

LANKA TILES PLC

Provisional Financial Statements

For the Six months ended 30th September 2018

LANKA TILES PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

STATEMENT OF FINANCIAL POSITION

As at	Group		Company	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,439,390	3,508,058	3,439,390	3,508,058
Investment Properties	223,800	223,800	-	-
Capital work-in-progress	1,010,412	347,518	1,010,412	347,518
Investment in subsidiary	-	-	6,242	6,242
Investment in associate	926,973	933,633	926,973	933,633
Loans given to related companies	2,725	10,898	2,725	10,898
	5,603,300	5,023,907	5,385,742	4,806,349
Current assets				
Inventories	2,736,101	1,945,726	2,736,101	1,945,726
Receivables & prepayments	853,526	849,506	853,514	849,493
Amounts due from related companies	599,498	492,155	772,323	665,503
Cash & cash equivalents	105,881	444,998	94,927	433,975
	4,295,007	3,732,385	4,456,866	3,894,697
Total assets	9,898,307	8,756,292	9,842,608	8,701,046
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 3)	900,968	900,968	900,968	900,968
Reserves	6,206,762	6,018,806	6,156,829	5,969,364
Shareholders' funds	7,107,729	6,919,774	7,057,797	6,870,332
Non controlling interest	5,340	5,373	-	-
Total Equity	7,113,069	6,925,147	7,057,797	6,870,332
Non-current liabilities				
Interest bearing liabilities	-	7,374	-	7,374
Deferred tax liabilities	634,246	634,246	634,246	634,246
Retirement benefit obligations	174,355	166,370	174,355	166,370
	808,601	807,990	808,601	807,990
Current liabilities				
Trade & other payables	859,990	702,923	859,891	702,773
Amounts due to related companies	48,071	79,271	47,951	79,199
Current tax liabilities	2,150	46,932	1,942	46,724
Interest bearing liabilities	693,704	98,849	693,704	98,849
Bank overdrafts	372,722	95,179	372,722	95,179
	1,976,637	1,023,155	1,976,210	1,022,724
Total liabilities	2,785,238	1,831,145	2,784,811	1,830,714
Total equity and liabilities	9,898,307	8,756,292	9,842,608	8,701,046
Net asset value per share (Rs.)	133.98	130.44	133.04	129.51

sgd
Dhammika Perera
Chairman
09th November 2018

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

LANKA TILES PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended	Group					Company				
	30.09.2018		30.09.2017		Variance % for Six Months	30.09.2018		30.09.2017		Variance % for Six Months
	Quarter	Six Months	Quarter	Six Months		Quarter	Six Months	Quarter	Six Months	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Export sales	65,216	128,788	66,250	122,937	5	65,216	128,788	66,250	122,937	5
Local sales	1,972,959	3,298,990	1,588,935	2,765,193	19	1,972,959	3,298,990	1,588,935	2,765,193	19
Gross sales (inclusive of tax)	2,038,175	3,427,778	1,655,185	2,888,130	19	2,038,175	3,427,778	1,655,185	2,888,130	19
Sales (net of tax)	1,781,559	3,000,008	1,448,651	2,529,141	19	1,781,559	3,000,008	1,448,651	2,529,141	19
Cost of sales	(1,248,924)	(2,026,109)	(802,804)	(1,459,940)	(39)	(1,248,924)	(2,026,109)	(802,804)	(1,459,940)	(39)
Gross profit	532,635	973,899	645,847	1,069,201	(9)	532,635	973,899	645,847	1,069,201	(9)
Other operating income	2,396	7,859	3,807	7,000	12	1,965	7,015	3,545	6,438	9
Distribution costs	(275,484)	(511,099)	(177,451)	(357,408)	(43)	(275,484)	(511,099)	(177,451)	(357,408)	(43)
Administrative expenses	(97,836)	(189,551)	(97,387)	(185,097)	(2)	(97,740)	(189,449)	(97,387)	(185,097)	(2)
Operating profit	161,712	281,107	374,816	533,696	(47)	161,377	280,366	374,554	533,134	(47)
Net finance Cost	(13,311)	(2,576)	20,956	42,954	(106)	(13,311)	(2,576)	20,956	42,954	(106)
Share of results of associate	(1,764)	(6,659)	45,557	62,253	(111)	(1,764)	(6,659)	45,557	62,253	(111)
Profit before taxation	146,637	271,872	441,329	638,903	(57)	146,302	271,130	441,067	638,341	(58)
Taxation	(42,816)	(83,666)	(108,013)	(157,902)	(47)	(42,816)	(83,666)	(108,013)	(157,902)	(47)
Profit after tax	103,821	188,206	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Other comprehensive income										
Exchange profit/ loss arising on translation of foreign operations	152	(285)	-	-	100	-	-	-	-	0
Total comprehensive income for the year	103,972	187,921	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Profit attributable to:										
Equity holders of the parent	103,769	188,100	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Non Controlling Interest	51	107	-	-		-	-	-	-	
Profit for the year	103,821	188,206	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Total comprehensive income attributable to:										
Equity holders of the parent	103,847	187,955	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Non Controlling Interest	126	(33)	-	-		-	-	-	-	
Total comprehensive income	103,972	187,921	333,316	481,001	(61)	103,486	187,464	333,054	480,439	(61)
Earnings per ordinary share-basic (Rs)	1.96	3.55	6.28	9.07	(61)	1.95	3.53	6.28	9.06	(61)

LANKA TILES PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

STATEMENT OF CHANGES IN EQUITY

Group

	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Exchange Reserve	Retained Earnings	Total Reserves	Non Controlling Interest	Shareholders' funds
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at 1st April 2017	900,968	460,151	838,856	-	4,443,653	5,742,660	-	6,643,628
Net profit for the period	-	-	-	-	481,001	481,001	-	481,001
Other comprehensive income	-	-	-	-	-	-	-	-
Dividend for 2017/2018 (Interim 1)	-	-	-	-	(212,202)	(212,202)	-	(212,202)
Share issued to minority shareholders	-	-	-	-	-	-	5,997	5,997
Balance as at 30th September 2017	900,968	460,151	838,856	-	4,712,452	6,011,459	5,997	6,918,424
Balance at 1st April 2018	900,968	460,151	730,515	(132)	4,828,272	6,018,806	5,373	6,925,147
Net profit for the period	-	-	-	-	188,100	188,100	107	188,206
Other comprehensive income	-	-	-	(145)	-	(145)	(140)	(285)
Balance as at 30th September 2018	900,968	460,151	730,515	(277)	5,016,372	6,206,760	5,340	7,113,069

Company

	Stated Capital	Amalgamation Reserve	Revaluation Reserve	Exchange Reserve	Retained Earnings	Total Reserves	Non Controlling Interest	Shareholders' funds
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at 1st April 2017	900,968	460,151	838,856	-	4,394,551	5,693,558	-	6,594,526
Net profit for the period	-	-	-	-	480,439	480,439	-	480,439
Other comprehensive income	-	-	-	-	-	-	-	-
Dividend for 2017/2018 (Interim 1)	-	-	-	-	(212,202)	(212,202)	-	(212,202)
Balance as at 30th September 2017	900,968	460,151	838,856	-	4,662,788	5,961,795	-	6,862,763
Balance at 1st April 2018	900,968	460,151	730,515	-	4,778,698	5,969,364	-	6,870,332
Net profit for the period	-	-	-	-	187,464	187,464	-	187,465
Other comprehensive income	-	-	-	-	-	-	-	-
Balance as at 30th September 2018	900,968	460,151	730,515	-	4,966,162	6,156,828	-	7,057,797

LANKA TILES PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

CASH FLOW STATEMENT

Period ended

CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES

Profit before income tax
Adjustments for:
Depreciation
(Gain)/Loss on disposal of fixed assets
Net Finance income
Provision for retirement benefit obligations
Exchnage Gain/ (loss)
Share of results before tax of associate
Operating profit (loss) before working capital changes

Changes in working capital

(Increase)/Decrease in inventories
(Increase)/Decrease in trade and other receivables
(Increase)/Decrease in due from related parties
Increase/(Decrease) in trade & other payables
Increase/(Decrease) in due to related parties

Cash generated from operations

Net Finance income
Retirement benefit costs paid
Income tax paid
Net cash flows from/(used in) operating activities

CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES

Acquisition of property,plant,equipment
Expenditure incurred on capital work in progress
Loans granted/ repayment to related companies
Investment in subsidiary
Proceeds from disposal of fixed assets
Net cash flows from /(used in) investing activities

CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES

Dividend paid
Proceeds from borrowings
Repayment of borrowings
Proceeds on issue of shares to minority shareholders
Net cash flows from /(used in) financing activities
Net Increase/(Decrease) in cash and cash equivalents

Movement in cash and cash equivalents

Net foreign exchange difference arising on translation of foreign operations
Cash cash equivalents at the beginning of the period
Cash cash equivalents at the end of the period

Group		Company	
30.09.2018	30.09.2017	30.09.2018	30.09.2017
Unaudited	Unaudited	Unaudited	Unaudited
Rs.'000	Rs.'000	Rs.'000	Rs.'000
271,872	638,903	271,130	638,341
141,672	117,762	141,672	117,762
-	1,667	-	1,667
(1,410)	(42,452)	(1,410)	(42,452)
12,297	10,304	12,297	10,304
3,987	-	3,987	-
6,659	(62,253)	6,659	(62,253)
435,077	663,931	434,335	663,369
(790,375)	(382,413)	(790,508)	(382,413)
(4,020)	(202,350)	(7,461)	(202,350)
(115,322)	(71,210)	(95,940)	(71,210)
161,053	(4,540)	145,823	(3,978)
(31,200)	43,908	(31,248)	43,908
(344,788)	47,326	(344,999)	47,326
1,410	42,452	1,410	42,452
(4,313)	(1,683)	(4,313)	(1,683)
(128,448)	(166,011)	(128,448)	(166,011)
(476,138)	(77,916)	(476,349)	(77,916)
(73,727)	(53,492)	(73,727)	(53,492)
(662,894)	-	(662,894)	-
8,174	15,417	8,174	15,417
-	-	-	(6,242)
723	50	723	50
(727,724)	(38,025)	(727,724)	(44,267)
-	(212,202)	-	(212,202)
665,656	50,000	665,656	50,000
(78,170)	(125,742)	(78,174)	(125,742)
-	5,997	-	-
587,486	(281,947)	587,482	(287,944)
(616,375)	(397,888)	(616,591)	(410,127)
(285)	-	-	-
349,819	849,982	338,796	849,982
(266,841)	452,094	(277,795)	439,855

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 2018 and are in compliance with LKAS 34 - Interim Financial Reporting.
- 3 Total number of shares in issue of the company as at 31st March 2018 is 53,050,410.
- 4 There have been no changes in contingent assets and contingent liabilities since 31 st March 2018.
- 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.38.65 Mn during the quarter for the services rendered in improving the manufacturing processes. This service has been provided by related Companies of Royal Ceramics Lanka PLC and Vallibal One PLC.
- 7 No events have occurred since the date of the financial position which would require adjustment to or disclosure in the interim financial statements.

8 Market prices recorded during the quarter ended

30th September	2018/19	2017/18	Variance	
	Rs.cts	Rs.cts	Rs.cts	%
Highest market price per share	97.00	121.40	(24.40)	(20.10)
Lowest market price per share	80.00	107.50	(27.50)	(25.58)
Closing market price per share	80.10	111.90	(31.80)	(28.42)

9 Director's holding in shares as at 30th September 2018

Director's name	Shareholding	
	Number	%
Mr. A M Weerasinghe	35,863	0.0684
Ms. A M L Page	2,500	0.0047

10 20 Major Shareholders as at 30th September 2018

Shareholder's name	Shareholding	
	Number	%
1 Lanka Walltiles PLC	36,189,195	68.217
2 Employees Provident Fund	4,968,313	9.365
3 BNYMSANV Re-Frontaura Global Frontier Fund Llc	3,505,980	6.609
4 Caceis Bank Luxembourg S/A Barca Global Master Fund LP	1,464,939	2.761
5 Royal Ceramics Lanka PLC	1,388,481	2.617
6 Bank of Ceylon No. 1 Account	973,200	1.834
7 Mr. K R Kamon	537,628	1.013
8 Mr. A A Page	433,939	0.818
9 Aruna Enterprises (Pvt) Limited	128,500	0.242
10 Mr.S.M.Fernando	126,446	0.238
11 Mr. M.M. Udeshi & Mrs. A.A. Merchant	125,000	0.236
12 Dr A C Visvalingam and Mrs. Y I Visvalingam	108,143	0.204
13 Sampath Bank Plc /W.D.N.H. Perera	103,725	0.196
14 Pinnacle trust (Pvt) Ltd	92,038	0.173
15 Sampath Bank Plc /Dr Senthilverl	90,600	0.171
16 Mr.M S Fernando	78,496	0.148
17 Seylan Bank Plc /China Nalin Rajahmoney	72,104	0.136
18 Mrs B C Sansoni	62,495	0.118
19 Saboor Chatoor (Pvt) Ltd	42,200	0.080
20 Union Bank of Colombo PLC/ Mr. Sithampalam Abishek	40,375	0.076
Sub Total	50,531,797	95.252
Others	2,518,613	4.748
Grand Total	53,050,410	100.000

- 11 Percentage of public holding as at 30th September 2018 was 28.275% comprising of 1,738 shareholders.
- 12 The float adjusted market capitalization is Rs. 1,201,487,985.00 as at 30th September 2018 and The company is in compliance with option 5 of section 7.13.1 (a) of the listing rules of the CSE pertaining to minimum Public Holding.