

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

31st DECEMBER 2021

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the nine months ended 31st December,	GROUP			COMPANY		
	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %
Revenue	122,352,549	100,345,689	21.93	182,974	197,036	(7.14)
Excise duty	(51,929,172)	(46,642,247)	11.34	-	-	-
Cost of sales and net benefits paid	(42,972,355)	(37,448,600)	14.75	(5,188)	(3,661)	41.73
Gross Profit	27,451,022	16,254,842	68.88	177,785	193,376	(8.06)
Other Operating Income	1,196,031	892,836	33.96	7,903,443	5,791,257	36.47
Selling and distribution expenses	(1,726,120)	(744,954)	131.71	-	-	-
Administrative Expenses	(12,238,695)	(9,102,790)	34.45	(171,935)	(210,481)	(18.31)
Other Operating Expenses	(127,410)	(249,378)	(48.91)	(1,825,530)	-	100.00
Profit from Operations	14,554,828	7,050,557	106.44	6,083,763	5,774,151	5.36
Finance Income	2,269,919	1,153,906	96.72	858,260	874,197	(1.82)
Finance Cost	(3,887,379)	(3,864,236)	0.60	(448,027)	(593,446)	(24.50)
Net Finance Income/(cost)	(1,617,460)	(2,710,330)		410,232	280,751	46.12
Share of Profit of Equity-Accounted Investees (Net of Tax)	452,075	336,415	34.38	-	-	-
Profit before Tax for the year	13,389,443	4,676,642	186.30	6,493,995	6,054,902	7.25
Income Tax	(6,301,655)	(5,309,174)	18.69	(799,246)	(793,889)	0.67
Profit for the period	7,087,788	(632,532)	1,220.54	5,694,749	5,261,013	8.24
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	1,541,874	(3,637,424)	142.39	1,395,138	(3,122,135)	144.69
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	-	-	-	-	-	-
	1,541,874	(3,637,424)	-	1,395,138	(3,122,135)	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	8,828	(41,930)	121.05	-	-	-
Net movement on Cashflow Hedges	206,650	(586,224)	135.25	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	(47,339)	180,350	(126.25)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	168,139	(447,804)	137.55	-	-	-
Total other comprehensive income for the period	1,710,013	(4,085,228)	141.86	1,395,138	(3,122,135)	144.69
Total comprehensive income for the period	8,797,801	(4,717,760)	286.48	7,089,887	2,138,878	231.48
Profit Attributable to:						
Equity Holders of the Parent	5,706,720	2,475,924	130.49	5,694,749	5,261,013	8.24
Non Controlling Interest	1,381,068	(3,108,455)	144.43	-	-	-
Profit for the period	7,087,788	(632,532)		5,694,749	5,261,013	
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	7,263,393	(1,171,883)	719.81	7,089,887	2,138,878	231.48
Non Controlling Interest	1,534,408	(3,545,877)	143.27	-	-	-
Total comprehensive income for the period	8,797,801	(4,717,760)		7,089,887	2,138,878	
Earnings per Share (Rs.)						
Basic Earnings per Share	4.90	2.12	130.49	4.89	4.51	8.24

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 31st December,	GROUP			COMPANY		
	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %	Unaudited 2021 Rs. '000	Unaudited 2020 Rs. '000	Variance %
	Revenue	50,787,694	38,760,475	31.03	59,775	65,706
Excise duty	(22,743,615)	(19,494,768)	16.67	-	-	-
Cost of sales and net benefits paid	(16,335,890)	(12,866,685)	26.96	(4,134)	(2,116)	95.37
Gross Profit	11,708,189	6,399,022	82.97	55,641	63,590	(12.50)
Other Operating Income	431,748	278,954	54.77	3,906,684	3,076,275	26.99
Selling and distribution expenses	(749,887)	(403,732)	85.74	-	-	-
Administrative Expenses	(4,580,734)	(3,223,524)	42.10	(75,655)	(74,762)	1.19
Other Operating Expenses	(24,906)	(73,103)	(65.93)	-	-	-
Profit from Operations	6,784,411	2,977,617	127.85	3,886,670	3,065,103	26.80
Finance Income	755,623	441,648	71.09	381,620	255,797	49.19
Finance Cost	(1,320,953)	(929,802)	42.07	(185,694)	(102,374)	81.39
Net Finance Income/(cost)	(565,331)	(488,154)		195,926	153,423	27.70
Share of Profit of Equity-Accounted Investees (Net of Tax)	161,552	83,258	94.04	-	-	-
Profit before Tax for the Quarter	6,380,632	2,572,721	148.01	4,082,596	3,218,526	26.85
Income Tax	(2,482,947)	(2,069,400)	19.98	(528,815)	(467,959)	13.00
Profit for the Quarter	3,897,686	503,321	674.39	3,553,781	2,750,567	29.20
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	806,812	2,164,719	62.73	890,963	2,124,137	(58.06)
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	-	-	-	-	-	-
	806,812	2,164,719	-	890,963	2,124,137	-
Items that are or may be reclassified to profit or loss						
Net change in fair value of available for sale financial assets	-	-	-	-	-	-
Exchange Difference on translation of foreign operations	(43,650)	146,561	(129.78)	-	-	-
Net movement on Cashflow Hedges	153,316	(346,496)	144.25	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-
Income Tax on other comprehensive income	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investees	(12,565)	97,414	(112.90)	-	-	-
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-
	97,101	(102,521)		-	-	
Total other comprehensive income for the quarter	903,913	2,062,198	(56.17)	890,963	2,124,137	(58.06)
Total comprehensive income for the quarter	4,801,599	2,565,520	87.16	4,444,743	4,874,704	(8.82)
Profit Attributable to:						
Equity Holders of the Parent	2,218,248	1,054,542	110.35	3,553,781	2,750,567	29.20
Non Controlling Interest	1,679,438	(51,221)	404.68	-	-	-
Profit for the Quarter	3,897,686	503,321		3,553,781	2,750,567	29.20
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	3,041,296	3,235,100	(5.99)	4,444,743	4,874,704	(8.82)
Non Controlling Interest	1,760,303	(669,580)	362.90	-	-	-
Total Comprehensive Income for the Quarter	4,801,599	2,565,520		4,444,743	4,874,704	
Earnings per Share (Rs.)	1.90	0.90		3.05	2.36	

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

As at,	GROUP		COMPANY	
	Unaudited	Audited	Unaudited	Audited
	31-Dec-2021	31-Mar-2021	31-Dec-2021	31-Mar-2021
	Rs. '000s	Rs. '000s	Rs. '000s	Rs. '000s
Non-Current Assets				
Property, plant and equipment	110,372,866	111,918,694	13,984	13,307
Intangible assets	6,155,067	6,342,446	570	1,775
Investment property	6,667,447	6,669,705	5,462,676	5,462,676
Biological assets	9,085,150	8,756,097	-	-
Right-of-use assets	14,655,600	15,462,527	31,042	-
Investments in subsidiaries	-	-	61,503,411	60,826,411
Investment in equity accounted investees	7,932,520	7,891,429	1,352,000	1,352,000
Deferred tax asset	1,892,450	3,399,954	2,533	2,533
Other non current financial investments	34,773,889	30,473,257	29,622,667	27,282,341
	191,534,990	190,914,109	97,988,883	94,941,043
Currents Assets				
Inventories	9,893,127	9,425,707	1,003	1,015
Produce on bearer biological assets	8,048	9,701	-	-
Trade and other receivables	25,786,371	26,393,844	7,643	486,424
Amounts due from related companies	220,671	463,544	482,569	642,895
Other current financial investments	20,728,817	18,039,797	10,088,829	10,869,126
Other current assets	484,734	488,599	-	-
Cash and cash equivalents	13,031,793	12,685,900	2,502	10,760
	70,153,562	67,507,092	10,582,546	12,010,220
Assets held for Sale	1,248,187	1,243,219	-	-
Total assets	262,936,739	259,664,420	108,571,429	106,951,263
EQUITY AND LIABILITIES				
Share capital and reserves				
Stated Capital	70,000,000	89,100,000	70,000,000	89,100,000
Reserves	36,754,539	16,013,105	15,511,589	(4,983,549)
Retained earnings/(Losses)	(22,178,370)	(21,461,330)	11,274,214	11,930,964
Equity attributable to owners of the Company	84,576,169	83,651,775	96,785,804	96,047,415
Non controlling interest	40,008,532	40,020,776	-	-
Total equity	124,584,701	123,672,551	96,785,804	96,047,415
Non-Current Liabilities				
Interest bearing loans and borrowings	40,579,112	41,262,567	-	-
Lease liabilities	11,773,196	12,556,314	25,487	-
Employee benefits	3,635,629	3,587,806	12,821	10,552
Deferred tax liabilities	9,607,140	10,622,159	601,635	601,634
Other liabilities	606,083	662,754	-	-
	66,201,160	68,691,600	639,942	612,186
Current Liabilities				
Trade and other payables	33,740,261	28,702,777	76,215	32,019
Other liabilities	4,069	5,010	-	-
Amount due to related companies	1,766,484	715,158	444,118	418,232
Income tax payable	2,910,239	3,196,117	696,048	477,308
Interest bearing loans and borrowings	6,519,430	5,248,874	-	-
Lease liabilities	1,768,203	1,965,241	6,222	-
Bank overdrafts and other short term borrowings	25,442,191	27,467,092	9,923,079	9,364,103
	72,150,878	67,300,269	11,145,683	10,291,662
Total liabilities	138,352,038	135,991,869	11,785,625	10,903,848
Total Equity and Liabilities	262,936,739	259,664,420	108,571,429	106,951,263
Net Assets per Share (Rs.)	72.57	71.78	83.05	82.42

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/-
A.L.Gooneratne
Managing Director

sgd/-
C.R.Jansz
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	Timber	Fair Value	Cash Flow	Retained	Total		
	capital	reserve	reserve	fund	reserve	fluctuation	reserve	reserve	Hedge Reserve	Earnings/ (Losses)			
Rs.'000	Rs.'000	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 2020	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	126,756,582
Total Comprehensive Income for the Period													
Profit for the period	-	-	-	-	-	-	-	-	-	2,475,924	2,475,924	(3,108,455)	(632,532)
Other Comprehensive Income													
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	(3,596,635)	-	-	(3,596,635)	(40,789)	(3,637,424)
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	(131,853)	-	(131,853)	(454,371)	(586,224)
Exchange difference on translation of foreign operations	-	-	-	-	-	(10,078)	-	-	-	-	(10,078)	(31,852)	(41,930)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	90,760	-	-	-	-	90,760	89,590	180,350
Total Other Comprehensive Income for the period	-	-	-	-	-	80,681	-	(3,596,635)	(131,853)	-	(3,647,807)	(437,422)	(4,085,228)
Total Comprehensive Income for the period	-	-	-	-	-	80,681	-	(3,596,635)	(131,853)	2,475,924	(1,171,883)	(3,545,877)	(4,717,760)
Transactions with owners directly recorded in the Equity													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,222,152)	(1,222,152)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	(7,286)	(7,286)	(13,785)	(21,071)
Acquisition of Non Controlling Interest Chnages in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	(126)	(126)	10,038	9,912
Dividends paid	-	-	-	-	-	-	-	-	-	(2,913,495)	(2,913,495)	-	(2,913,495)
Transferred From/To Retained Earnings	-	-	-	-	-	-	75,660	-	-	(75,660)	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-	-	75,660	-	-	(2,996,568)	(2,920,907)	(1,225,899)	(4,146,806)
Balance as at 31st December 2020	89,100,000	8,378,097	12,137	20,491	1,998,562	2,052,178	1,681,492	(709,412)	(216,349)	(22,735,826)	79,581,370	38,310,646	117,892,016

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent											Non controlling interest	Total equity Rs.'000
	Stated	Revaluation	Capital	Reserve	General	Exchange	Timber	Fair Value	Cash Flow	Retained	Total		
	capital Rs.'000	reserve Rs.'000	reserve Rs.'000	fund Rs.'000	reserve Rs.'000	fluctuation reserve Rs.'000	reserve Rs.'000	reserve Rs.'000	Hedge Reserve Rs.'000	Earnings/ (Losses) Rs.'000	Rs.'000		
Balance as at 1st April 2021	89,100,000	9,615,953	12,137	20,491	3,005,189	2,493,085	1,813,045	(702,015)	(244,780)	(21,461,330)	83,651,775	40,020,776	123,672,550
Total Comprehensive Income for the Period													
Profit for the period	-	-	-	-	-	-	-	-	-	5,706,720	5,706,720	1,381,068	7,087,788
Other Comprehensive Income													
Net Change in Fair Value of FVTOCI Investments	-	-	-	-	-	-	-	1,531,049	-	-	1,531,049	10,823	1,541,872
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)											-		-
Revaluation of property, plant and equipment											-		-
Income tax on other comprehensive income											-		-
Exchange Difference on translation of foreign operations	-	-	-	-	-	3,641	-	-	-	-	3,641	5,187	8,828
Net movement on Cashflow Hedges	-	-	-	-	-	-	-	-	46,479	-	46,479	160,171	206,650
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	(673)	-	-	-	(23,823)	-	-	-	-	(24,496)	(22,841)	(47,337)
Total Other Comprehensive Income for the period	-	(673)	-	-	-	(20,182)	-	1,531,049	46,479	-	1,556,673	153,340	1,710,013
Total Comprehensive Income for the period	-	(673)	-	-	-	(20,182)	-	1,531,049	46,479	5,706,720	7,263,393	1,534,408	8,797,801
Transactions with owners directly recorded in the Equity													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,563,487)	(1,563,487)
Reduction of stated capital (Note-9 (ii))	(19,100,000)	-	19,100,000	-	-	-	-	-	-	-	-	-	-
Repurchase of Non voting shares (Note-9 (i))	-	-	-	-	-	-	-	-	-	(64)	(64)	-	(64)
Gain on disposal of FVTOCI Investments											-		-
Share of Net Assets of Equity Accounted Investees	-	-	-	-	-	-	-	-	-	10,990	10,990	18,327	29,317
Acquisition of Non Controlling Interest Changes in % Holding of Subsidiaries	-	-	-	-	-	-	-	-	-	1,492	1,492	(1,492)	-
Dividends paid	-	-	-	-	-	-	-	-	-	(6,351,417)	(6,351,417)	-	(6,351,417)
Transferred From/To Retained Earnings	-	-	-	-	-	-	84,761	-	-	(84,761)	-	-	-
Total Contributions by and Distributions to Owners	(19,100,000)	-	19,100,000	-	-	-	84,761	-	-	(6,423,760)	(6,338,999)	(1,546,652)	(7,885,651)
Balance as at 31st December 2021	70,000,000	9,615,280	19,112,137	20,491	3,005,189	2,472,903	1,897,806	829,034	(198,301)	(22,178,370)	84,576,169	40,008,532	124,584,701

MELSTACORP PLC
STATEMENTS OF CHANGES IN EQUITY

COMPANY	Stated capital Rs.'000	Revaluation reserve Rs.'000	Capital reserve Rs.'000	Available for sale reserve Rs.'000	Retained earnings/(losses) Rs.'000	Total Rs.'000
Balance as at 1st April 2020	89,100,000	111,691	-	(1,989,607)	8,710,422	95,932,507
Profit for the period	-	-	-	-	5,261,013	5,261,013
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	(3,122,135)	-	(3,122,135)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	(3,122,135)	-	(3,122,135)
Total Comprehensive Income for the period	-	-	-	(3,122,135)	5,261,013	2,138,878
Transactions with Owners of the Company directly recognized into Equity						
Gain on disposal of FVTOCI Investments	-	-	-	-	-	-
Dividend paid	-	-	-	-	(2,913,495)	(2,913,495)
Transactions with Owners of the Company directly recognized into Equity	-	-	-	-	(2,913,495)	(2,913,495)
Balance as at 31st December 2020	89,100,000	111,691	-	(5,111,742)	11,057,941	95,157,890
Balance as at 1st April 2021	89,100,000	116,308	-	(5,099,857)	11,930,964	96,047,415
Profit for the period	-	-	-	-	5,694,749	5,694,749
Other Comprehensive Income						-
Equity investments at FVOCI – net change in fair value	-	-	-	1,395,138	-	1,395,138
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	1,395,138	-	1,395,138
Total Comprehensive Income for the period	-	-	-	1,395,138	5,694,749	7,089,887
Transactions with Owners of the Company directly recognized into Equity						
Reduction of stated capital (Note-9 (ii))	(19,100,000)	-	19,100,000	-	-	-
Repurchase of Non voting shares (Note-9 (i))	-	-	-	-	(83)	(83)
Dividend paid	-	-	-	-	(6,351,417)	(6,351,417)
Transactions with Owners of the Company directly recognized into Equity	(19,100,000)	-	19,100,000	-	(6,351,499)	(6,351,499)
Balance as at 31st December 2021	70,000,000	116,308	19,100,000	(3,704,719)	11,274,214	96,785,804

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the nine months ended 31st December,

	GROUP		COMPANY	
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	13,389,443	4,676,642	6,493,995	6,054,902
Adjustment for				
Depreciation and amortization of PPE, Biological assets, ROU Assets and intangible assets	4,607,435	4,514,497	11,056	5,263
Provision for gratuity	310,539	309,841	2,268	3,631
Interest Expenses	3,620,351	3,377,568	448,027	550,427
Interest income	(1,266,586)	(966,963)	(560,295)	(874,197)
Dividend income	(232,740)	(307,700)	(7,869,012)	(5,791,256)
(Gain) / loss on Disposal of Property, Plant and Equipment and biological assets	(15,088)	(8,420)	-	-
Amortization of Right of Use Assets	1,007,065	894,230	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	(123,982)	222,192	-	-
Related party receivables written-off	-	-	1,825,530	-
Gain on bargaining purchases	(119,503)	-	-	-
Share of profit of equity-accounted investees (net of tax)	(452,075)	(336,415)	-	-
(Gain)/ Loss on disposal of other financial investments	(48,134)	(2,202)	(34,430)	-
Gain on disposal of Group Investments	-	-	-	-
Amortization of Deferred Grants and Subsidies	(9,186)	(11,774)	-	-
(Gain) / loss on Change in Fair Value of Biological Assets	(271,017)	(137,844)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(499,536)	(29,500)	(297,965)	43,019
Operating Profit before Working Capital Changes	19,896,987	12,194,152	19,174	(8,210)
(Increase)/Decrease in Inventories	(458,234)	588,100	12	8
(Increase)/Decrease in Receivables	840,546	3,269,939	478,350	94,115
(Increase)/Decrease in Related Party Receivable and Payable	1,294,199	289,991	155,955	(507,715)
Increase/(Decrease) in Payables	5,006,696	1,748,250	70,083	5,797
Cash Generated from Operations	26,580,194	18,090,432	723,574	(416,005)
Dividend Received	675,402	728,631	7,869,012	5,791,256
Interest Paid	(2,179,640)	(1,848,747)	(580,503)	(512,259)
Income Tax Paid	(6,228,386)	(3,923,514)	(424,017)	(238,321)
Retiring Gratuity Paid	(265,358)	(300,212)	-	(269)
Net Cash Flow from Operating Activities	18,582,212	12,746,589	7,588,066	4,624,401
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of/ Investment in equity accounted investees	(49,700)	(350,819)	-	(225,000)
Investment in Subsidiaries, net of cash acquired	(878,610)	-	(677,000)	-
Repurchase of own shares	-	-	(83)	-
Proceeds from disposal of shares of subsidiaries	-	9,912	-	-
Loans settled by Subsidiaries	-	-	459,000	282,935
Net proceed from disposal/(Acquisition)of Other Investments	(4,900,174)	(2,249,849)	(44,348)	-
Acquisition of Property, Plant & Equipment and intangible assets	(1,131,876)	(2,408,265)	(5,050)	(2,576)
Additions of Mature and Immature Plantations net of sale of timber	(133,166)	(71,999)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(1,531,392)	(1,076,475)
Proceeds on Disposal of Property, Plant & Equipment	34,930	23,217	-	-
Interest Received	1,266,586	966,963	1,234	1,982
Net Cash Flow Used in Investing Activities	(5,792,010)	(4,080,840)	(1,797,639)	(1,019,134)
CASH FLOW FROM FINANCING ACTIVITIES				
Net Advances received from/(repaid to) equity accounted investees	(58,094)	(9,661)	-	-
Loans and borrowings Received	1,481,524	1,237,293	-	-
Repayments of loan Borrowings and payments to Lessor on Lease Rights	(3,927,933)	(1,223,918)	(6,244)	-
Dividends paid	(6,351,417)	(2,913,495)	(6,351,417)	(2,913,495)
Dividend paid by subsidiaries to minority share holders	(1,563,487)	(1,222,152)	-	-
Net Cash Flow from Financing Activities	(10,419,407)	(4,131,934)	(6,357,661)	(2,913,495)
Net Increase/Decrease in Cash & Cash Equivalent during the period	2,370,795	4,533,814	(567,234)	691,772
Cash & Cash Equivalents				
At the beginning of the year	(14,781,192)	(21,728,513)	(9,353,343)	(10,200,345)
Net movement during the period	2,370,795	4,533,814	(567,234)	691,772
At the end of the year (Note A)	(12,410,397)	(17,194,699)	(9,920,577)	(9,508,573)
Note A-Cash and Equivalents are as follows				
Short Term Deposits	2,418,572	1,795,872	-	-
Cash in Hand & Bank	10,507,576	9,101,390	2,502	81,913
Cash in transit	105,645	(326,564)	-	-
Bank overdrafts and other short term borrowings	(25,442,191)	(27,765,398)	(9,923,079)	(9,590,487)
	(12,410,397)	(17,194,699)	(9,920,577)	(9,508,573)

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the nine months ended 31st December,

	GROUP	
	2021	2020
	Rs.'000	Rs.'000
(a) Revenue		
Beverages	76,686,063	69,370,499
Plantations	5,483,791	4,749,486
Telecommunications	1,502,744	1,811,261
Financial services	3,227,849	3,226,487
Diversified	35,452,103	21,187,957
Total gross revenue	122,352,549	100,345,689
Excise duty on beverages	(51,929,172)	(46,642,247)
Total net revenue	70,423,377	53,703,442
(b) Industry Segment Profit		
Beverages	10,310,324	9,886,717
Plantations	368,864	219,287
Telecommunications	(1,053,972)	(773,780)
Financial services	736,198	439,321
Diversified	2,575,955	(5,431,319)
	12,937,368	4,340,227
Share of Profit of Equity-Accounted Investees (Net of Tax)	452,075	336,415
Net Profit Before Tax	13,389,443	4,676,642
Taxation	(6,301,655)	(5,309,174)
Net Profit After Tax	7,087,788	(632,532)

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.

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

5 Non Financial Information

		31-Dec-2021	31-Dec-20	31-Mar-2021
Net Assets Value per Share	- Group (Rs)	72.57	68.29	71.78
	- Company (Rs)	83.05	81.65	82.42
Market Price per Share	- Last Traded Rs)	56.10	52.00	44.00
	- Highest (Rs)	62.20	53.70	78.00
	- Lowest (Rs)	52.70	29.00	42.00

6 1,165,397,072 ordinary shares represent the Stated Capital.

7 Earnings per Share

The Number of shares (1,165,397,072) held as at 31 December 2021 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 2021.

9 Capital Reduction and Repurchase of 1,000 Non Voting Shares.

As per the special resolution approved at the Extra-Ordinary Annual General Meeting held on 15/10/2021 the following transactions were taken place.

- (i) - The company has repurchased and cancelled the 1,000 non voting shares at a total consideration of Rs.82,500/- held in DCSL PLC
- (ii) - Reduction of Stated Capital of the Company and transfer of funds from Stated Capital to a Capital Reserve. As a result, Company's Stated Capital was reduced to Rs.70Bn and a new Capital Reserve was created for Rs.19.1Bn

10 Fair value measurement and related fair value disclosures

As at reporting date there were no significant differences in the comparison made between fair value and carrying value of financial assets and liabilities, from what was disclosed in the annual report for the year ending 31st March 2021. There were no transfers between different levels of fair value hierarchy or changes to assets classes classified on recurring and non-recurring basis. Valuation techniques or significant unobservable inputs used for measuring level 3 fair values remains unchanged from 31st March 2021.

During the period under review there were no transfers in and out of level 3 financial instrument measurement and any change in fair values are captured in the statement of other comprehensive income.

Unquoted equity shares that are subjected to level 3 of fair value measurement hierarchy, were revalued as at the reporting date. Fair value would not significantly vary if one or more unobservable inputs used for valuation were changed

11 Surcharge Tax

A Surcharge Tax Bill was issued on 7th February 2022, which imposes a tax of 25% on companies in a group if the aggregate taxable profit of the group in the Year of Assessment 2020/21 exceeds Rs. 2 billion. Since the Bill is not yet enacted, the Group has not provided for any potential liability that could arise therefrom in the Financial Statements for the period ended 31st December 2021.

12 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 25 Shareholders – 31-December-2021

Rank	Name	No of shares	%
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	498,819,000	42.802
2	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.030
3	MR. M.A. YASEEN	134,012,745	11.499
4	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.479
5	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	52,027,000	4.464
6	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	39,000,000	3.346
7	MRS. L.E.M. YASEEN	37,900,152	3.252
8	MR. DON HAROLD STASSEN JAYAWARDENA	13,014,200	1.117
9	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
10	STASSEN EXPORTS (PVT) LIMITED	8,746,800	0.751
11	SEYLAN BANK PLC/ARRC CAPITAL (PVT) LTD	8,454,878	0.725
12	MR. DON HASITHA STASSEN JAYAWARDENA	7,531,332	0.646
13	SSBT-AL MEHWAR COMMERCIAL INVESTMENTS L.L.C.	6,186,000	0.531
14	MCSEN RANGE PRIVATE LIMITED	5,459,864	0.468
15	BBH-RWC FRONTIER MARKETS EQUITY MASTER FUND LIMITED	4,077,755	0.350
16	MELLON BANK N.A.-UPS GROUP TRUST	3,066,226	0.263
17	HATTON NATIONAL BANK PLC/JN LANKA HOLDINGS COMPANY (PVT) LTD	3,000,000	0.257
18	PERSHING LLC S/A AVERBACH GRAUSON & CO.	2,826,679	0.243
19	MRS. P.M.P.G.N. PRIYADARSHANI	2,560,000	0.220
20	BNYMSANV RE-NEON LIBERTY EMERGING MARKETS FUND LP	2,442,900	0.210
21	DFCC BANK PLC A/C 1	2,069,940	0.178
22	BANK OF CEYLON-NO2 A/C (BOC PTF)	2,057,310	0.177
23	JN LANKA HOLDINGS COMPANY (PVT) LTD	1,448,113	0.124
24	MR. M.J. FERNANDO	1,413,308	0.121
25	DEUTSCHE BANK AG AS TRUSTEE TO CAPITAL ALLIANCE QUANTITATIVE EQUITY FUND	1,397,320	0.120
		1,052,947,522	90.351
	OTHERS	112,449,550	9.649
	TOTAL	1,165,397,072	100.000

Percentage of Shares held by the public 41.65%
Total No. of share holders who hold the public holding 14,219

Float Adjusted Market Capitalization

The Public Holding of the Company as at 31 December 2021 was 41.65% comprising of 14,219 shareholders and the Float adjusted Market Capitalization of Rs.27,233,169,414/-. In terms of Rule 7.13 1(a) of the listing rule of CSE , the Company Qualifies with the Minimum Public Holding Requirement under the Option One.

Directors' Share Holdings as at 31 December 2021

	No of Shares	%
Mr. D. H. S. Jayawardena	13,014,200	1.117
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.melstacorp.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

Sampath Bank PLC