

**LANKA ASHOK LEYLAND PLC**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016**

<b>31-Mar-16</b>	<b>As at</b>	<b>30-Sep-16</b>	<b>30-Sep-15</b>
<b>Audited</b>		<b>Rs.</b>	<b>Rs.</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
554,459,358	Property Plant & Equipment	557,824,447	319,847,907
2,048,583	Intangible Assets	1,596,908	2,500,258
136,326	Financial Investments	148,800	173,550
63,741,212	Lease Rental Receivable	27,882,188	53,964,538
<b>620,385,479</b>	<b>Total Non Current Assets</b>	<b>587,452,342</b>	<b>376,486,254</b>
<b>Current Assets</b>			
3,837,724,120	Inventories	3,704,944,291	3,816,781,218
537,992,991	Trade and Other Receivables	582,022,199	656,247,683
320,129,468	Lease Rental Receivable	281,538,120	418,483,601
14,274,256	Deposits and Prepayments	43,969,248	114,236,050
-	Related Party Receivables	-	-
52,011,927	Cash & Bank Balance	57,294,115	57,317,727
<b>4,762,132,762</b>	<b>Total Current Assets</b>	<b>4,669,767,973</b>	<b>5,063,066,279</b>
<b>5,382,518,241</b>	<b>Total Assets</b>	<b>5,257,220,315</b>	<b>5,439,552,533</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
49,375,150	Stated Capital	49,375,150	49,375,150
887,347,500	General Reserve	887,347,500	887,347,500
128,908	Financial Assets - Available for sale Reserve	141,383	166,133
1,865,188,687	Retained Earnings	1,868,934,739	1,714,384,849
<b>2,802,040,245</b>	<b>Equity attributable to owners of the Company</b>	<b>2,805,798,772</b>	<b>2,651,273,633</b>
<b>Non Current Liabilities</b>			
58,037,628	Employee Benefits	64,853,353	63,225,569
23,786,465	Deferred Tax Liability	23,753,344	3,775,477
<b>81,824,093</b>	<b>Total Non Current Liabilities</b>	<b>88,606,697</b>	<b>67,001,046</b>
<b>Current Liabilities</b>			
513,120,416	Trade & Other Payables	574,803,244	658,053,818
15,178,651	Current Tax Liabilities	18,897,429	34,231,865
4,287,773	Provision for Warranty	4,777,043	4,553,521
1,948,188,630	Short term borrowings	1,722,619,554	1,929,707,128
17,878,433	Bank Overdraft	41,717,576	94,731,523
<b>2,498,653,903</b>	<b>Total Current Liabilities</b>	<b>2,362,814,846</b>	<b>2,721,277,855</b>
<b>2,580,477,996</b>	<b>Total Liabilities</b>	<b>2,451,421,543</b>	<b>2,788,278,901</b>
<b>5,382,518,241</b>	<b>Total Equity &amp; Liabilities</b>	<b>5,257,220,315</b>	<b>5,439,552,533</b>

The above figures are provisional and subject to audit.

The same Accounting Policies and methods of computation are followed in this Interim Financial Statements as compared with the most recent audited Financial Statements.

**Chief Financial Officer**  
**A R T Ranasinghe**

**Chief Executive Officer**  
**U Gautam**

**Director**  
**Gopal Mahadevan**

**Director**  
**N Sundararajan**

Colombo  
12th November 2016

**LANKA ASHOK LEYLAND PLC**  
**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016**

For the Year Ended 31-Mar-16		2016/17 Interim Period 06 Months	2015/16 Interim Period 06 Months		2016/17 Quarter 02	2015/16 Quarter 02
Audited		Rs.	Rs.		Rs.	Rs.
<b>Revenue</b>						
8,743,106,311	New Vehicle Sales	<b>4,745,113,636</b>	4,539,991,646	5%	<b>2,768,496,194</b>	2,629,308,701
53,481,274	Diesel Generator Set Sales	<b>24,283,877</b>	21,226,568	14%	<b>13,423,250</b>	16,222,918
123,502,571	Vehicle Repair Income	<b>83,102,415</b>	61,438,977	35%	<b>53,405,650</b>	34,420,465
108,318,117	Spare Parts Sales	<b>51,092,116</b>	55,821,120	-8%	<b>32,144,808</b>	26,108,753
44,978,016	Local Agency Commission	-	270,270	-100%		
9,073,386,289	<b>Total Revenue</b>	<b>4,903,592,044</b>	4,678,748,581	5%	<b>2,867,469,901</b>	2,706,060,836
(8,312,997,053)	Cost of Sales	<b>(4,489,833,542)</b>	(4,333,453,080)	-4%	<b>(2,630,364,543)</b>	(2,481,553,417)
<b>760,389,236</b>	<b>Gross Profit</b>	<b>413,758,501</b>	345,295,501	20%	<b>237,105,358</b>	224,507,420
44,080,796	Other Income	<b>15,816,281</b>	23,495,248	-33%	<b>6,569,372</b>	13,689,042
(41,667,887)	Selling and Distribution Expenses	<b>(11,069,027)</b>	(25,540,517)	57%	<b>(8,215,846)</b>	(24,597,644)
(330,854,084)	Administrative Expenses	<b>(186,989,824)</b>	(160,635,772)	-16%	<b>(92,488,443)</b>	(77,553,576)
(63,149,942)	Other Operating Expenses	<b>(32,238,467)</b>	(33,048,442)	2%	<b>(17,496,290)</b>	(19,639,556)
<b>368,798,118</b>	<b>Profit before Interest and Tax</b>	<b>199,277,463</b>	149,566,018	33%	<b>125,474,151</b>	116,405,686
(54,803,234)	Net Finance Costs	<b>(49,419,168)</b>	(31,214,317)	-58%	<b>(22,294,890)</b>	(26,836,760)
<b>313,994,884</b>	<b>Profit before Tax</b>	<b>149,858,295</b>	118,351,701	27%	<b>103,179,261</b>	89,568,925
(104,457,091)	Income Tax Expense	<b>(53,001,328)</b>	(51,836,010)	-2%	<b>(33,768,889)</b>	(37,353,507)
<b>209,537,793</b>	<b>Profit after Tax</b>	<b>96,856,967</b>	66,515,692	46%	<b>69,410,372</b>	52,215,418
<b>Other Comprehensive Income</b>						
<i>Items that will never be reclassified to profit and loss</i>						
7,194,831	Defined Benefit Plan - Actuarial Gain / (Loss)	<b>(3,597,000)</b>	(3,081,828)		<b>(1,798,500)</b>	(1,540,914)
(2,014,553)	Deferred Tax (charge) / reversal on Defined Benefit Plan	<b>1,007,160</b>	862,912		<b>503,580</b>	431,456
<b>5,180,278</b>		<b>(2,589,840)</b>	(2,218,916)		<b>(1,294,920)</b>	(1,109,458)
<i>Items that are or may be reclassified to profit and loss</i>						
(19,915)	Net change in Fair Value of AFS Financial Assets	<b>12,474</b>	17,310		<b>(12,400)</b>	4,910
<b>(19,915)</b>		<b>12,474</b>	17,310		<b>(12,400)</b>	4,910
<b>5,160,364</b>	<b>Total Other Comprehensive Income, net of Tax</b>	<b>(2,577,366)</b>	(2,201,606)		<b>(1,307,320)</b>	(1,104,548)
<b>214,698,157</b>	<b>Total Comprehensive Income for the period</b>	<b>94,279,601</b>	64,314,086		<b>68,103,052</b>	51,110,871
<b>57.87</b>	<b>Basic and Diluted Earnings per Share</b>	<b>26.75</b>	18.37		<b>19.17</b>	14.42

**LANKA ASHOK LEYLAND PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016**

	Stated Capital	General Reserves	Financial Assets - Available for Sale Reserves	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 01 April 2015</b>	<b>49,375,150</b>	<b>887,347,500</b>	<b>148,823</b>	<b>1,794,921,794</b>	<b>2,731,793,267</b>
<i><b>Total Comprehensive Income</b></i>					
Profit for the period	-	-	-	66,515,692	66,515,692
Other Comprehensive Income, net of Tax	-	-	17,310	(2,218,916)	(2,201,606)
<b>Total Comprehensive Income</b>	-	-	17,310	64,296,775	64,314,086
<i><b>Transactions with owners of the Company</b></i>					
<i><b>Contribution / Distribution</b></i>					
Dividends	-	-	-	(144,833,720)	(144,833,720)
<b>Total Transactions with owners of the Company</b>	-	-	-	(144,833,720)	(144,833,720)
<b>Balance as at 30 September 2015</b>	<b>49,375,150</b>	<b>887,347,500</b>	<b>166,133</b>	<b>1,714,384,849</b>	<b>2,651,273,633</b>
<b>Balance as at 01 April 2016</b>	<b>49,375,150</b>	<b>887,347,500</b>	<b>128,908</b>	<b>1,865,188,687</b>	<b>2,802,040,245</b>
<i><b>Total Comprehensive Income</b></i>					
Profit for the period	-	-	-	96,856,967	96,856,967
Other Comprehensive Income, net of Tax	-	-	12,474	(2,589,840)	(2,577,366)
<b>Total Comprehensive Income</b>	-	-	12,474	94,267,127	94,279,602
<i><b>Transactions with owners of the Company</b></i>					
<i><b>Contribution / Distribution</b></i>					
Unclaimed Dividend Reversed	-	-	-	-	-
Dividends	-	-	-	(90,521,075)	(90,521,075)
<b>Total Transactions with owners of the Company</b>	-	-	-	(90,521,075)	(90,521,075)
<b>Balance as at 30 September 2016</b>	<b>49,375,150</b>	<b>887,347,500</b>	<b>141,382</b>	<b>1,868,934,740</b>	<b>2,805,798,772</b>

**LANKA ASHOK LEYLAND PLC**  
**CASH FLOW STATEMENT**

**FOR THE SIX MONTHS ENDED 30TH SEPTEMBER**

	<b>2016</b>	<b>2015</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash flows from Operating Activities</b>		
Profit Before Tax	149,858,295	118,351,701
<b>Adjustment For :</b>		
Depreciation of Property, Plant and Equipment	61,225,246	39,473,142
Amortization of Intangible Assets	451,675	451,675
Provision for Employee Benefits	4,383,000	3,751,122
Impairment Provision on Trade & other receivables	(308,833)	(55,783)
Provision for Inventory	38,566,743	49,645,288
Net Finance Costs	67,514,245	33,264,514
Lease Interest Income	(7,070,161)	(11,328,947)
Gain on Sale of Property, Plant and Equipment	-	(50,000)
(Reversal)/ Provision of Provision for Free Service	1,371,379	(349,201)
Provision for Warranty	489,270	732,463
	166,622,565	115,534,274
<b>Operating Profit before Working Capital Changes</b>	<b>316,480,860</b>	<b>233,885,975</b>
<b>Working Capital Changes in</b>		
Inventories	94,213,086	(479,728,407)
Trade and Other Receivables	8,105,165	791,343,179
Related Party Receivables	-	-
Trade and Other Payables	60,311,449	75,156,019
	162,629,701	386,770,790
<b>Cash Generated from Operations</b>	<b>479,110,561</b>	<b>620,656,765</b>
Interest Paid	(67,514,245)	(33,264,514)
Employee Benefits paid	(1,164,275)	(76,650)
Payment of Income Taxes	(48,308,511)	(176,927,443)
	(116,987,031)	(210,268,607)
<b>Net Cash Generated from / (Used in) from Operating Activities</b>	<b>362,123,530</b>	<b>410,388,159</b>
<b>Cash flows from Investing Activities</b>		
Interest received	-	-
Proceeds from Sale of Property, Plant and Equipment	-	50,000
Acquisition of Property, Plant & Equipment	(64,590,335)	(20,380,351)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(64,590,335)</b>	<b>(20,330,351)</b>
<b>Cash Flows from Financing Activities</b>		
Short Term Loans Obtained during the period	8,871,231,074	8,885,469,319
Short Term Loans repaid during the period	(9,096,800,150)	(9,170,755,847)
Net Movement in Import Loans	-	-
Dividends Paid	(90,521,075)	(144,833,720)
<b>Net Cash Flows (Used in) / Generated from Financing Activities</b>	<b>(316,090,151)</b>	<b>(430,120,248)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(18,556,956)</b>	<b>(40,062,440)</b>
Net Cash & Cash Equivalents at the beginning of the period	34,133,494	2,648,644
Net Cash & Cash Equivalents at the end of the period	15,576,538	(37,413,796)
<b>Analysis of Cash &amp; Cash Equivalents at the end of the period</b>		
Cash at Bank and in Hand	57,294,115	57,317,727
Bank Overdrafts	(41,717,576)	(94,731,523)
	15,576,538	(37,413,796)

# LANKA ASHOK LEYLAND PLC

## Notes to the Interim Financial Statements

### 1. Corporate Information

Lanka Ashok Leyland PLC ("the Company") is a Public Limited Liability Company incorporated in Sri Lanka under the provision of Companies Act No. 17 of 1982 and re-registered under the New Companies Act No.07 of 2007. The registered office of the Company is located at Panagoda, Homagama.

### 2. Basis of Preparation

The interim condensed financial statements have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 "Interim Financial Reporting" and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange.

### 3. Accounting Policies

There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2015/16.

### 4. Contingent Liabilities

There has not been any significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended March 31, 2016.

### 5. Events After Reporting Date

No circumstances have arisen since the balance sheet date, which would require adjustments or disclosures in the Interim Financial Statements.

### 6. Comparative Information

Where necessary comparative figures have been reclassified to conform with the current year's presentation.

### 7. Investor Information

#### Market value of shares

The market value of an ordinary share of Lanka Ashok Leyland PLC is as follows;

	Quarter ended 30/09/2016		Quarter ended 30/09/2015		Quarter ended 31/03/2016	
	Market Price	Trade Date	Market Price	Trade Date	Market Price	Trade Date
Highest	1,548.00	13-Sep-16	1,610.00	21-Sep-15	1,600.00	16-Mar-16
Lowest	1,225.00	9-Sep-16	1,300.00	7-Sep-15	1,200.00	10-Mar-16
Last Traded	1,250.00	30-Sep-16	1,493.80	29-Sep-15	1,513.40	30-Mar-16

#### Market Capitalization

	As at 30 September	
	2016	2015
Market Capitalization (Rs.)	<u>4,526,053,750</u>	<u>5,408,815,273</u>

#### Public Shareholding

No. of Share Holders	637	581
Shareholding	14.68%	14.68%

### 8. Ratios

Net Assets value per Share	774.90	732.23
Earnings per Share	<u>26.75</u>	<u>18.37</u>

Net Assets value per Share and Earnings per share are based on 3,620,843 shares in issue as at 30 September 2016, which represent the Stated Capital of the Company.

### 9. Dividends

The Company paid a first and final dividend of Rs. 25 per share totaling to Rs.90.52 million for the financial year 2015/16 on 15th August 2016.

### 10. Directors' and Chief Executive Officer's Shareholding

None of the Directors or Chief Executive Officer held shares of the Company during the periods concerned.

**LANKA ASHOK LEYLAND PLC**

**Notes to the Interim Financial Statements (Cont..)**

**11. Shareholders Information**

There were 637 registered shareholders as at 30th September 2016 distributed as follows;

CATEGORY	NO.OF SHAREHOLDERS		SHAREHOLDING		%	
	2016 (September)	2015 (September)	2016 (September)	2015 (September)	2016 (September)	2015 (September)
1 - 1,000	616	565	42,502	31,945	1.17	0.88
1,001 - 5,000	13	9	20,381	16,005	0.56	0.44
5,001 - 10,000	1	-	5,282	-	0.15	-
10,001 - 50,000	1	1	31,250	31,250	0.86	0.86
50,001 - 100,000	-	-	-	-	-	-
100,001 - 500,000	3	3	432,291	452,506	11.94	12.50
500,001 - 1,000,000	1	1	568,305	568,305	15.70	15.70
OVER 1,000,000	2	2	2,520,832	2,520,832	69.62	69.62
<b>TOTAL</b>	<b>637</b>	<b>581</b>	<b>3,620,843</b>	<b>3,620,843</b>	<b>100.00</b>	<b>100.00</b>

**12. List of 20 Major Shareholders**

MAJOR SHAREHOLDERS	NO. OF SHARES HELD		SHARE HOLDING %	
	2016 (September)	2015 (September)	2016 (September)	2015 (September)
Lanka Leyland Ltd	1,512,500	1,512,500	41.77	41.77
Ashok Leyland Ltd	1,008,332	1,008,332	27.85	27.85
N Thirimanne	568,305	568,305	15.70	15.70
Commercial Trust Technologies (PVT) LTD	203,935	218,932	5.63	6.05
Union Bank of Colombo PLC/ Perpetual Equities (PVT) LTD	115,506	115,506	3.19	3.19
Perpetual Capital (Pvt) Ltd	112,850	112,850	3.12	3.12
Sri Lanka Central Transport Board	31,250	31,250	0.86	0.86
J G De Mel	5,232	4,748	0.14	0.13
R P T Adams	2,700	2,700	0.07	0.07
N J Perera	2,600	2,600	0.07	0.07
Bansei Securities Capital (PVT) LTD / M A U Gnanathilaka	2,128	-	0.06	-
U.I Suriyabandara	1,756	1,730	0.05	0.05
F M Asaf Khan	1,514	-	0.04	-
Nation Lanka Capital LTD / Nedagamuwage Indika Padma Kumara	1,450	-	0.04	-
R A Y T Perera	1,300	1,300	0.04	0.04
B Periyasamy	1,250	1,250	0.03	0.03
Bansei Securities Capital (PVT) LTD/ C J Gunarathna	1,205	1,200	0.03	0.03
L A P Perera	1,200	1,200	0.03	0.03
T S G Jayathilake	1,124	1,100	0.03	0.03
P L Perera	1,100	1,100	0.03	0.03