

LANKA IOC PLC

INTERIM FINANCIAL STATEMENTS- 30 JUNE 2012

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Lanka IOC PLC

Interim statement of financial position

(all amounts in Sri Lanka Rupees in '000's)

Note	30 June 2012	31 March 2012
Assets		
Non-current assets		
Property, plant and equipment	3,281,370	3,275,542
Intangible assets	678,102	678,567
Investments in Common User Facility (CPSTL)	4,394,000	4,394,000
	8,353,472	8,348,109
Current assets		
Inventories	13,450,383	8,813,363
Trade and other receivables	2,384,806	2,979,883
Current Tax Receivable	302,617	282,212
Cash and cash equivalents (excluding bank overdrafts)	1,837,744	1,698,488
	17,975,550	13,773,947
Total assets	26,329,022	22,122,055
Equity and liabilities		
Equity attributable to owners of the parent		
Stated capital	7,576,574	7,576,574
Retained earnings	2,732,450	2,540,587
Total equity	10,309,024	10,117,161
Liabilities		
Non-current liabilities		
Retirement benefit obligations	39,107	39,210
	39,107	39,210
Current liabilities		
Trade and other payables	9,143,891	7,705,204
Borrowings	6,837,001	4,260,480
	15,980,891	11,965,684
Total liabilities	16,019,999	12,004,894
Total equity and liabilities	26,329,022	22,122,055

(The above figures are unaudited)

I certify that these financial statements have been prepared in compliance with the requirement of the Companies Act, No. 7 of 2007.

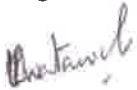

(Saurav Mitra)

Vice President (Finance)

The Board of Directors is responsible for the preparation and presentation of these financial statements. The Financial Statements were authorised for issue by the Board of Directors on 7th of August 2012.


Subodh Dakwale
Managing Director

Date : 07.08.2012


Prof. Lakshman R Watawala
Director

Date : 07.08.2012

Lanka IOC PLC

Interim Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees 000's)

	Note	Three Months ended 30th June	
		2012	2011
- Revenue		18,702,549	12,846,114
- Cost of sales		(17,421,118)	(12,244,288)
Gross profit		1,281,431	601,826
- Distribution costs		(427,072)	(284,651)
- Administrative expenses		(245,367)	(388,264)
Operating profit			
- Finance income		35,046	10,237
- Finance costs		(442,582)	27,028
Profit before income tax		201,457	(33,825)
- Income tax expense		(9,595)	(2,419)
Profit for the year		191,862	(36,244)
Total comprehensive Income for the period		191,862	(36,244)
Earnings per share attributable to the equity holders of the company during the year (expressed in LKR per share)			
Basic earnings per share		0.36	(0.07)

(The above figures are unaudited)

Lanka IOC PLC

Interim statement of changes in Equity

(all amounts in Sri Lanka Rupees in '000's)

	Note	Stated Share capital	Retained earnings	Total equity
Balance at 1 April 2011		7,576,574	1,634,648	9,211,222
Profit for the period		NIL	(36,244)	(36,244)
Total comprehensive income		NIL	(36,244)	(36,244)
Transactions with Owners				
- Dividends		NIL	NIL	NIL
Balance at 30 June 2011 (Unaudited)		7,576,574	1,598,404	9,174,978
Balance at 1 April 2012		7,576,574	2,540,587	10,117,161
Profit for the period		NIL	191,862	191,862
Total comprehensive income		NIL	191,862	191,862
Transactions with Owners				
- Dividends		NIL	NIL	NIL
Balance at 30 June 2012 (Unaudited)		7,576,574	2,732,449	10,309,023

Lanka IOC PLC

Interim statement of cash flows

(all amounts in Sri Lanka Rupees in '000's)

	Note	Three months ended	30 June
		2012	2011
Cash flows from operating activities			
Cash generated from operations		(2,233,865)	(699,845)
Interest paid		(31,332)	(33,610)
Interest Income		35,046	10,237
Economic Service Charge & Income Tax Paid		(30,000)	-
Net cash flows from operating activities		(2,260,150)	(723,218)
Cash flows from investing activities			
- purchases of property, plant and equipment		(59,573)	(30,004)
- proceeds on disposal of property, plant and equipment		1,600	-
Net cash used in investing activities		(57,972)	(30,004)
Cash flows from financing activities			
- Proceeds From Borrowings		17,145,490	11,809,961
- repayments of borrowings		(14,568,969)	(11,029,779)
Net cash from in financing activities		2,576,521	780,181
Net increase / (decrease) in cash, cash equivalents		258,398	26,959
Cash, cash equivalents and bank overdrafts at start of period		1,698,488	692,971
Exchange gains/(losses)		(119,142)	6,318
Cash, cash equivalents and bank overdrafts at end of period		1,837,744	726,248
Bank overdrafts		-	-
Cash and cash equivalents		1,837,744	726,248

note(i)

	Three months ended	30 June
	2012	2011
Cash generated from operations		
Profit before taxation	201,457	(33,825)
Adjusted for:		
Depreciation	49,846	45,722
Loss on disposal of property, plant and equipment	2,763	-
Interest expenses	31,332	33,610
Interest Income	(35,046)	(10,237)
Changes in working Capital		
- trade and other receivables	595,077	264,073
- inventories	(4,637,020)	3,066,025
- payables	1,438,686	(4,055,764)
Defined benefit obligations	-	(1,390)
Defined benefit obligations paid	(102)	(1,740)
Exchange (gains)/losses	119,142	(6,318)
Cash generated from Operations	(2,233,865)	(699,845)

LANKA IOC PLC

Notes to the Financial Statement for the 3 months ended 30th June 2012

1. General Information

The Company commenced commercial operations of importing, selling and distribution of petroleum products on 14 February 2003. The Company is a public limited liability company incorporated and domiciled in Sri Lanka. The address of its registered office is Level 20, West Towers, World Trade Centre, Colombo.

The Company has its primary listing on the Colombo Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 7th Aug 2012.

2. Basis of preparation

These condensed interim financial statements of Lanka IOC PLC are for the three months ended 30 June 2012. They have been prepared in accordance LKAS 34, Interim Financial Reporting, and are covered by SLFRS 1, First time Adoption of SLFRS, because they are part of the period covered by the Company's first SLFRS financial statements for the year ending 31st March 2013. These interim financial statements have been prepared in accordance with those SLFRS standards and IFRIC interpretation issued and effective as at the time of preparing these statements. The condensed interim financial statements do not include all of the information required for full annual financial statements. The condensed Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31st March 2012.

3. The Company's financial statements were prepared in accordance with Sri Lanka Accounting Standards (SLASs) until 31st March 2012. The presentation & classification of figures for the corresponding period of the previous year have been amended to be comparable with those for the current year. The effect of the transition to SLFRS on previously reported financial position, financial performance and cash flows of the Company is provided in Note 5 to the financial statements.

4. Accounting Policies

The Accounting policies adopted are consistent with those of the previous financial year as described below:

Financial Instruments

As required by Sri Lanka Accounting Standards – LKAS 39 Financial Instruments; Recognition and measurement, trade receivables, trade payables and staff loans are recognized as financial instrument. The initial and subsequent measurement basis of the said financial instruments should be the fair value and the amortized cost respectively. Provision for doubtful debt is replaced with the impairment testing for trade receivables.

5. Explanation of transition to SLFRS

The company adopted the accounting policies set out in Note 4 with effect from 1 April 2012, which are applicable on adoption of Sri Lanka Accounting Standards. These interim financial statements for the quarter ended 30 June 2012, including the comparative information is prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) and LKAS 34 – Interim Financial Reporting. A reconciliation on the effect of the transition is not presented with these interim financial statements due to the insignificance of such effect to the interim results for the quarter ended 30 June 2012.

6. Net assets per share have been computed based on number of shares in issues as at 31/03/2012.
7. No Circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements.
8. Short Term Borrowings (including the accrued interest thereof) of USD 9.20 mn (LKR 6,837.00 Million) includes USD 9.20 mn (LKR 1,232.80 mn) borrowing from SBI Colombo. The borrowing from the bank is secured against the mortgage of company's trading stock held at Kollonnawa and Trincomalee Terminals.
9. There has not been a significant change in the nature of the contingent Liabilities which were disclosed in the Annual Report for the year ended 31st March 2012.

10. Share price movement

The market prices during Apr-Jun	2012	2011
Highest prices Rs	20.00	20.00
Lowest price Rs	16.00	16.80
Last traded price Rs	16.20	16.80

11. Stated Capital is represented by 532,465,705 ordinary Shares.

12. Names and the Number of Shares held by the largest 20 shareholders as at 30th June 2012.

Sr. No	Name of Shareholders	Shares	%
1	Indian Oil Corporation Limited, India	400,000,005	75.12
2	Bank of Ceylon A/c Ceybank Unit Trust	19,549,884	3.67
3	National Savings Bank	15,365,100	2.89
4	Employees Provident Fund	9,374,100	1.76
5	Sri Lanka Insurance Corporation Ltd - Life Fund	7,964,400	1.50
6	Mr Shanker Varadananda Somasunderam	7,039,600	1.32
7	Mr Tarik Al Nakib	6,500,000	1.22
8	Sri Lanka Insurance Corporation Ltd - General Fund	5,730,300	1.08
9	Bank of Ceylon A/c Ceybank Century Growth Fund	2,853,994	0.54
10	J B Cocoshell (Pvt) Ltd	2,225,700	0.42
11	Sampath Bank Limited A/c No.3	1,786,400	0.34
12	Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd	1,482,766	0.28
13	E W Balasuriya & Co (Pvt) Ltd	1,454,300	0.27
14	Muhammad Jaffer Ismail	1,406,322	0.26
15	Mr Udeshi Morarji Meghji	1,179,870	0.22
16	DFCC Vardana Bank Ltd/A K Investments Pvt Ltd	1,160,000	0.22
17	Freudenberg Shipping Agencies Limited	1,000,000	0.19
18	Anverally & Sons (Pvt) Ltd A/c No.01	965,700	0.18
19	Employees Trust Fund Board	774,200	0.15
20	Sampath Bank Limited A/c No; 01	761,200	0.14
		488,573,841	91.76

13. Public Holding – 24.88%

14. Directors' Shareholding as on 30th June 2012 :

Sr. No	Name of Shareholders	No. of Shares
1	Mr M Nene , Chairman	NIL
2	Mr Subodh Dakwale , Managing Director	NIL
3	Prof.Lakshman R Watawala	500
4	Mr Jaliya Medagama	NIL
5	Mr V K Gupta	NIL
6	Mr Amitha Gooneratne	4,800
7	Mr B Ashok	NIL