

LANKA WALLTILES PLC

Provisional Financial Statements

For the Nine months ended 31st December 2016

LANKA WALLTILES PLC
Provisional Financial Statements
For the nine months ended 31st December 2016

Statement of Financial Position				
As at	GROUP		COMPANY	
	31.12.2016 (Unaudited) Rs.'000	31.03.2016 (Audited) Rs.'000	31.12.2016 (Unaudited) Rs.'000	31.03.2016 (Audited) Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	13,234,691	12,339,188	3,326,791	3,321,977
Intangible assets - goodwill	24,519	24,519	-	-
Investments in subsidiaries	-	-	1,276,096	1,276,096
Long term receivables	27,285	27,285	-	-
Deferred tax assets	12,528	12,527	-	-
Total non-current Assets	13,299,023	12,403,519	4,602,886	4,598,073
Current assets				
Inventories	3,634,393	3,137,055	1,169,158	1,196,576
Trade and other receivables	2,702,447	2,198,681	498,401	517,726
Amounts due from related parties	8,774	4,784	18,355	15,374
Short term investments	3,238	3,078	3,238	3,078
Cash and cash equivalents	1,568,957	1,784,641	83,836	41,223
Total current assets	7,917,808	7,128,239	1,772,988	1,773,977
Total assets	21,216,832	19,531,758	6,375,874	6,372,050
EQUITY AND LIABILITIES				
Stated capital (No. of shares 54.6 million)	787,765	787,765	787,765	787,765
Reserves	2,306,644	2,306,645	1,237,011	1,237,011
Retained earnings	6,413,911	5,564,485	2,434,195	2,118,262
Share holders' funds	9,508,320	8,658,895	4,458,971	4,143,038
Non controlling interest	3,632,715	3,334,730	-	-
Total equity	13,141,035	11,993,625	4,458,971	4,143,038
Non-current liabilities				
Interest bearing liabilities	1,807,126	1,725,466	357,419	584,245
Deferred tax liabilities	1,003,268	972,358	385,794	338,863
Retirement benefit liability	722,941	699,951	90,357	82,569
Deferred income & Capital grants	137,144	134,301	-	-
Total non-current liabilities	3,670,479	3,532,075	833,569	1,005,676
Current liabilities				
Trade and other payables	1,668,744	1,524,474	396,648	373,246
Income tax liabilities	128,710	339,337	24,730	39,476
Amounts due to related parties	145,981	22,723	204,427	93,856
Current portion of interest bearing liabilities	2,461,882	2,119,524	457,529	716,759
Total current liabilities	4,405,316	4,006,058	1,083,334	1,223,337
Total equity and liabilities	21,216,832	19,531,758	6,375,874	6,372,050
Net Assets Value Per Share (Rs.)	174.15	158.59	81.67	75.88

Sgd
W D N H Perera
Chairman

Sgd
J A P M Jayasekera
Managing Director

January 30, 2017

LANKA WALLTILES PLC

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For the nine months ended 31st December 2016

Statement of Comprehensive Income

Period ended	GROUP					COMPANY				
	Nine Months			Quarter		Nine Months			Quarter	
	31.12.2016 Rs.'000	31.12.2015 Rs.'000	Variance %	31.12.2016 Rs.'000	31.12.2015 Rs.'000	31.12.2016 Rs.'000	31.12.2015 Rs.'000	Variance %	31.12.2016 Rs.'000	31.12.2015 Rs.'000
Revenue	11,651,751	11,324,172	2.9	4,662,731	4,377,213	2,512,797	2,331,929	7.8	978,620	897,956
Cost of sales	(7,919,807)	(7,896,094)	(0.3)	(3,002,008)	(2,906,744)	(1,548,054)	(1,534,644)	(0.9)	(567,974)	(582,458)
Gross profit	3,731,944	3,428,078	8.9	1,660,723	1,470,469	964,743	797,285	21.0	410,646	315,498
Other income	70,515	67,050	5.2	27,654	26,859	107,132	153,050	(30.0)	90,317	6,786
Distribution cost	(1,086,010)	(860,631)	(26.2)	(450,360)	(348,251)	(295,664)	(248,858)	(18.8)	(128,148)	(96,102)
Administrative expenses	(758,090)	(742,247)	(2.1)	(287,371)	(262,133)	(140,290)	(147,573)	4.9	(54,570)	(43,476)
Finance income	150,196	74,525	101.5	48,096	27,884	337	380		114	150
Finance cost	(340,291)	(251,464)	(35.3)	(125,567)	(84,798)	(84,151)	(87,396)	3.7	(27,435)	(26,269)
Profit before tax	1,768,264	1,715,311	3.1	873,176	830,030	552,107	466,888	18.3	290,924	156,587
Income tax expense	(455,624)	(245,987)	(85.2)	(221,686)	(1,260)	(126,973)	(10,425)	-	(65,977)	25,224
Profit for the period	1,312,640	1,469,324	(10.7)	651,490	828,770	425,133	456,463	(6.9)	224,947	181,811
Other comprehensive income									-	
Actuarial loss on retirement benefit liability	-	(16,093)	-	-	(5,365)	-	-	-	-	
Total comprehensive income for the period	1,312,640	1,453,231	(9.7)	651,490	823,405	425,133	456,463	(6.9)	224,947	181,811
Profit attributable to:									-	
Equityholders of Lanka Walltiles PLC	958,626	1,093,572	(12.3)	461,709	607,915	425,133	456,463	(6.9)	224,947	181,811
Non controlling interest	354,014	375,752	(5.8)	189,781	220,855	-	-	-	-	-
Profit for the year	1,312,640	1,469,324	(10.7)	651,490	828,770	425,133	456,463	(6.9)	224,947	181,811
Total comprehensive income attributable to:										
Equityholders of Lanka Walltiles PLC	958,626	1,087,007	(11.8)	461,709	605,179	425,133	456,463	(6.9)	224,947	181,811
Non controlling interest	354,014	366,224	(3.3)	189,781	218,226	-	-	-	-	-
Total comprehensive income	1,312,640	1,453,231	(9.7)	651,490	823,405	425,133	456,463	(6.9)	224,947	181,811
Earnings Per Share - Basic (Rs.)	17.56	20.03		8.46	11.13	7.79	8.36		4.12	3.33

Segmental Information

Period ended	GROUP			COMPANY		
	31.12.2016 Rs.'000	31.12.2015 Rs.'000	Variance %	31.12.2016 Rs.'000	31.12.2015 Rs.'000	Variance %
Revenue						
Tiles & associated items	6,722,427	6,664,648	0.9	2,512,797	2,331,929	7.8
Plantation products	1,296,811	1,254,643	3.4	-	-	
Packing materials	1,693,549	1,869,386	(9.4)	-	-	
Alluminium products	1,938,965	1,535,495	26.3			
Consolidated revenue	11,651,751	11,324,172	2.9	2,512,797	2,331,929	7.8
Profit before tax						
Tiles & associated items	1,579,205	1,496,384	5.5	552,107	466,888	18.3
Plantation products	(146,284)	(127,716)	(14.5)	-	-	
Packing materials	107,555	174,264	(38.3)	-	-	
Alluminium products	227,789	172,379	32.1			
Consolidated profit before tax	1,768,264	1,715,311	3.1	552,107	466,888	18.3

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Statement of Changes in Equity

	Attributable to equity holders of the parent					Non controlling Interest Rs.'000	Total Equity Rs.'000
	Stated capital Rs.'000	Revaluation reserve Rs.'000	Retained profit Rs.'000	Total Rs.'000			
GROUP							
Balance as at 1st April 2015	787,765	1,004,516	4,624,055	6,416,336	2,725,581	9,141,917	
Profit for the year	-	-	1,093,572	1,093,572	375,752	1,469,324	
Other comprehensive income	-	-	(6,564)	(6,564)	(9,529)	(16,093)	
Subsidiary dividend to non controlling interest	-	-	-	-	(79,143)	(79,143)	
Dividend - interim 2015/16 (Rs. 2.50 per share)	-	-	(136,500)	(136,500)		(136,500)	
Balance as at 31st December 2015	787,765	1,004,516	5,574,563	7,366,844	3,012,661	10,379,505	
Balance as at 1st April 2016	787,765	2,306,644	5,564,485	8,658,895	3,334,730	11,993,624	
Profit for the year	-	-	958,626	958,626	354,014	1,312,640	
Other comprehensive income	-	-	-	-	-	-	
Dividend - interim 2016/17 (Rs. 2.00 per share)	-	-	(109,200)	(109,200)	-	(109,200)	
Dividend to non controlling interest	-	-	-	-	(56,029)	(56,029)	
Balance as at 31st December 2016	787,765	2,306,644	6,413,911	9,508,321	3,632,715	13,141,036	
COMPANY							
Balance as at 1st April 2015	787,765	296,294	1,886,370	2,970,429	-	2,970,429	
Profit for the year	-	-	456,463	456,463	-	456,463	
Other comprehensive income	-	-	-	-	-	-	
Dividend - interim 2015/16 (Rs. 2.50 per share)	-	-	(136,500)	(136,500)	-	(136,500)	
Balance as at 31st December 2015	787,765	296,294	2,206,333	3,290,392	-	3,290,392	
Balance as at 1st April 2016	787,765	1,237,011	2,118,262	4,143,038	-	4,143,038	
Profit for the year	-	-	425,133	425,133	-	425,133	
Other comprehensive income	-	-	-	-	-	-	
Dividend - interim 2016/17 (Rs. 2.00 per share)	-	-	(109,200)	(109,200)	-	(109,200)	
Balance as at 31st December 2016	787,765	1,237,011	2,434,195	4,458,972	-	4,458,972	

Share Price

Quarter ended	31.12.2016 Rs.	31.12.2015 Rs.	Variance %
Highest market price	108.90	118.70	-8
Lowest market price	93.00	101.00	-8
Closing market price	99.70	109.80	-9

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Cash Flow Statement				
Period ended	GROUP		COMPANY	
	31.12.2016 Rs.'000	31.12.2015 Rs.'000	31.12.2016 Rs.'000	31.12.2015 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	1,768,264	1,715,311	552,107	466,888
Adjustments for;				
Depreciation & amortisation	475,822	464,932	110,463	104,959
Income from investments	(160)	(171)	(85,300)	(132,057)
Profit/(loss) on sale of property, plant & equipment	(6,188)	2,150	(102)	724
Interest Income	(150,196)	(74,525)	-	-
Finance costs	340,291	251,464	84,151	87,397
Provision for retirement benefit obligations	90,347	70,486	10,125	9,988
Allowance for bad debts	1,807	(13,289)	-	-
Deferred income/ capital grants amortisation	(3,522)	(3,840)	-	-
Foreign exchange (gain)/ loss	(11,835)	(6,040)	(11,835)	(6,040)
Operating profit before working capital changes	2,504,630	2,406,478	659,608	531,859
(Increase)/ decrease in inventories	(497,338)	191,884	27,418	227,328
(Increase)/ decrease in trade and other receivables	(505,573)	(57,507)	17,323	128,360
(Increase)/ decrease in dues from related parties	(3,990)	(2,225)	(979)	(6)
Increase in dues to related parties	123,258	125,716	106,918	(53,221)
Increase/ (decrease) in trade and other payables	144,110	28,710	26,896	118,737
Cash generated from operations	1,765,097	2,693,056	837,184	953,056
Interest received	150,196	74,525		
Finance costs paid	(340,291)	(251,464)	(84,151)	(87,397)
Retirement benefit costs paid	(67,357)	(55,354)	(2,337)	(694)
Income tax paid	(635,341)	(338,890)	(94,788)	(5,759)
Net cash from/ (used in) operating activities	872,304	2,121,873	655,907	859,206
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Acquisition of property, plant & equipment	(1,218,222)	(351,982)	(115,630)	(151,858)
Acquisition of plantation assets	(153,857)	(151,717)	-	-
proceeds from sale of property, plant & equipment	6,942	5,242	455	325
Income from investments	160	171	85,300	132,057
(Acquisition)/ disposal of investment	-	(80)	-	(80)
Net cash flows from / (used in) investing activities	(1,364,977)	(498,366)	(29,875)	(19,556)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest bearing borrowings obtained	2,155,528	1,403,552	-	100,000
Repayment of interest bearing borrowings	(1,776,727)	(1,425,199)	(214,990)	(328,713)
Dividend paid - on ordinary shares	(109,200)	(136,500)	(109,200)	(136,500)
Dividend paid to non controlling interest	(56,029)	(79,143)	-	-
Capital grants received	6,365	12,287	-	-
Net cash flows from financing activities	219,937	(225,003)	(324,190)	(365,213)
Net increase / (decrease) in cash and cash equivalents	(272,736)	1,398,504	301,841	474,437
MOVEMENT IN CASH & CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	1,127,731	59,608	(274,057)	(401,384)
Cash and cash equivalents at the end of the period	854,995	1,458,112	27,786	73,053

Notes

- 1.) The above figures are provisional & 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.) During the 9 month period, Group incurred Rs. 186.4Mn (Company Rs. 24.1Mn.) for the services rendered in improving the manufacturing processes. This service has been provided by related company, Royal Ceramics Lanka PLC.
- 4.) An Interim dividend of Rs.2.00 per share for the financial year 2016/17 was paid on 11th November 2016.
- 5.) There have been no changes in contingent assets and contingent liabilities since 31st March 2016.
- 6.) Directors Holding in Shares as at 31st December 2016

Shareholder	No. of shares	%
Mr. J.A.P.M. Jayasekara	86	0.0001
Mr. M W R N Somaratne	9,201	0.0169

- 7.) 20 Major shareholders as at 31st December 2016

Shareholder	No. of shares	%
1. Lanka Ceramics PLC	33,957,014	62.192
2. CT Holdings PLC	1,499,628	2.747
3. Arunodhaya Industries (Pvt) Ltd	1,176,000	2.154
4. Arunodhaya (Pvt) Ltd	1,176,000	2.154
5. Arunodhaya Investments (Pvt) Ltd	1,176,000	2.154
6. Mr. A. A. Page	915,356	1.676
7. Sri Lanka Insurance Corporation Ltd - Life Fund	807,600	1.479
8. Mrs. A Selliah	689,000	1.262
9.Mr. D. F. G. Dalpethado & Mrs. H.F. A. K. D. Fonseka	634,597	1.162
10. Mrs. A Kailasapillai	628,000	1.150
11. Royal Ceramics Lanka PLC	580,170	1.063
12. Deutsche Bank AG as trustee to Astrue Alpha Fund	471,992	0.864
13. Andysel Private Ltd	420,000	0.769
14. First Capital Limited	398,816	0.730
15. Mellon Bank N.A.- Commonwealth of Massachusetts	337,315	0.618
16. Mr. K Aravinthan	336,000	0.615
17.Mr.A H Udeshi	264,209	0.484
18. Mr.M.M.Fuad	263,533	0.483
19. Bank Of Ceylon A/C Ceybank Century Growth Fund	236,421	0.433
20. Ames tile & Stone Ltd	177,450	0.325
Sub Total	46,145,101	84.515
Other Shareholders	8,454,899	15.485
Grand Total	54,600,000	100.000

- 8.) Percentage of public holding as at 31st December 2016 was 29.219 % comprising of 10,984 shareholders.