

# **DISTILLERIES COMPANY OF SRI LANKA PLC**



**INTERIM FINANCIAL STATEMENTS**

**FOR THE FIRST QUARTER ENDED**

**30<sup>th</sup> June 2019**

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

*For the Quarter ended 30th June 2019*

	2019 Rs.'000s Unaudited	2018 Rs.'000s Unaudited	Variance %
<b>Gross Revenue</b>	<b>20,054,506</b>	<b>19,197,215</b>	<b>4.5%</b>
<b>Net Revenue</b>	<b>7,095,467</b>	6,428,416	<b>10.4%</b>
Cost of Sales	(3,848,333)	(4,212,485)	<b>-8.6%</b>
<b>Gross Profit</b>	<b>3,247,134</b>	<b>2,215,931</b>	<b>46.5%</b>
Other Operating Income	94,872	31,054	<b>205.5%</b>
Distribution Expenses	(162,278)	(147,360)	<b>10.1%</b>
Administrative Expenses	(330,874)	(219,858)	<b>50.5%</b>
<b>Profit from Operations</b>	<b>2,848,854</b>	<b>1,879,767</b>	<b>51.6%</b>
Finance Income	15,241	30,515	<b>-50.1%</b>
Finance Cost	(71,468)	(85,478)	<b>-16.4%</b>
<b>Net Finance Income/(cost)</b>	<b>(56,227)</b>	<b>(54,963)</b>	<b>2.3%</b>
<b>Profit before Tax from continued operations</b>	<b>2,792,627</b>	<b>1,824,804</b>	<b>53.0%</b>
Taxation	(1,130,656)	(760,846)	<b>48.6%</b>
<b>Profit after Tax from continued operations for the Period</b>	<b>1,661,971</b>	<b>1,063,958</b>	<b>56.2%</b>
	<b>1,661,971</b>	<b>1,063,958</b>	<b>56.2%</b>
<b>Profit for the period</b>	<b>1,661,971</b>	<b>1,063,958</b>	
<b>Items that are or may be reclassified to Profit or Loss</b>			
Net Change in fair Value of Available for Sale Financial Assets	(494,133)	(220,555)	
	(494,133)	(220,555)	
Total Other Comprehensive Income/(Expense) for the Period	(494,133)	(220,555)	<b>124.0%</b>
<b>Total Comprehensive Income/(Expense) for the Period</b>	<b>1,167,838</b>	<b>843,403</b>	
<b>Earnings Per Share (Rs.)</b>			
Basic Earnings per Share	<b>0.36</b>	<b>0.23</b>	<b>-57.1%</b>

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

AS AT,	Unaudited 30-Jun-19 Rs.'000s	Unaudited 30-Jun-18 Rs.'000s	Audited 31-Mar-19 Rs.'000s
<b>Non Current Assets</b>			
Property, Plant and Equipment	6,213,858	5,659,394	6,363,390
Loans given to Related Companies	-	-	80,170
Other Non Current Financial Investment	1,957,069	3,301,352	2,411,708
	<b>8,170,928</b>	<b>8,960,746</b>	<b>8,855,268</b>
<b>Current Assets</b>			
Inventories	5,558,600	4,385,968	4,754,749
Trade and Other Receivables	5,795,902	5,666,842	7,340,840
Amounts Due from Related Companies	4,009,637	460,977	3,770,548
Other Current Financial Investment	36,516	49,918	43,365
Cash and Cash Equivalents	271,998	525,265	1,020,306
	<b>15,672,653</b>	<b>11,088,970</b>	<b>16,929,808</b>
<b>Total Assets</b>	<b>23,843,581</b>	<b>20,049,716</b>	<b>25,785,076</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserve</b>			
Stated Capital	3,000,000	3,000,000	3,000,000
Capital Reserve	2,498,664	2,997,827	2,989,797
Revenue Reserve	3,494,581	596,915	1,832,633
	<b>8,993,245</b>	<b>6,594,742</b>	<b>7,822,430</b>
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	2,035,571	1,807,396	2,035,571
Employee Benefits	161,935	125,715	165,878
	<b>2,197,506</b>	<b>1,933,111</b>	<b>2,201,449</b>
<b>Current Liabilities</b>			
Trade and Other Payables	4,152,115	7,070,842	3,615,381
Amounts Due to Related Companies	451,856	561,770	494,317
Taxes Payable	4,799,890	949,762	6,464,144
Bank Overdrafts and Other Short Term Borrowing	3,248,969	2,939,490	5,187,356
	<b>12,652,829</b>	<b>11,521,864</b>	<b>15,761,197</b>
<b>Total Equity and Liabilities</b>	<b>23,843,581</b>	<b>20,049,716</b>	<b>25,785,076</b>
Net Assets per Share (Rs.)	<b>3.00</b>	<b>2.20</b>	<b>1.70</b>

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

09<sup>th</sup> August 2019

*sgd/-*

Dr.A.N.Balasuriya  
Director

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

	Stated capital <u>Rs.'000</u>	Pending Allotment <u>Rs.'000</u>	Revaluation reserve <u>Rs.'000</u>	Capital reserve <u>Rs.'000</u>	General reserve <u>Rs.'000</u>	Available for sale reserve <u>Rs.'000</u>	Retained earnings/(losses) <u>Rs.'000</u>	Total <u>Rs.'000</u>
<b>Balance as at 1<sup>st</sup> April 2018 (UnAudited)</b>	3,000,000		1,101,291	107,882	10,000	1,999,209	(467,043)	5,751,339
Super Gain Tax Paid								-
	3,000,000	-	1,101,291	107,882	10,000	1,999,209	(467,043)	5,751,339
<b>Total Comprehensive Income for the Year</b>								
Profit/(Loss) for the Year							1,063,958	1,063,958
Share Allocation								-
Transfers								-
Transfers								-
<b>Other Comprehensive Income</b>								
Net Changes to Reserve						(220,555)		(220,555)
Actuarial gain/(losses) on Employee Benefits								-
Deferred tax on actuarial Loss								-
Deferred tax on revaluation surplus on land								-
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	(220,555)	1,063,958	843,403
<b>Transactions with Owners directly recorded in the Equity</b>								
Issue of Shares								-
Transfers								-
Dividends paid during the year								-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 30<sup>th</sup> June 2018</b>	<b>3,000,000</b>	<b>-</b>	<b>1,101,291</b>	<b>107,882</b>	<b>10,000</b>	<b>1,778,654</b>	<b>596,915</b>	<b>6,594,742</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							1,661,971	1,661,971
Share Allocation								-
Transfers								-
Transfers								-
<b>Other Comprehensive Income</b>								
Net Changes to Reserve						(491,133)		(491,133)
Defined Benefit Plan							-	-
	-	-	-	-	-	(491,133)	1,661,971	1,170,838
Dividend Paid								-
<b>Balance as at 30<sup>th</sup> June 2019</b>	<b>3,000,000</b>	<b>-</b>	<b>1,754,636</b>	<b>107,882</b>	<b>10,000</b>	<b>626,146</b>	<b>3,494,608</b>	<b>8,993,245</b>

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

<i>For the Quarter ended 30th June 2019</i>	<b>30-Jun-19</b>	<b>30-Jun-18</b>
	<b>Rs. '000</b>	<b>Rs. '000</b>
<b>Cash Generated from Operations</b>		
<b>Profit from operations</b>	<b>2,792,627</b>	<b>1,824,804</b>
<b>Adjustments for</b>		
Depreciation	135,791	136,742
Interest Expenses	64,611	83,443
Interest Income	(15,241)	(30,515)
Dividend Income	(36,930)	(2)
Reversal/provision for Fall in value of Investments	6,857	2,036
Provision for Bad Debts	-	
<b>Operating Profit before Working Capital Changes</b>	<b>2,947,715</b>	<b>2,016,508</b>
(Increase)/Decrease in Inventories	(803,850)	308,561
(Increase)/Decrease in Receivables	1,516,623	3,660,123
Increase/(Decrease) in Payables	(1,564,856)	(2,803,859)
<b>Cash flows from Operating Activities</b>	<b>2,095,632</b>	<b>3,181,333</b>
Interest paid	(64,610)	(83,077)
Income Tax paid	(921,976)	(707,221)
Retiring Gratuity paid	(3,943)	-
<b>Net Cash flows from Operating Activities</b>	<b>1,105,104</b>	<b>2,391,035</b>
<b>Cash flows from Investing Activities</b>		
Dividends Received	36,930	2
Interest Received	13,084	24,910
<b>Cash flows from Financing Activities</b>	<b>50,014</b>	<b>24,912</b>
Dividend paid	(27)	(237)
Net	<b>(27)</b>	<b>(237)</b>
<b>Cash and Cash Equivalents</b>		
At the Beginning of the year	(4,132,062)	(4,829,934)
Net Movement during the period	1,155,091	2,415,710
	<b>(2,976,971)</b>	<b>(2,414,225)</b>
<b>At the End of the year</b>		
Cash in Transit	139,342	182,332
Cash in Hand and Bank	132,656	342,933
Bank Over Draft	(1,298,969)	(239,490)
Bank & Other Borrowings	(1,950,000)	(2,700,000)
	<b>(2,976,971)</b>	<b>(2,414,225)</b>

**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>30-06-2019</b>	<b>30-06-2018</b>	<b>31-03-2019</b>
Net Assets Value per Share	- (Rs)	3.00	2.20	1.70
Market Price per Share	- Last Traded (Rs)	15.80	20.90	14.50
	- Highest (Rs)	16.00	21.00	35.00
	- Lowest (Rs)	13.50	20.30	14.30

4. 4,600,000,000 ordinary shares represent the Stated Capital.

5.

The float adjusted market capitalisation as at 30<sup>th</sup> June 2019 was Rs.2,366,460,800/-, The percentage of shares held by the public as at 30<sup>th</sup> June 2019 is 3.256% and the number of public shareholders as at 30<sup>th</sup> June 2019 was 10,751.

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 2018.

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

**9. Top 20 Shareholders – 30<sup>th</sup> June 2019**

<b>RANK</b>	<b>NAME</b>	<b>NO OF SHARES</b>	<b>%</b>
1	MELSTACORP PLC	4,252,954,164	92.46%
2	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	147,520,592	3.21%
3	LANKA MILK FOODS (CWE) PLC	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	14,706,431	0.32%
7	RUBBER INVESTMENT TRUST LIMITED A/C # 01	10,153,921	0.22%
8	NORTHERN TRUST COMPANY S/A KUROTO FUND LP	6,933,478	0.15%
9	MRS. L.E.M. YASEEN	5,977,777	0.13%
10	CEYLON INVESTMENT PLC A/C # 02	5,314,317	0.12%
11	CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02	5,218,850	0.11%
12	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	4,740,740	0.10%
13	LAHUGALA PLANTATION (PRIVATE) LIMITED	4,379,922	0.10%
14	MRS. S.M. CHRYSOSTOM	3,374,814	0.07%
15	UNION ASSURANCE PLC-UNIVERSAL LIFE FUND	3,182,853	0.07%
16	HATTON NATIONAL BANK PLC A/C NO.4 (HNB RETIREMENT PENSION FUND)	2,753,392	0.06%
17	STASSEN EXPORTS (PVT) LIMITED	2,505,718	0.05%
18	MR. M.H. RAOUF	2,245,444	0.05%
19	MR. D.HASITHA.S. JAYAWARDENA	2,231,505	0.05%
20	SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	1,837,926	0.04%
<b>Sub Total</b>		<b>4,562,414,537</b>	<b>99.18%</b>
<b>Others Shareholders</b>		<b>37,585,463</b>	<b>0.82%</b>
<b>TOTAL</b>		<b>4,600,000,000</b>	<b>100.00%</b>

Percentage of Shares held by the public	<b>3.256%</b>
Total No. of share holders who hold the public holding	<b>10,751</b>

<b>Directors' Shareholdings – 30<sup>th</sup> June 2019</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 (lka)'  
National Long Term Rating with a Stable  
Outlook by Fitch Ratings Lanka Limited.