

LANKA WALLTILES PLC
Provisional Financial Statements
For the Three months ended 30th June 2017

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For the three months ended 30th June 2017

Statement of Financial Position				
As at	GROUP		COMPANY	
	30.06.2017	31.03.2017	30.06.2017	31.03.2017
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	13,168,414	13,052,062	3,307,233	3,323,749
Consumable biological assets	494,032	490,535	-	-
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	12,175	12,175	-	-
Total non-current Assets	13,726,426	13,606,576	4,583,329	4,599,845
Current assets				
Inventories	4,549,308	4,313,824	1,394,035	1,335,580
Trade and other receivables	2,832,796	2,885,572	467,044	499,333
Amounts due from related parties	8,026	8,729	18,375	17,739
Incom Tax Receivable	22,211	24,674	-	-
Short term investments	3,356	3,296	3,356	3,296
Cash and cash equivalents	1,068,501	1,423,632	37,860	43,372
Total current assets	8,484,199	8,659,727	1,920,670	1,899,320
Total assets	22,210,625	22,266,303	6,503,999	6,499,165
EQUITY AND LIABILITIES				
Stated capital (No. of shares 54.6 million)	787,765	787,765	787,765	787,765
Reserves	2,409,494	2,409,494	1,237,011	1,237,011
Retained earnings	6,795,274	6,625,095	2,534,260	2,494,799
Share holders' funds	9,992,533	9,822,354	4,559,036	4,519,575
Non controlling interest	3,862,060	3,791,375	-	-
Total equity	13,854,593	13,613,729	4,559,036	4,519,575
Non-current liabilities				
Interest bearing liabilities	1,763,801	1,773,267	253,526	324,981
Deferred tax liabilities	1,055,132	1,051,846	367,375	367,375
Retirement benefit liability	665,806	656,086	79,113	75,825
Deferred income & Capital grants	137,385	138,189	-	-
Total non-current liabilities	3,622,123	3,619,386	700,013	768,181
Current liabilities				
Trade and other payables	1,689,127	1,789,552	301,738	414,318
Income tax liabilities	117,986	168,841	65,021	72,265
Amounts due to related parties	92,746	17,045	186,303	86,707
Current portion of interest bearing liabilities	2,834,050	3,057,748	691,888	638,118
Total current liabilities	4,733,908	5,033,184	1,244,950	1,211,412
Total equity and liabilities	22,210,625	22,266,303	6,503,999	6,499,165
Net Assets Value Per Share (Rs.)	183.01	179.90	83.50	82.78

Dharmika Perera
Chairman

J A P M Jayasekera
Managing Director

July 28, 2017

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Statement of Comprehensive Income

Period ended	GROUP			COMPANY		
	Quarter			Quarter		
	30.06.2017 Rs.'000	30.06.2016 Rs.'000	Variance %	30.06.2017 Rs.'000	30.06.2016 Rs.'000	Variance %
Revenue	3,613,584	3,176,969	13.7	652,724	666,058	(2.0)
Cost of sales	(2,637,173)	(2,356,175)	(11.9)	(436,097)	(499,444)	12.7
Gross profit	976,411	820,794	19.0	216,627	166,614	30.0
Other income	25,525	8,627	195.9	7,500	9,846	(23.8)
Distribution cost	(367,938)	(299,886)	(22.7)	(103,632)	(74,521)	(39.1)
Administrative expenses	(231,277)	(219,963)	(5.1)	(41,969)	(41,584)	(0.9)
Finance income	31,308	47,370	(33.9)	135	103	
Finance cost	(117,835)	(98,660)	(19.4)	(26,045)	(27,928)	6.7
Profit before tax	316,194	258,282	22.4	52,616	32,530	61.7
Income tax expense	(75,330)	(72,431)	(4.0)	(13,154)	(7,083)	-
Profit for the period	240,864	185,851	29.6	39,462	25,446	55.1
Other comprehensive income						
Actuarial loss on retirement benefit liability	-	-	-	-	-	-
Total comprehensive income for the period	240,864	185,851	29.6	39,462	25,446	55.1
Profit attributable to:						
Equityholders of Lanka Walltiles PLC	170,179	122,855	38.5	39,462	25,446	55.1
Non controlling interest	70,685	62,996	12.2	-	-	-
Profit for the year	240,864	185,851	29.6	39,462	25,446	55.1
Total comprehensive income attributable to:						
Equityholders of Lanka Walltiles PLC	170,179	122,855	38.5	39,462	25,446	55.1
Non controlling interest	70,685	62,996	12.2	-	-	-
Total comprehensive income	240,864	185,851	29.6	39,462	25,446	55.1

Earnings Per Share - Basic (Rs.)

3.12

2.25

0.72

0.47

Segmental Information

Period ended	GROUP			COMPANY		
	Quarter			Quarter		
	30.06.2017 Rs.'000	30.06.2016 Rs.'000	Variance %	30.06.2017 Rs.'000	30.06.2016 Rs.'000	Variance %
Revenue						
Tiles & associated items	1,860,413	1,713,549	8.6	652,724	666,058	(2.0)
Plantation products	631,725	416,730	51.6	-	-	
Packing materials	591,824	569,817	3.9	-	-	
Alluminium products	551,199	493,607	11.7			
Inter Segment Sales	(21,576)	(16,735)				
Consolidated revenue	3,613,584	3,176,969	13.7	652,724	666,058	(2.0)
Profit before tax						
Tiles & associated items	254,863	238,979	6.6	52,616	32,529	61.8
Plantation products	13,910	(67,830)	120.5	-	-	
Packing materials	19,200	29,590	(35.1)	-	-	
Alluminium products	28,221	57,543	(51.0)			
Consolidated profit before tax	316,194	258,282	22.4	52,616	32,529	61.8

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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 2016	787,765	2,306,644	5,564,485	8,658,895	3,334,730	11,993,624
Profit for the year	-	-	122,855	122,855	62,997	185,851
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Dividend to non controlling interest	-	-	-	-	(13,796)	(13,796)
Balance as at 30th June 2016	787,765	2,306,644	5,687,340	8,781,750	3,383,930	12,165,679
Balance as at 1st April 2017	787,765	2,409,494	6,625,095	9,822,354	3,791,375	13,613,729
Profit for the year	-	-	170,179	170,179	70,685	240,864
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Dividend to non controlling interest	-	-	-	-	-	-
Balance as at 30th June 2017	787,765	2,409,494	6,795,274	9,992,533	3,862,060	13,854,593
COMPANY						
Balance as at 1st April 2016	787,765	1,237,011	2,118,262	4,143,038	-	4,143,038
Profit for the year	-	-	25,446	25,446	-	25,446
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Balance as at 30th June 2016	787,765	1,237,011	2,143,708	4,168,484	-	4,168,484
Balance as at 1st April 2017	787,765	1,237,011	2,494,799	4,519,575	-	4,519,575
Profit for the year	-	-	39,462	39,462	-	39,462
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Balance as at 30th June 2017	787,765	1,237,011	2,534,260	4,559,036	-	4,559,036

Share Price

Quarter ended	30.06.2017 Rs.	30.06.2016 Rs.	Variance %
Highest market price	109.80	119.90	-8
Lowest market price	93.00	97.00	-4
Closing market price	107.40	107.80	0

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Cash Flow Statement

Period ended	GROUP		COMPANY	
	30.06.2017 Rs.'000	30.06.2016 Rs.'000	30.06.2017 Rs.'000	30.06.2016 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	316,194	258,282	52,616	32,529
Adjustments for;				
Depreciation & amortisation	173,666	164,750	39,031	37,032
Income from investments	-	-	-	-
Change in Fair value of biological assets	(5,002)	-	-	-
Profit/(loss) on sale of property, plant & equipment	(20)	(199)	(20)	(199)
Interest Income	(31,308)	(47,370)	-	-
Finance costs	117,835	98,660	26,045	27,928
Provision for retirement benefit obligations	24,306	24,599	3,375	3,375
Allowance for bad debts	605	524	-	-
Deferred income/ capital grants amortisation	(1,262)	(1,174)	-	-
Foreign exchange (gain)/ loss	2,801	6,131	(2,438)	(2,937)
Operating profit before working capital changes	597,814	504,204	118,609	97,728
(Increase)/ decrease in inventories	(230,482)	(114,545)	(58,454)	81,335
(Increase)/ decrease in trade and other receivables	52,171	(28,473)	32,290	37,921
(Increase)/ decrease in dues from related parties	703	(316)	(636)	(23)
Increase in dues to related parties	75,701	100,956	2,534	38,543
Increase/ (decrease) in trade and other payables	(100,485)	(172,836)	(15,577)	(70,513)
Cash generated from operations	395,421	288,991	78,764	184,990
Interest received	31,308	47,370		
Finance costs paid	(117,835)	(98,660)	(26,045)	(27,928)
Retirement benefit costs paid	(14,586)	(25,601)	(87)	(318)
Income tax paid	(120,437)	(77,397)	(20,402)	(2,212)
Net cash from/ (used in) operating activities	173,871	134,703	32,230	154,531
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Acquisition of property, plant & equipment	(240,638)	(285,984)	(22,685)	(70,053)
Acquisition of plantation assets	(53,047)	(50,404)	-	-
proceeds from sale of property, plant & equipment	190	420	190	-
Income from investments	-	(46)	-	(46)
(Acquisition)/ disposal of investment	-	-	-	-
Net cash flows from / (used in) investing activities	(293,495)	(336,014)	(22,495)	(70,099)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest bearing borrowings obtained	1,057,028	375,822	50,000	-
Repayment of interest bearing borrowings	(1,204,034)	(385,943)	(69,017)	(77,251)
Dividend paid - on ordinary shares	-	-	-	-
Dividend paid to non controlling interest	-	(13,796)	-	-
Capital grants received	458	990	-	-
Net cash flows from financing activities	(146,549)	(22,927)	(19,017)	(77,251)
Net increase / (decrease) in cash and cash equivalents	(266,173)	(224,238)	(9,282)	7,181
MOVEMENT IN CASH & CASH EQUIVALENTS				
Cash and cash equivalents at the beginning of the period	244,355	1,127,731	(331,418)	(274,057)
Cash and cash equivalents at the end of the period	(21,818)	903,492	(340,700)	(266,874)

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 quarter ended 30th June 2017 and are in compliance with LKAS 34 - Interim Financial Reporting.
- 3.) During the 3 month period, Group incurred Rs. 39.76Mn (Company Rs. 6.1Mn.) for the services rendered in improving the manufacturing processes. This service has been provided by related company, Royal Ceramics Lanka PLC.
- 4.) There have been no changes in contingent assets and contingent liabilities since 31st March 2017.
- 5.) Directors Holding in Shares as at 30th June 2017

Shareholder	No. of shares	%
Mr. A.M. Weerasinghe	469	0.0010
Mr. J.A.P.M. Jayasekara	86	0.0001
Mr. M W R N Somaratne	11,000	0.0180

- 6.) 20 Major shareholders as at 30th June 2017

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. D. F. G. Dalpethado & Mrs. H.F. A. K. D. Fonseka	932,699	1.708
7.Mr.A.A. Page	915,356	1.676
8. Sri Lanka Insurance Corporation Ltd - Life Fund	807,600	1.479
9. Mrs. A Selliah	689,000	1.262
10. Mrs. A Kailasapillai	628,000	1.150
11. Royal Ceramics Lanka PLC	580,170	1.063
12.Andysel (Pvt) Ltd	420,000	0.769
13.First Capital Limited	398,816	0.730
14. Mellon Bank N.A.- Commonwealth of Massachusetts	337,315	0.618
15. Mr. K Aravinthan	336,000	0.615
16.Mr.A H Udeshi	300,000	0.549
17. Bank of Ceylon A/C Ceybank Century Growth Fund	236,421	0.433
18. Mr. P K C P Samarasinghe	220,034	0.403
19. Ames Tile & Stone Ltd	177,450	0.325
20. Akbar Brothers (Pvt) Ltd A/C No 1	166,073	0.304
Sub Total	46,129,576	84.486
Other Shareholders	8,470,424	15.514
Grand Total	54,600,000	100.000

- 7.) Percentage of public holding as at 30th June 2017 was 29.288 % comprising of 10,946 shareholders.