

**INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019**



LANKA ALUMINIUM INDUSTRIES PLC (PQ 187)

LANKA ALUMINIUM INDUSTRIES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Company		Group	
	Un-Audited	Audited	Un-Audited	Audited
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
	Rs '000	Rs '000	Rs '000	Rs '000
ASSETS				
Non-Current Assets				
Property, plant & equipment	1,494,205	1,501,168	1,608,680	1,617,586
Intangible assets	1,480	1,734	1,480	1,734
Investment in subsidiaries	3,600	3,600	-	-
Other non-current financial assets	14,834	19,241	14,834	19,241
Total Non Current Assets	1,514,119	1,525,743	1,624,994	1,638,561
Current Assets				
Inventories	519,125	400,451	564,184	455,489
Trade and other receivables	612,546	718,411	663,009	796,365
Amount due from related parties	71,405	67,334	4,956	3,603
Income tax recoverable	14,404	-	15,335	670
Other current financial assets	-	-	28,420	25,706
Cash and cash equivalents	22,492	27,566	23,622	28,042
Total Current Assets	1,239,972	1,213,762	1,299,526	1,309,875
Total Assets	2,754,091	2,739,505	2,924,520	2,948,436
EQUITY & LIABILITIES				
Equity				
Stated capital	137,028	137,028	137,028	137,028
Reserves	443,085	447,494	523,113	527,521
Retained earnings	651,321	618,937	668,477	638,352
Total Equity attributable to equity holders of the company	1,231,434	1,203,459	1,328,618	1,302,901
Non-controlling interests	-	-	11,365	12,039
Total Equity	1,231,434	1,203,459	1,339,983	1,314,940
Non-Current Liabilities				
Loans and borrowings	45,372	87,592	58,372	104,592
Retirement benefit obligations	51,529	46,751	52,293	47,336
Deferred tax liabilities	313,989	286,336	318,031	290,626
Total Non Current Liabilities	410,890	420,679	428,696	442,554
Current Liabilities				
Trade and other payables	164,340	221,386	170,190	254,409
Amount due To related parties	3,980	3,726	-	-
Income tax payable	-	8,566	734	9,151
Loans and borrowings	842,769	805,451	871,637	829,635
Bank Overdrafts	100,678	76,238	113,280	97,747
Total Current Liabilities	1,111,767	1,115,367	1,155,841	1,190,942
Total Liabilities	1,522,657	1,536,046	1,584,537	1,633,496
Total Equity and Liabilities	2,754,091	2,739,505	2,924,520	2,948,436
Net assets per share (Rs.)	89.87	87.82	96.96	95.08

All values are in Rupees '000, unless otherwise stated. These figures are not audited.

I certify that these Interim Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Sgd.

A.F. Feroze Noon
Group General Manager - Finance & Administration

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by ,

Sgd.

J.D. Peiris
Managing Director

Sgd.

R. Seevaratnam
Director

28th May 2019

LANKA ALUMINIUM INDUSTRIES PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the quarter ended 31st March			For the year ended 31st March		
	Un-Audited	Un-Audited		Un-Audited	Audited	
	2019 Rs'000	2018 Rs'000	% Change	2019 Rs'000	2018 Rs'000	% Change
Revenue	485,560	630,157	(23)	2,019,913	2,217,901	(9)
Cost of Sales	(388,342)	(437,813)	(11)	(1,518,035)	(1,550,706)	(2)
Gross Profit	97,218	192,344	(49)	501,879	667,195	(25)
Other income	4,624	4,813	(4)	6,698	10,303	(35)
Administrative and general expenses	(33,486)	(41,537)	(19)	(143,423)	(155,568)	(8)
Marketing and distribution expenses	(39,081)	(39,605)	(1)	(139,474)	(125,220)	11
Profit from operations	29,275	116,015	(75)	225,680	396,710	(43)
Net finance expense	(36,557)	(31,842)	15	(143,385)	(123,424)	16
Profit from operations after net finance expense	(7,282)	84,173	(109)	82,295	273,286	(70)
Income tax expense	1,135	(23,534)	(105)	(27,445)	(78,589)	(65)
Profit for the year	(6,146)	60,640	(110)	54,851	194,697	(72)
Profit/(loss) attributable to:						
Equity holders of the company	(6,202)	58,934	(111)	55,532	192,303	(71)
Non-controlling Interests	56	1,706	(97)	(681)	2,394	(128)
Profit for the year	(6,146)	60,640	(110)	54,851	194,697	(72)
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation of property, plant and equipment	-	185,831	(100)	-	186,398	(100)
Deferred tax on revaluation surplus of land and buildings	-	(121,793)	(100)	-	(121,793)	(100)
Actuarial gains/(losses) on retirement benefit obligation	2,787	(1,181)	(336)	2,787	(2,551)	(209)
Tax on other comprehensive income	(780)	331	(336)	(780)	714	(209)
	2,006	63,187	(97)	2,006	62,768	(97)
<i>Items that are or may be reclassified to profit or loss</i>						
Net change in fair value of available-for-sale financial assets	(1,286)	(1,286)	-	(4,408)	4,472	(199)
Other comprehensive income for the year, net of tax	720	61,901	(99)	(2,402)	67,240	(104)
Total comprehensive income for the year, net of tax	(5,426)	122,541	(104)	52,449	261,937	(80)
Total comprehensive income attributable to:						
Equity holders of the company	(5,491)	120,831	(105)	53,121	259,542	(80)
Non-controlling Interests	65	1,710	(96)	(672)	2,395	(128)
Total comprehensive income for the year	(5,426)	122,541	(104)	52,449	261,937	(80)

Earnings Per Share (Rs.)

(0.45)

4.30

4.05

14.03

Figures in brackets indicate deductions
All values are in Rupees '000, unless otherwise stated.
These figures are not audited.

LANKA ALUMINIUM INDUSTRIES PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the quarter ended 31st March			For the year ended 31st March		
	Un-Audited	Un-Audited	%	Un-Audited	Audited	%
	2019 Rs'000	2018 Rs'000	Change	2019 Rs'000	2018 Rs'000	Change
Revenue	463,178	583,603	(21)	1,940,954	2,070,711	(6)
Cost of Sales	(372,680)	(402,123)	(7)	(1,454,108)	(1,436,891)	1
Gross Profit	90,498	181,480	(50)	486,846	633,820	(23)
Other income	4,900	3,453	42	7,092	12,899	(45)
Administrative and general expenses	(31,483)	(34,541)	(9)	(139,487)	(141,889)	(2)
Marketing and distribution expenses	(36,407)	(34,499)	6	(136,045)	(119,659)	14
Profit from operations	27,508	115,893	(76)	218,406	385,171	(43)
Net finance expense	(34,495)	(29,991)	15	(133,725)	(117,313)	14
Profit from operations after net finance expense	(6,987)	85,902	(108)	84,681	267,858	(68)
Income tax expense	1,260	(23,096)	(105)	(26,880)	(74,987)	(64)
Profit for the year	(5,727)	62,806	(109)	57,801	192,871	(70)
Profit/(loss) attributable to:						
Equity holders of the company	(5,727)	62,806	(109)	57,801	192,871	(70)
Profit for the year	(5,727)	62,806	(109)	57,801	192,871	(70)
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
Revaluation of property, plant and equipment	-	169,196	(100)	-	169,195	(100)
Deferred tax on revaluation surplus of land & buildings	-	(121,793)	(100)	-	(121,793)	(100)
Actuarial gains/(losses) on retirement benefit obligation	2,758	(1,193)	(331)	2,758	(2,515)	(210)
Tax on other comprehensive income	(772)	334	331	(772)	704	210
	1,986	46,544	(96)	1,986	45,591	(96)
<i>Items that are or may be reclassified to profit or loss</i>						
Net change in fair value of available-for-sale financial assets	(1,286)	(1,286)	-	(4,408)	4,472	(199)
Other comprehensive income for the year, net of tax	700	45,258	(98)	(2,422)	50,063	(105)
Total comprehensive income for the year, net of tax	(5,027)	108,064	(105)	55,379	242,934	(77)
Total comprehensive income attributable to:						
Equity holders of the company	(5,027)	108,064	(105)	55,379	242,934	(77)
Total comprehensive income for the year	(5,027)	108,064	(105)	55,379	242,934	(77)
Earnings Per Share (Rs.)	(0.42)	4.58		4.22	14.08	
Market Price Per Share						
Highest	65.50	74.60		70.00	94.50	
Lowest	45.40	62.00		45.40	62.00	
As at 31st March	54.40	63.80		54.40	63.80	

Figures in brackets indicate deductions
All values are in Rupees '000, unless otherwise stated.

LANKA ALUMINIUM INDUSTRIES PLC

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Equity Holders of the Parent					Non-controlling Interest	Total Equity Rs.'000
	Stated Capital	Revaluation Reserves	Available for Sale Reserve	Retained Earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
As at 01st April, 2017	137,028	470,815	(12,370)	482,145	1,077,618	9,836	1,087,454
Profit for the year	-	-	-	192,303	192,303	2,394	194,697
Other Comprehensive Income							
Revaluation of property, plant and equipment	-	186,398	-	-	186,398	-	186,398
Deferred tax on revaluation surplus of land & buildings	-	(121,793)	-	-	(121,793)	-	(121,793)
Net change in fair value of available-for-sale financial assets	-	-	4,472	-	4,472	-	4,472
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	(1,837)	(1,837)	1	(1,836)
Total comprehensive income for the year	-	64,603	4,472	190,465	259,540	2,395	261,935
Dividend declared	-	-	-	(34,257)	(34,257)	-	(34,257)
Dividends of subsidiaries to non-controlling interests	-	-	-	-	-	(192)	(192)
As at 31st March 2018	137,028	535,418	(7,897)	638,352	1,302,901	12,039	1,314,940
As at 01st April, 2018	137,028	535,418	(7,897)	638,352	1,302,901	12,039	1,314,940
Profit for the year	-	-	-	55,532	55,532	(681)	54,851
Other Comprehensive Income							
Net change in fair value of available-for-sale financial assets	-	-	(4,408)	-	(4,408)	-	(4,408)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	1,998	1,998	9	2,006
Total comprehensive income for the year	-	-	(4,408)	57,530	53,122	(672)	52,449
Dividend declared	-	-	-	(27,406)	(27,406)	-	(27,406)
As at 31st March 2019	137,028	535,418	(12,305)	668,477	1,328,618	11,365	1,339,983

COMPANY	Stated Capital Rs.'000	Available for Sale Reserve Rs.'000	Revaluation Reserves Rs.'000	Retained Earnings Rs.'000	Total Equity Rs.'000
As at 01st April, 2018	137,028	(12,370)	407,989	462,135	994,782
Profit for the year	-	-	-	192,871	192,871
Other Comprehensive Income					
Revaluation of property, plant and equipment	-	-	169,195	-	169,195
Deferred tax on revaluation surplus of land & buildings	-	-	(121,793)	-	(121,793)
Net change in fair value of available-for-sale financial assets	-	4,472	-	-	4,472
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	(1,811)	(1,811)
Total comprehensive income for the year	-	4,472	47,402	191,059	242,934
Dividend declared	-	-	-	(34,257)	(34,257)
As at 31st March 2018	137,028	(7,897)	455,391	618,937	1,203,459
As at 01st April, 2018	137,028	(7,897)	455,391	618,937	1,203,459
Profit for the year	-	-	-	57,801	57,801
Other Comprehensive Income					
Net change in fair value of available-for-sale financial assets	-	(4,408)	-	-	(4,408)
Actuarial gains/(losses) on retirement benefit obligation (net of tax)	-	-	-	1,986	1,986
Total comprehensive income for the year	-	(4,408)	-	59,787	55,379
Dividend declared	-	-	-	(27,406)	(27,406)
As at 31st March 2019	137,028	(12,306)	455,391	651,321	1,231,434

LANKA ALUMINIUM INDUSTRIES PLC
CASH FLOW STATEMENT

	Company		Group	
	Un-audited	Audited	Un-audited	Audited
	2019 Rs.000	2018 Rs.000	2019 Rs.000	2018 Rs.000
For the period ended 31st March				
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	84,681	267,858	82,295	273,286
Adjustment For :-				
Depreciation on property, plant & equipment	96,252	84,333	99,311	86,200
Amortisation of intangible asset	254	254	254	254
Provision for retiring gratuity	9,365	8,270	9,571	8,401
Provision for impairment of trade and other receivables	5,000	6,500	5,000	9,250
Impairment of property, plant and equipment	477	210	477	210
Unclaimed dividend written back	-	(592)	-	(592)
Write-off/(Reversal of Impairment) of Inventory	-	6,644	-	6,644
Net foreign exchange gain	(420)	(3,220)	(189)	(3,465)
Dividend Income	-	(3,231)	-	-
Gain on disposal of property, plant & equipment	(3,150)	(6,000)	(3,150)	(6,000)
Interest income	(3,250)	(5,694)	(3,036)	(2,580)
Interest expense	137,395	126,227	146,610	129,469
Operating profit before working capital changes	326,604	481,558	337,143	501,077
(Increase) / decrease in inventories	(118,674)	18,038	(108,695)	2,788
(Increase) / decrease in trade & other receivables	100,865	(141,346)	128,356	(160,062)
(Increase) / decrease in amount due from related companies	(4,071)	6,166	(1,353)	(326)
Increase / (decrease) in trade and other payables	(56,625)	(39,094)	(84,031)	(21,966)
Increase / (decrease) in amount due to related companies	254	220	-	-
Cash generated from / (used in) operations	248,353	325,542	271,420	321,511
Income tax paid	(22,969)	(15,192)	(23,902)	(20,472)
Interest expense paid	(137,395)	(126,227)	(146,609)	(129,469)
Retiring gratuity paid	(1,829)	(276)	(1,829)	(376)
Net cash generated from / (used in) operations	86,160	183,847	99,080	171,194
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition and construction of property, plant and equipment	(89,766)	(244,920)	(90,881)	(277,920)
Dividend income received	-	3,231	-	-
Interest income received	3,250	51	3,036	2,580
Proceeds from Disposal of property, plant & equipment	3,150	6,000	3,150	6,000
Net Cash From/(Used in) Investing Activities	(83,366)	(235,638)	(84,695)	(269,340)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid to equity holders of the parent	(27,406)	(23,988)	(27,406)	(23,988)
Dividend paid to non-controlling interests	-	-	-	(192)
Investments made in short term deposit	-	-	(2,714)	(9,565)
Loans obtained during the year	2,606,299	2,245,827	2,721,130	2,297,211
Loans repayments during the year	(2,611,201)	(2,155,866)	(2,725,348)	(2,166,066)
Net Cash from / (Used in) Financing Activities	(32,308)	65,973	(34,338)	97,400
Net increase / (decrease) in cash & cash equivalents	(29,514)	14,182	(19,953)	(747)
Cash & cash equivalent at the beginning of the year	(48,672)	(62,854)	(69,705)	(68,958)
Cash & cash equivalent at the end of the year	(78,186)	(48,672)	(89,658)	(69,705)
Cash in hand and at bank	22,492	27,566	23,622	28,042
Bank overdraft	(100,678)	(76,238)	(113,280)	(97,747)
Cash & cash equivalent at the end of the year	(78,186)	(48,672)	(89,658)	(69,705)

LANKA ALUMINIUM INDUSTRIES PLC

Notes to the financial statements

1. BASIS OF PREPARATION

1.1 The condensed interim financial statements of Lanka Aluminium Industries Plc are for the year ended 31st March 2019. They have been prepared in accordance with LKAS 34, interim financial reporting. These interim financial statements have been prepared in accordance with the SLFRS standards and IFRIC interpretations issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements and have not been audited.

1.2 The same accounting policies and methods of computation have been followed in the interim financial statements as compared to the recent Annual Financial statement published for the year ended 31st March 2018.

2. COMPARATIVE INFORMATION

Comparative information has been restated / reclassified where necessary in line with the changes to the new Sri Lanka Accounting Standards (SLFRS / LKAS) which are effective from 1st January 2012.

3. STATED CAPITAL

The Stated Capital is consisting of 13,702,823 ordinary shares issued as at 31st March 2019.

4. INCOME TAX EXPENSE

The Company is liable to pay income tax at the rate of 28% (2018 - 28%) of its taxable profits in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017.

5. EARNINGS PER SHARE (EPS)

Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	Company		Group	
	2019	2018	2019	2018
	Rs'000	Rs'000	Rs'000	Rs'000
Profit for the year ended 31st March	57,801	192,871	55,532	192,303
Weighted Average No. of Shares	13,703	13,703	13,703	13,703
Earnings Per Share	4.22	14.08	4.05	14.03

6. CONTINGENT LIABILITIES

There is no change in the nature of contingent liabilities as at 31st March 2019 as compared to the contingent liabilities which were disclosed in the accounts for the year ended 31st March 2018

7. EVENTS AFTER REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Interim Financial Statements.

8. FLOAT ADJUSTMENT

The float adjustment market capitalization of the Company as at 31st March 2019 was Rs. 371,598,635/- under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

LANKA ALUMINIUM INDUSTRIES PLC
TWENTY (20) MAJOR SHAREHOLDERS AS AT 31ST MARCH 2019

	NAME OF THE SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE
1	CLOVIS COMPANY LIMITED	6,863,429	50.09
2	MR. K. D. D. PERERA	3,962,999	28.92
3	SANDWAVE LIMITED	861,198	6.28
4	MR. R.S.A. SILVA	334,930	2.44
5	MR. K.C VIGNARAJAH	107,616	0.79
6	MRS. P.N BHATT	78,613	0.57
7	SRI LANKA INSURANCE CORPORATION LTD - LIFE FUND	69,838	0.51
8	HATTON NATIONAL BANK PLC / MR R.S.A SILVA & MRS G.J NIRMALIE	66,350	0.48
9	PEOPLE'S LEASING & FINANCE PLC/L.P. HAPANGAMA	63,388	0.46
10	DR. A. C. VISVALINGAM / MRS.Y.I.VISVALINGAM	61,445	0.45
11	MR. Z.G.CARIMJEE	49,100	0.36
12	MR.U.W.J.P.A SUMATHIPALA	43,000	0.31
13	PEOPLE'S LEASING & FINANCE PLC/C.D.KOHOMBANWICKRAMAGE	35,013	0.26
14	MR.T.M.SUMITHRARACHCHI	30,237	0.22
15	MERCHANT BANK OF SRI LANKA AND FINANCE PLC / R.R.S ANANDA	25,000	0.18
16	MRS ADAMALLY ZENAB MOHAMEDI	22,800	0.17
17	MR. D.S. PATHMASIRI, JOINT WITH MRS M.N.K PATHIRANA	22,500	0.16
18	DR R.S DERANIYAGALA	22,000	0.16
19	PEOPLE'S LEASING & FINANCE PLC/MR.D.M.P.DISANAYAKE	21,096	0.15
20	PEOPLE'S LEASING & FINANCE PLC/M.V.D. RANASINGHE	19,429	0.14
	PERCENTAGE OF SHARES HELD BY THE PUBLIC		49.85
	NUMBER OF SHAREHOLDERS REPRESENTING THE PUBLIC HOLDING		1,141
	THE DIRECTORS DO NOT HOLD ANY SHARES		