

LANKA ASHOK LEYLAND PLC
STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2018

31-Mar-18 Rs. Audited	As at	30-Sep-18 Rs.	30-Sep-17 Rs.
ASSETS			
Non Current Assets			
524,689,982	Property Plant & Equipment	515,074,698	532,793,824
246,817	Intangible Assets	-	696,025
115,295	Financial Investments	86,726	127,720
37,624,595	Lease Rental Receivable	19,640,599	45,889,961
1,301,528	Deferred Tax Asset	8,846,048	-
<u>563,978,217</u>	Total Non Current Assets	<u>543,648,071</u>	<u>579,507,530</u>
Current Assets			
5,651,196,674	Inventories	4,788,269,095	6,633,575,949
632,571,358	Trade and Other Receivables	484,496,153	875,522,646
162,451,557	Lease Rental Receivable	158,223,999	196,009,611
-	Current Tax Asset	2,672,979	-
37,350,877	Deposits and Prepayments	97,973,312	55,837,845
153,273	Related Party Receivables	153,273	40,482,034
80,102,999	Cash & Bank Balance	63,140,447	49,975,488
<u>6,563,826,738</u>	Total Current Assets	<u>5,594,929,259</u>	<u>7,851,403,573</u>
<u>7,127,804,954</u>	Total Assets	<u>6,138,577,330</u>	<u>8,430,911,103</u>
EQUITY & LIABILITIES			
Capital & Reserves			
49,375,150	Stated Capital	49,375,150	49,375,150
887,347,500	General Reserve	887,347,500	887,347,500
107,878	Financial Assets - Available for sale Reserve	79,309	120,303
2,401,829,016	Retained Earnings	2,350,257,237	2,123,984,877
<u>3,338,659,544</u>	Equity attributable to owners of the Company	<u>3,287,059,195</u>	<u>3,060,827,830</u>
Non Current Liabilities			
83,556,722	Employee Benefits	89,594,447	70,190,776
-	Deferred Tax Liability	-	25,186,114
<u>83,556,722</u>	Total Non Current Liabilities	<u>89,594,447</u>	<u>95,376,890</u>
Current Liabilities			
638,026,956	Trade & Other Payables	523,355,361	1,107,862,260
31,226,551	Current Tax Liabilities	-	38,086,032
6,437,541	Provision for Warranty	4,214,843	5,663,501
2,320,488,088	Short term borrowings	1,373,980,324	2,988,876,294
696,195,019	Amount due to Related Party	676,787,423	997,042,224
13,214,533	Bank Overdraft	183,585,736	137,176,072
<u>3,705,588,688</u>	Total Current Liabilities	<u>2,761,923,688</u>	<u>5,274,706,384</u>
<u>3,789,145,410</u>	Total Liabilities	<u>2,851,518,135</u>	<u>5,370,083,273</u>
<u>7,127,804,954</u>	Total Equity & Liabilities	<u>6,138,577,330</u>	<u>8,430,911,103</u>

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.

Deputy Manager - Finance
G R Jayalath

Chief Executive Officer
U Gautam

Chairman
M S Meerasahib

Director
D A Abeyawardene

Colombo
10th October 2018

LANKA ASHOK LEYLAND PLC
STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPTEMBER 2018

For the Year Ended 31-Mar-18	Rs.	2018/19 Interim Period 06 Months Rs.	2017/18 Interim Period 06 Months Rs.		2018/19 Quarter 02 Rs.	2017/18 Quarter 02 Rs.
Audited						
Revenue						
15,217,383,404	New Vehicle Sales	5,320,472,516	7,132,805,338	-25%	2,251,676,733	3,956,055,988
39,503,656	Diesel Generator Set Sales	11,299,962	14,018,729	-19%	3,845,935	6,608,375
146,614,771	Vehicle Repair Income	73,522,175	73,913,486	-1%	36,785,128	44,134,452
123,057,496	Spare Parts Sales	74,715,896	57,659,241	30%	34,533,800	30,623,516
27,616,004	Vehicle Hiring Income	39,422,756	12,886,723	206%	20,238,596	7,529,852
10,901,501	Local Agency Commission	-	10,901,501	0%	-	6,076,176
15,565,076,832	Total Revenue	5,519,433,304	7,302,185,019	-24%	2,347,080,192	4,051,028,359
(14,322,481,251)	Cost of Sales	(4,963,394,414)	(6,739,538,933)	-26%	(2,099,342,799)	(3,744,282,683)
1,242,595,580	Gross Profit	556,038,890	562,646,086	-1%	247,737,393	306,745,676
26,324,014	Other Income	15,032,144	13,945,662	8%	5,645,831	7,988,444
1,268,919,594		571,071,034	576,591,748		253,383,224	314,734,120
<i>Less :</i>						
(27,599,818)	Selling and Distribution Expenses	27,112,855	(21,064,194)	-229%	7,246,432	34,567,139
478,161,189	Administrative Expenses	248,410,850	235,124,493	6%	121,412,513	116,297,644
89,134,611	Other Operating Expenses	49,638,688	39,701,398	25%	28,242,284	19,828,065
729,223,614	Profit before Interest and Tax	245,908,641	322,830,051	-24%	96,481,995	144,041,272
(45,921,568)	Net Finance Costs	(131,563,902)	(8,779,680)	1399%	(64,333,732)	1,523,283
683,302,046	Profit before Tax	114,344,739	314,050,372	-64%	32,148,264	145,564,555
(179,184,570)	Income Tax Expense	(37,027,014)	(92,050,146)	-60%	(6,614,671)	(59,140,157)
504,117,476	Profit after Tax	77,317,725	222,000,226	-65%	25,533,593	86,424,398
Other Comprehensive Income						
<i>Items that will never be reclassified to profit and loss</i>						
(7,241,487)	Defined Benefit Plan - Actuarial Gain / (Loss)	(3,000,000)	(1,080,000)		(1,500,000)	(540,000)
2,027,616	Deferred Tax (charge) / reversal on Defined Benefit Plan	840,000	302,400		420,000	151,200
(5,213,871)		(2,160,000)	(777,600)		(1,080,000)	(388,800)
<i>Items that are or may be reclassified to profit and loss</i>						
(23,560)	Net change in Fair Value of AFS Financial Assets	(28,569)	(11,135)		(17,756)	(7,738)
(23,560)		(28,569)	(11,135)		(17,756)	(7,738)
(5,237,431)	Total Other Comprehensive Income, net of Tax	(2,188,569)	(788,734)		(1,097,756)	(396,538)
498,880,045	Total Comprehensive Income for the period	75,129,156	221,211,491		24,435,837	86,027,860
139.23	Basic and Diluted Earnings per Share	21.35	61.31		7.05	23.87

LANKA ASHOK LEYLAND PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH SEPTEMBER 2018

	Stated Capital	General Reserves	Financial Assets - Available for Sale Reserves	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2017	49,375,150	887,347,500	131,438	2,011,387,540	2,948,241,628
<i>Total Comprehensive Income</i>					
Profit for the period	-	-	-	222,000,226	222,000,226
Other Comprehensive Income, net of Tax	-	-	(11,135)	(777,600)	(788,734)
Total Comprehensive Income	-	-	(11,135)	221,222,626	221,211,492
<i>Transactions with owners of the Company</i>					
<i>Contribution / Distribution</i>					
Unclaimed Dividend Reversed				-	-
Dividends	-	-	-	(108,625,290)	(108,625,290)
Total Transactions with owners of the Company	-	-	-	(108,625,290)	(108,625,290)
Balance as at 30 September 2017	49,375,150	887,347,500	120,303	2,123,984,877	3,060,827,830
Balance as at 01 April 2018	49,375,150	887,347,500	107,878	2,401,829,016	3,338,659,544
<i>Total Comprehensive Income</i>					
Profit for the period	-	-	-	77,317,725	77,317,725
Other Comprehensive Income, net of Tax	-	-	(28,569)	(2,160,000)	(2,188,570)
Total Comprehensive Income	-	-	(28,569)	75,157,724	75,129,155
<i>Transactions with owners of the Company</i>					
<i>Contribution / Distribution</i>					
Unclaimed Dividend Reversed	-	-	-	-	-
Dividends	-	-	-	(126,729,505)	(126,729,505)
Total Transactions with owners of the Company	-	-	-	(126,729,505)	(126,729,505)
Balance as at 30 September 2018	49,375,150	887,347,500	79,309	2,350,257,237	3,287,059,195

LANKA ASHOK LEYLAND PLC
CASH FLOW STATEMENT

For the Year Ended 31-Mar-18 Rs. Audited	FOR THE PERIOD ENDED 30 SEPTEMBER	2018 Rs.	2017 Rs.
	Cash flows from Operating Activities		
683,302,047	Profit Before Tax	114,344,739	314,050,372
	Adjustment For :		
120,394,232	Depreciation of Property, Plant and Equipment	59,104,569	62,284,341
900,883	Amortization of Intangible Assets	246,817	451,675
12,431,020	Provision for Employee Benefits	4,788,000	4,788,000
(60,365,317)	Impairment Provision / (Reversal) on Trade & Other Receivables	13,466,444	(35,547,079)
91,161,457	Charge for Provision for Inventory	14,758,268	41,179,384
164,289,367	Net Finance Costs	131,563,902	8,779,680
(193,484)	Interest Income on Fixed Deposit	(121,445)	(132,612)
(16,333,180)	Lease Interest Income	(5,868,184)	(9,135,436)
-	Gain on Sale of Property, Plant and Equipment	(5,505,141)	-
(1,276,902)	Charge / (Reversal) for Provision for Free Service	(7,051,417)	1,173,000
1,386,308	Charge / (Reversal) for Provision for Warranty	(2,222,698)	584,350
-	Fixed Asset Write-off	575,383	
312,394,384		203,734,498	74,425,304
995,696,429	Operating Profit before Working Capital Changes	318,079,237	388,475,675
	Working Capital Changes in		
(1,845,644,907)	Inventories	848,169,311	(2,756,265,550)
303,978,678	Trade and Other Receivables	96,197,880	(24,101,238)
27,802,931	Amount due from Related Party	-	(12,525,830)
(211,867,915)	Trade and Other Payables	(107,620,177)	254,709,083
(130,680,812)	Amounts due to Related Party	(19,407,596)	944,016,038
(1,856,412,025)		817,339,417	(1,594,167,497)
(860,715,596)	Cash Generated from Operations	1,135,418,654	(1,205,691,822)
(164,289,367)	Interest Paid	(131,563,902)	(8,779,680)
(3,214,643)	Employee Benefits paid	(1,750,275)	(2,776,083)
(177,556,299)	Payments / Set off of Income Taxes	(77,631,065)	(58,799,967)
(345,060,308)		(210,945,241)	(70,355,729)
(1,205,775,904)	Net Cash Generated from Operating Activities	924,473,413	(1,276,047,551)
	Cash flows from Investing Activities		
15,853,507	Interest received	5,989,629	9,268,048
-	Proceeds from Sale of Property, Plant and Equipment	10,052,710	-
(29,766,495)	Acquisition of Property, Plant & Equipment	(54,612,237)	(1,536,999)
(13,912,988)	Net Cash Flows Generate from / (Used in) Investing Activities	(38,569,898)	7,731,050
	Cash Flows from Financing Activities		
13,596,439,321	Short Term Loans Obtained during the year	(4,946,638,027)	6,447,264,494
(12,216,143,233)	Short Term Loans repaid during the year	4,000,130,262	(5,172,429,845)
(108,625,290)	Dividends paid	(126,729,505)	(108,625,290)
1,271,670,798	Net Cash Flows Generate from / (Used in) Financing Activities	(1,073,237,270)	1,166,209,359
51,981,907	Net (Decrease) / Increase in Cash & Cash Equivalents	(187,333,755)	(102,107,142)
14,906,559	Net Cash & Cash Equivalents at the beginning of the year	66,888,466	14,906,558
66,888,466	Net Cash & Cash Equivalents at the end of the year	(120,445,289)	(87,200,584)
	Analysis of Cash & Cash Equivalents at the end of the year		
80,102,999	Cash at Bank and in Hand	63,140,447	49,975,488
(13,214,533)	Bank Overdrafts	(183,585,736)	(137,176,072)
66,888,466		(120,445,289)	(87,200,584)

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 2017/18. However, Accounting policy on valuation of spare part inventory was changed to weighted average model from First In First Out (FIFO) model from this quarter.

4. New Accounting Standards Issued but not adopted

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which are applicable for financial periods beginning on or after 1st January 2018:

- SLFRS 15 - Revenue Recognition from Customer Contracts
- SLFRS 9 - Financial Instruments

The Company is in the process of evaluating possible impact from those Accounting Standards to its Financial Statements.

5. Contingent Liabilities

- INCOME TAX ASSESSMENT

The Company appealed against two assessments issued by the Department of Inland Revenue related to years of assessment 2009/10 and 2010/11, and the appeals were determined favoring Commissioner General of Inland Revenue by the Tax Appeal Commission and two cases stated have been filled with the Court of Appeal by an application made by the Company.

The Contingent Liability as per the assessments as at 31st March 2018 is Rs. 133.1 Mn.

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, 2018.

6. Events After Reporting Date

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

7. Comparative Information

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

8. Investor Information

Market value of shares

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

	Quarter ended 30/09/2018		Quarter ended 30/09/2017		Year ended 31/03/2018	
	Market Price	Trade Date	Market Price	Trade Date	Market Price	Trade Date
Highest	940.00	2-Jul-18	1,296.50	4-Jul-17	1,350.00	23-May-17
Lowest	750.10	26-Sep-18	1,021.00	24-Aug-17	985.00	6-Mar-18
Last Traded	818.10	26-Sep-18	1,234.90	25-Sep-17	990.50	28-Mar-18

Market Capitalization

	As at 30 September	
	2018	2017
Market Capitalization (Rs.)	<u>2,962,211,658</u>	<u>4,471,379,021</u>

Public Shareholding

No. of Share Holders	710	644
Shareholding	30.38%	30.38%
Float Adjusted Market Capitalization (Rs.)	<u>899,918,999</u>	<u>1,358,403,584</u>

Lanka Ashok Leyland PLC complies with the minimum public holding requirement under the Option 05 of Listing Rule 7.13.1.

9. Ratios

Net Assets value per Share	907.82	845.34
Earnings per Share	<u>21.35</u>	<u>61.31</u>

Net Assets value per Share and Earnings per share are based on 3,620,843 shares in issue as at 30th September 2018, which represent the Stated Capital of the Company.

10. Dividends

The Company paid a first and final dividend of Rs. 35 per share totaling to Rs.126.73 million for the financial year 2017/18 on 21st August 2018.

11. 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..)

12. Shareholders Information

There were 710 registered shareholders as at 30th September 2018 distributed as follows:

CATEGORY	NO.OF SHAREHOLDERS		SHAREHOLDING		%	
	2018 (September)	2017 (September)	2018 (September)	2017 (September)	2018 (September)	2017 (September)
1 - 1,000	692	624	43,415	41,101	1.20	1.14
1,001 - 5,000	11	13	21,150	20,771	0.58	0.57
5,001 - 10,000	1	1	6,600	6,293	0.18	0.17
10,001 - 50,000	1	1	31,250	31,250	0.86	0.86
50,001 - 100,000	-	-	-	-	-	-
100,001 - 500,000	2	2	429,291	432,291	11.86	11.94
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
TOTAL	710	644	3,620,843	3,620,843	100.00	100.00

13. List of 20 Major Shareholders

MAJOR SHAREHOLDERS	NO. OF SHARES HELD		SHARE HOLDING %	
	2018 (September)	2017 (September)	2018 (September)	2017 (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
Perpetual Equities (PVT) LTD	228,356	228,356	6.31	6.31
Commercial Trust Technologies (PVT) LTD	200,935	203,935	5.55	5.63
Sri Lanka Central Transport Board	31,250	31,250	0.86	0.86
J G De Mel	6,600	6,293	0.18	0.17
U.I Suriyabandara	3,120	2,176	0.09	0.06
Assetline Leasing Co. Ltd/S.M. Dharmakeerthi Samar	3,000	-	0.08	-
R P T Adams	2,700	2,700	0.07	0.07
L N J Perera	2,600	2,600	0.07	0.07
Bansei Securities Capital (PVT) LTD / M A U Gnanathilaka	2,242	2,098	0.06	0.06
F M Asaf Khan	1,514	1,514	0.04	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
L A P Perera	1,200	1,200	0.03	0.03
T S G Jayathilaka	1,124	1,124	0.03	0.03
P L Perera	1,100	1,100	0.03	0.03
R R Jayasundara	800	-	0.02	-
M J V K Jayasuriya	800	-	0.02	-