

# **DISTILLERIES COMPANY OF SRI LANKA PLC**



**INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31<sup>st</sup> March 2020**

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**STATEMENTS OF COMPREHENSIVE INCOME**

*For the year ended 31st March 2020*

	2020 Rs.'000s Unaudited	2019 Rs.'000s Audited	Variance %
<b>Gross Revenue</b>	<b>81,663,458</b>	<b>81,672,936</b>	<b>0.0%</b>
<b>Net Revenue</b>	<b>27,911,349</b>	27,715,635	<b>0.7%</b>
Cost of Sales	(16,444,369)	(16,990,163)	<b>-3.2%</b>
<b>Gross Profit</b>	<b>11,466,980</b>	<b>10,725,472</b>	<b>6.9%</b>
Other Operating Income	163,634	183,906	<b>-11.0%</b>
Distribution Expenses	(729,971)	(649,075)	<b>12.5%</b>
Administrative Expenses	(1,134,841)	(1,133,717)	<b>0.1%</b>
<b>Profit from Operations</b>	<b>9,765,802</b>	<b>9,126,586</b>	<b>7.0%</b>
Finance Income	215,150	274,558	<b>-21.6%</b>
Finance Cost	(259,501)	(432,374)	<b>-40.0%</b>
<b>Net Finance Income/(Loss)</b>	<b>(44,351)</b>	<b>(157,816)</b>	<b>-71.9%</b>
<b>Profit before Tax from continued operations</b>	<b>9,721,451</b>	<b>8,968,770</b>	<b>8.4%</b>
Taxation	(3,969,981)	(3,574,144)	<b>11.1%</b>
<b>Profit for the period</b>	<b>5,751,470</b>	<b>5,394,626</b>	<b>6.6%</b>
<b>Other Comprehensive Income/(Expense)</b>			
<b>Items that will never be reclassified to Profit or Loss</b>			
Actuarial Gain/(Loss) on Retirement Benefit Obligations	(27,063)	(20,341)	
Deferred tax on Actuarial Gain/(Loss)	-	8,136	
Revaluation Surplus on Land & Buildings	-	1,088,908	
Deferred tax on revaluation surplus	-	(435,563)	
	(27,063)	641,140	
<b>Items that are or may be reclassified to Profit or Loss</b>			
Net Change in fair Value of Available for Sale Financial Assets	(36,190)	(844,245)	
	(36,190)	(844,245)	
Total Other Comprehensive Income/(Expense) for the Year	(63,253)	(203,105)	<b>-68.9%</b>
<b>Total Comprehensive Income/(Expense) for the Year</b>	<b>5,688,217</b>	<b>5,191,521</b>	<b>9.6%</b>
<b>Earnings Per Share (Rs.)</b>			
Basic Earnings per Share	<b>1.25</b>	<b>1.17</b>	<b>6.6%</b>

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**INCOME STATEMENTS**

For the Quarter ended 31st March 2020

	2020 Rs.'000s Unaudited	2019 Rs.'000s Audited	Variance %
<b>Gross Revenue</b>	19,071,936	21,694,830	-12.1%
<b>Net Revenue</b>	6,029,362	7,563,892	-20.3%
Cost of Sales	(3,378,548)	(4,118,680)	-18.0%
<b>Gross Profit</b>	<b>2,650,814</b>	<b>3,445,212</b>	-23.1%
Other Operating Income	38,947	74,791	-47.9%
Distribution Expenses	(284,170)	(219,598)	29.4%
Administrative Expenses	(231,143)	(320,330)	-27.8%
<b>Profit from Operations</b>	<b>2,174,448</b>	<b>2,980,075</b>	-27.0%
Finance Income	147,850	146,120	1.2%
Finance Cost	(85,986)	(186,081)	-53.8%
<b>Net Finance Income/(Loss)</b>	<b>61,864</b>	<b>(39,961)</b>	-254.8%
<b>Profit before Tax from continued operations</b>	2,236,312	2,940,114	-23.9%
Taxation	(959,245)	(1,098,731)	-12.7%
<b>Profit for the Period</b>	<b>1,277,067</b>	<b>1,841,383</b>	-30.6%
<b>Other Comprehensive Income</b>			
Net Change in fair Value of Available for Sale Financial Assets	(35,687)	172,510	-120.7%
Acturial Gain/(Losses) on retirement benefit obligations	27,063	-	
<b>Total Other Comprehensive Income</b>	<b>(8,624)</b>	<b>172,510</b>	-105.0%
<b>Total Comprehensive Income for the period</b>	<b>1,268,443</b>	<b>2,013,893</b>	-37.0%
<b>Earnings Per Share (Rs.)</b>			
Basic Earnings per Share	0.28	0.40	-30.6%

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**STATEMENTS OF FINANCIAL POSITION**

AS AT,	Unaudited 31-Mar-20 Rs.'000s	Audited 31-Mar-19 Rs.'000s
<b>Non Current Assets</b>		
Property, Plant and Equipment	5,787,436	6,363,390
Loans given to Related Companies	-	80,170
Other Non Current Financial Investment	2,412,500	2,411,708
	<b>8,199,936</b>	<b>8,855,268</b>
<b>Current Assets</b>		
Inventories	4,717,515	4,754,749
Trade and Other Receivables	5,177,620	7,340,840
Amounts Due from Related Companies	832,315	3,770,548
Other Current Financial Investment	71,972	43,365
Cash and Cash Equivalents	410,567	1,020,306
	<b>11,209,989</b>	<b>16,929,808</b>
<b>Total Assets</b>	<b>19,409,925</b>	<b>25,785,076</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserve</b>		
Stated Capital	3,000,000	3,000,000
Capital Reserve	2,962,232	2,989,797
Revenue Reserve	878,416	1,832,633
	<b>6,840,648</b>	<b>7,822,430</b>
<b>Non Current Liabilities</b>		
Deferred Tax Liabilities	2,035,571	2,035,571
Employee Benefits	211,735	165,878
	<b>2,247,306</b>	<b>2,201,449</b>
<b>Current Liabilities</b>		
Trade and Other Payables	3,699,470	3,615,380
Amounts Due to Related Companies	4,241	494,317
Taxes Payable	1,301,510	6,464,144
Interest Bearing Loans and Borrowings	5,159,090	4,624,992
Bank Overdrafts	157,660	562,364
	<b>10,321,971</b>	<b>15,761,197</b>
<b>Total Equity and Liabilities</b>	<b>19,409,925</b>	<b>25,785,076</b>

Net Assets per Share (Rs.) 1.49 1.70

The above unaudited figures are provisional and subject to audit.

I certify that the Financial Statements have been prepared & presented in compliance with the requirements of Companies Act No. 07 of 2007

*sgd/-*

N.N.Nagahawatte

Head of Finance

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

Signed for and on behalf of the board

*sgd/-*

D.H.S Jayawardena  
Chairman/ Managing Director

*sgd/-*

Dr.A.N.Balasuriya  
Director

24<sup>th</sup> August 2020

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**STATEMENTS OF CHANGES IN EQUITY**

	<b>Stated capital Rs.'000</b>	<b>Revaluation reserve</b>	<b>Capital reserve Rs.'000</b>	<b>General reserve Rs.'000</b>	<b>Available for reserve Rs.'000</b>	<b>Retained earnings/(losses) Rs.'000</b>	<b>Total Rs.'000</b>
<b>Balance as at 1<sup>st</sup> April 2018</b>	3,000,000	1,101,291	107,882	10,000	1,961,524	(467,788)	5,712,909
Super Gain Tax Paid	-	-	-	-	-	-	-
	<b>3,000,000</b>	<b>1,101,291</b>	<b>107,882</b>	<b>10,000</b>	<b>1,961,524</b>	<b>(467,788)</b>	<b>5,712,909</b>
<b>Total Comprehensive Income for the Year</b>							
Profit/(Loss) for the Year	-	-	-	-	-	5,394,626	5,394,626
<b>Other Comprehensive Income</b>							
Net Changes in fair value of financial assets measured at FVOCI	-	-	-	-	-	-	(844,245)
Actuarial gain/(losses) on Employee Benefits	-	-	-	-	-	(20,341)	(20,341)
Deferred tax on actuarial Loss	-	-	-	-	-	8,136	8,136
Revaluation Surplus	-	1,088,908	-	-	-	-	1,088,908
Deferred tax impact on revaluation surplus	-	(435,563)	-	-	-	-	(435,563)
<b>Total Comprehensive Income for the Year</b>	<b>-</b>	<b>653,345</b>	<b>-</b>	<b>-</b>	<b>(844,245)</b>	<b>5,382,421</b>	<b>5,191,521</b>
<b>Transactions with Owners directly recorded in the Equity</b>							
Dividends paid during the year	-	-	-	-	-	(3,082,000)	(3,082,000)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,082,000)</b>	<b>(3,082,000)</b>
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>3,000,000</b>	<b>1,754,636</b>	<b>107,882</b>	<b>10,000</b>	<b>1,117,279</b>	<b>1,832,633</b>	<b>7,822,430</b>
<b>Balance as at 01<sup>st</sup> April 2019</b>	<b>3,000,000</b>	<b>1,754,636</b>	<b>107,882</b>	<b>10,000</b>	<b>1,117,279</b>	<b>1,832,633</b>	<b>7,822,430</b>
<b>Total Comprehensive Income for the Year</b>							
Profit for the Year	-	-	-	-	-	5,751,470	5,751,470
<b>Other Comprehensive Income</b>							
Net Changes to Reserve	-	-	-	-	(36,190)	-	(36,190)
Defined Benefit Plan	-	-	-	-	-	(27,063)	(27,063)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,190)</b>	<b>5,724,407</b>	<b>5,688,217</b>
Dividend Paid	-	-	-	-	-	(6,670,000)	(6,670,000)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>3,000,000</b>	<b>1,754,636</b>	<b>107,882</b>	<b>10,000</b>	<b>1,081,089</b>	<b>887,040</b>	<b>6,840,648</b>

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**STATEMENTS OF CASH FLOWS**

*For the Year ended 31st March 2020*

	31-Mar-20	31-Mar-19
	Rs. '000	Rs. '000
<b>Cash Generated from Operations</b>		
<b>Profit from operations</b>	<b>9,721,451</b>	<b>8,968,770</b>
<b>Adjustments for</b>		
Depreciation	646,912	533,823
Provision for Retiring Gratuity	37,341	30,469
Interest Expenses	288,101	432,374
Interest Income	(215,150)	(274,558)
Dividend Income	(49,783)	(54,284)
(Gain)/ Loss on Disposal of P.P.E	(8,466)	(33,549)
Reversal/provision for Fall in value of Investments	(28,600)	-
(Gain) /Loss on Change in Fair Value of Financial Assets Measured at FVTPL	-	8,580
Revaluation Loss on Lands	-	75,857
<b>Operating Profit before Working Capital Changes</b>	<b>10,391,806</b>	<b>9,687,482</b>
(Increase)/Decrease in Inventories	37,236	(60,218)
(Increase)/Decrease in Receivables	5,101,453	1,431,643
Increase/(Decrease) in Payables	(4,715,007)	(4,144,470)
<b>Cash flows from Operating Activities</b>	<b>10,815,488</b>	<b>6,914,437</b>
Interest paid	(271,914)	(431,013)
Income Tax paid	(4,870,520)	(3,126,269)
Retiring Gratuity paid	45,856	(14,281)
<b>Net Cash flows from Operating Activities</b>	<b>5,718,910</b>	<b>3,342,873</b>
<b>Cash flows from Investing Activities</b>		
Acquisition of Property Plant and Equipment	(81,682)	(93,442)
Cash Proceeds from maturity of investment in Debentures	-	206,955
Dividends Received	49,783	17,782
Proceeds on Disposal of Property Plant and Equipment	123,793	38,965
Interest Received	80,936	266,743
<b>Cash flows from Financing Activities</b>	<b>172,831</b>	<b>437,003</b>
Loans Obtained During the Year	68,807,000	39,300,000
Repayment of Loans	(68,237,910)	(38,785,000)
Dividend paid	(6,665,866)	(3,082,000)
<b>Net Cash Flow Used in Financing Activities</b>	<b>(6,096,775)</b>	<b>(2,567,000)</b>
<b>Cash and Cash Equivalents</b>		
At the Beginning of the year	457,941	(754,935)
Net Movement during the period	(205,035)	1,212,877
	<b>252,906</b>	457,942
Cash in Transit	139,695	152,440
Cash in Hand and Bank	270,871	867,866
Bank Over Draft	(157,660)	(562,364)
	<b>252,906</b>	457,942

**DISTILLERIES COMPANY OF SRI LANKA 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. Non Financial Information**

	<b>31-03-2020</b>	<b>31-03-2019</b>
Net Assets Value per Share - (Rs)	1.49	1.70
Market Price per Share - Last Traded (Rs)	13.00	14.50
- Highest (Rs)	18.80	35.00
- Lowest (Rs)	12.80	14.30

4. 4,600,000,000 ordinary shares represent the Stated Capital.
5. The float adjusted market capitalisation as at 31<sup>st</sup> March 2020 was Rs.1,946,490,000/-, The percentage of shares held by the public as at 31<sup>st</sup> March 2020 is 3.255% and the number of public shareholders as at 31<sup>st</sup> March 2020 was 10,888.
6. The Company is not compliant with Rule 7.13.1.(a) of the Listing Rules of the Colombo Stock Exchange on minimum public holding.
7. **Events occurring after the reporting period**  
Subsequent to the reporting period, no circumstances have arisen which would require adjustment to or disclosure in the financial statements.

**8. Contingent Liabilities**

There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2019.

**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9. Top 20 Shareholders – 31<sup>st</sup> March 2020**

<b>RANK</b>	<b>NAME</b>	<b>NO OF SHARES</b>	<b>%</b>
1	MELSTACORP PLC	4,253,009,164	92.46%
2	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	147,520,592	3.21%
3	LANKA MILK FOODS (CWE) LIMITED	44,991,407	0.98%
4	MR. M.A. YASEEN	25,924,620	0.56%
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	15,466,666	0.34%
6	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	14,122,326	0.31%
7	RUBBER INVESTMENT TRUST LTD A/C NO 01	13,653,921	0.30%
8	CEYLON INVESTMENT PLC A/C # 02	6,959,727	0.15%
9	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	6,864,260	0.15%
10	MRS. L.E.M. YASEEN	5,978,334	0.13%
11	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	4,740,740	0.10%
12	LAHUGALA PLANTATION (PRIVATE) LIMITED	4,379,922	0.10%
13	MRS. S.M. CHRYSOSTOM	3,374,814	0.07%
14	HATTON NATIONAL BANK PLC A/C NO.4 (HNB RETIREMENT PENSION FUND)	2,753,392	0.06%
15	STASSEN EXPORTS (PVT) LIMITED	2,505,718	0.05%
16	MR. M.H. RAOUF	2,417,000	0.05%
17	MR.D.HASITHA.S. JAYAWARDENA	2,231,505	0.05%
18	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	1,837,926	0.04%
19	MCSEN RANGE PRIVATE LIMITED	1,617,737	0.04%
20	MELLON BANK N.A.-UPS GROUP TRUST	1,386,666	0.03%
Sub Total		<b>4,561,736,437</b>	<b>99.17%</b>
Others Shareholders		38,263,563	0.83%
<b>TOTAL</b>		<b>4,600,000,000</b>	<b>100.00%</b>

Percentage of Shares held by the public	<b>3.255%</b>
Total No. of share holders who hold the public holding	<b>10,888</b>

<b>Directors' Shareholdings – 31<sup>st</sup> March 2020</b>	<b>No of Shares</b>	<b>%</b>
Mr. D. H. S. Jayawardena	-	-
Mr. C. R. Jansz	-	-
Mr. N. De S. Deva Aditya	-	-
Mr. K. J. Kahanda	-	-
Dr. A. N. Balasuriya	-	-
Mr. D. Hasitha S. Jayawardena	2,231,505	0.05%
Mr.R. Seevaratnam	-	-
Mr. A. L. Gooneratne (Alternate Director to Mr. N. De S. Deva Aditya)	-	-
Ms. V. J. Senaratne (Alternate Director to Mr. K. J. Kahanda)	-	-



**DISTILLERIES COMPANY OF SRI LANKA PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**CORPORATE INFORMATION**

**NAME OF COMPANY**

Distilleries Company of Sri Lanka PLC

**REGISTERED OFFICE**

No.110, Norris Canal Road,  
Colombo 10, Sri Lanka.  
Tel: 011-2695295-7, 011-5507000  
Fax: 011-2696360 Web: www.dcsigroup.com

**COMPANY REGISTRATION NUMBER**

PQ 112

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Ms.V.J.Senaratne

**AUDITORS**

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

**REGISTRARS**

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

**BANKERS**

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

**CREDIT RATING**

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