

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

30th JUNE 2018

MELSTACORP PLC
STATEMENT OF COMPREHENSIVE INCOME

Rs. '000s For the quarter ended 30th June	Group			Company		
	Unaudited	Unaudited	Variance	Unaudited	Unaudited	Variance
	2018 Rs. '000	2017 Rs. '000	%	2018 Rs. '000	2017 Rs. '000	%
Gross revenue	34,515,323	26,035,324	32.57	53,157	50,682	4.88
Net revenue	20,798,743	10,282,029	102.28	53,157	50,682	4.88
Cost of Sales, Net benefits and Interest expenses	(13,273,566)	(7,580,155)	75.11	(439)	(723)	(39.28)
Gross profit	7,525,177	2,701,874	178.52	52,718	49,959	5.52
Other operating income	265,047	279,305	(5.10)	101,618	167,242	(39.24)
Distribution expenses	(770,308)	(415,462)	85.41	-	-	-
Administrative expenses	(4,621,097)	(988,165)	367.64	(66,407)	(23,611)	181.25
Other operating expenses	(24,068)	(70,402)	(65.81)	-	(30,248)	(100.00)
Profit from operations	2,374,751	1,507,150	57.57	87,929	163,342	(46.17)
Finance Income	437,774	389,166	12.49	278,177	285,865	(2.69)
Finance Cost	(850,769)	(428,819)	98.40	(32,197)	(1,384)	2,226.37
Net Finance Income/(cost)	(412,995)	(39,653)	941.52	245,980	284,481	(13.53)
Share of profit of Equity - Accounted Investees	94,976	160,920	(40.98)	-	-	-
Profit before taxation	2,056,732	1,628,417	26.30	333,909	447,823	(25.44)
Income Tax	(1,134,236)	(592,667)	91.38	(67,894)	(20,523)	230.82
Profit/ (Loss) for the Period	922,496	1,035,750	(10.93)	266,015	427,300	(37.75)
Other comprehensive income						
Revaluation of Property, Plant and Equipment	42,571	-	100.00	-	-	-
Gain on Change in Fair Value of Biological Asset	21,421	-	100.00	-	-	-
Net change in Fair value of available for sale financial assets	(1,538,428)	3,010,649	(151)	(1,313,828)	2,813,267	(147)
Reversal of AFS Reserves on disposal of AFS Investments	-	30,248	(100.00)	-	30,248	(100)
Income tax on other comprehensive income	190	-	100.00	-	-	-
Exchange differences on translation of foreign operations	153,354	-	100.00	-	-	-
Net movement on cash flow hedges	279,809	-	100.00	-	-	-
Share of other comprehensive income of Equity Accounting investees	(18,954)	35,606	(153.23)	-	-	100
Total Other Comprehensive Income	(1,060,037)	3,076,503	(134.46)	(1,313,828)	2,843,515	(146.20)
Total Comprehensive Income for the Period	(137,541)	4,112,253	(103.34)	(1,047,813)	3,270,815	(132.04)
Profit attributable to:						
Equity Holders of the Parent	789,349	1,140,501	(30.79)	266,015	427,300	(37.75)
Non Controlling Interest	133,147	(104,750)	(227.11)	-	-	-
Profit for the Period	922,496	1,035,751	(10.93)	266,015	427,300	(37.75)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	(577,405)	4,217,034	(113.69)	(1,047,813)	3,270,815	(132.04)
Non Controlling Interest	439,899	(104,780)	(519.83)	-	-	-
Total Comprehensive Income for the Period	(137,541)	4,112,254	(1,033.45)	(1,047,813)	3,270,815	(132.04)
Earnings per Share (Rs.)						
Basic Earnings per Share	0.68	0.98		0.23	0.37	

MELSTACORP PLC
STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY		
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	30-Jun-18 Rs.'000s	30-Jun-17 Rs.'000s	31-Mar-18 Rs.'000s	30-Jun-18 Rs.'000s	30-Jun-17 Rs.'000s	31-Mar-18 Rs.'000s
<i>As at,</i>						
Non-Current Assets						
Property, Plant and Equipment	85,256,266	23,134,791	83,444,313	8,057	5,381	5,157
Investment Property	4,837,745	1,249,933	4,835,923	3,835,049	2,843,652	3,835,050
Goodwill on Acquisition and other intangible assets	18,332,833	2,257,841	18,398,810	151	429	217
Biological Assets	8,269,618	4,187,844	8,074,040	-	-	-
Leasehold properties	2,646,721	-	2,639,806	-	-	-
Right to use Land	112,514	-	113,534	-	-	-
Pre-paid operating leases	2,238,277	-	2,241,358	-	-	-
Investment in Subsidiaries	-	-	-	59,849,335	43,484,476	59,656,499
Investment in Equity Accounted Investees	5,582,639	28,224,481	5,531,504	-	20,829,353	-
Other Non Current Financial Investments	21,764,744	24,164,338	23,257,924	15,795,416	18,640,177	17,034,491
Deferred Tax Asset	597,306	780,522	593,891	1,781	1,208	1,782
Finance Lease, Hire Purchases and Operating Lease Receivables	-	1,788,147	-	-	-	-
Advances and Other Loans	-	222,332	-	-	-	-
	149,638,663	86,010,229	149,131,103	79,489,789	85,804,676	80,533,196
Current Assets						
Inventories	8,432,227	7,431,853	8,669,592	1,037	1,123	1,112
Produce on Bearer Biological Assets	9,847	-	-	-	-	-
Pre-paid operating leases	168,676	-	67,466	-	-	-
Trade and Other receivables	21,306,747	10,422,684	30,307,197	297,670	27,820	2,722,168
Differed Income -Asset	69,712	-	-	25,173	-	25,624
Finance Lease, Hire Purchases and Operating Lease Receivables	-	1,716,687	-	-	-	-
Advances and Other Loans	1,888,400	1,437,890	1,704,130	-	-	-
Current tax recoverable	321,030	-	392,382	-	-	-
Amounts due from Related Companies	6,554	142,832	18,170	5,618,303	1,058,098	3,695,362
Other Current Financial Investments	14,923,465	7,804,042	12,402,422	5,371,380	5,323,286	4,084,023
Assets classified as held for sale	149,125	-	149,125	-	-	-
Cash at Bank and Cash in Hand	8,662,766	2,389,270	12,018,495	19,490	541,122	544,088
	55,938,549	31,345,258	65,728,979	11,333,053	6,951,449	11,072,377
Total Assets	205,577,212	117,355,487	214,860,082	90,822,842	92,756,125	91,605,573
EQUITY AND LIABILITIES						
Equity						
Stated Capital	89,100,000	89,100,000	89,100,000	89,100,000	89,100,000	89,100,000
Reserve	6,490,996	15,608,996	7,638,199	(2,295,548)	246,318	(981,720)
Retained Earnings	(17,369,611)	(32,410,902)	(18,155,150)	2,714,039	2,938,460	2,448,024
Equity Attributable to Equity Holders of the Parent	78,221,385	72,298,094	78,583,049	89,518,491	92,284,778	90,566,304
Non Controlling Interest	46,565,535	3,024,207	46,641,439	-	-	-
Total Equity	124,786,920	75,322,301	125,224,489	89,518,491	92,284,778	90,566,304
Non-Current Liabilities						
Interest Bearing Loans and Borrowings	26,705,346	3,608,667	23,100,969	-	-	-
Deferred Tax Liabilities	5,983,184	2,426,634	4,957,276	398,030	91,031	398,029
Employee Benefits	2,893,150	902,677	2,851,973	6,843	4,708	6,363
Other Deferred Liabilities	1,288,533	234,254	1,174,850	-	-	-
	36,870,213	7,172,232	32,085,068	404,873	95,739	404,392
Current Liabilities						
Trade and Other Payables	23,346,216	15,037,889	29,198,216	33,891	5,577	15,008
Deposit Liabilities	-	2,697,219	-	-	-	-
Other Deferred Liabilities	67,210	81,167	84,590	-	-	-
Amount due to Related Companies	348,006	330,323	244,185	285,011	51,212	306,998
Income Tax Payable	1,243,739	1,213,219	1,427,015	51,310	307,486	12,132
Interest Bearing Loans and Borrowings	4,923,508	3,251,470	8,188,543	-	-	-
Bank Overdrafts and Other Short Term Borrowings	13,991,400	12,249,667	18,407,976	529,266	11,333	300,739
	43,920,079	34,860,954	57,550,525	899,478	375,608	634,877
Total Equity and Liabilities	205,577,212	117,355,487	214,860,082	90,822,842	92,756,125	91,605,573
Net Assets per Share	67.12	62.04	67.43	76.81	79.19	77.71

The above unaudited figures are provisional and subject to audit

I certify that the Financial Statements have been prepared and presented in compliance with Company's Act No 07 of 2007

sgd/-

D.M.Welikandage
Manager-Finance

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

Signed for and on behalf of the board

sgd/-

D.H.S.Jayawardena
Chairman

sgd/-

A.L.Gooneratne
Managing Director

14th August 2018 in Colombo.

MELSTACORP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of Parent													
	Stated Capital	Revaluations	Capital Reserve	Reserve fund	General Reserve	Exchahange fluctauation	Timber	Available for sale	Investment	Cash Flow Hedge Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	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	Rs. '000
Restated Balance as at 1 April 2017	89,100,000	7,287,535	12,137	14,453	802,801	961,475	867,392	2,575,726	-	-	(33,540,458)	68,081,061	3,128,987	71,210,048
Total Comprehensive Income for the Period														
Profit For The Period	-	-	-	-	-	-	-	-	-	-	1,140,501	1,140,501	(104,750)	1,035,751
Other Comprehensive Income														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	3,010,679	-	-	-	3,010,679	(30)	3,010,649
Reclassification to profit or loss on disposal of AFS	-	-	-	-	-	-	-	30,248	-	-	-	30,248	-	30,248
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of Property,Plant and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	128,904	-	2,452	-	(95,749)	-	35,607	-	35,607
Amount vested on business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IncomeTax on Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	-	-	-	128,904	-	3,043,379	-	(95,749)	-	3,076,534	(30)	3,076,504
Total Comprehensive income for the period	-	-	-	-	-	128,904	-	3,043,379	-	(95,749)	1,140,501	4,217,035	(104,780)	4,112,255
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of shares for Share SWAP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pending Allotement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	-	-	10,945	-	-	-	(10,945)	-	-	-
Total Contributions by and Distributions to Owners	-	-	-	-	-	-	10,945	-	-	-	(10,945)	-	-	-
Balance as at 30 June 2017	89,100,000	7,287,535	12,137	14,453	802,801	1,090,379	878,337	5,619,105	-	(95,749)	(32,410,902)	72,298,096	3,024,207	75,322,303

MELSTACORP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of Parent													
	Stated Capital	Revaluation Reserve	Capital Reserve	Reserve Fund	General Reserve	Excahange Fluctuation	Timber	Available for Sale	Cash Flow Hedge Reserve	Revenue Reserve	Retained Earnings	Total	Non Controlling Interest	Total Equity
	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	Rs. '000
Balance as at 1 April 2018	89,100,000	8,518,309	9,265	20,674	(7,491,161)	1,110,324	1,253,323	4,477,483	(260,018)	-	(18,155,150)	78,583,049	46,641,439	125,224,489
Total Comprehensive Income for the Period														
Profit For The Period	-	-	-	-	-	-	-	-	-	-	789,349	789,349	133,147	922,496
Other Comprehensive Income														
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(1,521,260)	-	-	4	(1,521,256)	(19,515)	(1,540,771)
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation of Property, Plant and Equipment	-	42,571	-	-	-	-	-	-	-	-	42,571	-	-	42,571
Gain on Change in Fair Value of Biological Asset	-	-	-	-	-	-	21,421	-	-	-	(9,445)	11,976	9,445	21,421
Exchange differences on translation of foreign operations	-	-	-	-	-	38,778	-	-	-	-	38,778	119,264	158,042	158,042
Cash flow hedge reserve	-	-	-	-	-	-	-	-	56,331	-	56,331	202,214	258,545	258,545
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	4,656	4,656	(4,656)	-
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	190	-	-	-	190	-	190
Total Other Comprehensive Income for the period	-	42,571	-	-	-	38,778	21,421	(1,521,070)	56,331	-	(4,785)	(1,366,754)	306,752	(1,060,002)
Total Comprehensive Income for the period	-	42,571	-	-	-	38,778	21,421	(1,521,070)	56,331	-	784,564	(577,405)	439,899	(137,506)
Transactions with owners directly recorded in the Equity														
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-	(107,228)	(107,228)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	30	-	21,421	-	-	-	(21,451)	-	-	-
Acquisition and changes in non-controlling interest	-	80,390	1,386	-	90,278	23,714	-	303	(2,898)	-	26,326	219,499	(414,654)	(195,155)
Effect of subsidiary acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of subsidiary disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effect of changes in holding percentage without change in control	-	(7)	-	-	-	-	-	149	-	-	(3,900)	(3,758)	6,078	2,320
Gain on Bargaining Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Allocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Buy Back	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owners	-	80,383	1,386	-	90,308	23,714	21,421	452	(2,898)	-	975	215,741	(515,804)	(300,063)
Balance as at 30 June 2018	89,100,000	8,641,263	10,651	20,674	(7,400,853)	1,172,816	1,296,165	2,956,865	(206,585)	-	(17,369,611)	78,221,385	46,565,535	124,786,920

MELSTACORP PLC
STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital Rs. '000	Revaluation Reserve Rs. '000	Available for sale reserve Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 1 April 2017	89,100,000	111,689	(2,708,886)	2,511,160	89,013,963
Net Profit for the Period	-	-	-	427,300	427,300
Other Comprehensive Income					
Net change in fair value of available for sale financial assets	-	-	2,813,267	-	2,813,267
Reversa of AFS Reserves on disposal of AFS Investments	-	-	30,248	-	30,248
Revaluation of Property,Plant and Equipment	-	-	-	-	-
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	2,843,515	-	2,843,515
Total Comprehensive Income for the period	-	-	2,843,515	427,300	3,270,815
Balance as at 30 June 2017	89,100,000	111,689	134,629	2,938,460	92,284,778
Balance as at 1 April 2018	89,100,000	111,689	(1,093,409)	2,448,024	90,566,304
Profit for the Period	-	-	-	266,015	266,015
Other Comprehensive Income					
Net change in fair value of available for sale financial assets	-	-	(1,313,828)	-	(1,313,828)
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	-	-
Reversal of AFS Reserves on disposal of AFS Investments	-	-	-	-	-
Income tax on other comprehensive income	-	-	-	-	-
Total Other Comprehensive Income for the period	-	-	(1,313,828)	-	(1,313,828)
Total Comprehensive Income for the period	-	-	(1,313,828)	266,015	(1,047,813)
Balance as at 30 June 2018	89,100,000	111,689	(2,407,237)	2,714,039	89,518,491

MELSTACORP PLC
STATEMENT OF CASH FLOWS

For the Quarter ended 30th June,

	Group		Company	
	2018 Rs. '000	2017 Rs. '000	2018 Rs. '000	2017 Rs. '000
Cashflow from Operating activities				
Profit before taxation	2,056,732	1,628,418	333,909	447,823
Adjustment for				
Depreciation and amortization of PPE, Biological assets and intangible assets	1,355,594	597,370	361	307
Commitment short fall	(179)	-	-	-
Provision for gratuity	92,895	23,976	480	392
Interest Expenses	874,874	423,614	8,755	1,384
Interest Income	(549,146)	(271,472)	(278,177)	(179,594)
Dividend Income	(97,042)	(105,427)	(97,040)	(101,098)
(Gain)/Loss on disposal of Property, Plant and Equipment	(39,302)	(7,096)	-	-
Provision / (Reversal of provision) for Inventories	(80)	(2,062)	-	-
Impairment on premium receivable	1	-	-	-
Reversal of unclaimed premiums due	(79)	-	-	-
Provision for doubtful debts	13,319	39,884	-	-
Share of profit of equity accounted Investees	(94,976)	(160,920)	-	-
Deferred income recognized	(870)	(2,790)	-	-
Amortization of Deferred Grants and Subsidiaries	(4,222)	-	-	-
(Gain)/loss on Change in Fair Value of Biological Assets	(23,069)	(921)	-	-
(Gain)/Loss on change in fairvalue of financial assets fairvalue through profit/loss	24,709	(115,404)	23,442	(106,271)
(Gain)/Loss on disposal of financial Investments	(6,572)	(103,509)	(4,578)	(35,896)
Net foreign exchange (gain) / loss	76,113	-	-	-
Gain on disposals of subsidiary	(4,578)	-	-	-
Operating Profit Before Working Capital Changes	3,674,120	1,943,661	(12,848)	27,047
NCI				
Working Capital Changes				
(Increase)/decrease in Inventories	227,598	(368,776)	75	(204)
(Increase)/decrease in Receivable	6,809,896	1,158,938	74,349	80,644
(Increase)/decrease in Related Party Receivable and Payable	115,437	4,555	(61,558)	(128,393)
(Increase)/decrease in Payables	(4,665,223)	1,663,777	18,883	2,975
Cash generated from Operations	6,161,828	4,402,155	18,901	(17,931)
Dividend Received	97,042	105,427	97,040	101,098
Exchange (Loss)/Gain	(10,185)	-	-	-
Interest paid	(924,155)	(423,614)	(8,755)	-
Income Tax and Super Gain Tax Paid	(984,368)	(643,485)	(28,264)	(1,458)
Grants Received	(4,459)	-	-	-
Retiring Gratuity Paid	(56,196)	(29,628)	-	-
Net Cash Flow from Operating Activities	4,279,507	3,410,855	78,922	81,709
Cashflow from Investing Activities				
Acquisition of equity accounted investees	-	-	-	-
Proceeds from Disposal of Subsidiaries	2,557,048	-	2,557,048	-
Acquisition of Non Controlling Interest	(195,155)	-	(195,155)	-
Proceeds from settlement of Loans given to Related Companies	-	-	907,195	1,607,450
Net proceeds from disposal/(Acquisition) of other Investments	(2,342,722)	(2,361,686)	(1,585,552)	(1,652,793)
Acquisition of biological assets	(49,438)	(59,028)	-	-
Acquisition of Property, Plant & Equipment, Investment Property and intangible assets	(2,868,994)	(752,546)	(3,194)	-
Loans disbursed to subsidiaries and associates	-	-	(2,686,058)	-
Proceeds on disposal of Property, Plant and Equipment	65,138	38,628	-	-
Interest Received	366,362	271,472	173,699	179,594
Net Cash Flow Used in Investing Activities	(2,467,761)	(2,863,160)	(832,017)	134,251
Reserves				
Cashflow from Financing activities				
Exchange Gain/(Loss) on long term loans	275	-	-	-
Payment of Government Lease Rentals	(2,752)	-	-	-
Loan and borrowings received	2,338,001	642,868	-	-
Repayment of loan and borrowings	(3,043,204)	(935,260)	-	-
Receipt of deferred income	64,009	(3,091)	-	-
Dividends Paid to Minority Share Holders	(107,228)	-	-	-
Interest Paid	-	-	-	-
Net Cashflow from financing activities	(750,899)	(295,483)	-	-
Net increase/decrease in cash and cash equivalents	1,060,847	252,212	(753,095)	215,959
At the beginning of the year	(6,389,481)	(10,112,609)	243,319	313,829
At the end of the year	(5,328,634)	(9,860,397)	(509,776)	529,788
Cash and Cash Equivalents are as follows				
Short Term Deposits	327	1,135,968	-	512,874
Cash in Transit	182,332	96,812	-	28,247
Cash in Hand & Bank	8,480,107	1,156,490	19,490	-
Bank Overdrafts and other short term borrowings	(13,991,400)	(12,249,667)	(529,266)	(11,333)
	(5,328,634)	(9,860,397)	(509,776)	529,788

MELSTACORP PLC
SEGMENTAL INFORMATION

<i>For the Quarter ended 30th June,</i>	GROUP	
	2018 Rs.000	2017 Rs.000
(a) Turnover		
Beverages	20,844,972	23,176,922
Plantations	1,183,352	815,924
Telecommunications	763,500	705,180
Financial services	751,297	851,883
Diversified	10,972,202	485,415
Gross Turnover	34,515,323	26,035,324
Turnover based Taxes	(13,716,580)	(15,753,295)
Net Turnover	20,798,743	10,282,029
(b) Industry Segment Profit		
Beverages	1,659,375	1,270,731
Plantations	40,049	25,129
Telecommunications	(437,084)	(359,588)
Financial services	88,077	124,686
Diversified	611,339	406,539
	1,961,756	1,467,497
Share of Associate Company Profits	94,976	160,920
Net Profit Before Tax	2,056,732	1,628,417
Taxation	(1,134,236)	(592,667)
Net Profit After Tax	922,496	1,035,750

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 04 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 an 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

		30-Jun-18	30-Jun-17	31-Mar-18
Net Assets per share	- Group (Rs)	67.12	62.04	67.43
	- Company (Rs)	76.81	79.19	77.71
	- Last Traded Rs)	52.50	68.30	58.20
Market price per share	- Highest	62.90	69.50	70.00
	- Lowest	52.20	60.00	57.60

6 1,165,398,072 ordinary shares represent the Stated Capital.

7 Earnings per Share

The Number of shares (1,165,398,072) held as at 30 June 2018 have been used for the purpose of Calculation of Earnings per Share.

8 Business Combinations

8.1 Acquisition of Non Controlling Interest

Melstacorp PLC has acquired 3,790,554 shares in Aitken Spence PLC. As a result, the percentage Holding has increased from 49.17% to 50.10%.

8.2 Changes in Percentage Holding in Subsidiaries

Melstacorp PLC has disposed 312,805 share in DCSL PLC durring the period and resulted a dilution of percentage holding from 92.463% to 92.455%

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

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.

10 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 2017.

11 Top 20 Shareholders – 30 June 2018

<u>Rank</u>	<u>Name</u>	<u>No of shares</u>	<u>%</u>
1	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	497,882,000	42.722
2	LANKA MILK FOODS (CWE) LIMITED	151,846,000	13.030
3	MR. M.A. YASEEN	106,899,513	9.173
4	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	52,200,000	4.479
5	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	46,775,260	4.014
6	CACEIS BANK, LUXEMBOURG BRANCH-BARCA GLOBAL MASTER FUND LP	32,900,196	2.823
7	NORTHERN TRUST COMPANY S/A KUROTO FUND LP	23,400,491	2.008
8	MRS. L.E.M. YASEEN	19,858,017	1.704
9	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	16,853,423	1.446
10	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	16,000,000	1.373
11	LAHUGALA PLANTATION (PRIVATE) LIMITED	14,782,240	1.268
12	MRS. S.M. CHRYSOSTOM	11,390,000	0.977
13	BNYMSANV RE-CONSILIUM FRONTIER EQUITY FUND,L.P.	10,401,396	0.893
14	STASSEN EXPORTS (PVT) LIMITED	8,456,800	0.726
15	MR. D.H.S. JAYAWARDENA	7,531,332	0.646
16	HSBC INTL NOM LTD-SSBT-PARAMETRIC EMERGING MARKETS FUND	6,738,108	0.578
17	HSBC INTL NOM LTD-SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	6,203,001	0.532
18	MCSSEN RANGE PRIVATE LIMITED	5,459,864	0.468
19	CITIGROUP GLOBAL MARKETS LIMITED AGENCY TRADING PROP SECURITIES A/C	5,373,544	0.461
20	CEYLON INVESTMENT PLC A/C # 02	4,980,244	0.427
		<u>1,045,931,429</u>	<u>89.749</u>
	Others	119,465,643	10.251
	Total	<u><u>1,165,397,072</u></u>	<u><u>100.000</u></u>

Percentage of Shares held by the public

42.88%

Total No. of share holders who hold the public holding

10,727

Directors' Share Holdings as at 30 June 2018

	<u>No of Shares</u>	<u>%</u>
Mr. D. H. S. Jayawardena	Nil	Nil
Mr.A.L. Gooneratne	Nil	Nil
Mr. C. R. Jansz	Nil	Nil
Mr. N. De S. Deva Aditya	Nil	Nil
Mr. K. J. Kahanda	Nil	Nil
Dr. A. N. Balasuriya	Nil	Nil
Mr. D. Hasitha S. Jayawardena	7,531,332	0.646
Mr.R. Seevaratnam	Nil	Nil
Ms. V. J. Senaratne (Alternate Director to Mr. N.De.S.Deva Aditya)	Nil	Nil

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

NAME OF COMPANY

Melstacorp PLC

No.110, Norris Canal Road,
Colombo 10, Sri Lanka.
Tel: 011-5900300,
Fax: 011-5900333 Web: www.melsta.com

COMPANY REGISTRATION NUMBER

PB 11755 PQ

BOARD OF DIRECTORS

Mr.D.H.S.Jayawardena - Chairman
Mr. A.L. Gooneratne - Managing Director
Mr.C.R.Jansz
Mr.N. De S. Deva Aditya
Capt. K. J. Kahanda
Dr.A.N.Balasuriya
Mr. D. Hasitha S. Jayawardena
Mr.R. Seevaratnam
Ms.V.J.Senaratne (Alternate Director to Mr.N. De S. Deva Aditya)

COMPANY SECRETARY

Messrs. Coporate Services (Private) Limited
No.216, De Saram Road,
Colombo 10.

AUDITORS

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

REGISTRARS

Central Depository Systems (Private) Limited
Registrars -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