

MELSTACORP PLC



INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED
31st MARCH 2017

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s	GROUP			COMPANY		
	Unaudited	Unaudited Restated	Variance	Unaudited	Audited	Variance
	2017 Rs. '000	2016 Rs. '000	%	2017 Rs. '000	2016 Rs. '000	%
<i>For the year ended 31st March,</i>						
Gross Revenue	109,230,163	88,886,192	22.89	193,326	186,314	3.76
Net Revenue	40,436,630	33,840,097	19.49	193,326	186,314	3.76
Cost of Sales, Net Benefits Paid and Interest Expenses	(25,288,249)	(20,822,056)	21.45	(6,675)	(6,866)	(2.78)
Gross Profit	15,148,381	13,018,041	16.36	186,651	179,448	4.01
Other Operating Income	1,266,258	1,154,403	9.69	3,291,985	1,398,309	135.43
Distribution Expenses	(1,888,903)	(1,770,814)	6.67	-	-	-
Administrative Expenses	(4,359,065)	(3,604,812)	20.92	(111,670)	(105,806)	5.54
Other Operating Expenses	(384,680)	(350,489)	9.76	(1,420,946)	(227,638)	-
Profit from Operations	9,781,992	8,446,329	15.81	1,946,020	1,244,313	56.39
Finance Income	854,205	402,769	112.08	1,587,415	35,743	4,341.19
Finance Cost	(1,249,789)	(605,177)	106.52	(247,375)	(90,719)	172.68
Net Finance Income/(cost)	(395,584)	(202,408)		1,340,040	(54,976)	(2,537.50)
Share of Profit of Equity-Accounted Investees (Net of Tax)	1,327,776	748,537	77.38	-	-	-
Profit before Tax	10,714,184	8,992,458	19.15	3,286,060	1,189,337	176.29
Income Tax	(4,085,556)	(3,322,878)	22.95	(331,294)	(4,860)	6,716.74
Profit for the Year	6,628,628	5,669,580	16.92	2,954,767	1,184,477	149.46
Other Comprehensive Income						
Revaluation of Property, Plant and Equipment	137,250	2,842,321	(95.17)	-	19,930	(100.00)
Net Change in Fair Value of Available for Sale Financial Assets	361,632	(3,473,765)	(110.41)	106,267	(3,245,991)	(103.27)
Actuarial Gain/(Losses) on retirement benefit obligations	195,606	32,624	499.58	311	397	(21.77)
Income tax on other comprehensive income	(20,662)	(386,378)	(94.65)	(87)	(3,850)	(97.74)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	497,717	298,775	66.59	-	-	-
Total Other Comprehensive Income	1,171,543	(686,423)	(270.67)	106,490	(3,229,514)	(103.30)
Total Comprehensive Income for the Year	7,800,171	4,983,157	56.53	3,061,257	(2,045,037)	(249.69)
Profit Attributable to:						
Equity Holders of the Parent	7,180,376	5,963,414	20.41	2,954,767	1,184,477	149.46
Non Controlling Interest	(551,748)	(293,834)	87.78	-	-	-
Profit for the Year	6,628,628	5,669,580		2,954,767	1,184,477	149.46
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	8,200,162	5,270,541	55.58	3,061,257	(2,045,037)	(249.69)
Non Controlling Interest	(399,991)	(287,384)	39.18	-	-	-
Total Comprehensive Income for the Year	7,800,171	4,983,157		3,061,257	(2,045,037)	
Earnings per Share (Rs.)						
Basic Earnings per Share	6.16	5.12	20.41	2.54	1.02	149.46

MELSTACORP PLC
STATEMENTS OF COMPREHENSIVE INCOME

Rs. '000s <i>For the quarter ended 31st March,</i>	GROUP			COMPANY		
	Unaudited	Unaudited Restated	Variance	Unaudited	Unaudited	Variance
	2017 Rs. '000	2016 Rs. '000	%	2017 Rs. '000	2016 Rs. '000	%
Gross Revenue	27,376,228	25,432,309	7.64	48,804	46,578	4.78
Net Revenue	10,524,929	9,188,475	14.54	48,804	46,578	4.78
Cost of Sales, Net Benefits Paid and Interest Expenses	(7,486,298)	(5,881,950)	27.28	(3,727)	(5,945)	(37.31)
Gross Profit	3,038,631	3,306,525	(8.10)	45,077	40,633	10.94
Other Operating Income	550,829	413,666	33.16	643,033	453,789	41.70
Distribution Expenses	(594,979)	(651,581)	(8.69)	-	-	#DIV/0!
Administrative Expenses	(1,277,174)	(830,580)	53.77	(25,350)	(20,989)	20.78
Other Operating Expenses	(335,192)	(291,485)	14.99	(1,420,946)	(227,638)	-
Profit from Operations	1,382,113	1,946,544	(29.00)	(758,185)	245,795	(408.46)
Finance Income	169,423	(75,585)	(324.15)	209,330	(155,723)	(234.42)
Finance Cost	(365,428)	(213,501)	71.16	(74,144)	(90,719)	(18.27)
Net Finance Income/(cost)	(196,005)	(289,086)	(32.20)	135,185	(246,442)	(154.85)
Share of Profit of Equity-Accounted Investees (Net of Tax)	454,684	193,260	135.27	-	-	-
Profit before Taxation	1,640,793	1,850,718	(11.34)	(623,000)	(647)	96,189.29
Taxation	(439,143)	(925,653)	(52.56)	(32,228)	11,713	(375.15)
Profit for the period	1,201,652	925,066	29.90	(655,229)	11,066	(6,021.10)
Other Comprehensive Income						
Revaluations of Property plant and equipment	137,250	2,842,321	(95.17)	-	19,930	(100.00)
Net Change in Fair Value of Available for Sale Financial Assets	(975,494)	(1,499,613)	(34.95)	(991,493)	(1,386,068)	(28.47)
Actuarial Gain/(Losses) on retirement benefit obligations	195,606	32,624	499.58	311	397	(21.77)
Income tax on other comprehensive income	(20,662)	(386,378)	(94.65)	(87)	(3,850)	(97.74)
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	286,392	107,349	166.79	-	-	-
Total Other Comprehensive Income	(376,908)	1,096,303	(134.38)	(991,270)	(1,369,591)	(27.62)
Total Comprehensive Income for the Period	824,743	2,021,368	(59.20)	(1,646,498)	(1,358,525)	21.20
Profit Attributable to:						
Equity Holders of the Parent	1,403,380	974,703	43.98	(655,229)	11,066	(6,021.10)
Non Controlling Interest	(201,729)	(49,638)	306.40	-	-	-
Profit for the Period	1,201,651	925,065	30	(655,229)	11,066	(6,021.10)
Total Comprehensive Income Attributable to:						
Equity Holders of the Parent	874,749	2,064,556	(58)	(1,646,498)	(1,358,525)	21.20
Non Controlling Interest	(50,006)	(43,188)	16	-	-	-
Total Comprehensive Income for the Period	824,742	2,021,367	(59)	(1,646,498)	(1,358,525)	21.20
Earnings per Share (Rs.)						
Basic Earnings per Share	1.20	0.84	43.98	(0.56)	0.01	(6,021.10)

MELSTACORP PLC
STATEMENTS OF FINANCIAL POSITION

	GROUP			COMPANY	
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	31-Mar-17 Rs. '000s	Restated 31-Mar-2016 Rs. '000s	Restated 31-Mar-2015 Rs. '000s	31-Mar-17 Rs. '000s	31-Mar-2016 Rs. '000s
<i>As at,</i>					
Non-Current Assets					
Property, Plant and Equipment	22,758,323	22,283,214	18,477,298	5,636	5,059
Investment Property	1,213,752	1,195,695	586,095	2,787,910	2,787,910
Goodwill on Acquisition and Other Intangible Assets	2,327,053	2,472,672	2,736,603	482	399
Biological Assets	4,139,750	3,914,452	3,551,869	-	-
Investments in Subsidiaries	(0)	-	-	43,542,606	11,441,053
Investment in Equity Accounted Investees	28,119,654	26,293,943	24,192,237	20,829,353	20,354,900
Other Non Current Financial Investments	19,324,977	15,588,519	17,523,262	14,378,345	12,638,446
Deferred Tax Asset	1,196,804	702,452	502,714	1,208	19,889
Finance Lease, Hire Purchases and Operating Lease Receivables	1,639,350	1,634,071	868,225	-	-
Advances and Other Loans	526,540	433,724	459,705	-	-
	81,246,204	74,518,742	68,898,008	81,545,540	47,247,656
Currents Assets					
Inventories	7,061,015	6,014,160	4,984,050	918	970
Trade and Other Receivables	11,577,074	11,279,695	10,092,709	109,251	1,446,128
Finance Lease, Hire Purchases and Operating Lease Receivables	1,529,946	931,350	311,999	-	-
Advances and Other Loans	1,394,387	1,840,213	1,224,551	-	-
Amounts due from Related Companies	149,029	135,133	672,539	2,608,659	201,416
Other Current Financial Investments	7,052,661	2,998,528	2,431,815	4,934,910	883,820
Cash at Bank and Cash in Hand	2,034,196	1,588,014	4,072,931	423,390	22,724
	30,798,307	24,787,093	23,790,594	8,077,128	2,555,058
Total Assets	112,044,511	99,305,835	92,688,602	89,622,668	49,802,714
EQUITY AND LIABILITIES					
Equity					
Stated Capital	89,100,000	48,320,750	48,320,750	89,100,000	48,320,750
Reserve	12,394,962	11,129,919	11,409,745	(2,608,151)	(2,714,418)
Retained Earnings	(33,618,652)	3,752,926	1,273,384	2,580,316	2,182,800
	67,876,310	63,203,595	61,003,879	89,072,165	47,789,132
Equity Attributable to Equity Holders of the parent					
Non Controlling Interest	3,128,987	3,529,347	3,820,118	-	-
Total Equity	71,005,297	66,732,942	64,823,997	89,072,165	47,789,132
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	3,869,959	2,831,914	1,776,356	-	-
Deferred Tax Liabilities	2,177,846	2,108,642	1,301,892	100,971	85,174
Employee Benefits	908,329	1,018,298	949,961	4,316	3,057
Other Deferred Liabilities	238,649	250,494	258,935	-	-
	7,194,783	6,209,348	4,287,144	105,286	88,231
Current Liabilities					
Trade and Other Payables	14,529,640	11,997,768	10,211,241	2,641	77,134
Deposit Liabilities	1,541,694	1,207,074	511,789	-	-
Other Deferred Liabilities	82,653	75,259	56,112	-	-
Amount due to Related Companies	331,965	294,030	272,403	44,532	1,846,769
Income Tax Payable	1,929,106	1,095,567	463,460	288,511	-
Interest Bearing Loans and Borrowings	3,282,569	2,616,212	830,384	-	-
Bank Overdrafts and Other Short Term Borrowings	12,146,805	9,077,635	11,232,072	109,534	1,448
	33,844,432	26,363,545	23,577,461	445,217	1,925,351
Total Equity and Liabilities	112,044,511	99,305,835	92,688,602	89,622,668	49,802,714
Net Assets per Share (Rs.)	58.24	54.23	52.35	76.43	41.01

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/-

D.H.S.Jayawardena
Chairman

sgd/-

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	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		
Balance as at 01 April 2015 (Audited)	48,320,750	672,552	-	5,992	89,024	(5,625)	272,095	460,196	-	8,855,821	58,670,805	3,816,452	62,487,257
Adjustments	-	3,878,726	3,048	-	(12,590)	343,463	427,981	5,274,883	-	(7,582,437)	2,333,074	3,666	2,336,740
Super Gain Tax (Note 1)	-	-	-	-	-	-	-	-	-	(2,112,069)	(2,112,069)	(108)	(2,112,177)
Restated Balance as at 1st April 2015	48,320,750	4,551,278	3,048	5,992	76,434	337,838	700,076	5,735,079	-	(838,685)	58,891,810	3,820,010	62,711,820
Total Comprehensive Income for the Period													
Profit For The Year	-	-	-	-	-	-	-	-	-	5,963,414	5,963,414	(293,834)	5,669,580
Other Comprehensive Income													
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	(3,473,662)	-	-	(3,473,662)	(103)	(3,473,765)
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	26,474	26,474	6,150	32,624
Revaluation of Property, Plant and Equipment	-	2,842,321	-	-	-	-	-	-	-	-	2,842,321	-	2,842,321
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	258,015	-	8,543	-	32,217	298,775	-	298,775
Income Tax on Other Comprehensive Income	-	(385,418)	-	-	-	-	-	-	-	90	(385,328)	(1,050)	(386,378)
Total Other Comprehensive Income for the period	-	2,456,903	-	-	-	258,015	-	(3,465,119)	-	58,781	(691,420)	4,997	(686,423)
Total Comprehensive Income for the period	-	2,456,903	-	-	-	258,015	-	(3,465,119)	-	6,022,195	5,271,994	(288,837)	4,983,157
Transactions with owners directly recorded in the Equity													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(1,826)	(1,826)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	9,089	-	327,534	(3,209)	94,885	-	-	(413,508)	14,791	-	14,791
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	(975,000)	(975,000)	-	(975,000)
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	3,343	-	-	38,733	-	-	(42,076)	-	-	-
Total Contributions by and Distributions to Owners	-	-	9,089	3,343	327,534	(3,209)	133,618	-	-	(1,430,584)	(960,209)	(1,826)	(962,035)
Balance as at 31 March 2016	48,320,750	7,008,181	12,137	9,335	403,968	592,644	833,694	2,269,960	-	3,752,926	63,203,595	3,529,347	66,732,942

MELSTACORP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of parent											Non controlling interest	Total equity
	Stated	Revaluation	Capital	Reserve	General	Exchange fluctuation	Timber	Available for sale	Investment	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		
Restated Balance as at 1st April 2016	48,320,750	7,008,181	12,137	9,335	403,968	592,644	833,694	2,269,960	-	3,752,926	63,203,595	3,529,347	66,732,942
Total Comprehensive Income for the Period													
Profit For The Year	-	-	-	-	-	-	-	-	-	7,180,376	7,180,376	(551,748)	6,628,628
Other Comprehensive Income													
Net Change in Fair Value of Available for Sale Financial Assets	-	-	-	-	-	-	-	361,702	-	-	361,702	(70)	361,632
Defined Benefit Plan Actuarial Gains (Losses) (Net Of Tax)	-	-	-	-	-	-	-	-	-	110,247	110,247	85,359	195,606
Revaluation of Property, Plant and Equipment	-	57,477	-	-	-	-	-	-	-	-	57,477	79,773	137,250
Share of Other Comprehensive Income of Equity-Accounted Investees (Net of Tax)	-	69,684	-	-	-	368,890	-	(27,257)	-	86,400	497,717	-	497,717
Income Tax on Other Comprehensive Income	-	-	-	-	-	-	-	2,075	-	(9,432)	(7,357)	(13,305)	(20,662)
Total Other Comprehensive Income for the period	-	127,161	-	-	-	368,890	-	336,520	-	7,367,591	8,200,162	(399,991)	7,800,171
Total Comprehensive Income for the period													
Transactions with owners directly recorded in the Equity													
Dividends paid to Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(369)	(369)
Share of Net Assets of Equity-Accounted Investees (Net of Tax)	-	-	-	-	-	(59)	-	-	-	22,549	22,490	-	22,490
Dividends Paid During the Period	-	-	-	-	-	-	-	-	-	(2,157,861)	(2,157,861)	-	(2,157,861)
Share Issues	40,779,250	-	-	-	-	-	-	-	-	(40,779,250)	0	-	0
Share Issue Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred From/To Retained Earnings	-	-	-	-	398,833	-	33,698	-	-	(432,531)	(0)	0	(0)
Share Buy Back	-	-	-	-	-	-	-	-	-	(1,392,076)	(1,392,076)	-	(1,392,076)
Total Contributions by and Distributions to Owners	40,779,250	-	-	-	398,833	(59)	33,698	-	-	(44,739,169)	(3,527,447)	(369)	(3,527,816)
Balance as at 31 March 2017	89,100,000	7,135,342	12,137	9,335	802,801	961,475	867,392	2,606,480	-	(33,618,652)	67,876,310	3,128,987	71,005,297

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
Balance as at 1st April 2015 (Audited)	48,320,750	95,500	419,882	1,797,820	50,633,952
Super Gain Tax				(3,433)	(3,433)
Restated Balance as at 1st April 2015 (Audited)	48,320,750	95,500	419,882	1,794,387	50,630,519
Net Profit for the Period	-	-	-	1,184,477	1,184,477
Other Comprehensive Income					-
Net change in fair value of available for sale financial assets	-	-	(3,245,991)	-	(3,245,991)
Revaluation of Property, Plant and Equipment	-	19,930	-	-	19,930
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	397	397
Income tax on other comprehensive income	-	(3,739)	-	(111)	(3,850)
Total Other Comprehensive Income for the period	-	16,191	(3,245,991)	286	(3,229,514)
Total Comprehensive Income for the period	-	16,191	(3,245,991)	1,184,763	(2,045,037)
Transactions with Owners of the Company directly recognized into Equity					
Dividend Paid	-	-	-	(796,350)	(796,350)
	-	-	-	(796,350)	(796,350)
Balance as at 31st March 2016	48,320,750	111,691	(2,826,109)	2,182,800	47,789,132
Balance as at 1st April 2016	48,320,750	111,691	(2,826,109)	2,182,800	47,789,132
Net Profit for the Period	-	-	-	2,954,767	2,954,767
Other Comprehensive Income					-
Net change in fair value of available for sale financial assets	-	-	106,267	-	106,267
Actuarial Gain/(Losses) on retirement benefit obligations	-	-	-	311	311
Income tax on other comprehensive income	-	-	-	(87)	(87)
Total Other Comprehensive Income for the period	-	-	106,267	224	106,490
Total Comprehensive Income for the period	-	-	106,267	2,954,990	3,061,257
Transactions with Owners of the Company directly recognized into Equity					
Issue of Shares	40,779,250	-	-	-	40,779,250
Share buy back	-	-	-	(1,392,076)	(1,392,076)
Dividend paid	-	-	-	(1,165,398)	(1,165,398)
	40,779,250	-	-	(2,557,474)	38,221,776
Balance as at 31st March 2017	89,100,000	111,691	(2,719,842)	2,580,317	89,072,165

MELSTACORP PLC
STATEMENTS OF CASH FLOWS

For the year ended 31st March,

	GROUP		COMPANY	
	2017 Rs. '000	2016 Rs. '000	2017 Rs. '000	2016 Rs. '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Taxation	10,714,183	8,992,458	3,286,060	1,189,337
Adjustment for				
Depreciation and amortization of PPE, Biological assets and intangible assets	2,296,261	2,433,968	1,228	1,259
Provision for gratuity	176,160	173,951	1,568	1,033
Interest Expenses	1,030,902	625,472	85,172	90,719
Interest income	(629,066)	(312,881)	(1,407,454)	(20,593)
Dividend income	(835,564)	(661,474)	(1,340,363)	(1,271,780)
(Gain) / loss on Disposal of Property, Plant and Equipment	(27,632)	(36,803)	(1)	-
Increase in Fair Value of Investment Properties	-	(86,912)	-	(126,498)
Provision/ (Reversal of provisions) for Inventories	(82,468)	(156,075)	-	-
Loss on Fair Value of Investment Properties	-	-	-	227,638
Loss on revaluation/ impairment of Property plant and equipment	-	222,570	-	-
Provision/(Reversal) for Bad & Doubtful Debts and impairment	158,534	250,712	-	-
Impairment in Subsidiaries	-	-	1,420,946	-
Impairment in Goodwill	255,446	-	-	-
Share of profit of equity-accounted investees (net of tax)	(1,327,776)	(748,537)	-	-
(Gain)/ Loss on disposal of other financial investments	(8,192)	(20,263)	-	-
Deferred income recognized	(95,649)	(74,690)	-	-
Amortization of Deferred Grants and Subsidies	(11,057)	(11,275)	-	-
Gain on liquidation of Share Trust	(28,562)	-	(28,562)	-
(Gain)/Loss on Translation of Foreign Currency	-	48,133	-	-
Gain on repurchases of shares by Subsidiaries	-	-	(1,922,500)	-
(Gain) / loss on Change in Fair Value of Biological Assets	(18,839)	(89,603)	-	-
(Gain)/loss on change in fair value of financial assets at fair value through profit or loss	(62,322)	(69,940)	(17,758)	(15,150)
Operating Profit before Working Capital Changes	11,504,361	10,478,811	78,335	75,965
(Increase)/Decrease in Inventories	(964,387)	(874,035)	52	(15)
(Increase)/Decrease in Receivables	(2,070,292)	(4,140,349)	(32,267)	624,442
(Increase)/Decrease in Related Party Receivable and Payable	24,039	559,033	(31,857)	(203,959)
Increase/(Decrease) in Payables	2,866,492	2,502,767	(74,488)	(216)
Cash Generated from Operations	11,360,213	8,526,227	(60,225)	496,217
Dividend Received	1,332,289	996,600	1,340,363	1,271,780
Interest Paid	(1,120,755)	(625,472)	(150)	-
Income Tax and Super Gain Tax Paid	(3,697,826)	(4,463,144)	(2,767)	(26,553)
Retiring Gratuity Paid	(90,523)	(72,992)	(0)	-
Net Cash Flow from Operating Activities	7,783,397	4,361,219	1,277,221	1,741,444
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of equity accounted investees	(474,454)	(840,694)	(474,453)	(766,212)
Investment in Subsidiaries (Pending Allotment)	-	-	(20,000,000)	-
Proceeds from settlement of Promissory Notes	-	-	24,863,171	-
Cash received from Repurchase of Shares by Subsidiaries	-	-	2,500,000	-
Net proceed from disposal/(Acquisition)of Other Investments	(7,358,444)	(2,015,532)	(5,666,968)	(1,163,540)
Acquisition of Property, Plant & Equipment and intangible assets	(2,859,601)	(3,725,053)	(1,953)	(377,264)
Additions of Mature and Immature Plantations	(116,605)	(312,574)	-	-
Loans disbursed to Subsidiaries and Associates	-	-	(550,000)	(200,000)
Proceeds on Disposal of Property, Plant & Equipment	125,227	56,458	66	-
Interest Received	629,066	312,881	214,127	20,593
Net Cash Flow Used in Investing Activities	(10,054,810)	(6,524,514)	883,991	(2,486,423)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash received from DCSL in terms of Shares	-	-	1,534,162	2,603,691
Funds trf to DCSL PLC	-	-	(2,237,400)	(1,068,168)
Laon and borrowings Received	4,233,649	4,559,866	-	-
Issue of shares	-	-	-	-
Repayments of loan and borrowings	(2,529,247)	(1,851,703)	-	-
Receipt of deferred Income	102,254	96,671	-	-
Dividends paid	(2,157,861)	(970,193)	(1,165,398)	(796,350)
Dividend paid by subsidiaries to minority share holders	(369)	(1,826)	-	-
Net Cash Flow from Financing Activities	(351,574)	1,832,815	(1,868,637)	739,173
Net Increase/Decrease in Cash & Cash Equivalent during the year	(2,622,988)	(330,480)	292,576	(5,806)
Cash & Cash Equivalents				
At the beginning of the year	(7,489,621)	(7,159,141)	21,276	27,082
Net movement during the year	(2,622,988)	(330,480)	292,576	(5,806)
At the end of the year (Note A)	(10,112,609)	(7,489,621)	313,852	21,276
Note A-Cash and Equivalents are as follows				
Short Term Deposits	897,838	616,312	48,438	3,975
Cash in Transit	96,812	84,107	-	-
Cash in Hand & Bank	1,039,546	887,595	374,952	18,749
Bank overdrafts and other short term borrowings	(12,146,805)	(9,077,635)	(109,534)	(1,448)
	(10,112,609)	(7,489,621)	313,852	21,276

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

SEGMENTAL INFORMATION

For the year ended 31st March,

	GROUP	
	2017	2016
	Rs.'000	Rs.'000
(a) Turnover		
Beverages	99,037,262	79,231,340
Plantations	2,266,657	2,413,055
Telecommunications	2,977,115	3,286,251
Financial services	2,877,033	2,031,204
Diversified	2,072,096	1,924,342
Gross Turnover	109,230,163	88,886,192
Turnover based Taxes	(68,793,532)	(55,046,095)
Net Turnover	40,436,630	33,840,097
(b) Industry Segment Profit		
Beverages	10,385,208	8,390,759
Plantations	(342,722)	(430,454)
Telecommunications	(1,278,775)	(642,417)
Financial services	307,358	233,568
Diversified	315,337	692,465
	9,386,406	8,243,921
Share of Associate Company Profits	1,327,776	748,537
Net Profit Before Tax	10,714,183	8,992,458
Taxation	(4,085,556)	(3,322,878)
Net Profit After Tax	6,628,628	5,669,580

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.

5 Non Financial Information

			31-Mar-17	31-Mar-2016
Net Assets Value per Share	-	Group (Rs)	58.24	54.23
	-	Company (Rs)	76.43	41.01
Market Price per Share	-	Last Traded Rs)	59.20	-
	-	Highest (Rs)	69.50	-
	-	Lowest (Rs)	54.90	-

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 31 March 2017 have been used for the purpose of Calculation of Earnings per Share. Further prior year Earnings per share was restated by using number of shares held as at 31 March 2016

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

Distilleries Company of Sri Lanka PLC ("DCSL") being the sole investor of Melstacorp Limited ("MC") has restructured the DCSL Group as described in the announcement made to CSE on 1st August 2016.

The restructuring of the group has been duly approved by the shareholders of the DCSL Group and the Courts under the part X of the Companies Act 2007.

As a consequent of the restructuring of the Group, MC became the ultimate holding company of the Group and DCSL became a wholly owned subsidiary of MC.

The said restructuring of the Group is identified as a common control transaction, hence the acquisition method of accounting prescribed by SLFRS 3 is not applied.

Further as a result of restructuring of the companies (DCSL and MC) within the common control, there is no change to the net assets of the Group previously reported. To reflect the effect of restructuring of the group under common control, the prior period financial statements were restated.

The adjustment to opening net assets as at 1st April 2015 reflect the reserves consolidated by DCSL. There is no change in previously reported total assets (including goodwill), total liabilities and net assets under the DCSL Group. The equity previously reported is re-arranged to reflect the capital structure of the MC.

9 Repurchase of MC shares held in trust

As a result of the restructuring arrangement stated in note 8 above, 8,650,732 DCSL shares held by Melstacorp Share Trust was converted to 34,602,928 shares of Melstacorp Limited and such shares were repurchased and cancelled by MC subsequently.

10 Investment in DCSL Pending Allotment and settlement of Promissory Note

Melstacorp invested Rs.20Bn in Equity of DCSL with effect from 1st January 2017 where the shares are pending to be allotted as at Balance Sheet date. DCSL occupied these funds to settle their liability in Promissory Note against Melstacorp.

11 Impairment in Investment in Subsidiaries

Melstacorp recorded an impairment of Rs.1.4Bn in its Investment in Subsidiary, Milford Holdings (Pvt) Ltd, the immediate parent of Lanka Bell Ltd in its Separate Financial Statements.

As a result an impairment of Rs255Mn in Goodwill on acquisition of Lanka Bell Limited was recorded in the Consolidated Financial Statements of Melstacorp PLC.

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

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.

13 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 2016.

14 Top 20 Shareholders – 31 March 2017

Rank	Name	Share Holding	
		No of Shares	%
1	Milford Exports (Ceylon) (Pvt) Limited	497,882,000	42.72
2	Lanka Milk Foods (CWE) Limited	151,846,000	13.03
3	Mr. M A Yaseen	89,674,048	7.7
4	Commercial Bank Of Ceylon PLC/ L E M Yaseen	52,200,000	4.48
5	Bnymsany Re-Neon Liberty Lorikeet Master Fund L P	29,548,363	2.54
6	Caceis Bank Luxembourg S/A Barca Global Master Fund L P	27,920,236	2.4
7	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	26,231,684	2.25
8	Nortern Trust Company S/A Kuroto Fund L P	17,201,819	1.48
9	Commercial Bank Ceylon PLC/ M A Yaseen	16,000,000	1.37
10	Lahugala Plantation (Private) Limited	14,782,240	1.27
11	CITIBank New York S/A Norges Bank Account 2	14,008,858	1.2
12	Bnymsanv Re-Blackrock Frontiers Investment Trust PLC	12,639,796	1.09
13	Mrs. L E M Yaseen	12,607,108	1.08
14	Mrs. S M Chrysostom	11,390,000	0.98
15	Bnymsanv Re-Consilium Frontier Equity Fund L P	10,401,396	0.89
16	Stassen Exports (Pvt) Limited	8,456,800	0.73
17	Mr. D Hasitha S Jayawardena	7,531,332	0.65
18	HSBC Intl Nom Ltd-SSBT-Parametric Emerging Markets Fund	6,738,108	0.58
19	HSBC Intl Nom Ltd-SSBT-Parametric Tax-Managed Emerging Markets Fund	6,203,001	0.53
20	Deutsche Bank Ag-London	5,686,228	0.49
		1,018,949,017	87.44
	Others	146,448,055	12.56
	Total	1,165,397,072	100.00

Percentage of Shares held by the public :

42.88%

Total No. of share holders who hold the public holding:

10,675

Directors' Share Holdings as at 31 March 2017

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

MELSTACORP PLC
NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

NAME OF COMPANY

Melstacorp PLC

REGISTERED OFFICE

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
Mr 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

Ms. V.J.Senaratne

AUDITORS

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

REGISTRARS

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

BANKERS

Commercial Bank of Ceylon PLC
Bank of Ceylon
Hatton National Bank PLC