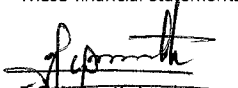


**LANKA CERAMIC PLC**  
Provisional Financial Statements  
For the year ended 31st March 2019

**LANKA CERAMIC PLC**  
**Provisional Financial Statements**  
As at 31st March 2019

As at	COMPANY	
	31.03.2019 (Unaudited) Rs.'000	31.03.2018 (Audited) Rs.'000
	<b>Statement of Financial Position</b>	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	122,873	118,113
Leasehold rights over mining lands	4,238	6,536
Investment property	908,445	827,600
<b>Total non-current assets</b>	<b>1,035,556</b>	<b>952,249</b>
<b>Current assets</b>		
Inventories	5,724	5,709
Trade and other receivables	94,424	78,579
Other Financial Assets	-	134,361
Cash and cash equivalents	14,801	6,188
<b>Total current assets</b>	<b>114,949</b>	<b>224,837</b>
<b>Total assets</b>	<b>1,150,505</b>	<b>1,177,086</b>
<b>EQUITY AND LIABILITIES</b>		
Stated capital	300,000	300,000
Reserves	216,766	218,370
Retained earnings	301,732	163,156
<b>Total equity</b>	<b>818,498</b>	<b>681,526</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	96,613	126,926
Deferred tax liabilities	154,062	145,983
Retirement benefit liability	10,335	9,996
Other non-current liabilities	15,000	15,000
<b>Total non-current liabilities</b>	<b>276,010</b>	<b>297,905</b>
<b>Current liabilities</b>		
Trade and other payables	27,701	21,658
Income tax liabilities	-	5,056
Interest bearing loans and borrowings	28,296	170,941
<b>Total current liabilities</b>	<b>55,997</b>	<b>197,655</b>
<b>Total equity and liabilities</b>	<b>1,150,505</b>	<b>1,177,086</b>
<b>Net assets value per share ( Rs.)</b>	<b>136.42</b>	<b>113.59</b>


These financial statements are in compliance with the requirements of the Companies Act No 7 of 2007.

  
**B G W Parathchandra**  
Group Finance Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the Board by,

  
**A M Weerasinghe**  
Chairman  
May 23, 2019

  
**J A P M Jayasekera**  
Managing Director

**LANKA CERAMIC PLC**  
**Provisional Financial Statements**  
For the year ended 31st March 2019

**Statement of Profit or Loss and Other Comprehensive Income**

Year ended	COMPANY				
	Year			Quarter	
	31.03.2019 Rs.'000	31.03.2018 Rs.'000	Variance %	31.03.2019 Rs.'000	31.03.2018 Rs.'000
<b>Revenue</b>	<b>163,772</b>	178,932	(8.5)	<b>53,002</b>	58,644
Cost of sales	<b>(101,564)</b>	(102,816)	(1.2)	<b>(34,657)</b>	(34,450)
<b>Gross profit</b>	<b>62,208</b>	76,116	(18.3)	<b>18,345</b>	24,194
Other income	<b>155,917</b>	282,057	(44.7)	<b>91,001</b>	136,330
Distribution cost	<b>(8,232)</b>	(14,153)	(41.8)	<b>(3,581)</b>	(6,324)
Administrative expenses	<b>(43,375)</b>	(56,166)	(22.8)	<b>(10,439)</b>	(18,922)
Finance income	-	1,021	(100.0)	-	2
Finance cost	<b>(21,599)</b>	(40,498)	(46.7)	<b>(4,097)</b>	(15,649)
<b>Profit before tax</b>	<b>144,919</b>	248,377	(41.7)	<b>91,229</b>	119,631
Income tax expense	<b>(7,328)</b>	(66,178)	(88.9)	<b>9,292</b>	(64,261)
<b>Profit for the year</b>	<b>137,591</b>	182,199	(24.5)	<b>100,520</b>	55,370
<b>Other comprehensive income</b>	<b>(618)</b>	(85,007)	(99.3)	<b>(618)</b>	(85,007)
<b>Total comprehensive income for the year</b>	<b>136,973</b>	<b>97,192</b>	<b>40.9</b>	<b>99,902</b>	<b>(29,637)</b>
<i>Earnings per share - basic (Rs.)</i>	<i>22.93</i>	<i>11.34</i>		<i>16.75</i>	<i>3.45</i>

**LANKA CERAMIC PLC**  
**Provisional Financial Statements**  
For the year ended 31st March 2019

**Statement of Changes in Equity**

	Attributable to equity holders of the parent			
	Stated capital Rs.'000	Revaluation reserve Rs.'000	Retained profit Rs.'000	Total Rs.'000
<b>COMPANY</b>				
<b>Balance as at 01st April 2017</b>	300,000	303,292	230,477	833,769
<b>Prior year adjustment</b>	-	-	467,976	467,976
<b>Balance as at 01st April 2017 - (Restated)</b>	300,000	303,292	698,453	1,301,745
Profit for the year	-	-	182,199	182,199
Other comprehensive income	-	(84,922)	(85)	(85,007)
Total comprehensive income	-	(84,922)	182,114	97,192
Share Repurchase				
- Settled through Cash			(184,682)	(184,682)
- Settled through disposal of Subsidiary			(4,376,720)	(4,376,720)
Effect of disposal of Subsidiary	-	-	3,843,991	3,843,991
<b>Balance as at 31st March 2018</b>	300,000	218,370	163,156	681,526
<b>Balance as at 01st April 2018</b>	300,000	218,370	163,156	681,526
Transfer from revaluation reserve on disposal of land	-	(1,604)	1,604	-
Profit for the year	-	-	137,591	137,591
Other comprehensive income	-	-	(618)	(618)
Total comprehensive income	-	-	138,576	136,973
<b>Balance as at 31st March 2019</b>	<b>300,000</b>	<b>216,766</b>	<b>301,732</b>	<b>818,498</b>

**LANKA CERAMIC PLC**  
**Provisional Financial Statements**  
For the year ended 31st March 2019

**Cash Flow Statement**

Year ended	COMPANY	
	31.03.2019 Rs.'000	31.03.2018 Rs.'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	144,919	248,377
Adjustments for;		
Depreciation and amortisation	14,985	20,672
Amortisation of leasehold rights over mining lands	2,296	3,130
(Gain)/loss on sale of property, plant & equipment	(11,650)	(246)
Finance costs	21,599	34,217
Provision for retirement benefit obligations	1,685	1,904
Provision for change in market value of Investment	-	6,281
Profit on disposal of Investment	(14,412)	-
Revaluation gain on investment property	(80,845)	(121,600)
<b>Operating profit before working capital changes</b>	<b>78,577</b>	<b>192,734</b>
(Increase)/decrease in inventories	(14)	368
(Increase)/decrease in trade and other receivables	(15,845)	690
Increase/(decrease) in trade and other payables	6,044	(6,456)
<b>Cash generated from operations</b>	<b>68,762</b>	<b>187,336</b>
Finance costs paid	(21,599)	(34,217)
Retirement benefit costs paid	(2,159)	(1,425)
Income tax paid	(4,111)	(13,033)
<b>Net cash from/(used in) operating activities</b>	<b>40,893</b>	<b>138,661</b>
<b>CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant & equipment	(21,972)	(10,850)
Proceeds from disposal of Investment	148,773	-
Proceeds on sale of property, plant & equipment	13,877	447
<b>Net cash flows from/(used in) investing activities</b>	<b>140,678</b>	<b>(10,403)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest bearing borrowings obtained	-	61,200
Repayment of interest bearing borrowings	(124,160)	(60,124)
Capital repayments under finance lease liabilities	(3,842)	(3,841)
Payment on Share Repurchase	-	(184,682)
<b>Net cash flows from/(used in) financing activities</b>	<b>(128,002)</b>	<b>(187,447)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>53,569</b>	<b>(59,189)</b>
<b>MOVEMENT IN CASH &amp; CASH EQUIVALENTS</b>		
Realization of restricted cash	3,500	-
Cash and cash equivalents at the beginning of the year	(42,268)	16,921
<b>Cash and cash equivalents at the end of the year</b>	<b>14,801</b>	<b>(42,268)</b>

## Notes

### 1.) Corporate Information

Lanka Ceramic PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company is located at No.23, Narahenpita Road, Nawala.

- 2.) Figures for the year ended 31st March 2019 are provisional and subject to audit.
- 3.) Number of fully paid ordinary shares as at 31st March 2019 is 6,000,000 (31st March 2018 - 6,000,000).
- 4.) The same accounting policies as disclosed in the annual report for the year ended 31 March 2018 have been followed in the preparation of interim financial statements and are in compliance with LKAS 34 - Interim Financial Reporting.
- 5.) The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.
- 6.) The ultimate parent Company of Lanka Ceramic PLC is Vallibel One PLC.

### 7.) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders of Lanka Ceramic PLC by the weighted average number of ordinary shares outstanding during the period.

Number of ordinary shares used as the denominator:	As at 31st March 2019	As at 31st March 2018
Weighted average number of ordinary shares in issue applicable to basic earnings per share for the period	6,000	16,060

### 8.) Cash and cash equivalents for the cash flow purposes.

	As at 31st March 2019	As at 31st March 2018
Favourable cash and cash equivalent balances.		
Cash and bank balances	14,801	6,188
Unfavourable cash and cash equivalent balances.		
Bank Overdrafts	-	(48,456)
Cash and cash equivalents for the cash flow purposes	<u>14,801</u>	<u>(42,268)</u>

- 9.) There have been no material events occurring after the Balance Sheet date that require adjustments or disclosure to these financial statements.
- 10.) There have been no significant changes in contingent liabilities other than which were disclosed in the annual report for the year ended 31st March 2018.

### 11.) Share Information

Highest, Lowest and Closing Share Prices

	2017/18 (4th Quarter)	2018/19 (4th Quarter)
	Price (Rs.)	Price (Rs.)
Highest	160.00	145.00
Lowest	137.00	129.20
Closing	158.00	139.90

### 12.) Directors Holding in Shares as at 31st March 2019

Shareholder	No. of shares	%
Mr. A.M Weerasinghe	-	-
Mr. J.A.P.M. Jayasekara	20	0.0000033
Dr. S Sellaiah	-	-
Mr. T.G Thoradeniya	-	-
Mr. K.D.G Gunaratne	-	-
Ms. A.M.L Page	-	-
Mr. D.J Silva	-	-
Mr. J.D.N Kekulawala	-	-

**13). 20 Major shareholders as at 31st March 2019**

Shareholder	No. of shares	%
1 Royal Ceramics Lanka PLC	4,413,390	73.557
2 Mr. A.A Page	750,000	12.500
3 National Savings Bank	89,190	1.487
4 Code-Gen International (Pvt) Limited	39,473	0.658
5 Bimpuh Finance PLC	28,838	0.481
6 T R L Holdings (Pvt) Limited	21,328	0.355
7 Vyjayanthi & Company Limited	20,000	0.333
8 Mrs. A. Kailasapillai	19,693	0.328
9 Mr. R. Maheswaran	18,735	0.312
10 Miss. M.P Radhakrishnan	15,135	0.252
11 Miss. A. Radhakrishnan	15,134	0.252
12 Vingrows Business Solutions (Pvt) Limited	14,811	0.247
13 Arunodhaya Industries (Pvt) Limited	13,741	0.229
14 Arunodhaya (Pvt) Limited	13,741	0.229
15 Arunodhaya Investments (Pvt) Limited	13,741	0.229
16 Mr. R De Silva	11,415	0.190
17 Mr. P.K Sambasivam	11,000	0.183
18 People's Leasing & Finance PLC/Mr. L.A.C.K Kodytuakku	10,301	0.172
19 Mr. Z.G Carimjee	10,267	0.171
20 Mr. U.C Bandaranayake & Mrs. L Bandaranayake	10,000	0.167
Sub Total	5,539,933	92.33
Other Shareholders	460,067	7.67
Grand Total	6,000,000	100

The Percentage of shares held by the public as at 31st March 2019 -13.103% comprising of 1,471 shareholders.

**14). The float adjusted market capitalization as at 31st March 2019 is Rs.109,990,219.**

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1 (b) 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.

Ordinary voting shares of Lanka Ceramic PLC have been transferred from the Main Board to Diri Savi Board, with effect from 02nd July 2018.

# CORPORATE INFORMATION

Name of the Company

Lanka Ceramic PLC

Legal Form

A Public Quoted Company with Limited Liability, Incorporated under the provision of Companies Act No 17 of 1982 and re-registered under the Companies Act No. 07 of 2007.

Board of Directors

Mr. K D D Perera – Chairman - *(Resigned w.e.f 31<sup>st</sup> August 2018)*

Mr. A M Weerasinghe – Chairman - *(Appointed w.e.f 1<sup>st</sup> September 2018)*

Mr. J A P M Jayasekara – Managing Director

Dr. S Selliah

Mr. T G Thoradeniya

Mr. K D G Gunaratne

Ms. A M L Page

Mr. D J Silva

Mr. J.D.N Kekulawala - *(Appointed w.e.f 17<sup>th</sup> May 2018)*

Company Secretaries

P W Corporate Secretarial (Pvt) Ltd

3/17, Kynsey Road, Colombo 8

Tel: 011-4640360

Registered Office

No. 23, Narahenpita Road, Nawala

Telephone: 011-4889955, 011-4885621

Facsimile: 011-4412518

Auditors

Ernst & Young

Chartered Accountants

Bankers

Hatton National Bank PLC

People's Bank