

# **DISTILLERIES COMPANY OF SRI LANKA PLC**



**INTERIM FINANCIAL STATEMENTS**

**FOR THE SECOND QUARTER ENDED**

**30<sup>th</sup> September 2018**

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

*For the 06 months ended 30<sup>th</sup> September 2018*

	2018 Rs.'000s Unaudited	2017 Rs.'000s Unaudited	Variance %
<b>Gross Revenue</b>	<b>39,079,800</b>	<b>43,679,228</b>	<b>-10.5%</b>
<b>Net Revenue</b>	<b>13,104,055</b>	13,700,428	<b>-4.4%</b>
Cost of Sales	(8,398,565)	(10,330,025)	<b>-18.7%</b>
<b>Gross Profit</b>	<b>4,705,490</b>	<b>3,370,403</b>	<b>39.6%</b>
Other Operating Income	60,634	168,046	<b>-63.9%</b>
Distribution Expenses	(299,347)	(246,498)	<b>21.4%</b>
Administrative Expenses	(505,781)	(528,160)	<b>-4.2%</b>
<b>Profit from Operations</b>	<b>3,960,996</b>	<b>2,763,791</b>	<b>43.3%</b>
Finance Income	68,066	123,818	<b>-45.0%</b>
Finance Cost	(152,131)	(404,100)	<b>-62.4%</b>
<b>Net Finance Income/(cost)</b>	<b>(84,065)</b>	<b>(280,282)</b>	<b>-70.0%</b>
<b>Profit before Tax from continued operations</b>	<b>3,876,931</b>	<b>2,483,509</b>	<b>56.1%</b>
Taxation	(1,610,423)	(980,828)	<b>64.2%</b>
<b>Profit for the Period</b>	<b>2,266,508</b>	<b>1,502,681</b>	<b>50.8%</b>
<b>Other Comprehensive Income</b>			
Net Change in fair Value of Available for Sale Financial Assets	(415,390)	70,237	<b>-691.4%</b>
<b>Total Other Comprehensive Income</b>	<b>(415,390)</b>	<b>70,237</b>	
<b>Total Comprehensive Income for the Period</b>	<b>1,851,118</b>	<b>1,572,918</b>	
<b>Earnings Per Share (Rs.)</b>			
Basic Earnings per Share	<b>0.49</b>	<b>5.01</b>	<b>-90.20%</b>

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

*For the Quarter ended 30<sup>th</sup> September 2018*

	2018 Rs.'000s Unaudited	2017 Rs.'000s Unaudited	Variance %
<b>Gross Revenue</b>	<b>19,882,585</b>	<b>22,336,310</b>	<b>-11.0%</b>
<b>Net Revenue</b>	6,675,639	7,010,324	<b>-4.8%</b>
Cost of Sales	(4,186,080)	(5,068,062)	<b>-17.4%</b>
<b>Gross Profit</b>	<b>2,489,559</b>	<b>1,942,262</b>	<b>28.2%</b>
Other Operating Income	29,580	115,660	<b>-74.4%</b>
Distribution Expenses	(151,987)	(126,373)	<b>20.3%</b>
Administrative Expenses	(285,923)	(305,488)	<b>-6.4%</b>
<b>Profit from Operations</b>	<b>2,081,229</b>	<b>1,626,061</b>	<b>28.0%</b>
Finance Income	37,551	93,838	<b>-60.0%</b>
Finance Cost	(66,653)	(243,123)	<b>-72.6%</b>
<b>Net Finance Income/(cost)</b>	<b>(29,102)</b>	<b>(149,285)</b>	<b>-80.5%</b>
<b>Profit before Tax from continued operations</b>	2,052,127	1,476,776	<b>39.0%</b>
Taxation	(849,577)	(553,343)	<b>53.5%</b>
<b>Profit for the Period</b>	<b>1,202,550</b>	<b>923,433</b>	<b>30.2%</b>
<b>Other Comprehensive Income</b>			
Net Change in fair Value of Available for Sale Financial Assets	(194,835)	(125,082)	<b>55.8%</b>
<b>Total Other Comprehensive Income</b>	<b>(194,835)</b>	<b>(125,082)</b>	
<b>Total Comprehensive Income for the Period</b>	<b>1,007,715</b>	<b>798,351</b>	
<b>Earnings Per Share (Rs.)</b>			
Basic Earnings per Share	<b>0.26</b>	<b>3.08</b>	<b>-91.5%</b>

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

AS AT,	Unaudited 30-Sep-18 Rs.'000s	Unaudited 30-Sep-17 Rs.'000s	Audited 31-Mar-18 Rs.'000s
<b>Non Current Assets</b>			
Property, Plant and Equipment	5,528,413	6,122,459	5,796,136
Intangible Assets	-	3,260	-
Other Non Current Financial Investment	3,060,445	3,379,870	3,242,237
	<b>8,588,858</b>	<b>9,505,589</b>	<b>9,038,373</b>
<b>Current Assets</b>			
Inventories	5,518,126	5,382,842	4,694,531
Trade and Other Receivables	5,617,512	5,446,366	8,735,981
Amounts Due from Related Companies	374,798	2,963,797	906,033
Other Current Financial Investment	45,793	48,679	272,616
Cash and Cash Equivalents	438,430	391,944	470,087
	<b>11,994,659</b>	<b>14,233,628</b>	<b>15,079,248</b>
<b>Total Assets</b>	<b>20,583,517</b>	<b>23,739,217</b>	<b>24,117,621</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserve</b>			
Stated Capital	3,000,000	300,000	3,000,000
Pending Allotment	-	20,000,000	-
Capital Reserve	2,765,305	11,893,412	3,180,697
Revenue Reserve	1,798,723	(28,813,064)	(467,788)
	<b>7,564,028</b>	<b>3,380,348</b>	<b>5,712,909</b>
<b>Non Current Liabilities</b>			
Deferred Tax Liabilities	1,773,957	1,214,842	1,773,956
Employee Benefits	120,917	109,409	129,349
	<b>1,894,874</b>	<b>1,324,251</b>	<b>1,903,305</b>
<b>Current Liabilities</b>			
Trade and Other Payables	7,656,303	8,007,974	9,084,009
Amounts Due to Related Companies	450,430	3,484,215	1,225,090
Income Tax Payable	830,836	276,874	892,286
Bank Overdrafts and Other Short Term Borrowings	2,187,046	7,265,555	5,300,022
	<b>11,124,615</b>	<b>19,034,618</b>	<b>16,501,407</b>
<b>Total Equity and Liabilities</b>	<b>20,583,517</b>	<b>23,739,217</b>	<b>24,117,621</b>
Net Assets per Share (Rs.)	<b>1.64</b>	<b>11.27</b>	<b>1.24</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

sgd/-  
Dr.A.N.Balasuriya  
Director

13<sup>th</sup> November 2018

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

	<b>Stated capital <u>Rs.'000</u></b>	<b>Pending Allotment <u>Rs.'000</u></b>	<b>Revaluation reserve <u>Rs.'000</u></b>	<b>Capital reserve <u>Rs.'000</u></b>	<b>General reserve <u>Rs.'000</u></b>	<b>Available for sale reserve <u>Rs.'000</u></b>	<b>Retained earnings/(losses) <u>Rs.'000</u></b>	<b>Total <u>Rs.'000</u></b>
<b>Balance as at 1<sup>st</sup> April 2017</b>	300,000	20,000,000.00	1,696,692	107,882	8,210,000	1,711,030	(29,790,745)	2,234,859
<b>Total Comprehensive Income for the Period</b>								
Profit/(Loss) for the Period	-	-	-	-	-	-	1,502,681	1,502,681
<b>Other Comprehensive Income</b>								-
Net Changes to Reserve	-	-	-	-	-	167,808	-	167,808
Total Comprehensive Income for the Period	-	-	-	-	-	167,808	1,502,681	1,670,489
Dividend Paid	-	-	-	-	-	-	(525,000)	(525,000)
<b>Balance as at 30<sup>th</sup> September 2017</b>	<b>300,000</b>	<b>20,000,000</b>	<b>1,696,692</b>	<b>107,882</b>	<b>8,210,000</b>	<b>1,878,838</b>	<b>(28,813,064)</b>	<b>3,380,348</b>
<b>Balance as at 01<sup>st</sup> April 2018</b>	<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 Period</b>								
Profit for the Period	-	-	-	-	-	-	2,266,508	2,266,508
<b>Other Comprehensive Income</b>								
Net Changes to Reserve	-	-	-	-	-	(415,390)	-	(415,390)
	-	-	-	-	-	(415,390)	2,266,508	1,851,118
<b>Balance as at 30<sup>th</sup> September 2018</b>	<b>3,000,000</b>	<b>-</b>	<b>1,101,291</b>	<b>107,882</b>	<b>10,000</b>	<b>1,546,134</b>	<b>1,798,720</b>	<b>7,564,028</b>

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

*For the quarter ended 30<sup>th</sup> September 2018*

	30-Sep-18	30-Sep-17
	Rs. '000	Rs. '000
<b>Cash Generated from Operations</b>		
<b>Profit from operations</b>	<b>3,876,931</b>	<b>2,483,510</b>
<b>Adjustments for</b>		
Depreciation	270,167	282,148
Interest Expenses	137,239	408,765
Interest Income	(68,066)	(123,820)
Dividend Income	(192)	(2,661)
(Gain)/ Loss on Disposal of P.P.E	(7,732)	(13,971)
Reversal/provision for Fall in value of Investments	14,892	(4,665)
<b>Operating Profit before Working Capital Changes</b>	<b>4,223,239</b>	<b>3,029,306</b>
(Increase)/Decrease in Inventories	(823,597)	(940,652)
(Increase)/Decrease in Receivables	3,810,983	5,702
Increase/(Decrease) in Payables	(2,368,116)	(280,832)
<b>Cash flows from Operating Activities</b>	<b>4,842,509</b>	<b>1,813,524</b>
Interest paid	(125,493)	(373,435)
Income Tax paid	(1,671,872)	(1,579,179)
Retiring Gratuity paid	(8,432)	(12,822)
<b>Net Cash Flows from Operating Activities</b>	<b>3,036,711</b>	<b>(151,912)</b>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Property Plant and Equipment	-	(58,681)
Purchase of Shares and Other Investments	-	(535,451)
Net Proceeds from Disposal of AFS	-	1,321,785
Dividends Received	192	2,661
Proceeds on Disposal of Property Plant and Equipment	7,732	13,971
Interest Received	37,075	117,129
<b>Net Cash Flows from Investing Activities</b>	<b>44,999</b>	<b>861,416</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(393)	(525,007)
<b>Net Cash flows from Financing Activities</b>	<b>(393)</b>	<b>(525,007)</b>
<b>Cash and Cash Equivalents</b>		
At the Beginning of the year	(4,829,934)	(7,058,108)
Net Movement during the period	3,081,317	184,497
<b>Cash and Cash Equivalents at the end</b>	<b>(1,748,617)</b>	<b>(6,873,611)</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash in Transit	182,332	96,812
Cash in Hand and Bank	256,098	295,132
Bank Over Draft	(1,187,046)	(2,365,555)
Bank & Other Borrowings	(1,000,000)	(4,900,000)
<b>Total Cash and Cash Equivalents</b>	<b>(1,748,617)</b>	<b>(6,873,611)</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>30-09-2018</b>	<b>30-09-2017</b>	<b>31-03-2018</b>
Net Assets Value per Share	- (Rs)	1.64	11.27	1.24
Market Price per Share	- Last Traded Rs)	16.70	N/A*	N/A*
	- Highest (Rs)	16.80	N/A*	N/A*
	- Lowest (Rs)	16.50	N/A*	N/A*

\*Shares of Distilleries Company of Sri Lanka PLC's were not trading at Colombo Stock Exchange from 30.09.2016 to 31.03.2018 due to the restructure process. Therefore market prices were not available.

4. 4,600,000,000 ordinary shares represent the Stated Capital.(300,000,000 ordinary shares were representing 30.09.2017)
5. The float adjusted market capitalisation as at 30th September 2018 was Rs.2,501,259,200/-, The percentage of shares held by the public as at 30th September 2018 is 3.256% and the number of public shareholders as at 30th September 2018 was 11,057.
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> September 2018**

<b>RANK</b>	<b>NAME</b>	<b>NO OF SHARES</b>	<b>%</b>
1	MELSTACORP PLC	4,252,954,164	92.456
2	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	147,520,592	3.207
3	LANKA MILK FOODS (CWE) LIMITED	44,991,407	0.978
4	MR. M.A. YASEEN	25,924,620	0.564
5	COMMERCIAL BANK OF CEYLON PLC/L.E.M.YASEEN	15,466,666	0.336
6	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	14,706,431	0.320
7	BNYMSANV RE-NEON LIBERTY LORIKEET MASTER FUND LP	9,574,790	0.208
8	CACEIS BANK, LUXEMBOURG BRANCH-BARCA GLOBAL MASTER FUND LP	8,093,126	0.176
9	NORTHERN TRUST COMPANY S/A KUROTO FUND LP	6,933,478	0.151
10	MRS. L.E.M. YASEEN	5,977,777	0.130
11	UNION ASSURANCE PLC/NO-01A/C	4,820,394	0.105
12	COMMERCIAL BANK OF CEYLON PLC/M.A.YASEEN	4,740,740	0.103
13	LAHUGALA PLANTATION (PRIVATE) LIMITED	4,379,922	0.095
14	MRS. S.M. CHRYSOSTOM	3,374,814	0.073
15	STASSEN EXPORTS (PVT) LIMITED	2,505,718	0.054
16	MR. D. HASITHA S. JAYAWARDENA	2,231,505	0.049
17	MR. M.H. RAOUF	2,230,444	0.048
18	FUND	1,837,926	0.040
19	MCSSEN RANGE PRIVATE LIMITED	1,617,737	0.035
20	DEUTSCHE BANK AG-LONDON	1,534,195	0.033
		<b>4,561,416,446</b>	<b>99.161</b>
Others		38,583,554	0.839
<b>TOTAL</b>		<b>4,600,000,000</b>	<b>100.000</b>

Percentage of Shares held by the public **3.256%**

Total No. of share holders who hold the public holding **11,057**

**Directors' Shareholding as at 30<sup>th</sup> September 2018**

<b>Name</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	0.049
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.