



Swisstek (Ceylon) PLC

Provisional Financial Statements

For the Twelve Months Ended 31st March 2019

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS 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	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Property, plant and equipment	2,683,714	2,452,724	1,204,197	1,057,488
Investment property	142,000	134,000	142,000	134,000
Investment in subsidiary	90	79	229,874	229,863
Non current assets	2,825,803	2,586,803	1,576,071	1,421,351
Inventories	2,138,898	1,605,100	221,202	107,775
Trade & other receivables	1,349,590	1,145,345	385,833	171,831
Income tax receivable	4,294	95	-	95
Contract Assets	58,269	-	58,269	-
Amounts due from related parties	5,963	27,433	6,294	27,764
Cash & cash equivalents	130,085	65,632	83,399	2,817
Current assets	3,687,098	2,843,605	754,997	310,282
Total assets	6,512,901	5,430,408	2,331,068	1,731,633
EQUITY				
Stated capital	368,256	368,256	368,256	368,256
Reserve	624,734	616,134	524,928	524,929
Retained Earnings / (losses)	955,208	991,577	223,693	145,663
Equity attributable to owners of the company	1,948,198	1,975,967	1,116,877	1,038,848
Non controlling interest	153,313	167,647	-	-
Total equity	2,101,511	2,143,614	1,116,877	1,038,848
Liabilities				
Retirement benefits obligation	23,185	20,647	6,806	6,342
Deferred tax liability	316,298	309,877	267,992	208,252
Long term borrowings payable after one year	621,421	590,260	211,230	150,490
Non current liabilities	960,904	920,784	486,028	365,084
Trade & other payables	694,741	959,761	185,313	96,833
Contract liabilities	79,177	-	79,177	-
Long term borrowings payable within one year	222,253	183,832	50,250	37,500
Short term loans	1,967,282	1,027,766	337,900	121,659
Amount due to related parties	7,219	4,620	7,219	4,620
Loans payable to related companies	-	21,797	-	21,797
Income tax payable	1,022	2,700	1,022	-
Bank overdrafts	478,792	165,534	67,282	45,292
Current liabilities	3,450,486	2,366,010	728,163	327,701
Total liabilities	4,411,390	3,286,794	1,214,191	692,785
Total equity and liabilities	6,512,901	5,430,408	2,331,068	1,731,633
<i>Net asset value per share (Rs.)</i>	<i>71.17</i>	<i>72.19</i>	<i>40.80</i>	<i>37.95</i>

Signed on behalf of the Board of Directors of Swisstek (Ceylon) PLC.

Sgd.
Director

Sgd.
Director

27th May 2019

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31ST MARCH 2019

STATEMENT OF COMPREHENSIVE INCOME

Period ended	GROUP					COMPANY				
	31-03-2019		31-03-2018		Variance % for the Twelve months	31-03-2019		31-03-2018		Variance % for the Twelve months
	Unaudited		Audited			Unaudited		Audited		
	Quarter	12 Months	Quarter	12 Months		Quarter	12 Months	Quarter	12 Months	
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000			
Gross sales (inclusive of tax)	1,502,494	5,034,421	1,323,020	4,774,544	5	443,749	1,339,375	246,129	854,623	57
Sales (net of tax)	1,266,593	4,294,028	1,129,146	4,077,367	5	394,305	1,175,154	211,319	736,784	59
Cost of sales	(1,084,342)	(3,472,085)	(819,979)	(2,888,763)	(20)	(302,611)	(886,135)	(161,964)	(561,592)	(58)
Gross profit	182,250	821,942	309,167	1,188,604	(31)	91,695	289,020	49,355	175,192	65
Other operating income	47,714	95,663	38,110	92,421	4	45,380	87,268	90,598	141,905	(39)
Distribution expenses	(15,983)	(262,591)	(99,461)	(446,650)	41	(13,156)	(67,312)	(12,963)	(48,194)	(40)
Administration expenses	(73,868)	(229,117)	(54,569)	(199,289)	(15)	(11,666)	(40,955)	(7,323)	(34,571)	(18)
Profit from operating activities	140,113	425,897	193,247	635,086	(33)	112,253	268,021	119,667	234,332	14
Other operating expenses	(5,568)	(5,568)	(5,036)	(5,036)	-	(2,586)	(2,586)	(5,036)	(5,036)	-
Net finance cost	(88,414)	(403,600)	(39,082)	(145,262)	(178)	(20,592)	(68,970)	(7,183)	(28,641)	(141)
Profit/(Loss) before taxation	46,131	16,729	149,129	484,788	(97)	89,075	196,465	107,448	200,655	(2)
Taxation	(38,548)	(15,979)	(31,096)	(106,718)	85	(58,756)	(64,357)	(4,612)	(21,740)	(196)
Profit/(Loss) for the period	7,584	750	118,033	378,070	(100)	30,319	132,108	102,836	178,915	(26)
Other Comprehensive income										
Gain on revaluation of land and buildings	12,304	12,304	56,289	56,289	(78)	-	-	51,285	51,285	(100)
Defined benefit plan actuarial gain/(losses)	2,374	2,374	(156)	(156)	(1,622)	648	648	(534)	(534)	(221)
Deferred tax on other comprehensive income	(2,987)	(2,987)	(200,300)	(200,300)	(99)	(181)	(181)	(195,562)	(195,562)	(100)
Other comprehensive income for the period	11,691	11,691	(144,167)	(144,167)	(108)	467	467	(144,811)	(144,811)	(100)
Total comprehensive income for the period	19,274	12,440	(26,134)	233,903	(95)	30,786	132,575	(41,975)	34,104	289
Attributable to:										
Owners of the company	9,626	16,501	109,168	345,989	(95)	30,319	132,108	102,836	178,915	(26)
Non-controlling interest	(2,043)	(15,751)	8,865	32,081	(149)	-	-	-	-	-
Profit/(Loss) for the year	7,584	750	118,033	378,070	(100)	30,319	132,108	102,836	178,915	(26)
Total comprehensive income attributable to:										
Owners of the company	19,901	26,774	(35,081)	201,741	(87)	30,786	132,575	(41,975)	34,104	289
Non-controlling interest	(626)	(14,334)	8,947	32,162	(145)	-	-	-	-	-
Total comprehensive income for the period	19,274	12,440	(26,134)	233,903	(95)	30,786	132,575	(41,975)	34,104	289
<i>Basic earnings per share (Rs.)</i>	<i>0.35</i>	<i>0.60</i>	<i>3.99</i>	<i>12.64</i>	<i>(95)</i>	<i>1.11</i>	<i>4.83</i>	<i>3.76</i>	<i>6.54</i>	<i>(26)</i>

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31ST MARCH 2019

CASH FLOW STATEMENT

Period ended	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	16,729	484,788	196,465	200,655
Adjustments for;				
Depreciation	129,696	79,494	30,233	17,026
Provision for gratuity	5,727	5,305	1,378	1,305
Interest cost	367,392	149,407	68,511	33,779
Interest income	-	(5,138)	-	(5,138)
Dividend income	-	-	-	(55,053)
Exchange loss / (gain)	36,208	993	459	-
(Profit)/loss on disposal of fixed assets	(234)	-	-	-
(Gain)/ Loss on revaluation of investment property	(6,785)	(16,517)	(6,785)	(16,517)
Provision for impairment of trade receivables	3,510	(2,539)	528	152
Inventory provision	2,058	2,990	2,058	3,007
Operating profit/(loss) before working capital changes	554,301	698,784	292,847	179,216
Changes in working capital				
- (Increase)/Decrease in inventory	(535,857)	(795,758)	(115,486)	(9,805)
- (Increase)/Decrease in trade & other receivables	(229,374)	(50,188)	(200,398)	(56,642)
- (Increase)/Decrease in amounts due from/to related parties	5,797	(22,944)	5,797	(22,953)
- Increase/(Decrease) in trade & other payables	(319,564)	527,185	33,937	9,042
- Contract Asset	(58,269)	-	(58,269)	-
- Contract Liability	79,177	-	79,177	-
Cash generated from operations	(503,789)	357,079	37,604	98,857
Interest paid	(367,392)	(149,407)	(68,511)	(33,779)
Tax paid	(14,735)	(68,939)	-	(22,752)
Gratuity payments	(815)	(1,984)	(267)	(998)
Net cash generated from/(used) in operating activities	(886,731)	136,749	(31,174)	41,328
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(275,231)	(707,618)	(176,000)	(217,891)
Addition to Construction Work In Progress	(77,199)	-	(943)	-
Proceeds on disposal of property, plant & equipment	4,281	-	-	-
Other long Term Investment	(11)	(79)	(11)	(79)
Dividend Income	-	-	-	55,053
Construction of investment property	(1,215)	-	(1,215)	-
Net cash generated from/(used) in investing activities	(349,375)	(707,697)	(178,168)	(162,917)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid	-	(95,802)	-	(95,802)
Dividend paid to NCI	-	(8,836)	-	-
Interest income	-	5,138	-	5,138
Loan repayment to related party	(21,797)	(30,835)	(21,797)	(30,835)
Loan Obtained	4,119,960	2,965,113	707,312	398,612
Repayment of borrowings	(3,110,861)	(2,317,069)	(417,581)	(188,764)
Net cash generated from/(used) in financing activities	987,303	517,710	267,934	88,350
Net Increase/ (Decrease) in cash and cash equivalents	(248,803)	(53,238)	58,592	(33,240)
Cash & cash equivalents at the beginning of the year	(99,902)	(46,665)	(42,474)	(9,232)
Cash & cash equivalents at the end of the period (Note a)	(348,705)	(99,903)	16,119	(42,472)
Note a				
Analysis of cash and cash equivalent at the end of the period				
Cash at banks and cash in hand	130,087	(265,437)	83,401	(87,764)
Bank Overdraft	(478,792)	165,534	(67,282)	45,292
Cash and cash equivalent at the end of the period	(348,705)	(99,903)	16,119	(42,472)

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31ST MARCH 2019

STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Shareholders' funds	Non-controlling Interest	Total Equity
Balance as at 1st April 2017	368,256	740,420	19,842	741,511	1,870,029	144,320	2,014,349
Total comprehensive income							
- Profit for the year	-	-	-	345,989	345,989	32,081	378,070
Other comprehensive income							
- Defined benefit plan actuarial gains/(losses)	-	-	-	(204)	(204)	48	(156)
- Gain on revaluation of land & building	-	55,657	-	-	55,657	632	56,289
- Deferred tax on other comprehensive income	-	(199,785)	-	83	(199,702)	(598)	(200,300)
	-	(144,128)	-	(121)	(144,249)	82	(144,167)
- Dividend paid	-	-	-	(95,802)	(95,802)	(8,836)	(104,638)
Balance as at 31st March 2018	368,256	596,292	19,842	991,577	1,975,967	167,647	2,143,614
Balance as at 1st April 2018	368,256	596,292	19,842	991,577	1,975,967	167,647	2,143,614
Total comprehensive income							
- Profit/(Loss) for the year	-	-	-	16,501	16,501	(15,751)	750
Other comprehensive income							
- Defined benefit plan actuarial gains/(losses)	-	-	-	2,156	2,156	218	2,374
- Gain on revaluation of land & building	-	10,751	-	-	10,751	1,553	12,304
- Deferred tax on other comprehensive income	-	(2,150)	-	(483)	(2,633)	(354)	(2,987)
	-	8,601	-	1,673	10,274	1,417	11,691
- Dividend paid	-	-	-	(54,544)	(54,544)	-	(54,544)
Balance as at 31st March 2019	368,256	604,893	19,842	955,207	1,948,198	153,313	2,101,511

Company

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Total Equity
Balance as at 1st April 2017	368,256	649,514	19,842	62,933	1,100,545
Total comprehensive income					
- Profit for the year	-	-	-	178,915	178,915
Other comprehensive income					
- Defined benefit plan actuarial gains/(losses)	-	-	-	(534)	(534)
- Gain on revaluation of land & building	-	51,285	-	-	51,285
- Deferred tax on other comprehensive income	-	(195,712)	-	150	(195,562)
	-	(144,427)	-	(384)	(144,811)
- Dividend paid	-	-	-	(95,802)	(95,802)
Balance as at 31st March 2018	368,256	505,087	19,842	145,662	1,038,847
Balance as at 1st April 2018	368,256	505,087	19,842	145,662	1,038,847
Total comprehensive income					
- Profit for the year	-	-	-	132,108	132,108
Other comprehensive income					
- Defined benefit plan actuarial gains/(losses)	-	-	-	648	648
- Deferred tax on other comprehensive income	-	-	-	(181)	(181)
	-	-	-	467	467
- Dividend paid	-	-	-	(54,544)	(54,544)
Balance as at 31st March 2019	368,256	505,087	19,842	223,693	1,116,878

Segmental Information

For the period ended 31st March	GROUP			COMPANY		
	2019	2018	Variance	2019	2018	Variance
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Turnover						
Flooring and tile accessories	1,175,154	736,784	59.5%	1,175,154	736,784	59.5%
Aluminium products	3,118,873	3,340,583	-6.6%	-	-	0.0%
Consolidated turnover	4,294,028	4,077,367	5.3%	1,175,154	736,784	59.5%
Profit/ (Loss) before tax						
Flooring and tile accessories	196,465	200,655	-2.1%	196,465	200,655	-2.1%
Aluminium products	(179,735)	284,133	-163.3%	-	-	0.0%
Consolidated profit/ (Loss) before tax	16,729	484,788	-96.5%	196,465	200,655	-2.1%

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31ST MARCH 2019

Notes

- These figures are provisional and subject to audit.
- 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.
- 27,372,000 ordinary shares are in issue and included under Stated Capital.
- 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.
- Target discounts of Rs. 107.0 Mn. previously classified as distribution expenses of the group has been reclassified as a reduction of revenue during the current year as per adoption of SLFRS 15.
- The subsidiary Swisstek Aluminium Ltd incurred Rs. 99.24 Mn. for the services rendered in improving the manufacturing processes. This service has been provided by related Company, Lanka Walltiles PLC- Rs. 49.62 Mn. & Vallibel One PLC- Rs. 49.62 Mn.
- There have been no changes in contingent assets and contingent liabilities since 31st March 2018.
- There have been no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statement.
- Market prices recorded during the quarter ended

31st March	2019	2018	Variance	
	Rs.cts	Rs.cts	Rs.cts	%
Highest market price per share	41.90	68.70	(26.80)	(39)
Lowest market price per share	31.80	55.00	(23.20)	(42)
Closing market price per share	34.80	59.30	(24.50)	(41)

- Directors' Holdings as at 31st March 2019.

<u>Director's name</u>	Shareholding	
	<u>No. of Shares</u>	<u>%</u>
Mr. A M Weerasinghe (Director)	220,340	0.805
Mr. J A P M Jayasekera (Managing Director)	25,557	0.093
	245,897	0.898

- 20 Major Shareholders as at 31st March 2019.

<u>Shareholder's Name</u>	Shareholding	
	<u>No. of Shares</u>	<u>%</u>
1 Lanka Tiles PLC	13,085,180	47.805
2 Lanka Walltiles PLC	3,141,250	11.476
3 Royal Ceramics Lanka PLC	1,882,613	6.878
4 Hatton National Bank PLC-Candor Opportunities Fund	600,000	2.192
5 Citizens Development Business Finance PLC	482,121	1.761
6 Seylan Bank PLC / Rizmy Ahamed Rishard	410,410	1.499
7 Sri Lanka Insurance Corporation Ltd-Life Fund	368,132	1.345
8 Mr. A S Ratnayake	290,526	1.061
9 Elgin Investments Limited	287,458	1.050
10 Rubber Investment Trust Limited	260,000	0.950
11 Arunodhaya (Pvt) Limited	250,000	0.913
12 Arunodhaya Industries (Private) Limited	250,000	0.913
13 Andysel Private Limited	250,000	0.913
14 Mr. A M M Risvi	250,000	0.913
15 Mr. A M Weerasinghe	220,340	0.805
16 Mr. M M Fuad	199,728	0.730
17 Hatton National Bank PLC - Candor Growth Fund	190,356	0.695
18 Guardian Fund Management Limited/The Aitken Spence and Associated Companies Executive Staff Provident Fund	185,000	0.676
19 Central Finance Company PLC - Account No. 05	178,319	0.651
20 Arunodhaya Investments (Private) Limited	170,000	0.621
	22,951,433	83.850
Sub Total	4,420,567	16.150
Others	27,372,000	100.000

- Percentage of public holding as at 31st March 2019 was 29.116%, comprising of 1,042 shareholders.
- The float adjustment market capitalization of the Company as at 31st March 2019 was Rs. 277,347,648/- under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.