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industrial asphalts (ceylon) plc

INTERIM FINANCIAL STATEMENTS

Q2 - 2026/2027



FORESIGHT ★ AUDACITY

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STATEMENT OF COMPREHENSIVE INCOME

		For the six months ended			For the quarter ended		
	Notes	30.09.26 (unaudited) Rs'000	30.09.25 (unaudited) Rs'000	Change %	30.09.26 (unaudited) Rs'000	30.09.25 (unaudited) Rs'000	Change %
Revenue	4	26,039	26,387	-1%	13,434	12,528	7%
Realized Gain/ (Loss) on Financial Asset at FVTPL		(3,742)	30,514	-112%	-	31,128	-100%
Other Income		1,248	8,999	-86%	1,248	8,999	-86%
Administrative Expenses		(28,798)	(34,355)	16%	(14,674)	(18,826)	22%
Unrealized Gain/ (Loss) on Financial Asset at FVTPL		21,539	-	100%	(1,692)	(10,880)	84%
Gain/ (Loss) on Revaluation of Investment Property		-	-	-	-	-	-
Profit/ (Loss) from Operating Activities		16,286	31,545	-48%	(1,684)	22,949	-107%
Net Finance Income/ (Charges)		(2,052)	(4,648)	56%	(401)	(1,549)	74%
Profit/ (Loss) before Tax		14,234	26,897	-47%	(2,085)	21,400	-110%
Tax (Expense)/ Reversal		(437)	(4,196)	90%	(303)	(2,523)	88%
Profit/ (Loss) for the period		13,797	22,701	-39%	(2,388)	18,877	-113%
Other Comprehensive Income/ (Expenses) for the period, net of tax							
Items that will not be reclassified to profit or loss							
Actuarial gain/ (loss) on defined benefit plans		-	-	-	-	-	-
Tax effects on Other Comprehensive Income		-	-	-	-	-	-
Other Comprehensive Income/ (Expenses) for the period, net of tax		-	-	-	-	-	-
Total Comprehensive Income/ (Expenses) for the period, net of tax		13,797	22,701	-39%	(2,388)	18,877	-113%
Profit/ (Loss) attributable to:							
Equity Holders of the Company		13,797	22,701	-39%	(2,388)	18,877	-113%
Total Comprehensive Income/ (Expenses) attributable to:							
Equity Holders of the Company		13,797	22,701	-39%	(2,388)	18,877	-113%
Earnings per share (Rs.):							
Diluted and Basic Earnings/ (Loss) per Ordinary Share		0.004	0.006		(0.001)	0.005	

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

STATEMENT OF FINANCIAL POSITION

As at	Notes	30.09.26 (unaudited) Rs'000	31.03.26 (audited) Rs'000	Change %
ASSETS				
Other Fixed Assets		3,251	7,492	-57%
Investment Property		1,447,000	1,447,000	0%
Right Of Use Asset		19,962	23,758	-16%
Non-current Assets		1,470,214	1,478,249	-1%
Receivables and Prepayments		560	42,759	-99%
Other Financial Assets	5	94,102	22,570	317%
Financial Assets at FVTPL		10,007	119,333	-92%
WHT Recoverable		16,189	13,849	17%
Cash & Cash Equivalents		2,616	164	1492%
Current Assets		123,475	198,675	-38%
TOTAL ASSETS		1,593,689	1,676,924	-5%
EQUITY & LIABILITIES				
Capital & Reserves				
Stated Capital		156,642	156,642	0%
General Reserve		15,141	15,141	0%
Retained Earnings		1,308,589	1,294,792	1%
Total Equity		1,480,373	1,466,575	1%
LIABILITIES				
Lease Liabilities		8,066	10,208	21%
Deferred Tax Liability		59,730	59,294	-1%
Retirement Benefit Obligation		2,406	18,906	87%
Non-current Liabilities		70,203	88,409	21%
Other Payables		1,854	6,995	73%
Lease Liabilities		4,174	3,960	-5%
Refundable Rent Deposit Received		35,400	35,400	-
Unclaimed Dividends		1,685	1,685	-
Bank Overdraft		-	73,901	100%
Current Liabilities		43,113	121,941	65%
Total Liabilities		113,316	210,349	46%
TOTAL EQUITY & LIABILITIES		1,593,689	1,676,924	-5%
Net Assets Value per Ordinary Share (Rs.)		0.39	0.39	

The Statement of Financial Position as at 30 September 2026 and related Statements of Comprehensive Income, Changes in Equity and Cash Flow for the period ended 30 September 2026 are drawn up from the unaudited Financial Statements of the Company, and they provide the information required by the Colombo Stock Exchange.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. The Financial Controller certifies that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

S. Fernando
Financial Controller

Approved and signed for and on behalf of the Board of Directors

Mr. G. Ramanan
Director

Mr. R. Kishore Ignatius
Director

11th November 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2026

	Stated Capital Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
Balance as at 1 April 2025 (audited)	156,642	15,141	1,238,858	1,410,641
Net Profit/ (Loss) for the six months	-	-	22,701	22,701
Other Comprehensive Income/ (Expenses) net of tax	-	-	-	-
Total Comprehensive Income/ (Expenses) for the period	156,642	15,141	1,261,559	1,433,343
Transactions with Equity Holders				
Dividend paid	-	-	-	-
Balance as at 30 September 2025	156,642	15,141	1,261,559	1,433,343
Balance as at 1 April 2026 (audited)	156,642	15,141	1,294,792	1,466,575
Net Profit/ (Loss) for the six months	-	-	13,797	13,797
Other Comprehensive Income/ (Expenses) net of tax	-	-	-	-
Total Comprehensive Income/ (Expenses) for the period	156,642	15,141	1,308,589	1,480,373
Transactions with equity holders				
Dividend paid	-	-	-	-
Balance as at 30 September 2026 (unaudited)	156,642	15,141	1,308,589	1,480,373

STATEMENT OF CASH FLOWS

For the six months ended 30 September

	Unaudited 2026 Rs'000	Unaudited 2025 Rs'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax	14,234	26,897
Adjustments for:		
Depreciation & Amortization	1,283	977
Right of Use Assets Amortization	3,795	1,045
Provision for Gratuity	1,500	1,500
Fixed Assets Disposal (Gain)/ Loss	(1,248)	(8,999)
Unrealized Gain/ (Loss) on Financial Asset at FVTPL	(21,539)	-
Net Finance Cost	2,052	4,648
Operating Profit before Working Capital changes	77	26,068
Changes in Working Capital:		
(Increase)/ Decrease in Receivable on Equity Investments	-	-
(Increase)/ Decrease in Deposits & Prepayments	42,198	(13,049)
Increase/ (Decrease) in Payable on Equity Investments	-	(45,573)
Increase/ (Decrease) in Accrued Expenses	(5,141)	(4,029)
Cash generated from/ (used in) Operations	37,135	(36,583)
Interest Paid	(2,052)	(4,648)
WHT Paid	(2,341)	(2,290)
Gratuity paid	(18,000)	-
Taxation paid	-	-
Net Cash generated from/ (used in) Operating Activities	14,742	(43,521)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase and construction of Property, Plant & Equipment	-	(5,321)
Investment in Right of Use Assets	-	(11,838)
Investment in Other Financial Assets	(71,532)	(35,309)
Investments in Financial Assets at FVTPL	130,865	(161,996)
Sales Proceeds from Investments in Financial Assets at FVTPL		320,634
Sales Proceeds from Property, Plant & Equipment	4,206	9,000
Dividend Received	-	-
Net Cash from/ (used in) Investing Activities	63,539	115,170
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,928)	(516)
Net Increase/ (Decrease) in Interest Bearing Loans/ Borrowings	-	-
Dividends paid	-	-
Net Cash generated from/ (used in) Financing Activities	(1,928)	(516)
Net Increase/ (Decrease) in Cash & Cash Equivalents	76,353	71,133
Cash & Cash Equivalents at beginning of period	(73,736)	(65,722)
Cash & Cash Equivalents at end of period	2,616	5,411
Cash & Short-term Funds as at 30 September	2,616	5,411
Bank Overdraft as at 30 September	-	-
	2,616	5,411

NOTES TO THE FINANCIAL STATEMENTS

1 The Interim Financial Statements for the six months ended 30 September 2026 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 have been no changes to the accounting policies and methods of computation since the Company's audited financial statements were published for the year ended 31 March 2026, being the most recent audited financial statements available as at the date of this report.

4 **Revenue**

	For the Six Months Ended		For the Quarter Ended	
	30.09.26	30.09.25	30.09.26	30.09.25
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rent Income from Investment Property	23,408	22,899	11,704	11,704
Interest Income on Short term Investments	2,498	2,054	1,597	699
Dividend Income	133	1,434	133	125
	26,039	26,387	13,434	12,528

5 Other Financial Assets comprise of short term investments in Government Securities and investment in Fixed Deposits.

6 There were no material capital commitments and contingencies as at 30 September 2026.

7 No circumstances have arisen since the Statement of Financial Position date which would require adjustments to or disclosure in the Financial Statements.

8 Certain comparative figures have been restated to conform to the classification and presentation as at 30 September 2026.

9 **Dividends paid (Per Share in Rupees)**

	Quarter ended 30.09.26	Quarter ended 30.09.25
Voting Ordinary Shares	-	-

NOTES TO THE FINANCIAL STATEMENTS

10 Disclaimer of Opinion and Transfer of Company's Securities to the Watch List –

The Securities of the Company had been transferred to the Watch List of the CSE with effect from 20th October 2026 due to the Disclaimer of Opinion contained in the Independent Auditor's Report in the Audited Financial Statements for the year ended 31st March 2026.

The main two (2) bases for the Disclaimer of Opinion are the fair valuation of the investment property and the advance given to the Key Management Personnel (KMP) during the financial year 2025/26.

The External Auditors, B.R De Silva & Co. were in disagreement with the investment property valuation report for 31st March 2026 which was valued by KPMG Real Estate & Valuation Services (Pvt) Ltd, despite detailed explanation and further written clarification provided by the KPMG Real Estate team.

KPMG Real Estate & Valuation Services (Pvt) Ltd has provided written clarification that they have clearly provided the methodology, market analysis and principal assumptions applied in arriving at the fair value. The Board of Directors are not in agreement to the disclaimer of opinion and the reasons for disagreement was not mentioned by the auditors, B R De Silva & Co.

Further, the Board Audit Committee obtained an independent legal opinion from an expert legal firm confirming the validity of the advance payment made to Key Management Personnel during the FY 2025/26, which was subsequently settled in full. The auditors, B.R. De Silva & Co., have rejected the expert legal opinion given by the legal firm which caused a basis for Disclaimer of Opinion stating that their internal expert has rejected it. The Board obtained a second legal opinion which was consistent with the legal opinion given by expert legal firm.

Remedial action proposed to be taken by the Company to resolve the matters giving rise to the Disclaimer of Opinion –

The Board of Directors will continue to seek clarification from the auditors, B R De Silva & Co., with the reasons for disputing the KPMG Valuation and the reason for not agreeing to the expert legal opinion together with the profiles of their internal experts who disputed these reports.

The Board of Directors would take necessary steps to ensure an independent audit opinion is obtained from an audit firm to present the true and fair view of the financial statements based on the CSE Listing Rules to transfer the company out of the watch list and the AGM date will be notified in due course to take this process forward.

SHAREHOLDERS INFORMATION

Top 20 Shareholders as at 30 September

Name of the Shareholder	2026 No. of shares	%	2025 No. of shares	%
MR. G. RAMANAN *	1,800,693,010	48.03%	1,800,693,010	48.03%
MR. B. SRIKUMAR *	160,000,000	4.27%	160,000,000	4.27%
MISS. ANNE JUDITH SYLVIA NIMSMI AMERASINGHE	76,500,000	2.04%	76,500,000	2.04%
SAMPATH BANK PLC/MR SHABBIR ABBAS GULAMHUSEIN	66,223,946	1.77%	66,223,946	1.77%
MRS. S. BALENDRA	56,565,103	1.51%	56,565,103	1.51%
MR. DON BUDDHADASA WETHASINGHE	54,000,000	1.44%	54,000,000	1.44%
MR. M.A.A.H. MOOSAJEE	49,576,949	1.32%	-	-
CITIZENS DEVELOPMNT BUSINESS FINANCE PLC/M.N. RATNAPRIYA	35,483,961	0.95%	5,874,092	0.16%
MRS. M.A.C. FELSINGER	30,000,000	0.80%	7,000,000	0.19%
MR. M.L.C. FERNANDO	25,300,000	0.67%	19,000,000	0.51%
SENKADAGALA FINANCE PLC/K.T.L.A.J.PEIRIS	19,549,000	0.52%	-	-
DIALOG FINANCE PLC/S.A.DE SILVA AND D.R.DE SILVA	19,356,457	0.52%	19,600,000	0.52%
MR. J. RUDRA & MRS. S.RUDRA	18,000,000	0.48%	6,000,000	0.16%
MR. MODERAGE MARIAN JANEK WAAS JAYASEKARA	17,521,110	0.47%	17,521,111	0.47%
MRS. PREMILA O. BOGAHALANDA	16,731,000	0.45%	16,731,000	0.45%
MR. A.D.I. PUSHPAKUMARA	16,263,480	0.43%	2,613,474	0.07%
SEYLAN BANK PLC/GLADSTONE CAPITAL (PRIVATE) LIMITED	15,441,059	0.41%	-	-
MR. K.K. WEERASINGHE	15,180,697	0.40%	-	-
MR. A.M. INDURUWAGE	15,000,000	0.40%	-	-
STAR PACKAGING (PVT) LTD	15,000,000	0.40%	15,000,000	0.40%
	2,522,385,772	67.27%	2,323,321,736	61.96%

* Arcasia Investment & Trading (Pvt) Ltd and ATX Partners (Pvt) Ltd have made a voluntary offer (Subsequently converted to a mandatory offer) to acquire all the issued ordinary shares of Industrial Asphalts (Ceylon) PLC. Mr. G. Ramanan, the Executive Director of Industrial Asphalts (Ceylon) PLC and holder of 1,800,693,010 ordinary shares, representing approximately 48.03% of the total issued shares of the Company, has agreed to sell his entire shareholding to the Offerors at LKR 0.40 per share pursuant to a binding share sale and purchase agreement dated 7th July 2026. In addition, Mr. B. Srikumar has agreed to sell 80,000,000 ordinary shares, representing approximately 2.13% of the total issued shares of the Company, to the Offerors at the same consideration under a binding agreement dated 7th July 2026. The Voluntary Offer was converted to a Mandatory Offer with effect from 24th August 2026 with the acceptance of the offer by 50.16% shareholding. In terms of the Offer Document, the Offer has become unconditional as to acceptances, with effect from 24th August 2026. The Offer is on hold pending regulatory approvals.

SHAREHOLDERS INFORMATION

Computation of Public Shareholding as at 30 September	2026 No. of shares	2026 Holding %	2025 No. of shares	2025 Holding %
Parent Company	-	-	-	-
Subsidiaries and Associate Companies of Parent	-	-	-	-
Subsidiaries of Company	-	-	-	-
Related Party entities				
- Sigma Holdings (Pvt) Limited	2,115,000	0.06%	2,115,000	0.06%

Directors Shareholding as at 30 September

Director Name	No. of shares	Holding %	No. of shares	Holding %
Mr. G Ramanan	1,800,693,010	48.03%	1,800,693,010	48.03%
Mr. N.K. Dahanayake	1,000,000	0.03%	1,000,000	0.03%
Mr. R. Kishore Ignatius	-	0.00%	-	0.00%
Mr. S. Marimuthu	8,100,000	0.22%	7,700,000	0.21%
Mr. R. Raguneethan	7,017,338	0.19%	7,017,338	0.19%
	1,816,810,348	48.46%	1,816,410,348	48.45%
Spouse and children of Directors	-	-	-	-
Public Holding	1,930,485,902	51.49%	1,930,885,902	51.50%
Total Number of Ordinary shares in issue (Voting)	3,749,411,250	100.00%	3,749,411,250	100.00%

Number of Shareholders	30-Sep-26	30-Sep-25
Total number of shareholders	7,009	5,893
Number of shareholders representing the Public holding	7,003	5,886
Float adjusted Market Capitalization (Rs.)	1,158,291,541	772,354,361

The Company complies with the Minimum Public Holding Requirement under option 5 as set out in the Listing Rules 7.13.1(a) as at reporting date.

Market value of shares for the quarter ended	30-Sep-26	30-Sep-25
Highest price per share (Rs.)	0.90	0.50
Lowest price per share(Rs.)	0.50	0.30
Last traded price per share (Rs.)	0.60	0.40

CORPORATE INFORMATION

Name of Company
Industrial Asphalts (Ceylon) PLC

Legal Form
Quoted Public Company with limited liability listed on the Colombo Stock Exchnage since 1978.

Date of Incorporation
30 June 1964

Date of Re-registration
1 August 2008

New Registration Number
PQ185

Registered Office
MMBL Pathfinder Office Complex
No.345/D, Negombo Road, Peliyagoda.
Tel :011 3 771 739, Fax : 011 5 289 849
Email : info@iac.lk

Corporate Website
www.iac.lk

Accounting year end
31 March

Auditors
B.R. De Silva & Co.
Chartered Accountants
No.22/4, Vijaya Kumaranatunga Mw.,
Colombo 5

Bankers
Commercial Bank of Ceylon PLC
Bank of Ceylon
Hatton National Bank PLC

Company Secretaries
Ninecap Corporate Solutions (Pvt) Ltd.
No.55, Vinayalankara Mawatha,
Colombo 10

Registrars
Central Depository Systems (Pvt) Ltd.
Ground Floor, M & M Center,
341/5, Kotte Road, Rajagiriya

Board of Directors
Mr. G. Ramanan (Executive Director)
Mr. S. Marimuthu (Non-Executive, Senior Independent Director)
Mr. N.K. Dahanayake (Non-Executive Director)
Mr. R. Kishore Ignatius (Non-Executive Independent Director)
Mr. R. Raguneethan (Non-Executive Independent Director)

Board Sub-Committees

Board Audit Committee
Mr. R. Kishore Ignatius - Chairman
Mr. S. Marimuthu
Mr. N.K. Dahanayake

Investment Committee
Mr. S. Marimuthu - Chairman
Mr. R. Kishore Ignatius
Mr. N.K. Dahanayake

Nominations and Governance Committee
Mr. S. Marimuthu - Chairman
Mr. N.K. Dahanayake
Mr. R. Kishore Ignatius

Related Party Transactions Review Committee
Mr. R. Kishore Ignatius - Chairman
Mr. N.K. Dahanayake
Mr. S. Marimuthu

Remuneration Committee
Mr. S. Marimuthu - Chairman
Mr. N.K. Dahanayake
Mr. R. Kishore Ignatius



industrial asphalts (ceylon) PLC

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