

LANKA WALLTILES PLC

Provisional Financial Statements

For the Nine months ended 31st December 2018

LANKA WALLTILES PLC
Provisional Financial Statements
For the nine months ended 31st December 2018

Statement of Financial Position				
As at	GROUP		COMPANY	
	31.12.2018 (Unaudited) Rs.'000	31.03.2018 (Audited) Rs.'000	31.12.2018 (Unaudited) Rs.'000	31.03.2018 (Audited) Rs.'000
ASSETS				
Non-current assets				
Property, plant & equipment	15,357,388	14,316,493	4,111,521	4,114,548
Consumable biological assets	547,538	536,575	-	-
Investment Properties	459,407	459,407	-	-
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	14,686	14,686	-	-
Total non-current Assets	16,430,823	15,378,965	5,387,616	5,390,644
Current assets				
Inventories	7,725,272	6,113,247	1,939,780	1,606,272
Trade and other receivables	4,022,893	3,450,285	834,500	725,049
Amounts due from related parties	24,280	55,427	56,767	34,628
Income Tax Receivable	90,132	60,851	3,882	-
Short term investments	3,431	3,239	3,431	3,239
Cash and cash equivalents	497,121	660,879	46,350	61,004
Total current assets	12,363,129	10,343,928	2,884,708	2,430,192
Total assets	28,793,952	25,722,893	8,272,325	7,820,836
EQUITY AND LIABILITIES				
Stated capital (No. of shares 54.6 million)	787,765	787,765	787,765	787,765
Reserves	2,566,984	2,566,671	1,531,815	1,531,815
Retained earnings	7,487,984	7,162,378	2,781,516	2,661,459
Shareholders' funds	10,842,733	10,516,814	5,101,096	4,981,039
Non controlling interest	3,956,035	3,897,935	-	-
Total equity	14,798,768	14,414,749	5,101,096	4,981,039
Non-current liabilities				
Interest bearing liabilities	2,705,676	1,712,118	77,520	165,180
Deferred tax liabilities	1,977,489	2,032,023	887,282	887,282
Retirement benefit liability	832,119	778,830	120,051	108,706
Deferred income & Capital grants	130,179	136,532	-	-
Total non-current liabilities	5,645,463	4,659,503	1,084,853	1,161,168
Current liabilities				
Trade and other payables	3,050,332	2,714,644	640,164	479,476
Income tax liabilities	5,717	81,847	-	23,834
Amounts due to related parties	54,497	48,528	185,464	167,860
Current portion of interest bearing liabilities	5,239,175	3,803,622	1,260,748	1,007,459
Total current liabilities	8,349,721	6,648,641	2,086,375	1,678,629
Total equity and liabilities	28,793,952	25,722,893	8,272,325	7,820,836
Net Assets Value Per Share (Rs.)	198.58	192.62	93.43	91.23

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Dhammika Perera
Chairman

February 5, 2019

sgd
J A P M Jayasekera
Managing Director

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Provisional Financial Statements
For the nine months ended 31st December 2018

Statement of Comprehensive Income

Period ended	GROUP					COMPANY				
	Quarter		Nine Months			Quarter		Nine Months		
	31.12.2018 Rs.'000	31.12.2017 Rs.'000	31.12.2018 Rs.'000	31.12.2017 Rs.'000	Variance %	31.12.2018 Rs.'000	31.12.2017 Rs.'000	31.12.2018 Rs.'000	31.12.2017 Rs.'000	Variance %
Revenue	5,856,624	5,492,023	14,522,007	13,491,383	7.6	1,008,491	1,020,382	2,437,007	2,500,081	(2.5)
Cost of sales	(4,454,669)	(3,900,507)	(11,194,659)	(9,468,173)	(18.2)	(715,229)	(670,321)	(1,727,099)	(1,576,163)	(9.6)
Gross profit	1,401,955	1,591,516	3,327,348	4,023,210	(17.3)	293,262	350,061	709,908	923,918	(23.2)
Other income	20,014	30,033	83,780	94,170	(11.0)	20,939	26,259	56,169	183,660	(69.4)
Distribution cost	(526,896)	(524,031)	(1,416,508)	(1,280,583)	(10.6)	(135,104)	(128,359)	(351,182)	(331,759)	(5.9)
Administrative expenses	(258,337)	(254,192)	(780,727)	(715,517)	(9.1)	(44,417)	(49,348)	(129,263)	(137,780)	6.2
Finance income	(10)	37,589	6,187	132,540	(95.3)	50	74	210	298	(29.8)
Finance cost	(287,325)	(146,540)	(645,353)	(417,139)	(54.7)	(44,869)	(30,374)	(118,940)	(83,508)	(42.4)
Profit before tax	349,402	734,374	574,727	1,836,682	(68.7)	89,862	168,313	166,903	554,828	(69.9)
Income tax expense	(71,530)	(195,046)	(160,544)	(488,381)	67.1	(25,274)	(45,732)	(46,846)	(109,790)	(57.3)
Profit for the period	277,872	539,328	414,183	1,348,301	(69.3)	64,588	122,581	120,057	445,038	(73.0)
Other comprehensive income										
Actuarial Gain/ (Loss) on Retirement Benefit Liability	(9,667)	-	(29,000)	-	-	-	-	-	-	-
Deferred tax release on components of other comprehensive income	1,353	-	4,060	-	-	-	-	-	-	-
Foreign currency translation differences of foreign operations	1,185	(530)	900	(530)	-	-	-	-	-	-
Total comprehensive income for the period	270,744	538,799	390,143	1,347,772	(71.1)	64,588	122,581	120,057	445,038	(73.0)
Profit attributable to:										
Equity holders of Lanka Walltiles PLC	205,169	358,820	338,912	938,676	(63.9)	64,588	122,581	120,057	445,038	(73.0)
Non controlling interest	72,703	180,508	75,271	409,625	(81.6)	-	-	-	-	-
Profit for the year	277,872	539,328	414,183	1,348,301	(69.3)	64,588	122,581	120,057	445,038	(73.0)
Total comprehensive income attributable to:										
Equity holders of Lanka Walltiles PLC	201,342	358,636	326,506	938,492	(65.2)	64,588	122,581	120,057	445,038	(73.0)
Non controlling interest	69,403	180,163	63,637	409,280	(84.5)	-	-	-	-	-
Total comprehensive income	270,744	538,799	390,143	1,347,772	(71.1)	64,588	122,581	120,057	445,038	(73.0)
Earnings Per Share - Basic (Rs.)	3.76	6.57	6.21	17.19		1.18	2.25	2.20	8.15	

Segmental Information

Period ended	GROUP			COMPANY		
	31.12.2018	31.12.2017	Variance	31.12.2018	31.12.2017	Variance
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Revenue						
Tiles & associated items	8,255,228	7,361,344	12.1	2,437,007	2,500,081	(2.5)
Plantation products	1,426,816	1,731,834	(17.6)	-	-	-
Packing materials	2,691,060	2,065,029	30.3	-	-	-
Aluminium products	2,249,606	2,422,756	(7.1)	-	-	-
Inter Segment Sales	(100,702)	(89,580)	(12.4)	-	-	-
Consolidated revenue	14,522,007	13,491,383	7.6	2,437,007	2,500,081	(2.5)
Profit before tax						
Tiles & associated items	738,660	1,502,165	(50.8)	166,903	554,828	(69.9)
Plantation products	(48,475)	65,363	(174.2)	-	-	-
Packing materials	21,333	26,701	(20.1)	-	-	-
Aluminium products	(136,792)	242,452	(156.4)	-	-	-
Consolidated profit before tax	574,727	1,836,682	(68.7)	166,903	554,828	(69.9)

LANKA WALLTILES PLC
Provisional Financial Statements
For the nine months ended 31st December 2018

Statement of Changes in Equity						
	Attributable to equity holders of the parent				Non controlling Interest	Total Equity
	Stated capital	Reserve	Retained profit	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
GROUP						
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	-	-	938,676	938,676	409,625	1,348,301
Other comprehensive income	-	(184)	-	(184)	(345)	(529)
Dividend Paid	-	-	(218,400)	(218,400)	-	(218,400)
Dividend to non controlling interest	-	-	-	-	(67,438)	(67,438)
Share Issued to minority shareholders	-	-	-	-	5,997	5,997
Balance as at 31st December 2017	787,765	2,409,310	7,345,371	10,542,446	4,139,214	14,681,660
Balance as at 1st April 2018	787,765	2,566,671	7,162,378	10,516,814	3,897,935	14,414,749
Profit for the year	-	-	338,912	338,912	75,271	414,183
Other comprehensive income	-	313	(13,307)	(12,993)	(11,046)	(24,040)
Dividend Paid	-	-	-	-	-	-
Dividend to non controlling interest	-	-	-	-	(6,125)	(6,125)
Balance as at 31st December 2018	787,765	2,566,984	7,487,984	10,842,733	3,956,035	14,798,768
COMPANY						
Balance as at 1st April 2017	787,765	1,237,011	2,494,799	4,519,575	-	4,519,575
Profit for the year	-	-	445,038	445,038	-	445,038
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	(218,400)	(218,400)	-	(218,400)
Balance as at 31st December 2017	787,765	1,237,011	2,721,435	4,746,212	-	4,746,212
Balance as at 1st April 2018	787,765	1,531,815	2,661,459	4,981,039	-	4,981,039
Profit for the year	-	-	120,057	120,057	-	120,057
Other comprehensive income	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Balance as at 31st December 2018	787,765	1,531,815	2,781,516	5,101,096	-	5,101,096

Share Price			
Quarter ended	31.12.2018 Rs.	31.12.2017 Rs.	Variance %
Highest market price	80.00	105.00	-24
Lowest market price	70.20	97.00	-28
Closing market price	71.00	99.40	-29

LANKA WALLTILES PLC
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Cash Flow Statement				
Period ended	GROUP		COMPANY	
	31.12.2018 Rs.'000	31.12.2017 Rs.'000	31.12.2018 Rs.'000	31.12.2017 Rs.'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	574,727	1,836,682	166,903	554,828
Adjustments for;				
Depreciation & amortisation	609,265	521,900	120,509	114,719
Income from investments	-	-	-	(130,281)
Change in Fair value of biological assets	(7,619)	(5,680)	-	-
Profit/(loss) on sale of property, plant & equipment	(5,068)	(1,929)	1,792	(3,596)
Interest Income	(6,187)	(132,540)	-	-
Finance costs	645,353	417,139	118,940	83,508
Provision for retirement benefit obligations	88,605	116,228	13,752	10,125
Allowance for obsolete and slow moving inventories	800	3,000	800	3,000
Allowance for bad debts	4,000	1,523	4,000	-
Deferred income/ capital grants amortisation	(8,674)	(3,825)	-	-
Foreign exchange (gain)/ loss	80,577	(11,167)	(22,954)	(11,167)
Operating profit before working capital changes	1,975,780	2,741,330	403,741	621,136
(Increase)/ decrease in inventories	(1,605,206)	(853,105)	(334,308)	(193,824)
(Increase)/ decrease in trade and other receivables	(576,609)	(761,132)	(113,451)	(130,885)
(Increase)/ decrease in dues from related parties	31,147	(7,416)	(22,138)	(12,259)
Increase in dues to related parties	5,969	112,148	17,603	63,601
Increase/ (decrease) in trade and other payables	256,359	402,187	160,496	44,485
Cash generated from operations	87,440	1,634,013	111,944	392,254
Interest received	6,187	132,540	-	-
Finance costs paid	(645,353)	(417,139)	(118,940)	(83,508)
Retirement benefit costs paid	(65,756)	(68,714)	(2,409)	(659)
Income tax paid	(316,428)	(576,594)	(74,561)	(148,900)
Net cash from/ (used in) operating activities	(933,910)	704,107	(83,965)	159,187
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Acquisition of property, plant & equipment	(1,543,099)	(751,481)	(120,065)	(123,364)
Acquisition of plantation assets	(121,321)	(186,741)	-	-
proceeds from sale of property, plant & equipment	8,365	4,638	792	4,588
Income from investments	-	-	-	130,281
Net cash flows from / (used in) investing activities	(1,656,054)	(933,584)	(119,273)	11,505
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest bearing borrowings obtained	6,139,910	3,621,669	631,940	400,000
Repayment of interest bearing borrowings	(3,995,985)	(3,360,733)	(458,022)	(204,683)
Dividend paid - on ordinary shares	-	(218,400)	-	(218,400)
Dividend paid to non controlling interest	(6,125)	(67,438)	-	-
Capital grants received	2,320	4,418	-	-
Proceeds on issue of shares to minority shareholders	-	5,997	-	-
Net cash flows from financing activities	2,140,120	(14,487)	173,918	(23,083)
Net increase / (decrease) in cash and cash equivalents	(449,845)	(244,494)	(29,319)	147,610
MOVEMENT IN CASH & CASH EQUIVALENTS				
Foreign currency translation differences of foreign operations	900	(530)	-	-
Cash and cash equivalents at the beginning of the period	(303,251)	244,355	(285,869)	(331,418)
Cash and cash equivalents at the end of the period	(752,195)	(140)	(315,190)	(183,808)

Notes

1.) Corporate Information

Lanka Walltiles PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company is located at No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of the company for the period ended 31st December 2018 comprise Lanka Walltiles PLC (Parent Company) and its subsidiaries (together referred as the "Group"), namely Lanka Tiles PLC, Vallibel Plantation Management Limited, Horana Plantations PLC, Uni-Dil Packaging Ltd, Uni-Dil Packaging Solutions Ltd, Swisstek (Ceylon) PLC, Swisstek Aluminium Ltd, LWL Development (Pvt) Ltd, Beyond Paradise Collection Ltd and Lankatiles (Pvt) Ltd, LTL Development (Pvt) Limited and Swisstek Development (Pvt) Limited

2.) The above figures are provisional & subject to audit.

3.) The same accounting policies as in the annual report for the year ended 31 March 2018 have been followed in the preparation of financial statements and are in compliance with LKAS 34 - Interim Financial Reporting.

The presentation and classification of the financial statements of the previous period have been amended, with those of the current period, where relevant, for better presentation and to be comparable.

4.) During the 3 month period, Group incurred Rs. 134.37 Mn (Company Rs. 29.95Mn.) for the services rendered in improving the manufacturing processes. This service has been provided by related company, Royal Ceramics Lanka PLC & Vallibel One PLC.

5.) There have been no changes in contingent assets and contingent liabilities since 31st March 2018.

6.) There have been no material events occurring after the Balance Sheet date that require adjustments or disclosure to these financial statements.

7.) Directors Holding in Shares as at 31st December 2018

Shareholder	No. of shares	%
Mr. A.M. Weerasinghe	6,610	0.012
Mr. J.A.P.M. Jayasekara	199	0.000
Mr. M W R N Somaratne	11,000	0.020

8.) 20 Major shareholders as at 31st December 2018

Shareholder	No. of shares	%
1. Royal Ceramics Lanka PLC	29,784,218	54.550
2. Mr.A.A.K. Page	5,159,756	9.450
3. CT Holdings PLC	1,499,628	2.747
4. Arunodhaya Investments (Pvt) Ltd	1,262,669	2.313
5. Arunodhaya (Pvt) Ltd	1,262,669	2.313
6. Arunodhaya Industries (Pvt) Ltd	1,262,669	2.313
7. Mr. D. F. G. Dalpethado & Mrs. H.F. A. K. D. Fonseka	1,007,778	1.846
8. Sri Lanka Insurance Corporation Ltd - Life Fund	807,600	1.479
9. Mrs. A Selliah	746,779	1.368
10. Seylan Bank PLC/W.D.N.H.Perera	739,801	1.355
11. Mrs. A Kailasapillai	697,334	1.277
12. Andysel (Pvt) Ltd	420,000	0.769
13. First Capital Limited	398,816	0.730
14. Mr.A H Udeshi	379,594	0.695
15. Akbar Brothers (Pvt) Ltd A/C No 1	374,534	0.686
16. Mr.K.Aravinthan	336,000	0.615
17. Mellon Bank N.A. - Commonwealth of Massachusetts	285,175	0.522
18. Bank of Ceylon A/C Ceybank Century Growth Fund	236,421	0.433
19. Mr. P K C P Samarasinghe	220,034	0.403
20. Ames Tile & Stone Ltd	177,450	0.325
Sub Total	47,058,925	86.189
Other Shareholders	7,541,075	13.811
Grand Total	54,600,000	100.000

9.) Percentage of public holding as at 31st December 2018 was 26.854 % comprising of 10,967 shareholders.

10.) The float adjusted market capitalization as at 31st December 2018 was Rs.1,041,022,803.00 under option 5 of rule 7.13.1 (a) of the Listing Rules and the company has complied with the minimum public holding requirement applicable under the said option.