

# **DISTILLERIES COMPANY OF SRI LANKA PLC**



**INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED**

**30<sup>th</sup> September 2020**

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

*For the 06 months ended 30th September 2020*

|   | 2020<br>Rs.'000s<br>Unaudited | 2019<br>Rs.'000s<br>Unaudited | Variance<br>% |
|---|-------------------------------|-------------------------------|---------------|
| <b>Gross Revenue</b>  | <b>40,076,845</b>             | <b>40,362,690</b>             | <b>-0.71%</b> |
| <b>Net Revenue</b>  | <b>13,977,880</b>             | 14,303,850                    | <b>-2.3%</b>  |
| Cost of Sales   | (7,172,905)                   | (8,490,413)                   | <b>-15.5%</b> |
| <b>Gross Profit</b>   | <b>6,804,975</b>              | <b>5,813,437</b>              | <b>17.1%</b>  |
| Other Operating Income  | 165,134                       | 120,850                       | <b>36.6%</b>  |
| Distribution Expenses   | (267,799)                     | (288,286)                     | <b>-7.1%</b>  |
| Administrative Expenses   | (474,805)                     | (548,499)                     | <b>-13.4%</b> |
| <b>Profit from Operations</b>                                   | <b>6,227,505</b>              | <b>5,097,502</b>              | <b>22.2%</b>  |
| Finance Income  | 24,812                        | 28,278                        | <b>-12.3%</b> |
| Finance Cost  | (116,990)                     | (117,333)                     | <b>-0.3%</b>  |
| <b>Net Finance Income/(Cost)</b>                                | <b>(92,178)</b>               | <b>(89,055)</b>               | <b>3.5%</b>   |
| <b>Profit before Tax from continued operations</b>              | <b>6,135,327</b>              | <b>5,008,447</b>              | <b>22.5%</b>  |
| Taxation  | (2,529,452)                   | (2,007,566)                   | <b>26.0%</b>  |
| <b>Profit for the period</b>                                    | <b>3,605,875</b>              | <b>3,000,881</b>              | <b>20.2%</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 | (576,228)                     | (261,416)                     |               |
| Total Other Comprehensive Income/(Expense) for the Period       | (576,228)                     | (261,416)                     | <b>116.1%</b> |
| <b>Total Comprehensive Income/(Expense) for the Period</b>      | <b>3,029,647</b>              | <b>2,739,465</b>              |               |
| <b>Earnings Per Share (Rs.)</b>                                 |                               |                               |               |
| Basic Earnings per Share  | <b>0.78</b>                   | <b>0.65</b>                   | <b>20.2%</b>  |

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

| For the Quarter ended 30th September 2020                       | 2020<br>Rs.'000s<br>Unaudited | 2019<br>Rs.'000s<br>Unaudited | Variance<br>% |
|---|-------------------------------|-------------------------------|---------------|
| <b>Gross Revenue</b>  | 25,525,223                    | 20,308,184                    | <b>25.7%</b>  |
| <b>Net Revenue</b>  | 9,391,686                     | 7,208,383                     | <b>30.3%</b>  |
| Cost of Sales   | (4,602,989)                   | (4,642,080)                   | <b>-0.8%</b>  |
| <b>Gross Profit</b>   | <b>4,788,697</b>              | <b>2,566,303</b>              | <b>86.6%</b>  |
| Other Operating Income  | 59,028                        | 25,978                        | <b>127.2%</b> |
| Distribution Expenses   | (145,215)                     | (126,008)                     | <b>15.2%</b>  |
| Administrative Expenses   | (273,033)                     | (217,625)                     | <b>25.5%</b>  |
| <b>Profit from Operations</b>                                   | <b>4,429,477</b>              | <b>2,248,648</b>              | <b>97.0%</b>  |
| Finance Income  | 7,676                         | 13,037                        | <b>-41.1%</b> |
| Finance Cost  | (18,001)                      | (45,865)                      | <b>-60.8%</b> |
| <b>Net Finance Income/(Cost)</b>                                | <b>(10,325)</b>               | <b>(32,828)</b>               | <b>-68.5%</b> |
| <b>Profit before Tax from continued operations</b>              | <b>4,419,152</b>              | <b>2,215,820</b>              | <b>99.4%</b>  |
| Taxation  | (1,796,047)                   | (876,910)                     | <b>104.8%</b> |
| <b>Profit for the Period</b>                                    | <b>2,623,105</b>              | <b>1,338,910</b>              | <b>95.9%</b>  |
| <b>Other Comprehensive Income</b>                               |                               |                               |               |
| Net Change in fair Value of Available for Sale Financial Assets | 172,871                       | 232,717                       | <b>-25.9%</b> |
| <b>Total Other Comprehensive Income</b>                         | <b>172,871</b>                | <b>232,717</b>                |               |
| <b>Total Comprehensive Income for the period</b>                | <b>2,795,976</b>              | <b>1,571,627</b>              | <b>77.9%</b>  |
| <b>Earnings Per Share (Rs.)</b>                                 |                               |                               |               |
| Basic Earnings per Share  | <b>0.57</b>                   | <b>0.29</b>                   | <b>95.9%</b>  |

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

| AS AT,                                 | Unaudited<br>30-Sep-20<br>Rs.'000s | Unaudited<br>30-Sep-19<br>Rs.'000s | Audited<br>31-Mar-20<br>Rs.'000s |
|--|------------------------------------|------------------------------------|----------------------------------|
| <b>Non Current Assets</b>              |                                    |                                    |                                  |
| Property, Plant and Equipment          | 5,488,302                          | 6,128,895                          | 5,670,603                        |
| Right-of-use Asset                     | 1,892,366                          | -                                  | 1,892,367                        |
| Other Non Current Financial Investment | 1,906,630                          | 2,187,275                          | 2,490,840                        |
|  | <b>9,287,299</b>                   | <b>8,316,170</b>                   | <b>10,053,810</b>                |
| <b>Current Assets</b>                  |                                    |                                    |                                  |
| Inventories                            | 4,133,494                          | 6,613,976                          | 4,733,605                        |
| Trade and Other Receivables            | 6,846,503                          | 5,612,757                          | 4,972,123                        |
| Amounts Due from Related Companies     | 550,439                            | 484,424                            | 804,252                          |
| Other Current Financial Investment     | 48,568                             | 59,390                             | 71,966                           |
| Cash and Cash Equivalents              | 454,738                            | 447,329                            | 242,171                          |
|  | <b>12,033,741</b>                  | <b>13,217,876</b>                  | <b>10,824,117</b>                |
| <b>Total Assets</b>                    | <b>21,321,040</b>                  | <b>21,534,046</b>                  | <b>20,877,927</b>                |
| <b>EQUITY AND LIABILITIES</b>          |                                    |                                    |                                  |
| <b>Capital and Reserve</b>             |                                    |                                    |                                  |
| Stated Capital                         | 3,000,000                          | 3,000,000                          | 3,000,000                        |
| Capital Reserve                        | 2,441,651                          | 2,737,005                          | 3,006,066                        |
| Revenue Reserve                        | 1,953,800                          | 1,144,890                          | 889,739                          |
|  | <b>7,395,451</b>                   | <b>6,881,895</b>                   | <b>6,895,805</b>                 |
| <b>Non Current Liabilities</b>         |                                    |                                    |                                  |
| Deferred Tax Liabilities               | 1,785,178                          | 2,035,571                          | 1,785,179                        |
| Employee Benefits                      | 182,332                            | 157,188                            | 211,734                          |
| Lease Liability                        | 1,665,537                          | -                                  | 1,665,087                        |
|  | <b>3,633,048</b>                   | <b>2,192,759</b>                   | <b>3,662,000</b>                 |
| <b>Current Liabilities</b>             |                                    |                                    |                                  |
| Trade and Other Payables               | 4,001,951                          | 4,808,256                          | 3,452,804                        |
| Amounts Due to Related Companies       | 2,657                              | 23,521                             | 26,111                           |
| Lease Liability                        | 295,495                            | -                                  | 354,945                          |
| Taxes Payable                          | 4,992,139                          | 4,015,902                          | 1,298,483                        |
| Interest Bearing Loans and Borrowings  | 620,000                            | 2,000,000                          | 5,187,778                        |
| Bank Overdrafts                        | 380,299                            | 1,611,713                          | 1                                |
|  | <b>10,292,541</b>                  | <b>12,459,392</b>                  | <b>10,320,122</b>                |
| <b>Total Equity and Liabilities</b>    | <b>21,321,040</b>                  | <b>21,534,046</b>                  | <b>20,877,927</b>                |
| Net Assets per Share (Rs.)             | <b>1.61</b>                        | <b>1.50</b>                        | <b>1.50</b>                      |

The above unaudited figures are provisional and subject to audit.

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.Balasureiya  
Director

12<sup>th</sup> November 2020

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

|   | <b>Stated<br/>capital<br/>Rs.'000</b> | <b>Revaluation<br/>reserve<br/>Rs.'000</b> | <b>Capital reserve<br/>Rs.'000</b> | <b>General<br/>reserve<br/>Rs.'000</b> | <b>Available for<br/>sale reserve<br/>Rs.'000</b> | <b>retained<br/>earnings/(losse<br/>s<br/>Rs.'000</b> | <b>Total<br/>Rs.'000</b> |
|---|---------------------------------------|--|------------------------------------|--|---|---|--------------------------|
| <b>Balance as at 1<sup>st</sup> April 2019 (UnAudited)</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>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/(Loss) for the Year                                      | -                                     | -  | -                                  | -                                      | -   | 3,000,881   | 3,000,881                |
| <b>Other Comprehensive Income</b>                               |                                       |  |                                    |  |   |   |                          |
| Net Changes to Reserve  | -                                     | -  | -                                  | -                                      | (261,416)   | -   | (261,416)                |
|   | -                                     | -  | -                                  | -                                      | (261,416)   | 3,000,881   | 2,739,465                |
| <b>Total Comprehensive Income for the Year</b>                  |                                       |  |                                    |  |   |   |                          |
| <b>Transactions with Owners directly recorded in the Equity</b> |                                       |  |                                    |  |   |   |                          |
| Dividends paid during the year                                  | -                                     | -  | -                                  | -                                      | -   | (3,680,000)   | (3,680,000)              |
| <b>Total contributions by and distributions to owners</b>       | -                                     | -  | -                                  | -                                      | -   | (3,680,000)   | (3,680,000)              |
| <b>Balance as at 30th September 2019</b>                        | <b>3,000,000</b>                      | <b>1,754,636</b>                           | <b>107,882</b>                     | <b>10,000</b>                          | <b>855,863</b>                                    | <b>1,153,514</b>                                      | <b>6,881,895</b>         |
| <b>Balance as at 01<sup>st</sup> April 2020</b>                 | <b>3,000,000</b>                      | <b>1,754,636</b>                           | <b>107,882</b>                     | <b>10,000</b>                          | <b>1,133,548</b>                                  | <b>889,739</b>  | <b>6,895,805</b>         |
| <b>Total Comprehensive Income for the Year</b>                  |                                       |  |                                    |  |   |   |                          |
| Profit for the Year   | -                                     | -  | -                                  | -                                      | -   | 3,605,875   | <b>3,605,875</b>         |
| <b>Other Comprehensive Income</b>                               |                                       |  |                                    |  |   |   |                          |
| Net Changes to Reserve  | -                                     | -  | -                                  | -                                      | (576,228)   | -   | (576,228)                |
|   | -                                     | -  | -                                  | -                                      | (576,228)   | 3,605,875   | 3,029,647                |
| Dividend Paid   | -                                     | -  | -                                  | -                                      | -   | (2,530,000)   | (2,530,000)              |
| <b>Balance as at 30th September 2020</b>                        | <b>3,000,000</b>                      | <b>1,754,636</b>                           | <b>107,882</b>                     | <b>10,000</b>                          | <b>557,320</b>                                    | <b>1,965,614</b>                                      | <b>7,395,451</b>         |

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

| <i>For the Quarter ended 30th September 2020</i>       | <b>30-Sep-20</b>   | <b>30-Sep-19</b>   |
|--|--------------------|--------------------|
|  | <b>Rs. '000</b>    | <b>Rs. '000</b>    |
| <b>Cash Generated from Operations</b>                  |                    |                    |
| <b>Profit from operations</b>                          | <b>6,135,327</b>   | <b>5,008,447</b>   |
| <b>Adjustments for</b>                                 |                    |                    |
| Depreciation   | 242,867            | 274,356            |
| Interest Expenses                                      | 104,559            | 133,352            |
| Interest Income  | (24,812)           | (28,278)           |
| Dividend Income  | (86,644)           | (73,623)           |
| (Gain)/ Loss on Disposal of P.P.E                      | (7,130)            | (4,610)            |
| Reversal/provision for Fall in value of Investments    | 12,430             | (16,018)           |
| (Gain) /Loss on Disposal of Share                      | (2,202)            | -                  |
| <b>Operating Profit before Working Capital Changes</b> | <b>6,374,395</b>   | <b>5,293,626</b>   |
| (Increase)/Decrease in Inventories                     | 584,021            | (1,859,226)        |
| (Increase)/Decrease in Receivables                     | (1,334,214)        | 5,037,907          |
| Increase/(Decrease) in Payables                        | 3,025,850          | (1,115,560)        |
| <b>Cash flows from Operating Activities</b>            | <b>8,650,052</b>   | <b>7,356,747</b>   |
| Interest paid  | (103,818)          | (133,351)          |
| Income Tax paid  | (1,634,852)        | (2,619,646)        |
| Retiring Gratuity paid                                 | (29,402)           | (8,691)            |
| <b>Net Cash flows from Operating Activities</b>        | <b>6,881,980</b>   | <b>4,595,058</b>   |
| <b>Cash flows from Investing Activities</b>            |                    |                    |
| Acquisition of Property Plant and Equipment            | (91,611)           | (57,192)           |
| Dividends Received                                     | 86,644             | 73,623             |
| Proceeds on Disposal of Property Plant and Equipment   | 7,130              | 4,610              |
| Interest Received                                      | 15,043             | 27,335             |
| <b>Cash flows from Financing Activities</b>            | <b>17,206</b>      | <b>48,376</b>      |
| Loans Obtained During the Period                       | 23,185,000         | 30,022,000         |
| Repayment of Loans                                     | (27,724,090)       | (32,612,000)       |
| Dividend paid  | (2,527,824)        | (3,675,760)        |
| <b>Net Cash Flow Used in Financing Activities</b>      | <b>(7,066,915)</b> | <b>(6,265,760)</b> |
| <b>Cash and Cash Equivalents</b>                       |                    |                    |
| At the Beginning of the period                         | 242,166            | 457,941            |
| Net Movement during the period                         | (167,728)          | (1,622,325)        |
|  | <b>74,438</b>      | <b>(1,164,384)</b> |
| <b>At the End of the period</b>                        |                    |                    |
| Cash in Transit  | 81,694             | 112,885            |
| Cash in Hand and Bank                                  | 373,044            | 334,443            |
| Bank Over Draft  | (380,299)          | (1,611,713)        |
|  | <b>74,438</b>      | <b>(1,164,384)</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>30-09-2020</b> | <b>30-09-2019</b> | <b>31-03-2020</b> |
|---|-------------------|-------------------|-------------------|
| Net Assets Value per Share - (Rs)         | 1.61              | 2.29              | 1.50              |
| Market Price per Share - Last Traded (Rs) | 18.80             | 16.00             | 13.00             |
| - Highest (Rs)                            | 19.90             | 17.50             | 18.80             |
| - Lowest (Rs)                             | 13.30             | 15.30             | 12.80             |

4. 4,600,000,000 ordinary shares represent the Stated Capital.
5. The float adjusted market capitalisation as at 30<sup>th</sup> September 2020 was Rs.2,814,924,000/-, The percentage of shares held by the public as at 30<sup>th</sup> September 2020 is 3.255% and the number of public shareholders as at 30<sup>th</sup> September 2020 was 11,351.
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 2020.

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

**9. Top 20 Shareholders – 30<sup>th</sup> September 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           | RUBBER INVESTMENT TRUST LTD A/C NO 01                           | 16,153,921           | 0.35           |
| 6           | COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN                      | 15,466,666           | 0.34           |
| 7           | CEYLON INVESTMENT PLC A/C # 02                                  | 6,959,727            | 0.15           |
| 8           | CEYLON GUARDIAN INVESTMENT TRUST PLC A/C # 02                   | 6,864,260            | 0.15           |
| 9           | MRS. L.E.M. YASEEN  | 5,978,334            | 0.13           |
| 10          | COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN                        | 4,740,740            | 0.10           |
| 11          | LAHUGALA PLANTATION (PRIVATE) LIMITED                           | 4,379,922            | 0.10           |
| 12          | MRS. S.M. CHRYSOSTOM  | 3,374,814            | 0.07           |
| 13          | HATTON NATIONAL BANK PLC A/C NO.4 (HNB RETIREMENT PENSION FUND) | 2,753,392            | 0.06           |
| 14          | MR. M.H. RAOUF  | 2,510,000            | 0.05           |
| 15          | STASSEN EXPORTS (PVT) LIMITED                                   | 2,505,718            | 0.05           |
| 16          | MR.D.HASITHA.S. JAYAWARDENA                                     | 2,231,505            | 0.05           |
| 17          | ASKOLD (PRIVATE) LIMITED  | 2,050,000            | 0.04           |
| 18          | MCSSEN RANGE PRIVATE LIMITED                                    | 1,617,737            | 0.04           |
| 19          | J.B. COCOSHELL (PVT) LTD  | 1,578,197            | 0.03           |
| 20          | SANDWAVE LIMITED  | 1,449,450            | 0.03           |
|             | Sub Total   | <b>4,552,060,166</b> | <b>98.96%</b>  |
|             | Others Shareholders   | 47,939,834           | 1.04%          |
|             | <b>TOTAL</b>  | <b>4,600,000,000</b> | <b>100.00%</b> |

Percentage of Shares held by the public **3.255%**  
Total No. of share holders who hold the public holding **11,351**

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