.17,196,660,930/-. 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 2020**

	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**

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**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