

**LANKA IOC PLC**

**FINANCIAL STATEMENTS - 31 MARCH 2019**



**LANKA IOC PLC**

**INTERIM FINANCIAL STATEMENTS - 31 MARCH 2019**

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# Lanka IOC PLC

## Statement of Financial Position

(all amounts in Sri Lanka Rupees 000's)

Note	31 March 2019	31 March 2018
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,294,395	4,268,729
Long term Investment -CPSTL	4,394,000	4,394,000
Intangible assets	675,417	675,966
Other Receivables	127,308	106,450
Deferred Tax Assets (Net)	203,161	-
	<b>9,694,281</b>	<b>9,445,145</b>
<b>Current assets</b>		
Inventories	13,996,480	10,110,006
Trade and other receivables	3,267,244	4,551,221
IncomeTax Receivable	341,876	445,475
Short term investments	672,950	7,962,438
Cash and Bank Balances	271,974	444,871
	<b>18,550,524</b>	<b>23,514,011</b>
	<b>28,244,805</b>	<b>32,959,156</b>
<b>Total assets</b>		
<b>Equity and liabilities</b>		
<b>Capital &amp; Reserves</b>		
Stated capital	7,576,574	7,576,574
Retained earnings	11,850,814	11,792,546
	<b>19,427,388</b>	<b>19,369,120</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Defined benefit obligations (Net)	6,515	19,902
	<b>6,515</b>	<b>19,902</b>
<b>Current liabilities</b>		
Trade and other payables	6,483,631	8,552,305
Interest Bearing Borrowings	7 2,327,271	5,017,829
	<b>8,810,902</b>	<b>13,570,134</b>
	<b>8,817,417</b>	<b>13,590,036</b>
	<b>28,244,805</b>	<b>32,959,156</b>

( The above figures are audited)

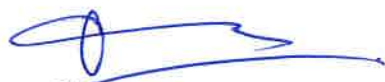
I certify that these financial statements have been prepared in compliance with the requirement of the Companies Act, No. 7 of 2007.



Pramod Jain

Senior Vice President (Finance)

The Board of Directors is responsible for these financial statements. The Financial Statements were authorised for issue by the Board of Directors on 06.05.2019



Shyam Bohra  
Managing Director

Date : 06.05.2019



Prof. Lakshman R Watawala  
Director

Date : 06.05.2019



# Lanka IOC PLC

## Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees 000's)

	Jan - Mar 2018-19	Jan - Mar 2017-18	Apr- Mar 2018-19	Apr- Mar 2017-18
- Revenue	18,524,288	23,810,979	86,321,616	91,343,335
- Cost of sales	(17,117,221)	(23,758,537)	(82,188,504)	(89,542,911)
<b>Gross profit</b>	<b>1,407,067</b>	<b>52,442</b>	<b>4,133,112</b>	<b>1,800,424</b>
Other operating income	113,040	236,690	189,984	444,358
- Selling and Distribution Expenses	(476,723)	(575,421)	(2,036,844)	(2,477,564)
- Administrative expenses	(374,936)	(12,860)	(1,432,315)	(1,152,092)
<b>Operating profit/(Loss)</b>	<b>668,447</b>	<b>(299,149)</b>	<b>853,937</b>	<b>(1,384,874)</b>
- Finance income	125,864	253,447	429,505	914,999
- Finance costs	(28,989)	(151,324)	(952,582)	(306,018)
<b>Profit/(Loss) before income tax</b>	<b>765,322</b>	<b>(197,026)</b>	<b>330,860</b>	<b>(775,893)</b>
- Income tax expense	171,813	105,040	72,567	31,704
<b>Profit/(Loss) for the period</b>	<b>937,135</b>	<b>(91,986)</b>	<b>403,427</b>	<b>(744,189)</b>
<b>Other Comprehensive income / (Loss)</b>				
-Actuarial Gain/ (Loss) for the period	1,111	(13,384)	1,111	(13,384)
Tax credit/(charge) on Actuarial loss/gain	(167)	2,008	(167)	2,008
Total comprehensive Income/(Loss) for the period	<b>938,079</b>	<b>(103,362)</b>	<b>404,371</b>	<b>(755,565)</b>
<b>Earnings per share attributable to the equity holders of the company during the period</b>				
(expressed in LKR per share)				
Basic earnings per share	<b>1.76</b>	<b>(0.17)</b>	<b>0.76</b>	<b>(1.40)</b>
<b>( The above figures are audited)</b>				



# LANKA IOC PLC

## Statement of changes in equity

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

	Stated capital	Retained earnings	Total
Balance at 1 April 2017	7,576,574	13,213,693	20,790,267
Dividend		(665,582)	(665,582)
Profit / (Loss) for the period		(744,189)	(744,189)
Other comprehensive income for the period		(11,376)	(11,376)
<b>Balance at 31st Mar 2018</b>	<b>7,576,574</b>	<b>11,792,546</b>	<b>19,369,120</b>
Balance at 1 April 2018	7,576,574	11,792,546	19,369,120
Dividend		(346,103)	(346,103)
Profit / (Loss) for the period		403,427	403,427
Other comprehensive income for the period		944	944
<b>Balance at 31st Mar 2019</b>	<b>7,576,574</b>	<b>11,850,814</b>	<b>19,427,388</b>

( The above figures are audited)



# LANKA IOC PLC

## CASH FLOW STATEMENT

(all amounts in Sri Lanka Rupees 000's)

For the period	Apr - Mar 2018-19	Apr - Mar 2017-18
<b>Cash Flows From/(Used in) Operating Activities</b>		
Profit/(Loss) before Income Tax Expense	330,860	(775,893)
<b>Adjustments For,</b>		
Finance Income	(429,505)	(914,999)
Finance Expense	952,582	306,018
Dividend Income	(75,000)	(352,000)
Increase/(Decrease) in Allowances for Impairment	37,956	(6,038)
Loss/(Gain) on Sale of Property, Plant & Equipment	(2,454)	(14,480)
Defined Benefit Plan Cost	5,540	6,519
Depreciation & Amortisation	422,965	359,913
Exchange (Gain) and Loss on borrowing	(8,277)	46,000
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>1,234,667</b>	<b>(1,344,960)</b>
<b>Changes In Working Capital</b>		
- (Increase)/ Decrease in Inventories	(3,886,474)	(5,288,108)
- (Increase)/ Decrease in Trade and Other Receivables	1,225,163	(137,376)
- Increase/ (Decrease) in Trade and Other Payables	(2,073,290)	4,890,951
<b>Cash Generated From/(Used In) Operations</b>	<b>(3,499,934)</b>	<b>(1,879,493)</b>
Income Tax paid	(26,054)	(569,833)
Gratuity Paid	(3,477)	(3,283)
Finance expenses Paid	(952,582)	(306,018)
<b>Net Cash Generated From/(Used in) Operating Activities</b>	<b>(4,482,047)</b>	<b>(2,758,627)</b>
<b>Investing activities</b>		
Finance Income	429,505	914,999
Dividend received -CPSTL	75,000	352,000
Acquisition of Property, Plant & Equipment	(448,937)	(521,917)
Acquisition of Intangible Assets	-	(2,498)
Proceeds on disposal of property, plant and equipment	3,311	22,806
Net Investment in Gratuity Fund	(15,451)	(62,375)
<b>Net Cash Used In Investing Activities</b>	<b>43,428</b>	<b>703,015</b>
<b>Financing Activities</b>		
Proceed from Interest bearing borrowings	30,628,774	27,172,040
Repayments of Interest bearing borrowings	(33,311,054)	(23,086,236)
Dividend Paid	(341,486)	(597,895)
<b>Net Cash Generated From/ (Used In) Financing Activities</b>	<b>(3,023,766)</b>	<b>3,487,909</b>
<b>Net Increase/ (Decrease) In Cash and Cash Equivalents</b>	<b>(7,462,385)</b>	<b>1,432,297</b>
Cash and cash equivalents at the beginning	8,407,309	6,975,012
<b>Cash and cash equivalents at the end of the period</b>	<b>944,924</b>	<b>8,407,309</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short term investments	672,950	7,962,438
Cash in hand and at bank	271,974	444,871
<b>Total cash and cash equivalents</b>	<b>944,924</b>	<b>8,407,309</b>

( The above figures are audited)



## LANKA IOC PLC

### Notes to the Financial Statement for the quarter ended 31 March 2019

#### 1 - General Information

The Company commenced commercial operations of importing, selling and distribution of Petroleum products on 14th 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 Tower, 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 06th May 2019

#### 2 - Basis of preparation

These condensed interim financial statements of Lanka IOC PLC are for the period ended 31 March 2019. They have been prepared in accordance LKAS 34, Interim Financial Reporting, 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 2019.

#### 3 - Accounting Policies

The Accounting policies adopted are consistent with those of the previous financial year as reported in the annual financial statements for the year ended 31st March 2018 and New Standards , Interpretation and Amendments issued and effective from 1st Jan 2018.

4- Net assets per share have been computed based on number of shares in issues as at 31st March 2019

5- The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

6- There is a disagreement on interpretation of NBT Act between Company and Inland Revenue Department. The case is pending before the Tax Appeal Commission for the assessment period Mar-2012 to June 2015 amounting to LKR 713.07 million. For the assessment periods Sep 2015 to Dec 2015 amounting to LKR 127.73 million, appeals have been filed before the Commissioner General of Inland Revenue. The estimated liability for the assessment period Mar-2016 to Mar-2019 is LKR 762.47 million for which assessment orders have not yet been issued by Inland Revenue Department. Therefore, total Contingent liability as on 31st Mar 2019 is 1,603.28. million.

7- The short term loans LKR 2,327 mn (2018- LKR 5,018 mn) are unsecured except for the loans from State Bank of India Colombo branch amounting to LKR 994mn (2018- LKR 2,242mn) . These loans are secured against hypothecation over trading stock held at Kolonnawa, Trincomalee and Muthurajawala terminals.

8- The Board of Directors of the Company recommend a final dividend of LKR 75 cents per share for the financial year ended 31 March 2019. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and will obtain a certificate from auditors, prior to declaring a final dividend. The dividend will be tax at the rate of 14%..In accordance with LKAS 10, the final dividend has not been recognised as an liability in the financial statements as at 31 March 2019.

9- No Circumstances have been arisen other than above since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements of 31.03.2019.

#### 10- Share price movement

Jan -Mar

The market prices during	2018-19	2017-18
Highest prices LKR	25.00	34.00
Lowest prices LKR	17.10	28.00
Last trade price LKR	17.40	30.10



11- Net Asset Value per share (31 Mar 2019) - LKR	36.49	
Net Asset Value per share (31 Mar 2018) - LKR		36.38

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

13- Names and the Number of Shares held by the largest 20 shareholders as at 31 Mar 2019

Name	No.of Shares	Percentage
1 Indian Oil Corporation Limited, India	400,000,005	75.12
2 J B Cocoshell [Pvt] Ltd	12,546,119	2.36
3 JPMCB NA-Fidelity Asian Values PLC	9,434,050	1.77
4 Bank of Ceylon A/c Ceybank Unit Trust	6,097,277	1.15
5 Assetline Leasing Co.Ltd/British American Technologies (Pvt) Ltd	6,051,518	1.14
6 Deutsche Bank AG-AS Trustee for JB Vantage Value Equity Fund	5,533,553	1.04
7 Deutsche Bank AG - National Equity Fund	3,975,000	0.75
8 E W Balasuriya & Co (Pvt) Ltd	2,526,800	0.47
9 GF Capital Global Limited	2,426,980	0.46
10 Employees Trust Fund Board	2,346,851	0.44
11 Employees Provident Fund	2,346,558	0.44
12 Bank of Ceylon A/c Ceybank Century Growth Fund	2,027,884	0.38
13 HNB PLC -Karuna Ranaraja /E K M Dharshan	1,758,550	0.33
14 Mr R. S. A. Silva	1,745,437	0.33
15 Timex Garments [Pvt] Ltd	1,712,503	0.32
16 Mr K. A. S. R. Nissanka	1,500,000	0.28
17 Hallsville Trading Group inc.	1,280,865	0.24
18 Commercial Bank of Ceylon PLC/S .A .Gulamhusein	1,260,867	0.24
19 Deutsche Bank AG-Namal growth fund	1,239,250	0.23
20 Askold (Pvt) Ltd	1,200,000	0.23
<b>Total</b>	<b>467,010,067</b>	<b>87.71</b>

14- Public Holding as a % of issued Share Capital	24.88%
Number of Public Shareholders	10,216
Compliant under option 5 - Float adjusted market capitalization (LKR Mn)	2,305

15- Directors' Shareholding as on 31 Mar 2019

Mr.Ranjan Kumar Mohapatra		Nil
Mr Shyam Bohra		Nil
Prof.Lakshman R Watawala		500
Mr Amitha Gooneratne		4,800
Mr Sanjeev K Jain		Nil





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## CORPORATE INFORMATION

### Name of Company

Lanka IOC PLC

### Company Registration Number

PQ 179

### Legal Form

A Public Quoted Company with Limited Liability, incorporated in Sri Lanka on 29th August 2002 under the provisions of the Companies Act No.17 of 1982 and re-registered under the Companies Act No.07 of 2007.

### Registered Office

Level 20, West Tower, World Trade Center Echelon Square, Colombo 01, Sri Lanka Telephone: + 94 11 2475720 Facsimile: + 94 11 2391490

### Website

[www.lankaio.com](http://www.lankaio.com)

### Board of Directors

Mr. Ranjan K. Mohapatra (Chairman )

Mr. Shyam Bohra (Managing Director)

Prof. Lakshman R. Watawala

Mr. Amitha Gooneratne

Mr. Sanjeev K. Jain

### Company Secretary

Ms. Mihiri S Senaratne, ACIS [UK], MPA [Aust]

### Registrars

Accounting Systems Secretarial Services (Private) Limited Level 03, No. 11, Castle Lane, Colombo 04

### Auditors - External

Ernst & Young Chartered Accountants No. 201, De Saram Place, Colombo 10

### Auditors - Internal

KPMG Chartered Accountants No. 32/ A Sir Mohamed Marcan Mw, Colombo 03

### Lawyers

F J & G de Saram, Attorneys-at-Law No. 216, de Saram Place, Colombo 10

### Bankers

Standard Chartered Bank

Bank of Ceylon

People's Bank

Commercial Bank of Ceylon

Hatton National Bank PLC

Citibank N. A

Deutsche Bank

State Bank of India, Colombo

ICICI Bank

Axis Bank