



*industrial asphalts (ceylon) PLC*

# QUARTERLY ACCOUNTS

Q2 2016/2017

FORESIGHT ★ AUDACITY

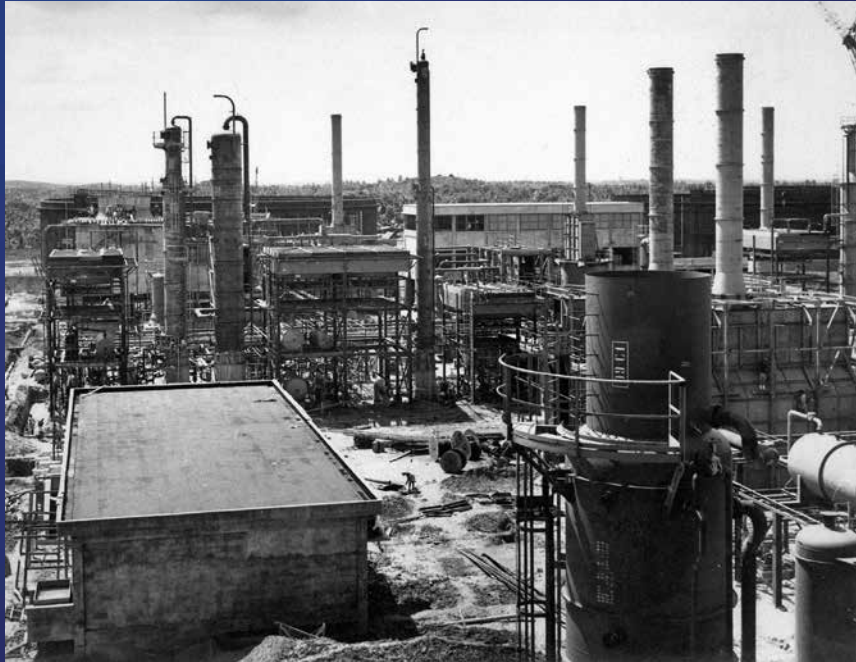
INDUSTRIAL ASPHALTS (CEYLON) PLC

# **QUARTERLY ACCOUNTS**

**Q2 2016/2017**



*industrial asphalts (ceylon) PLC*



## **COMPANY HISTORY**

Industrial Asphalts (Ceylon) Plc – IAC - was established in 1964 by a dynamic and foresighted group of Sri Lankans. They had an audacious dream of converting an industry that was essentially dominated by multi national companies to a Sri Lankan capability. IAC was the first 100% Sri Lankan owned entity to produce specialist bituminous products in the post independent environment. The year 2014 represents the 50th anniversary of establishing IAC. 50 years of delivering high quality products supported by the deep technical knowledge in its products.

With a 50-year history in bituminous products, IAC is the pioneer in Bitumen in Sri Lanka. With an unenviable track record of delivering by far the best quality assured protective coatings and bitumen products in the country. IAC has brought to life NOLEAK<sup>®</sup>, BRITEX<sup>®</sup>, SEALKOTE<sup>®</sup>, EXCHEMIE<sup>®</sup>, amongst others. These registered trademarks are household names with an undisputed demand for the quality assured by these brands.



**INDUSTRIAL ASPHALTS (CEYLON) PLC**  
INCOME STATEMENT

	For the six months ended			For the quarter ended		
	30.09.16 (unaudited) Rs'000	30.09.15 (unaudited) Rs'000	Growth %	30.09.16 (unaudited) Rs'000	30.09.15 (unaudited) Rs'000	Growth %
Revenue	14,533	40,982	-65%	3,831	25,409	-85%
Cost of Sales	(8,066)	(27,783)	-71%	(2,429)	(16,824)	-86%
<b>Gross Profit</b>	<b>6,467</b>	<b>13,200</b>	-51%	<b>1,402</b>	<b>8,586</b>	-84%
Other Income	8	2,152	-100%	3	1,044	-100%
Distribution Expenses	(2,400)	(2,722)	-12%	(1,241)	(2,166)	-43%
Administrative Expenses	(3,341)	(6,623)	-50%	(2,886)	(4,299)	-33%
<b>Profit/ (Loss) from operating activities</b>	<b>735</b>	<b>6,006</b>	-88%	<b>(2,721)</b>	<b>3,164</b>	-186%
Net Finance Cost	(4,712)	(899)	424%	(2,455)	(614)	300%
<b>Profit/ (Loss) before Tax</b>	<b>(3,978)</b>	<b>5,107</b>	-178%	<b>(5,177)</b>	<b>2,550</b>	-303%
Tax Expense		(736)	-100%	-	(368)	-100%
<b>Profit/ (Loss) for the period</b>	<b>(3,978)</b>	<b>4,371</b>	-191%	<b>(5,177)</b>	<b>2,182</b>	-337%
<b>Earnings per share (Rs.):</b>						
Basic earnings/ (loss) per ordinary share	(5.97)	6.56		(7.77)	3.27	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

**INDUSTRIAL ASPHALTS (CEYLON) PLC**  
STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended			For the quarter ended		
	30.09.16 (unaudited) Rs'000	30.09.15 (unaudited) Rs'000	Growth %	30.09.16 (unaudited) Rs'000	30.09.15 (unaudited) Rs'000	Growth %
<b>Profit/ (Loss) for the period</b>	(3,978)	4,371	-191%	(5,177)	2,182	-337%
Other comprehensive income for the period (net of tax)	-	-	0%	-	-	0%
<b>Total comprehensive income for the period (net of tax)</b>	<b>(3,978)</b>	<b>4,371</b>	-191%	<b>(5,177)</b>	<b>2,182</b>	-337%
<b>Profit/ (loss) attributable to: Equity holders of the Company</b>	(3,978)	4,371	-191%	(5,177)	2,182	-337%

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

## INDUSTRIAL ASPHALTS (CEYLON) PLC

### STATEMENT OF FINANCIAL POSITION

As at	30.09.16 (unaudited) Rs'000	31.03.16 (audited) Rs'000	Growth %
<b>ASSETS</b>			
Property, plant and equipment	78,688	66,473	18%
Lease Hold Land	2,592	2,612	-1%
Intangible Assets	29	96	-70%
<b>Non-current Assets</b>	<b>81,310</b>	<b>69,180</b>	<b>18%</b>
Inventories	33,166	35,420	-6%
Trade and other receivables	39,152	56,856	-31%
Amounts due from related companies	201	201	0%
Financial investments - Fair value through profit or loss	14	14	0%
Held to maturity investments	376	376	0%
Cash & cash Equivalents	1,175	354	232%
<b>Current Assets</b>	<b>74,084</b>	<b>93,220</b>	<b>-21%</b>
<b>TOTAL ASSETS</b>	<b>155,394</b>	<b>162,401</b>	<b>-4%</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Stated Capital	6,666	6,666	0%
Revaluation Reserve	46,113	46,113	0%
General Reserve	15,141	15,141	0%
Retained Earnings	(346)	3,632	-110%
<b>Total Equity</b>	<b>67,574</b>	<b>71,552</b>	<b>-6%</b>
<b>Liabilities</b>			
Deferred tax liability	5,018	5,010	0%
Retirement benefit obligation	1,194	999	20%
<b>Non-current Liabilities</b>	<b>6,213</b>	<b>6,010</b>	<b>3%</b>
Trade and other payables	3,158	4,407	-28%
Income tax payable	-	16	0%
Dividend payable	971	979	-1%
Interest bearing loans and borrowings	14,347	15,930	-10%
Non-interest bearing loans and borrowings	-	1,474	-100%
Bank overdraft	63,131	62,034	2%
<b>Current Liabilities</b>	<b>81,607</b>	<b>84,839</b>	<b>-4%</b>
<b>Total Liabilities</b>	<b>87,820</b>	<b>90,849</b>	<b>-3%</b>
<b>Total Equity &amp; Liabilities</b>	<b>155,394</b>	<b>162,401</b>	<b>-4%</b>
Net Assets Value per Ordinary Share (Rs.)	101.38	107.34	

The Financial Statements are in compliance with the requirements of Companies Act No. 7 of 2007.

Above Balance Sheet of the Company as at 30th September 2016 and Income Statement for the six months ended as at that date are drawn up from unaudited accounts of the company and provide information as required by Colombo Stock Exchange.

#### S. Fernando

Financial Controller

Approved and signed for and behalf of the Board of Directors

#### M. Perera

Director

#### G. Ramanan

Managing Director/ CEO

15th November 2016  
Colombo

**INDUSTRIAL ASPHALTS (CEYLON) PLC**  
STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2016

	Stated Capital Rs.'000	Capital Reserve Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
<b>Balance as at 1st April 2015 (audited)</b>	6,666	46,113	15,141	17,878	85,798
Net Profit/ (Loss) for the six months	-	-	-	4,371	4,371
Other Comprehensive Income for the period	-	-	-	-	-
<b>Balance as at 30th September 2015</b>	<b>6,666</b>	<b>46,113</b>	<b>15,141</b>	<b>22,248</b>	<b>90,168</b>
Net Profit/ (Loss) for the six months	-	-	-	(15,429)	(15,429)
Other Comprehensive Income for the period	-	-	-	(188)	(188)
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,617)</b>	<b>(15,617)</b>
Dividend paid	-	-	-	(3,000)	(3,000)
<b>Balance as at 31st March 2016 (audited)</b>	<b>6,666</b>	<b>46,113</b>	<b>15,141</b>	<b>3,632</b>	<b>71,552</b>
<b>Balance as at 1st April 2016 (audited)</b>	6,666	46,113	15,141	3,632	71,552
Net Profit/ (Loss) for the period	-	-	-	(3,978)	(3,978)
Other Comprehensive Income for the period	-	-	-	-	-
<b>Total Comprehensive Income for the period</b>	<b>6,666</b>	<b>46,113</b>	<b>15,141</b>	<b>(346)</b>	<b>67,574</b>
Dividend paid	-	-	-	-	-
<b>Balance as at 30th September 2016 (unaudited)</b>	<b>6,666</b>	<b>46,113</b>	<b>15,141</b>	<b>(346)</b>	<b>67,574</b>

**INDUSTRIAL ASPHALTS (CEYLON) PLC**  
CASH FLOW STATEMENT

<b>For the six months ended 30th September</b>	Unaudited 2016 Rs'000	Unaudited 2015 Rs'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before Tax	(3,978)	5,107
<i>Adjustments for:</i>		
Depreciation & Amortization	2,832	2,218
Gain on disposal of property, plant & equipment	-	(950)
Interest Income	(8)	(162)
Provision for Gratuity	195	-
Investment Income	-	-
Change in Market value of investment	-	-
Net Finance Cost	4,712	899
<b>Operating Profit before working capital changes</b>	<b>3,754</b>	<b>7,112</b>
<b>Changes in working capital:</b>		
(Increase)/ Decrease in Inventories	2,254	(4,560)
(Increase)/ Decrease in Trade and other receivables	17,703	(6,191)
Increase/ (Decrease) in Trade and other payables	(1,264)	(3,492)
<b>Cash generated from/ (used in) operations</b>	<b>22,447</b>	<b>(7,131)</b>
Net Finance Cost	(4,712)	(899)
Gratuity paid	-	-
Taxation paid	-	-
<b>Net Cash generated from/ (used in) operating activities</b>	<b>17,734</b>	<b>(8,030)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase and construction of property, plant & equipment	(14,961)	(7,831)
Proceeds on disposal of property, plant & equipment	-	950
Purchases of Intangible Assets	-	-
Investment in Fixed Deposits	-	(3,000)
Financial investments - Fair value through profit or loss	-	(10)
Investment in available for sale securities	-	-
Investment Income	-	-
Interest Income	8	162
Dividend Received	-	-
<b>Net Cash from/ (used in) Investing activities</b>	<b>(14,953)</b>	<b>(9,729)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Increase/ (Decrease) in loans/ borrowings	(3,057)	8,390
Commission Retain	-	-
Dividends paid	-	-
<b>Net Cash generated from/ (used in) Financing activities</b>	<b>(3,057)</b>	<b>8,390</b>
Net Increase/ (Decrease) in Cash & cash Equivalents	(276)	(9,369)
Cash & cash equivalents at beginning of period	(61,680)	3,763
<b>Cash &amp; cash equivalents at end of period</b>	<b>(61,956)</b>	<b>(5,606)</b>
Cash & short-term funds as at 30th September	1,175	218
Bank overdraft as at 30th September	(63,131)	(5,824)
	<b>(61,956)</b>	<b>(5,606)</b>



**INDUSTRIAL ASPHALTS (CEYLON) PLC**  
 SHAREHOLDING INFORMATION

## Top 20 Shareholders

Name of the Shareholder	As at 30 September 2016	%
GOVINDASAMY RAMANAN	443,934	66.60
DR. THIRUGNANASAMBANDAR SENTHILVERL	43,500	6.53
MRS. KULARATNE SIRIYAWATHIE SOMAPALA	29,746	4.46
SAMPATH BANK PLC/MR SHABBIR HUSAIN ABBAS GULAMHUSA	19,004	2.85
MR. DON BUDDHADASA WETHASINGHE	12,000	1.80
MR. MURUGESU MAHIBALAN	11,291	1.69
MR. DEVALAMUNI PUSHPA KUMARA	7,436	1.12
MR. DEVALAMUNI SAVINDRA SARATH KUMARA	7,436	1.12
MR. HAMISH WINSTON MCDONALD WOODWARD	6,932	1.04
MR. MOHAMED MALICK ABDUL LATIFF	6,253	0.94
WALDOCK MACKENZIE LTD/MR.S.A.GULAMHUSEIN	4,508	0.68
MR. ROHITH UDALAGAMA	4,000	0.60
MR. SIRI GAMINI NISSANKA HERATH	3,330	0.50
MR. ALSTON CLIFFORD PERERA GUNASENA	3,034	0.46
MR. RATHWELLA GALAPITADENIYA GAYAN WIJESURIYA	2,935	0.44
MRS JANAKI MYLVAGANAM	2,466	0.37
MR. RATHNAYAKA MUDIYANSELAGE SUMANARATHNA BANDA	2,455	0.37
MRS. ANOJA LALANIE HULANGAMUWA	2,306	0.35
EXECUTOR OF THE LAST WILL AND TESTAMENT OF THE LATE MR. A.Y.S. GNANAM	2,254	0.34
MR. MOHAMED ANNES JUNAID	2,071	0.31
	<b>616,891</b>	<b>92.57</b>

**Computation of Public Shareholding as at 30th September 2016**

	Number of shares	Holding %
Parent Company	-	-
Subsidiaries and Associate Companies of Parent	-	-
Subsidiaries of Company	-	-
Related Party entities		
- Sigma Holdings (Pvt) Limited	470	0.07%

**Directors Shareholding as at 30th September 2016**

Director Name	Number of shares	Holding %
Mr. G Ramanan	443,934	66.60%
Mr. M Perera	-	-
Mr. S P Muthusamy	-	-
Dr. S.A. Gulamhusein	23,938	3.59%
	<b>467,872</b>	<b>70.19%</b>
Spouse and children of Directors	-	-

**Public Holding**

198,220 29.74%

**Total Number of Ordinary shares in issue (Voting)**

666,562 100.00%

## Number of Shareholders

Total number of shareholders as at 30th September 2016	375
Number of shareholders representing the Public holding	367

**Market value of shares for the quarter ended**

	30.09.2016	30.09.2015
Highest price per share ( Rs. )	369.00	389.00
Lowest price per share( Rs. )	285.00	305.00
Last traded price per share ( Rs. )	300.00	374.90

## INDUSTRIAL ASPHALTS (CEYLON) PLC

### EXPLANATORY NOTES

- 1 The Interim Financial Statements for the six months ended 30th September 2016 are drawn up from unaudited accounts of the Company.
- 2 These Interim Financial Statements are presented in accordance with LKAS 34 - Interim Financial Reporting and as required by Colombo Stock Exchange in terms of Rule 7.4.
- 3 There were no changes to the accounting policies and the methods of computation since the annual accounts were published for the year ended 31st March 2016.
- 4 There were no material capital commitments and contingencies as at 30th September 2016 except for the following.
  - a) Commitment for capital expenditure as at 30th September 2016 would amount to Rs.4,839,660
- 5 No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the financial statements.
- 6 Dividends paid (Per Share in Rupees)

	Quarter ended 30.09.16	Quarter ended 30.09.15
Voting Ordinary Shares	-	-

**INDUSTRIAL ASPHALTS (CEYLON) PLC**

## CORPORATE INFORMATION

<b>Legal Form</b>	Quoted Public Company with limited liability listed on the Colombo Stock Exchange
<b>Date of Incorporation</b>	30 June 1964
<b>Date of Re-registration</b>	1 August 2008
<b>Accounting year end</b>	31 March
<b>New Registration Number</b>	PQ185
<b>Registered Office</b>	No.28/1, New Nuge Road, Peliyagoda
<b>Website</b>	<a href="http://www.iac.lk">www.iac.lk</a>
<b>Auditors</b>	A. I. Macan Markar & Co. Chartered Accountants 46-2/1, 2nd Floor, Lauries Road, Colombo 4
<b>Directors</b>	G. Ramanan (Managing Director/ CEO) M. Perera (Non-Executive Independent Director) S.P. Muthusammy (Non-Executive Independent Director) Dr. Shabbir Gulamhusein (Non-Executive Independent Director)
<b>Company Secretaries</b>	K H L Corporate Services Ltd. No.02, Deal Place, Colombo 03
<b>Registrars</b>	K H L Corporate Services Ltd. No.02, Deal Place, Colombo 03
<b>Bankers</b>	Commercial Bank of Ceylon PLC Bank of Ceylon Hatton National Bank PLC



*Industrial Asphalts (Ceylon) PLC*

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