

**LANKA TILES PLC**

Provisional Financial Statements  
For the year ended 31st March 2019

**LANKA TILES PLC**  
**PROVISIONAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2019**

**STATEMENT OF FINANCIAL POSITION**

As at	Group		Company	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	Unaudited Rs.'000	Audited Rs.'000	Unaudited Rs.'000	Audited Rs.'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,374,380	3,508,058	5,374,380	3,508,058
Investment Properties	394,819	223,800	-	-
Capital work-in-progress	368,750	347,518	368,750	347,518
Investment in subsidiary	-	-	6,242	6,242
Investment in associate	923,924	933,633	923,924	933,633
Loans given to related companies	-	10,898	-	10,898
	<b>7,061,873</b>	<b>5,023,907</b>	<b>6,673,296</b>	<b>4,806,349</b>
<b>Current assets</b>				
Inventories	3,019,769	1,945,726	3,019,769	1,945,726
Receivables & prepayments	1,011,584	849,506	1,011,545	849,493
Amounts due from related companies	617,642	492,155	789,997	665,503
Income tax assets	51,570	-	51,570	-
Cash & cash equivalents	144,509	444,998	132,717	433,975
	<b>4,845,074</b>	<b>3,732,385</b>	<b>5,005,598</b>	<b>3,894,697</b>
<b>Total assets</b>	<b>11,906,947</b>	<b>8,756,292</b>	<b>11,678,894</b>	<b>8,701,046</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital (Note 3)	900,968	900,968	900,968	900,968
Reserves	6,390,512	6,018,806	6,216,357	5,969,364
	<b>7,291,480</b>	<b>6,919,774</b>	<b>7,117,325</b>	<b>6,870,332</b>
<b>Shareholders' funds</b>				
Non controlling interest	5,760	5,373	-	-
<b>Total Equity</b>	<b>7,297,240</b>	<b>6,925,147</b>	<b>7,117,325</b>	<b>6,870,332</b>
<b>Non-current liabilities</b>				
Interest bearing liabilities	1,351,169	7,374	1,351,169	7,374
Deferred tax liabilities	763,292	634,246	715,407	634,246
Retirement benefit obligations	172,514	166,370	172,514	166,370
	<b>2,286,975</b>	<b>807,990</b>	<b>2,239,090</b>	<b>807,990</b>
<b>Current liabilities</b>				
Trade & other payables	1,361,837	702,923	1,361,640	702,773
Amounts due to related companies	210,006	79,271	209,950	79,199
Current tax liabilities	-	46,932	-	46,724
Interest bearing liabilities	360,506	98,849	360,506	98,849
Bank overdrafts	390,383	95,179	390,383	95,179
	<b>2,322,732</b>	<b>1,023,155</b>	<b>2,322,479</b>	<b>1,022,724</b>
<b>Total liabilities</b>	<b>4,609,707</b>	<b>1,831,145</b>	<b>4,561,569</b>	<b>1,830,714</b>
<b>Total equity and liabilities</b>	<b>11,906,947</b>	<b>8,756,292</b>	<b>11,678,894</b>	<b>8,701,046</b>
<i>Net asset value per share (Rs.)</i>	<i>137.44</i>	<i>130.44</i>	<i>134.16</i>	<i>129.51</i>

Director  
27th May 2019

Director

**LANKA TILES PLC**  
**PROVISIONAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2019**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Period ended	Group				Variance %	Company				Variance %
	31.03.2019		31.03.2018			31.03.2019		31.03.2018		
	Quarter	Year	Quarter	Year		Quarter	Year	Quarter	Year	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Export sales	42,600	218,148	59,582	265,291	(18)	42,600	218,148	59,582	265,291	(18)
Local sales	1,835,841	7,803,791	1,782,232	6,735,652	16	1,835,841	7,803,791	1,782,232	6,735,652	16
<b>Gross sales (inclusive of tax)</b>	<b>1,878,441</b>	<b>8,021,939</b>	<b>1,841,814</b>	<b>7,000,943</b>	15	<b>1,878,441</b>	<b>8,021,939</b>	<b>1,841,814</b>	<b>7,000,943</b>	15
Sales (net of tax)	1,640,833	7,008,992	1,610,951	6,126,307	14	1,640,833	7,008,992	1,610,951	6,126,307	14
Cost of sales	(1,237,946)	(5,002,702)	(1,040,296)	(3,747,180)	(34)	(1,237,946)	(5,002,702)	(1,040,673)	(3,747,180)	(34)
<b>Gross profit</b>	<b>402,887</b>	<b>2,006,290</b>	<b>570,655</b>	<b>2,379,127</b>	(16)	<b>402,887</b>	<b>2,006,290</b>	<b>570,278</b>	<b>2,379,127</b>	(16)
Other operating income	179,632	191,506	9,484	20,870	818	8,227	18,804	9,084	19,451	(3)
Distribution costs	(230,825)	(1,041,762)	(300,375)	(895,347)	(16)	(230,825)	(1,041,762)	(300,375)	(895,347)	(16)
Administrative expenses	(101,128)	(404,154)	(111,081)	(405,816)	0	(100,909)	(403,519)	(110,571)	(404,447)	0
<b>Operating profit</b>	<b>250,566</b>	<b>751,880</b>	<b>168,682</b>	<b>1,098,834</b>	(32)	<b>79,380</b>	<b>579,813</b>	<b>168,416</b>	<b>1,098,784</b>	(47)
Net finance Cost	14,799	(14,161)	31,161	88,576	(116)	14,799	(14,161)	31,161	88,576	(116)
Share of results of associate	(6,278)	7,888	52,182	165,383	(95)	(6,278)	7,888	52,182	165,383	(95)
<b>Profit before taxation</b>	<b>259,087</b>	<b>745,607</b>	<b>252,025</b>	<b>1,352,792</b>	(45)	<b>87,901</b>	<b>573,540</b>	<b>251,758</b>	<b>1,352,743</b>	(58)
Taxation	(86,323)	(217,594)	(77,795)	(348,795)	(38)	(38,632)	(169,925)	(77,721)	(348,721)	(51)
<b>Profit after tax</b>	<b>172,764</b>	<b>528,013</b>	<b>174,229</b>	<b>1,003,997</b>	(47)	<b>49,269</b>	<b>403,615</b>	<b>174,037</b>	<b>1,004,022</b>	(60)
<b>Other comprehensive income</b>										
Gains on revaluation of land and buildings	-	-	83,293	83,293		-	-	83,293	83,293	
Deferred tax component - gains on revaluation of land and buildings	-	-	(191,634)	(191,634)		-	-	(191,634)	(191,634)	
Exchange profit/ loss arising on translation of foreign operations	(199)	701	44	(259)	100	-	-	-	-	0
Remeasurement retirement benefit obligations-Gratuity	7,746	7,746	(28,361)	(28,361)		7,746	7,746	(28,361)	(28,361)	(127)
Deferred tax component-remeasurement of retirement benefit obligation-Gratuity	(2,169)	(2,169)	7,941	7,941		(2,169)	(2,169)	7,941	7,941	(127)
Share of other comprehensive income of associate-net of tax	4,911	4,911	(68,951)	(68,951)		4,911	4,911	(68,951)	(68,951)	(107)
<b>Total comprehensive income for the year</b>	<b>183,053</b>	<b>539,202</b>	<b>(23,438)</b>	<b>806,026</b>	(33)	<b>59,757</b>	<b>414,103</b>	<b>(23,675)</b>	<b>806,310</b>	(49)
<b>Profit attributable to:</b>										
Equity holders of the parent Company	172,827	527,969	174,403	1,004,495	(47)	49,269	403,615	174,037	1,004,022	(60)
Non Controlling Interest	(63)	44	(173)	(497)		-	-	-	-	
<b>Profit for the year</b>	<b>172,764</b>	<b>528,013</b>	<b>174,229</b>	<b>1,003,997</b>	(47)	<b>49,269</b>	<b>403,615</b>	<b>174,037</b>	<b>1,004,022</b>	(60)
<b>Total comprehensive income attributable to:</b>										
Equity holders of the parent Company	182,632	538,814	(23,286)	806,651	(33)	59,757	414,103	(23,675)	806,310	(49)
Non Controlling Interest	421	388	(152)	(624)		-	-	-	-	
<b>Total comprehensive income</b>	<b>183,053</b>	<b>539,202</b>	<b>(23,438)</b>	<b>806,026</b>	(33)	<b>59,757</b>	<b>414,103</b>	<b>(23,675)</b>	<b>806,310</b>	(49)
<b>Earnings per ordinary share-basic (Rs)</b>	<b>3.26</b>	<b>9.95</b>	<b>3.28</b>	<b>18.93</b>	(47)	<b>0.93</b>	<b>7.61</b>	<b>3.28</b>	<b>18.93</b>	(60)

**LANKA TILES PLC**  
**PROVISIONAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2019**

**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
<b>Balance at 1st April 2017</b>	<b>900,968</b>	<b>460,151</b>	<b>838,856</b>	-	<b>4,443,653</b>	<b>5,742,660</b>	-	<b>6,643,628</b>
Net profit for the period	-	-	-	-	1,004,495	1,004,495	(497)	<b>1,003,998</b>
Other comprehensive income	-	-	(108,341)	(132)	(89,371)	(197,844)	(127)	<b>(197,971)</b>
Dividend for 2017/2018 (Interim 1)	-	-	-	-	(212,202)	(212,202)	-	<b>(212,202)</b>
Dividend for 2017/2018 (Interim 2)	-	-	-	-	(318,302)	(318,302)	-	<b>(318,302)</b>
Share issued to minority shareholders	-	-	-	-	-	-	5,997	<b>5,997</b>
<b>Balance as at 31st March 2018</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	<b>(132)</b>	<b>4,828,273</b>	<b>6,018,807</b>	<b>5,373</b>	<b>6,925,148</b>
<b>Balance at 1st April 2018</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	<b>(132)</b>	<b>4,828,273</b>	<b>6,018,807</b>	<b>5,373</b>	<b>6,925,148</b>
Net profit for the period	-	-	-	-	527,969	527,969	44	<b>528,013</b>
Other comprehensive income	-	-	-	358	10,488	10,846	343	<b>11,189</b>
Dividend for 2018/2019(Interim)	-	-	-	-	(167,109)	(167,109)	-	<b>(167,109)</b>
Shares issued to minority shareholders	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	<b>226</b>	<b>5,199,620</b>	<b>6,390,513</b>	<b>5,760</b>	<b>7,297,240</b>

**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
<b>Balance at 1st April 2017</b>	<b>900,968</b>	<b>460,151</b>	<b>838,856</b>	-	<b>4,394,551</b>	<b>5,693,558</b>	-	<b>6,594,526</b>
Net profit for the period	-	-	-	-	1,004,022	1,004,022	-	1,004,022
Other comprehensive income	-	-	(108,341)	-	(89,371)	(197,712)	-	(197,712)
Dividend for 2017/2018 (Interim 1)	-	-	-	-	(212,202)	(212,202)	-	(212,202)
Dividend for 2017/2018 (Interim 2)	-	-	-	-	(318,302)	(318,302)	-	(318,302)
<b>Balance as at 31st March 2018</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	-	<b>4,778,698</b>	<b>5,969,364</b>	-	<b>6,870,333</b>
<b>Balance at 1st April 2018</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	-	<b>4,778,698</b>	<b>5,969,364</b>	-	<b>6,870,332</b>
Net profit for the period	-	-	-	-	403,615	403,615	-	403,615
Other comprehensive income	-	-	-	-	10,488	10,488	-	10,488
Dividend for 2018/2019 (Interim)	-	-	-	-	(167,109)	(167,109)	-	(167,109)
<b>Balance as at 31st March 2019</b>	<b>900,968</b>	<b>460,151</b>	<b>730,515</b>	-	<b>5,025,692</b>	<b>6,216,358</b>	-	<b>7,117,325</b>

**LANKA TILES PLC**  
**PROVISIONAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2019**

**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  
Net fair value gain recognised in profit or 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  
Income Tax Paid  
Retirement benefit costs paid  
**Net cash flows from/(used in) operating activities**

**CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES**

Acquisition of property,plant,equipment  
Dividend received  
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	
	31.03.2019 Unaudited	31.03.2018 audited	31.03.2019 Unaudited	31.03.2018 audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before income tax	745,607	1,352,792	573,540	1,352,743
Adjustments for:				
Depreciation	267,552	236,236	267,552	236,236
(Gain)/Loss on disposal of fixed assets	6,524	(4)	6,524	(4)
Net Finance income	14,161	(88,576)	14,161	(88,576)
Provision for retirement benefit obligations	27,663	26,000	27,663	26,000
Net fair value gain recognised in profit or loss	(171,019)	-	-	-
Share of results before tax of associate	(7,888)	(165,383)	(7,888)	(165,383)
<b>Operating profit (loss) before working capital changes</b>	<b>882,600</b>	<b>1,361,066</b>	<b>881,552</b>	<b>1,361,017</b>
<b>Changes in working capital</b>				
(Increase)/Decrease in inventories	(1,074,043)	(511,314)	(1,074,043)	(511,314)
(Increase)/Decrease in trade and other receivables	(150,470)	(230,811)	(150,444)	(230,798)
(Increase)/Decrease in due from related parties	(125,487)	(113,724)	(124,494)	(112,599)
Increase/(Decrease) in trade & other payables	491,805	210,580	491,758	210,509
Increase/(Decrease) in due to related parties	130,735	(12,021)	130,751	(12,077)
<b>Cash generated from operations</b>	<b>155,140</b>	<b>703,776</b>	<b>155,080</b>	<b>704,738</b>
Net Finance income	(14,161)	88,576	(14,161)	88,576
Income Tax Paid	(189,219)	(363,789)	(189,227)	(363,789)
Retirement benefit costs paid	(13,773)	(12,385)	(13,773)	(12,385)
<b>Net cash flows from/(used in) operating activities</b>	<b>(62,013)</b>	<b>416,179</b>	<b>(62,081)</b>	<b>417,141</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>				
Acquisition of property,plant,equipment	(1,690,119)	(64,465)	(1,690,119)	(64,465)
Dividend received		43,851	-	43,851
Expenditure incurred on capital work in progress	(472,296)	(337,709)	(472,296)	(337,709)
Loans granted/ repayment to related companies	21,797	25,709	21,797	25,709
Investment in subsidiary	-	-	-	(6,242)
Proceeds from disposal of fixed assets	785	2,449	785	2,449
<b>Net cash flows from /(used in) investing activities</b>	<b>(2,139,833)</b>	<b>(330,165)</b>	<b>(2,139,833)</b>	<b>(336,407)</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Dividend paid	-	(530,504)	-	(530,504)
Proceeds from borrowings	2,458,909	100,000	2,458,909	100,000
Repayment of borrowings	(853,457)	(161,412)	(853,457)	(161,416)
Proceeds on issue of shares to minority shareholders	-	5,997	-	-
<b>Net cash flows from /(used in) financing activities</b>	<b>1,605,452</b>	<b>(585,919)</b>	<b>1,605,452</b>	<b>(591,920)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(596,394)</b>	<b>(499,904)</b>	<b>(596,462)</b>	<b>(511,186)</b>
<b>Movement in cash and cash equivalents</b>				
Net foreign exchange difference arising on translation of foreign operations	701	(259)	-	-
Cash cash equivalents at the beginning of the period	349,819	849,982	338,796	849,982
<b>Cash cash equivalents at the end of the period</b>	<b>(245,874)</b>	<b>349,819</b>	<b>(257,666)</b>	<b>338,796</b>

## 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 2019 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.90 Mn during the year 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 An Interim dividend of Rs.3.15 per share for the financial year 2018/19 was paid on 12th April 2019.
- 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

31st March	2018/19	2017/18	Variance	
	Rs.cts	Rs.cts	Rs.cts	%
Highest market price per share	79.00	113.80	(34.80)	(30.58)
Lowest market price per share	63.00	99.50	(36.50)	(36.68)
Closing market price per share	70.00	99.70	(29.70)	(29.79)

- 10 Director's holding in shares as at 31st March 2019

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

- 11 20 Major Shareholders as at 31st March 2019

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 Seylan Bank Plc / W D N H Perera	107,363	0.202
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 Mr S A C Keerthisinghe & Mrs D M J S Dissanayaka	45,500	0.086
20 Saboor Chatoor (Pvt) Ltd	42,200	0.080
<b>Sub Total</b>	<b>50,540,560</b>	<b>95.269</b>
Others	2,509,850	4.731
<b>Grand Total</b>	<b>53,050,410</b>	<b>100.000</b>

- 12 Percentage of public holding as at 31st March 2019 was 28.275% comprising of 1,756 shareholders.
- 13 The float adjusted market capitalization is Rs. 1,049,989,500.00 as at 31st March 2019 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.