

LANKA TILES PLC

Provisional Financial Statements
For the Six months ended 30th September 2016

LANKA TILES PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	30.09.2016	31.03.2016	30.09.2016	31.03.2016
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,519,155	3,549,934	3,347,852	3,378,631
Capital work-in-progress	43,283	20,217	43,283	20,217
Investment in Subsidiary	Nil	Nil	Nil	Nil
Investment in Associate	790,486	725,543	790,486	725,543
Loans given to related companies	33,633	49,050	33,633	49,050
	4,386,557	4,344,744	4,215,254	4,173,441
Current assets				
Inventories	1,235,973	932,256	1,235,973	932,256
Receivables & prepayments	532,659	501,258	532,659	501,257
Amounts due from related companies	385,505	312,012	560,222	486,729
Cash & cash equivalents	1,454,006	1,586,065	1,454,006	1,586,065
	3,608,143	3,331,591	3,782,860	3,506,307
Total assets	7,994,700	7,676,335	7,998,114	7,679,748
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 3)	900,968	900,968	900,968	900,968
Reserves	5,353,457	4,880,081	5,356,870	4,883,494
Shareholders' funds	6,254,425	5,781,049	6,257,838	5,784,462
Non-current liabilities				
Interest bearing liabilities	162,967	260,824	162,967	260,824
Deferred tax liabilities	453,542	453,542	453,542	453,542
Retirement benefit obligations	135,975	129,073	135,975	129,073
	752,484	843,439	752,484	843,439
Current liabilities				
Trade & other payables	412,086	444,095	412,087	444,095
Amounts due to related companies	140,879	136,671	140,879	136,671
Current tax liabilities	54,539	276,660	54,539	276,660
Interest bearing liabilities	137,168	138,133	137,168	138,133
Bank overdrafts	243,119	56,288	243,119	56,288
	987,791	1,051,847	987,792	1,051,847
Total liabilities	1,740,275	1,895,286	1,740,276	1,895,286
Total equity and liabilities	7,994,700	7,676,335	7,998,114	7,679,748
<i>Net asset value per share (Rs.)</i>	<i>117.90</i>	<i>108.97</i>	<i>117.96</i>	<i>109.04</i>

Sgd
W.D.N.H Perera
Chairman

Sgd
J.A.P.M. Jayasekera
Managing Director

27th October 2016

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STATEMENT OF COMPREHENSIVE INCOME

Period ended	Group		Company				Variance % for the Period
	30.09.2016		30.09.2016		30.09.2015		
	Quarter	Six Months	Quarter	Six Months	Quarter	Six Months	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Export sales	52,057	101,738	52,057	101,738	45,053	86,237	18
Local sales	1,252,506	2,272,381	1,252,506	2,272,381	1,371,209	2,558,671	(11)
Gross sales (inclusive of tax)	1,304,563	2,374,119	1,304,563	2,374,119	1,416,262	2,644,908	(10)
Sales (net of tax)	1,180,320	2,129,863	1,180,320	2,129,863	1,281,477	2,393,512	(11)
Cost of sales	(601,001)	(1,160,435)	(601,001)	(1,160,435)	(676,670)	(1,315,724)	(12)
Gross profit	579,319	969,428	579,319	969,428	604,807	1,077,788	(10)
Other operating income	2,040	5,146	2,040	5,146	(550)	5,212	(1)
Distribution costs	(164,863)	(305,630)	(164,863)	(305,630)	(156,539)	(297,402)	3
Administrative expenses	(97,013)	(187,732)	(97,013)	(187,732)	(121,650)	(213,863)	(12)
Operating profit	319,483	481,212	319,483	481,212	326,068	571,735	(16)
Net finance cost	36,029	61,385	36,029	61,385	11,901	21,408	187
Share of results of associate	42,482	77,509	42,482	77,509	31,380	44,192	75
Profit before taxation	397,994	620,106	397,994	620,106	369,349	637,335	(3)
Taxation	(96,030)	(146,730)	(96,030)	(146,730)	(94,005)	(166,000)	(12)
Profit after tax	301,964	473,376	301,964	473,376	275,344	471,335	-
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	301,964	473,376	301,964	473,376	275,344	471,335	-
<i>Earnings per ordinary share-basic (Rs)</i>	<i>5.69</i>	<i>8.92</i>	<i>5.69</i>	<i>8.92</i>	<i>5.19</i>	<i>8.88</i>	-

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CASH FLOW STATEMENT

Period ended	Group		Company	
	30.09.2016	30.09.2016	30.09.2015	30.09.2015
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before income tax	620,106	620,106	637,335	
Adjustments for:				
Depreciation	115,529	115,529	115,068	
(Gain)/Loss on disposal of fixed assets	-	-	1,576	
Finance costs	(55,389)	(55,389)	(21,408)	
Provision for retirement benefit obligations	10,345	10,345	9,438	
Share of results before tax of associate	(77,509)	(77,509)	(44,192)	
Operating profit (loss) before working capital changes	613,082	613,082	697,817	
Changes in working capital				
(Increase)/Decrease in inventories	(303,716)	(303,716)	(113,356)	
(Increase)/Decrease in trade and other receivables	(18,834)	(18,834)	27,981	
(Increase)/Decrease in due from related parties	(58,076)	(58,076)	56,494	
Increase/(Decrease) in trade & other payables	(32,017)	(32,017)	(104,835)	
Increase/(Decrease) in due to related parties	4,217	4,217	27,817	
Cash generated from operations	204,656	204,656	591,918	
Finance income/(cost)	55,389	55,389	(13,416)	
Retirement benefit costs paid	(3,443)	(3,443)	(3,107)	
Income tax paid	(368,852)	(368,852)	(182,057)	
Net cash flows from/(used in) operating activities	(112,250)	(112,250)	393,338	
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of property,plant,equipment	(108,237)	(108,237)	(86,770)	
Proceeds from disposal of fixed assets	420	420	4,754	
Net cash flows from /(used in) investing activities	(107,817)	(107,817)	(82,016)	
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Dividend paid	-	-	(212,202)	
Proceeds from borrowings	-	-	16,898	
Repayment of borrowings	(98,822)	(98,822)	(72,057)	
Net cash flows from /(used in) financing activities	(98,822)	(98,822)	(267,361)	
Net Increase/(Decrease) in cash and cash equivalents	(318,889)	(318,889)	43,961	
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	1,529,777	1,529,777	618,331	
Cash and cash equivalents at the end of the period	1,210,888	1,210,888	662,292	

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STATEMENT OF CHANGES IN EQUITY

Group

	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Retained Earnings	Total Reserves	Shareholders' funds
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000
Balance at 1st April 2016	900,968	460,151	838,856	3,581,074	4,880,081	5,781,049
Net profit for the period	-	-	-	473,376	473,376	473,376
Other comprehensive income	-	-	-	-	-	-
Balance as at 30th September 2016	900,968	460,151	838,856	4,054,450	5,353,457	6,254,425

Company

	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Retained Earnings	Total Reserves	Shareholders' funds
	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000
Balance at 1st April 2015	900,968	460,151	-	2,745,049	3,205,200	4,106,168
Net profit for the period	-	-	-	471,335	471,335	471,335
Other comprehensive income	-	-	-	-	-	-
Dividend for 2015/2016 (Interim)	-	-	-	(212,202)	(212,202)	(212,202)
Balance as at 30th September 2015	900,968	460,151	-	3,004,182	3,464,333	4,365,301
Balance at 1st April 2016	900,968	460,151	838,856	3,584,487	4,883,494	5,784,462
Net profit for the period	-	-	-	473,376	473,376	473,376
Other comprehensive income	-	-	-	-	-	-
Balance as at 30th September 2016	900,968	460,151	838,856	4,057,863	5,356,870	6,257,838

Notes

- 1 The above figures are provisional and subject to audit.
- 2 The accounting policies followed in the preparation of interim financial statements are consistent with those followed in the preparation of financial statements for the year ended 31st March 2016 and are in compliance with LKAS 34 - Interim Financial Reporting.
- 3 Total number of shares in issue of the company as at 31st March 2016 is 53,050,410.
- 4 There have been no changes in contingent assets and contingent liabilities since 31 st March 2016.
- 5 The presentation and classification of figures for corresponding period of the previous year have been amended, where relevant, to be comparable with those for the current year.
- 6 Company incurred Rs.40.48 Mn during the quarter for the services rendered in improving the manufacturing processes. This service has been provided by related Company, Royal Ceramics Lanka PLC.
- 7 An Interim dividend of Rs.2.50 per share for the financial year 2016/17 was approved by the board of directors on 11th October 2016 and will be paid on 1st November 2016.
- 8 No events have occurred since the date of the financial position which would require adjustment to or disclosure in the interim financial statements.

9 Market prices recorded during the quarter ended

30th September	2016	2015	Variance	
	Rs.cts	Rs.cts	Rs.cts	%
Highest market price per share	119.50	128.00	(8.50)	(6.64)
Lowest market price per share	104.10	109.00	(4.90)	(4.50)
Closing market price per share	108.00	113.00	(5.00)	(4.42)

10 Director's holding in shares as at 30th September 2016

Director's name	Shareholding	
	Number	%
Ms. A M L Page	2,500	0.005

11 20 Major Shareholders as at 30th September 2016

Shareholder's name	Shareholding	
	Number	%
1 Lanka Walltiles PLC	36,189,195	68.217
2 Employees Provident Fund	4,968,313	9.365
3 BNYM SA/NV-Frontaura Global Frontier Fund Llc	3,505,980	6.609
4 Royal Ceramics Lanka PLC	1,388,481	2.617
5 Bank of Ceylon No. 1 Account	973,200	1.834
6 Mr. K R Kamon	537,628	1.013
7 Mr. A A Page	433,939	0.818
8 Mr D F G Dalpethado and Mrs H F A K D Fonseka	394,359	0.743
9 Pinnacle trust (Pvt) Ltd	158,868	0.299
10 Mr T Ono	138,621	0.261
11 HSBC Intl nom Ltd -USB Ag Zurich	135,531	0.255
12 Aruna Enterprises (Pvt) Limited	128,500	0.242
13 Mr.S.M.Fernando	126,446	0.238
14 Mrs. A A Merchant	125,000	0.236
15 Deutsche Bank AG-Comtrust equity fund	108,000	0.204
16 National Development Bank of Sri Lanka Limited A/C	100,000	0.188
17 Mr.Y.H Abdulhussein	98,833	0.186
18 Sampath Bank Plc /Dr Semthilverl	90,600	0.171
19 Mr.M.A.H.Esufally	78,717	0.148
20 Dr A C Visvalingam and Mrs Y I Visvalingam	77,342	0.146
Sub Total	<u>49,757,553</u>	<u>93.793</u>
Others	<u>3,292,857</u>	<u>6.207</u>
Grand Total	<u>53,050,410</u>	<u>100.000</u>

- 12 Percentage of public holding as at 30th September 2016 was 29.16% comprising of 1,756 shareholders.