

Ceylon Beverage Holdings PLC

*Interim Condensed Financial Statements
for the Third Quarter ended
31st December 2022*

CEYLON BEVERAGE HOLDINGS PLC

Review

The quarter under review saw the first glimpses of the slowing down of inflation, but the high prices had an overall impact on purchasing power of consumers which resulted in the overall FMCG volumes in Sri Lanka being impacted. The beer industry witnessed a 77% increase in prices driven by Excise Duty, VAT and SSL taxes during the period leading up to January resulting in volumes declining for the quarter compared to the previous year.

The situation has deteriorated in January following the 20% increase in excise taxes. We are witnessing an exponential growth of ‘Kasippu’ (moonshine), illicit arrack and illicit toddy as the prices of legal alcoholic beverages are out of consumers' reach.

Early signs are that the January excise tax increase is struggling. January excise tax collection has declined in excess of 10% year-on-year. The situation looks worse in February. Six weeks into the year, the full year excise tax target seems difficult to achieve. Indeed, at the current run-rate, the jury is out on whether 2023 taxes will even reach the 2022 amount.

Policy makers should be cognizant of the fact that tax hikes on the Alcohol industry, an industry with a large illicit component, will be counterproductive in the current depressed conditions as volume declines offset duty increases, thereby impacting this steady source of revenue to Government. If there is a decline in excise taxes year-on-year of over 10%, even after a 20% increase in tax rates, then it would appear that we are past the point of optimal taxation.

In the face of this, we strongly advocate for sensible taxation and allow time for consumer earnings power to recover.

With the domestic business under pressure for the foreseeable future, the Group is increasing its already high focus on international business. Spend behind product, brand, distribution and people is increasing. Returns on this spend are not only uncertain but will take time to materialize.

Despite efforts to manage costs, given continuing cost inflation and declining domestic volumes, profitability will be subdued.

CEYLON BEVERAGE HOLDINGS PLC
BOARD OF DIRECTORS AS AT 31ST DECEMBER 2022

Mr. D. A. Cabraal (Chairman)

Mr. H. Selvanathan (Deputy Chairman)

Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)

Mr. R. H. Meewakkala (Chief Executive Officer)

Mr. D. C. R. Gunawardena

Mr. S. Clini

Mrs. S. J. F. Evans

CEYLON BEVERAGE HOLDINGS PLC				
CONDENSED STATEMENT OF FINANCIAL POSITION				
	Company		Group	
<i>As at</i>	31st December 2022	31st March 2022	31st December 2022	31st March 2022
<i>In Rs. '000s</i>		(Audited)		(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	-	-	21,111,364	20,574,458
Investment properties	647,100	647,100	647,100	647,100
Right of use assets	-	-	191,881	207,281
Intangible assets	-	-	457,431	819,545
Deferred tax assets	-	-	1,095	1,548
Investment in subsidiaries	1,835,083	1,835,083	-	-
Total non-current assets	2,482,183	2,482,183	22,408,871	22,249,932
Current assets				
Inventories	-	-	7,537,377	4,537,111
Trade and other receivables	508	571	12,052,924	2,406,133
Amounts due from related companies	192,041	134,091	-	-
Current tax assets	-	-	-	-
Cash and cash equivalents	438,289	28,375	12,824,882	13,114,311
Total current assets	630,838	163,037	32,415,183	20,057,555
Total assets	3,113,021	2,645,220	54,824,054	42,307,487
EQUITY AND LIABILITIES				
Equity				
Stated capital	533,384	533,384	533,384	533,384
Capital reserves	19,924	19,924	1,103,358	1,103,358
Revenue reserves	1,935,712	1,492,565	10,183,540	8,720,708
Equity attributable to equity holders of the Company	2,489,020	2,045,873	11,820,282	10,357,450
Non controlling interest	-	-	10,584,093	9,515,171
Total equity	2,489,020	2,045,873	22,404,375	19,872,621
Non-current liabilities				
Loans and borrowings	-	-	1,949,094	2,300,311
Lease liabilities	-	-	197,959	196,109
Employee benefits	-	-	196,301	182,996
Deferred tax liabilities	94,752	31,584	5,200,223	5,260,140
Total non-current liabilities	94,752	31,584	7,543,577	7,939,556
Current liabilities				
Trade and other payables	20,020	20,524	7,006,039	3,492,710
Amounts due to related companies	360,878	337,741	44,998	155,757
Refundable deposits	-	-	2,677,762	2,301,181
Current tax liabilities	144,968	37,891	3,991,945	3,163,706
Loans and borrowings	-	-	7,062,503	3,347,696
Lease liabilities	-	-	42,367	57,499
Bank overdraft	3,383	171,607	4,050,488	1,976,761
Total current liabilities	529,249	567,763	24,876,102	14,495,310
Total liabilities	624,001	599,347	32,419,679	22,434,866
Total equity and liabilities	3,113,021	2,645,220	54,824,054	42,307,487
Net assets per ordinary share (Rs.)	118.59	97.48	563.19	493.49

The above figures are provisional and subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

D.R.P. Goonetilleke

Head of Finance

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

Approved and signed on behalf of the Managers

Approved and signed on behalf of the Board

(Sgd.)

V. R. Wijesinghe

Director

Carsons Management Services (Private) Ltd.

10th February 2023

(Sgd.)

M.Selvanathan

Director

(Sgd.)

R.H. Meewakkala

Director

CEYLON BEVERAGE HOLDINGS PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

As at In Rs.'000s	Quarter Ended			Nine Months Ended			Year Ended
	31-Dec-22	31-Dec-21	Change %	31-Dec-22	31-Dec-21	Change %	31-Mar-22 (Audited)
Revenue	615,315	208,321	195	1,444,053	881,130	64	935,862
Cost of sales	-	-	-	-	-	-	-
Gross profit	615,315	208,321	195	1,444,053	881,130	64	935,862
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	160,230
	615,315	208,321	195	1,444,053	881,130	64	1,096,092
Administrative expenses	(8,105)	(3,036)	167	(16,786)	(11,671)	44	(27,561)
Impairment of investments in subsidiaries	-	-	-	-	-	-	(83,989)
Profit before finance cost	607,210	205,285	196	1,427,267	869,459	64	984,542
Finance income	11,155	2,265	392	27,234	5,626	384	8,220
Finance costs	(26,527)	(9,152)	190	(68,037)	(25,080)	171	(34,554)
Net finance costs	(15,372)	(6,887)	123	(40,803)	(19,454)	110	(26,334)
Profit before taxation	591,838	198,398	198	1,386,464	850,005	63	958,208
Income tax expenses	(96,319)	(33,410)	188	(219,999)	(132,718)	66	(144,561)
Deferred taxation	(63,168)	-	-	(63,168)	-	-	(16,023)
Profit after taxation	432,351	164,988	162	1,103,297	717,287	54	797,624
Earnings per ordinary share (Rs.)	20.60	7.86		52.57	34.18	0.00	38.00

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

As at In Rs.'000s	Quarter Ended			Nine Months Ended			Year Ended
	31-Dec-22	31-Dec-21	Change %	31-Dec-22	31-Dec-21	Change %	31-Mar-22 (Audited)
Revenue	24,467,956	18,485,482	32	71,693,912	40,775,772	76	60,211,220
Cost of Sales	(18,324,157)	(15,114,366)	21	(54,544,789)	(32,907,590)	66	(47,109,574)
Gross profit	6,143,799	3,371,116	82	17,149,123	7,868,182	118	13,101,646
Net gains arising from changes in fair value of investment properties	-	-	-	-	-	-	160,230
Other income	93,866	55,617	69	227,458	133,720	70	193,922
	6,237,665	3,426,733	82	17,376,581	8,001,902	117	13,455,798
Distribution expenses	(1,656,060)	(517,119)	220	(4,129,750)	(1,944,989)	112	(4,044,905)
Administrative expenses	(867,172)	(641,701)	35	(2,112,128)	(1,725,745)	22	(2,366,434)
Other expenses	(191,934)	(71,281)	169	(696,959)	(324,101)	115	(868,581)
Impairment of intangible assets	-	-	-	(353,229)	-	-	(463,578)
Profit before finance cost	3,522,499	2,196,632	60	10,084,515	4,007,067	152	5,712,300
Finance income	408,693	137,080	198	1,013,924	426,734	138	627,596
Finance costs	(1,094,269)	(263,697)	315	(2,038,757)	(760,825)	168	(454,720)
Net finance income/(costs)	(685,576)	(126,617)	441	(1,024,833)	(334,091)	207	172,876
Profit before taxation	2,836,923	2,070,015	37	9,059,682	3,672,976	147	5,885,176
Income tax expenses	(952,176)	(765,900)	24	(3,553,770)	(1,423,617)	150	(2,375,031)
Deferred taxation	(115,447)	592	(19,601)	59,464	136,798	(57)	311,653
Profit after taxation	1,769,300	1,304,707	36	5,565,376	2,386,157	133	3,821,798
Other comprehensive income							
Items that will never be reclassified to profit or loss							
Re-measurement of employee benefit obligation	-	-	-	-	-	-	45,763
Deferred tax adjustment on employee benefit obligation	-	-	-	-	-	-	(18,305)
Change in revaluation of property plant and equipment	-	-	-	-	-	-	1,172,713
Deferred tax adjustment on revaluation of lands & buildings	-	-	-	-	-	-	(469,085)
Total other comprehensive income for the period net of tax	-	-	-	-	-	-	731,086
Total comprehensive income for the period	1,769,300	1,304,707	36	5,565,376	2,386,157	133	4,552,884
Profit attributable to							
- Equity holders of the company	781,783	720,144	9	2,747,866	1,249,606	120	2,070,278
- Non - controlling interest	987,517	584,563	69	2,817,510	1,136,551	148	1,751,520
Profit available for appropriation	1,769,300	1,304,707	36	5,565,376	2,386,157	133	3,821,798
Total comprehensive income attributable to							
- Equity holders of the company	781,783	720,144	9	2,747,866	1,249,606	120	2,452,270
- Non - controlling interest	987,517	584,563	69	2,817,510	1,136,551	148	2,100,614
Profit available for appropriation	1,769,300	1,304,707	36	5,565,376	2,386,157	133	4,552,884
Earnings per ordinary share (Rs.)	37.25	34.31		130.93	59.54	0.01	98.64

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

CONDENSED STATEMENTS OF CHANGES IN EQUITY								
In Rs.'000s	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Stated capital	Revaluation reserve	General capital reserve	Revenue reserves fair value	Revenue reserves retained earnings	Total		
COMPANY								
Balance as at 1st April 2021	533,384	14,148	5,776	457,020	892,217	1,902,545	-	1,902,545
Total comprehensive income for the period								
Profit for the period	-	-	-	-	717,287	717,287	-	717,287
Total comprehensive income for the period	-	-	-	-	717,287	717,287	-	717,287
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(655,458)	(655,458)	-	(655,458)
Balance as at 31st December 2021	533,384	14,148	5,776	457,020	954,046	1,964,374	-	1,964,374
Balance as at 1st April 2021								
Transfers	-	(14,148)	14,148	-	-	-	-	-
Total comprehensive income for the period								
Profit for the period	-	-	-	144,207	653,417	797,624	-	797,624
Total comprehensive loss for the period	-	-	-	144,207	653,417	797,624	-	797,624
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	1,162	1,162	-	1,162
Dividends	-	-	-	-	(655,458)	(655,458)	-	(655,458)
Balance as at 31st March 2022	533,384	-	19,924	601,227	891,338	2,045,873	-	2,045,873
Balance as at 1st April 2022								
Surcharge tax (Note 08)	-	-	-	-	(35,754)	(35,754)	-	(35,754)
Adjusted Balance as at 1st April 2022	533,384	-	19,924	601,227	855,584	2,010,119	-	2,010,119
Total comprehensive income for the period								
Profit for the period	-	-	-	(63,168)	1,166,465	1,103,297	-	1,103,297
Total comprehensive income for the period	-	-	-	(63,168)	1,166,465	1,103,297	-	1,103,297
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(624,396)	(624,396)	-	(624,396)
Balance as at 31st December 2022	533,384	-	19,924	538,059	1,397,653	2,489,020	-	2,489,020
GROUP								
Balance as at 1st April 2021	533,384	729,936	5,776	457,020	6,833,120	8,559,236	8,104,994	16,664,230
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,249,606	1,249,606	1,136,551	2,386,157
Total comprehensive income for the period	-	-	-	-	1,249,606	1,249,606	1,136,551	2,386,157
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(655,458)	(655,458)	(690,656)	(1,346,114)
Balance as at 31st December 2021	533,384	729,936	5,776	457,020	7,427,268	9,153,384	8,550,889	17,704,273
Balance as at 1st April 2021								
Transfers	-	(14,148)	14,148	-	-	-	-	-
Total comprehensive income for the period								
Profit for the period	-	-	-	144,207	1,926,071	2,070,278	1,751,520	3,821,798
Other comprehensive income for the period	-	367,646	-	-	14,346	381,992	349,094	731,086
Total comprehensive income for the period	-	367,646	-	144,207	1,940,417	2,452,270	2,100,614	4,552,884
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Forfeiture of unclaimed dividends	-	-	-	-	1,402	1,402	219	1,621
Dividends	-	-	-	-	(655,458)	(655,458)	(690,656)	(1,346,114)
Balance as at 31st March 2022	533,384	1,083,434	19,924	601,227	8,119,481	10,357,450	9,515,171	19,872,621
Balance as at 1st April 2022								
Surcharge tax (Note 08)	-	-	-	-	(660,638)	(660,638)	(570,118)	(1,230,756)
Adjusted Balance as at 1st April 2022	533,384	1,083,434	19,924	601,227	7,458,843	9,696,812	8,945,053	18,641,865
Total comprehensive income for the period								
Profit for the period	-	-	-	(63,168)	2,811,034	2,747,866	2,817,510	5,565,376
Total comprehensive income for the period	-	-	-	(63,168)	2,811,034	2,747,866	2,817,510	5,565,376
Transactions with owners, recorded directly in equity contribution by and distribution to owners								
Dividends	-	-	-	-	(624,396)	(624,396)	(1,178,470)	(1,802,866)
Balance as at 31st December 2022	533,384	1,083,434	19,924	538,059	9,645,481	11,820,282	10,584,093	22,404,375

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

CONDENSED STATEMENT OF CASH FLOWS

For the period ended In Rs. '000s	Company			Group		
	31-Dec-22	31-Dec-21	31-Mar-22 (Audited)	31-Dec-22	31-Dec-21	31-Mar-22 (Audited)
Cash flows from operating activities						
Profit before taxation	1,386,464	850,005	958,208	9,059,682	3,672,976	5,885,176
Adjustments for:						
Finance costs (excluding exchange gain)	68,037	25,080	34,554	2,427,308	760,825	1,062,092
Depreciation on right of use assets	-	-	-	47,349	52,250	70,156
Gain on de-recognition of right of use assets	-	-	-	(1,841)	-	(714)
Depreciation on property, plant and equipment	-	-	-	1,276,547	1,106,193	1,532,988
Amortisation of intangible assets	-	-	-	9,011	9,342	12,360
Net inventory (reversals)	-	-	-	(27,896)	(2,867)	(10,317)
Provision for retirement benefit obligations	-	-	-	21,525	14,942	14,847
Impairment of property plant and equipment	-	-	-	175,752	-	-
Impairment of intangible assets	-	-	-	354,579	-	463,578
Impairment of doubtful debtors	-	-	-	-	-	(162)
Impairment of investments	-	-	83,989	-	-	-
Finance income	(27,234)	(5,626)	(8,220)	(1,013,924)	(426,734)	(627,596)
Net gain arising from changes in fair value of investment properties	-	-	(160,230)	-	-	(160,230)
Loss on disposal of property, plant and equipment	-	-	-	34,397	12,006	13,896
Loss on disposal of intangible asset	-	-	-	-	-	1,626
ESC write off	-	-	-	-	-	5,804
Lease interest expenses	-	-	-	27,155	27,368	36,773
Unrealised foreign exchange gain	-	-	-	(709,901)	(1,473)	(630,047)
Operating cash flow before working capital changes	1,427,267	869,459	908,301	11,679,743	5,224,828	7,670,230
(Increase)/decrease in inventories	-	-	-	(2,972,370)	145,862	(805,732)
(Increase)/decrease in trade and other receivables	63	360	54	(9,634,866)	(1,102,282)	(629,294)
Decrease in amounts due from related companies	(30,716)	(8,590)	(5,996)	-	-	-
Increase/(decrease) in amounts due to related companies	(18,203)	(48,319)	(59,852)	(110,759)	(1,940)	32,929
Increase/(decrease) in tax payables/receivable	2,339	-	-	49,884	(841,467)	525,126
Increase/(decrease) in trade and other payables	(355)	(1,283)	293	3,652,946	711,047	1,379,096
Cash (used in)/generated from operations	1,380,395	811,627	842,800	2,664,578	4,136,048	8,172,355
Finance expenses paid	(26,697)	(10,643)	(15,112)	(2,207,569)	(693,292)	(1,004,672)
Tax paid	(115,261)	(96,754)	(134,754)	(2,775,414)	(1,576,754)	(2,148,065)
Surcharge tax paid	(35,754)	-	-	(1,230,756)	-	-
Retirement benefits paid	-	-	-	(8,220)	(23,939)	(29,259)
Net cash (used in)/generated from operating activities	1,202,683	704,230	692,934	(3,557,381)	1,842,063	4,990,359
Cash flows from investing activities						
Purchase and construction of property, plant and equipment	-	-	-	(2,023,603)	(1,649,245)	(2,092,880)
Purchase of intangible assets	-	-	-	(1,475)	-	(7,457)
Proceeds from sale of property, plant and equipment	-	-	-	-	14,005	14,005
Agent deposits received	-	-	-	376,581	300,620	400,788
Interest received	-	-	-	1,013,924	426,734	627,596
Net cash (used in)/generated from investing activities	-	-	-	(634,573)	(907,886)	(1,057,948)
Cash flows from financing activities						
Proceeds from loans and borrowings	-	-	-	4,000,000	2,700,000	2,000,000
Repayment of loans and borrowings	-	(22,500)	(25,000)	(856,150)	(1,288,350)	(1,784,300)
Repayment of lease rentals	-	-	-	(70,545)	(71,071)	(96,060)
Forfeiture of unclaimed dividends	-	-	1,162	-	-	1,621
Dividends paid net of tax	(624,545)	(651,804)	(648,339)	(1,803,048)	(1,346,114)	(1,337,740)
Net cash (used in)/generated from financing activities	(624,545)	(674,304)	(672,177)	1,270,257	(5,535)	(1,216,479)
Net increase/(decrease) in cash and cash equivalents	578,138	29,926	20,757	(2,921,697)	928,642	2,715,932
Cash and cash equivalents at the beginning of the year	(143,232)	(163,989)	(163,989)	11,137,550	7,686,214	7,686,214
Effect of exchange rate changes on cash and cash equivalents	-	-	-	558,541	(3,585)	735,404
Cash and cash equivalents at the end of the period	434,906	(134,063)	(143,232)	8,774,394	8,611,271	11,137,550
Analysis of cash and cash equivalents						
Cash and cash equivalents	438,289	24,748	28,375	12,824,882	11,431,670	13,114,311
Bank overdraft	(3,383)	(158,811)	(171,607)	(4,050,488)	(2,820,399)	(1,976,761)
	434,906	(134,063)	(143,232)	8,774,394	8,611,271	11,137,550

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Ceylon Beverage Holdings PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The parent company of Ceylon Beverage Holdings PLC is Carson Cumberbatch PLC "(CCPLC)" and the ultimate parent company is Bukit Darah PLC. The registered office of the Company is situated at No 61, Janadhipathi Mawatha, Colombo 01 and the principal place of business is situated at No 254, Colombo Road, Biyagama.

The Interim Consolidated Financial Statements comprise of the Company and its subsidiaries (together referred to as the "Group" and individually Group entities). The Subsidiaries of the Company are set out below.

Subsidiary	Controlling interest	Note
Lion Brewery (Ceylon) PLC	52.25%	"LBCPLC"
Pubs 'N Places (Private) Limited	99.9%	
Retail Spaces (Private) Limited	100%	
Luxury Brands (Private) Limited	100%	
Pearl Springs (Private) Limited	52.25%	"PSPL", wholly owned subsidiary of "LBCPLC"
Millers Brewery Limited	52.25%	wholly owned subsidiary Subsidiary of "PSPL"

The principal activities of the Group is brewing and marketing of high quality beers for both local & export markets and retailing of beer & alcohol products locally through its owned/managed wine shops & pubs. The Group is also engaged in the import & marketing of globally renowned high quality beer and spirits brands.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The interim condensed Financial Statements of the Company and Group have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 (Interim Financial Reporting). This Interim Financial Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2022 including the changes to accounting policies as a result of adapting to Sri Lanka Financial Reporting Standards ("SLFRSs/LKASs").

2.2 Going Concern

Based on currently available information the management is satisfied that the Company and its subsidiaries would continue its operations in the foreseeable future.

2.3 Basis of measurement

2.3.1 The interim condensed Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following;

- Freehold Land and buildings are measured at cost at the time of acquisition and construction and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.
- Employee benefits are measured at present value of the obligation.

2.4 Functional Currency and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees Thousands (Rs.'000s) which is the Group's functional currency, unless otherwise indicated.

CEYLON BEVERAGE HOLDINGS PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

3 FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Financial Commitments

Lion Brewery (Ceylon) PLC

Document credits established for foreign purchases of the company as at 31st December 2022 amounts to Rs. 1,793Mn (2021 - Rs. 1,915Mn)

3.2 Capital Commitments

Lion Brewery (Ceylon) PLC

Capital expenditure committed by the "LBCPLC" for which a provision has not been made in the Financial Statements amounts to Rs. 2,936Mn at 31st December 2022 (2021 - Rs. 307Mn)

3.3 Contingencies

Following legal matters are outstanding against the Group and no provision has been made in the Financial Statements in this regard.

(i) Company

In 2008 the Customs Department instituted a prosecution in the Fort Magistrate's Court (MC) in Case No. S/65898/07/B against the Company and its Directors for the recovery of Rs. 48,121,634/29 comprising of Rs.23,062,080/43 being the amount of Excise (Special Provision) Duty (the 'duty') purportedly in arrears during the period 1998/ to 2001 and Rs.25,059,553/86 as its penalty. The Company and the Directors filed an application for Writ in the Court of Appeal (CA) to quash the Certificate of Excise Duty in Default issued by the Director General of Customs and Excise Duty and obtained a Stay Order in respect of the proceedings of the Fort MC Case. A sum of Rs. 23,062,080/43 being the duty amount in dispute was paid to Sri Lanka Customs by the Company as required before submitting its appeal. Subsequently the CA Application was dismissed and the Company appealed against the Order to the Supreme Court and was granted Special Leave to Appeal by the Court. The Court also ordered the staying of all further proceedings in the MC Case until final hearing and determination of the Appeal. No provision has been made for the payment of penalty amounting to Rs.25,059,553/86, pending the Judgment from the Supreme Court in the said Leave to Appeal matter.

This matter came up for Argument before the Supreme Court on 12th July 2021 and Judgment was delivered on 16th December 2022 where LBCL Appeal relating to decision to institute MC action was allowed.

Certificate of Excise Duty in default issued by the Director General of Customs and Excise Duty action filed in the Magistrates' Court of Fort is quashed.

The Director General of Excise is directed to consider the representations made by the company in respect of the second show cause notice and make a determination under section 9(2) of the said Act. Further, directed to conclude the inquiry within six months from the date of this judgment.

However, the security deposited by the Company should not be withdrawn until a determination is made in terms of section 9(2) and the other relevant provisions of the said Act are complied with.

(ii) Lion Brewery (Ceylon) PLC

Contingent liabilities as at 31st December 2022 amounts to Rs. 360Mn (2021 - Rs. 283Mn), being bank guarantees given to Government bodies and foreign suppliers for operational purposes.

Apart from the above there were no other material contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

4 COMPARATIVE FIGURES

Lion Brewery (Ceylon) PLC

Empty bottle depreciation and machinery maintenance cost previously reported under distribution expenses and other expenses have been reclassified under cost of sales in 2022/2023 financial year. The previous years comparative figures have been reclassified, where relevant, for better presentation to be comparable with those of the current year.

5 STATED CAPITAL

The Company's stated capital consists of 20,988,090 ordinary shares.

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****6 LEASE LIABILITIES**

In Rs. 000's	Company		Group	
	31-Dec-22	31-Mar-22	31-Dec-22	31-Mar-22
Balance as at beginning of the period	-	-	253,608	275,321
Leases obtained	-	-	39,561	40,857
Lease rentals paid	-	-	(70,545)	(96,060)
Interest expenses for the period	-	-	27,155	36,773
Derecognition of lease liability	-	-	(9,453)	(3,283)
Balance as at end of the period	-	-	240,326	253,608

7 SEGMENTAL ANALYSIS

The Group does not distinguish its products into significant components for different Geographical/Business segments as the differentiations are insignificant.

8 SURCHARGE TAX

According to the Surcharge Tax Act No. 14 of 2022 which was legislated on 8th April 2022, the Group is liable for Surcharge Tax of Rs. 1,231 Mn out of the taxable income of Rs. 5,227 Mn for year of assessment 2020/21.

Total Surcharge Tax liability of Rs. 1,231Mn has been recognized as an adjustment to the retained earnings of 1st April 2022 in the Statement of Changes in Equity as per the Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. This said Addendum recommends to recognize Surcharge Tax through the Statement of Changes in Equity as an equity adjustment on the first day of the first reporting period ending after enactment of the said Act.

On 20th April 2022, the Group was paid Rs. 615Mn on account of the first installment of the Surcharge Tax liability. The final installment of Surcharge Tax liability was paid on 20th July 2022.

Statement of Changes in Equity as at the beginning of the Financial Year,

	Retained Earnings Rs. Mn	
	Company	Group
Balance as at 1 April 2022	891	8,119
Adjustment for Surcharge tax	(36)	(1,231)
Adjusted balance as at 1 April 2022	855	6,888

9 EVENTS AFTER THE REPORTING PERIOD**Amalgamation of Pearl Springs (Private) Limited with Lion Brewery (Ceylon) PLC**

In terms of Rule 8.1 of the Listing Rules of the Colombo Stock Exchange, the amalgamation of Pearl Springs (Private) Limited [PV 98633] with Lion Brewery (Ceylon) PLC [PQ 57] under Section 242(2) of the Companies Act, No.07 of 2007 [Short Form Amalgamation] was completed and a Certificate of Amalgamation has been issued by the Registrar General of Companies in terms of Section 244(1)(a) of the Companies Act, No.07 of 2007. The amalgamation is effective 31st January 2023.

Interim Dividend - Ceylon Beverage Holdings PLC

The Board of Directors of the Company approved an interim dividend of Rs. 23/- per ordinary share for the financial year ending 31 March 2023 and was announced on 18 January 2023. In accordance with LKAS 10, Events after the Reporting period, the interim dividend has not been recognised as a liability in the Financial Statements as at 31st December 2022.

Apart from above, There have been no events subsequent to the reporting date, which required adjustment to or disclosure in these Financial Statements.

10 INVESTOR INFORMATION

Investor Information	Quarter ended		Nine Months ended		Year ended
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
Share Information					
Last traded share price/closing price (Rs.)	900.00	825.25	900.00	825.25	706.75
Highest price (Rs.)	1,000.00	836.00	1,000.00	894.50	894.50
Lowest price (Rs.)	655.00	660.00	531.00	660.00	660.00
Trading Statistics					
No of Transactions	82	152	198	377	483
No of Shares traded	3,619	51,573	6,771	59,244	120,543
Value of all shares traded (Rs. Mn.)	3.22	35.21	5.55	41.19	89.51

CEYLON BEVERAGE HOLDINGS PLC**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS****11 DIRECTORS' SHAREHOLDINGS**

AS AT 31ST DECEMBER 2022	No. of Shares
Mr. D. A. Cabraal (Chairman)	1,500
Mr. H. Selvanathan (Deputy Chairman)	690
Mr. M. Selvanathan (Director / Alternate Director to Mr. H. Selvanathan)	690
Mr. R. H. Meewakkala (CEO/Director)	-
Mr. D.C.R. Gunawardena	15
Mr. S. Clini	-
Mrs. S. J. F. Evans	-

12 TWENTY MAJOR SHAREHOLDERS AS AT 31ST DECEMBER 2022

#	Name of Shareholder	No. of Shares	%
1	CARSON CUMBERBATCH PLC A/C NO. 02	15,726,912	74.93
	CARSON CUMBERBATCH PLC A/C NO. 01	144,423	0.69
2	GF CAPITAL GLOBAL LIMITED	2,096,858	9.99
3	CARLSBERG A/S	1,676,440	7.99
4	SERENDIP INVESTMENTS LIMITED	644,000	3.07
5	DEUTSCHE BANK AG SINGAPORE A/C 2 (DCS CLT ACC FOR DEUTSCHE BANK AG SINGAPORE-PWMWM CLIENT)	130,000	0.62
6	TRANZ DOMINION, L.L.C.	75,748	0.36
7	MRS. J.K.P. SINGH	31,485	0.15
8	GUINNESS MORISON INTERNATIONAL LIMITED	20,953	0.10
9	SAMPATH BANK PLC/MRS.PRIYANI DHARSHINI RATNAGOPAL	13,650	0.07
	MRS.PRIYANI DHARSHINI RATNAGOPAL	212	0.00
10	MISS A. RADHAKRISHNAN	12,239	0.06
11	MISS M.P. RADHAKRISHNAN	10,257	0.05
12	MR. N.J. GAMADIA	8,786	0.04
13	MR. R. MAHESWARAN	8,134	0.04
14	ADMIN OF A.C. ABDEEN (DECD)	7,725	0.04
15	MRS. M.C. ABEYSEKERA	7,622	0.04
16	MRS. C.S. THENABADU	7,370	0.04
17	MRS. M.L. PAIVA	6,006	0.03
18	MR. N.J.H.M. COORAY	6,000	0.03
19	MRS. S. MAHADEVA	5,660	0.03
20	MR. L.R.Y. WAIDYARATNE	5,139	0.02

13 PUBLIC HOLDING

The Company is in compliance with the Minimum Public Holding requirements for Companies listed on the Diri Savi Board as per Rule 7.14.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange, under Option 1, i.e. Float-Adjusted Market Capitalization of Rs.1 Billion with 200 Public Shareholders and a Public Holding percentage of 7.5%.

The Company's Public Holding as at 31st December 2022

Market Capitalization of the Public Holding	Rs.4.59 Billion
Percentage of ordinary shares held by the public	24.29%
Number of Public Shareholders	951

CEYLON BEVERAGE HOLDINGS PLC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

14 RELATED PARTY DISCLOSURES

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', the details of which are reported below.

14.1 Transactions with related parties/subsidiaries

In Rs.'000s For the period ended 31st December	Company		Group	
	2022	2021	2022	2021
Royalty income	154,560	125,408	-	-
Royalty expenses	-	-	195,427	85,220
Dividend income	1,289,493	755,722	-	-
Intercompany interest income	27,234	5,626	-	-
Intercompany interest expense	41,340	14,437	-	-
Beer and spirits sales income	-	-	4,167	1,318
Rent expenses	-	-	9,362	19
Support services fees expenses	455	199	464,919	688,849
Other service fee expenses	433	227	83,796	155,258

CEYLON BEVERAGE HOLDINGS PLC**Corporate Information**

NAME OF THE COMPANY

Ceylon Beverage Holdings PLC
(A Carson Cumberbatch Company)

COMPANY REGISTRATION NUMBER

PQ 35

LEGAL FORM

A Public Quoted Company with Limited Liability incorporated in Sri Lanka in 1910
Official listing of the Colombo Stock Exchange was obtained in April 1991

SUBSIDIARY COMPANIES

Lion Brewery (Ceylon) PLC
Pubs 'N Places (Private) Limited
Retail Spaces (Private) Limited
Luxury Brands (Private) Limited
Millers Brewery Limited
Pearl Springs (Private) Limited - Amalgamated with Lion Brewery (Ceylon) PLC on 31/01/2023.

PARENT AND CONTROLLING ENTITY

Carson Cumberbatch PLC is the Parent Company of Ceylon Beverage Holdings PLC and Bukit Darah PLC is the Ultimate Parent and Controlling Entity of Ceylon Beverage Holdings PLC.

DIRECTORS

Mr. D. A. Cabraal (Chairman)
Mr. H. Selvanathan (Deputy Chairman)
Mr. M. Selvanathan (Director / Alternate Director to H. Selvanathan)
Mr. R. H. Meewakkala (CEO/Director)
Mr. D. C. R. Gunawardena
Mr. S. Clini
Mrs. S. J. F. Evans

BANKERS

Citibank
Commercial Bank
Deutsche Bank
DFCC Bank
Hatton National Bank
Nations Trust Bank
National Development Bank
Peoples' Bank
Standard Chartered Bank
Sampath Bank

LEGAL ADVISERS

Messrs. F.J. & G. De Saram
216, De Saram Place
Colombo 10
Sri Lanka
Tel: + 94 11 4718200
Fax: + 94 11 4718220

AUDITORS

Messrs. KPMG
Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha
Colombo 3
Sri Lanka
Tel: + 94 11 5426426
Fax: +94 11 2445872

MANAGERS & SECRETARIES

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No: 61, Janadhipathi Mawatha
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REGISTERED OFFICE

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CORPORATE OFFICE & BREWERY

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Fax: +94 11 2465901

GROUP WEBSITE

www.carsoncumberbatch.com