

LANKA IOC PLC

FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

LANKA IOC PLC

INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

CONTENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN EQUITY

CASH FLOW STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

Lanka IOC PLC

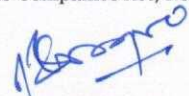
Statement of Financial Position

(all amounts in Sri Lanka Rupees 000's)

	Note	As at 30 Sep 2021	As at 31 Mar 2021
ASSETS			
Non Current Assets			
Property, Plant and Equipment		3,924,163	4,019,364
Long term Investment -CPSTL		4,394,000	4,394,000
Deposits with Bank		9,413,463	10,222,477
Intangible Assets		674,126	674,376
Right to Use-Lease Assets		46,924	62,565
Other Receivables		132,858	118,675
Deferred Tax Asset (Net)		268,240	261,416
		18,853,774	19,752,873
Current Assets			
Inventories		17,994,026	9,625,050
Trade and Other Receivables		4,119,382	4,371,149
Income Tax Receivables		-	18,173
Short Term Investments		9,680,736	12,040,810
Cash and Bank Balances		1,004,091	598,950
		32,798,235	26,654,132
Total Assets		51,652,009	46,407,005
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital		7,576,574	7,576,574
Retained Earnings		12,901,715	12,347,070
Total Equity		20,478,289	19,923,644
Non Current Liabilities			
Defined Benefit Obligation (Net)		6,920	13,692
Right to Use-Lease Liability		28,655	38,205
		35,575	51,897
Current Liabilities			
Trade and Other Payables		11,711,911	5,808,435
Right to Use-Lease Liability		26,289	33,476
Interest Bearing Borrowings	6	19,386,366	20,589,553
Income Tax Payable		13,579	-
		31,138,145	26,431,464
Total Equity and Liabilities		51,652,009	46,407,005


(The above figures are unaudited)

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


Aseem Bhargava
Sr 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 28th Oct 2021


Manoj Gupta
Managing Director
Date : 28 Oct 2021


Prof. Lakshman R Watawala
Director
Date : 28 Oct 2021

Lanka IOC PLC

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees 000's)

	Three Months ended 30th Sep		Six Months ended 30th Sep	
	July-Sep 2021-22	July-Sep 2020-21	Apr-Sep 2021-22	Apr-Sep 2020-21
Revenue	20,607,176	18,740,295	37,470,362	29,429,840
Cost of Sales	(19,527,520)	(18,164,288)	(35,530,705)	(29,433,950)
Gross Profit	1,079,656	576,007	1,939,657	(4,110)
Other Operating Income	20,654	149,168	36,998	196,846
Selling and Distribution Expenses	(455,844)	(531,720)	(889,948)	(884,634)
Administrative Expenses	(376,195)	(339,649)	(740,257)	(670,048)
Operating Profit/(Loss)	268,271	(146,194)	346,450	(1,361,946)
Finance Income	339,144	307,281	690,662	579,732
Finance Expenses	(294,211)	(120,388)	(416,832)	(174,608)
Profit/(Loss) Before Tax	313,204	40,699	620,280	(956,822)
Income Tax	(31,653)	(23,460)	(65,635)	178,604
Profit/(Loss) for the period	281,551	17,239	554,645	(778,218)
Other Comprehensive Income /(Loss)				
Items that will not be reclassified to profit or loss:				
Other Comprehensive Income /(Loss)	-	-	-	-
Income tax on other Comprehensive income/(loss)	-	-	-	-
Total Comprehensive Income/(Loss), Net of Tax	281,551	17,239	554,645	(778,218)
Earnings Per Share	0.53	0.03	1.04	(1.46)

(The above figures are unaudited)

LANKA IOC PLC

Statement of changes in equity

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

	Stated Capital Rs.	Retained Earnings Rs.	Total Rs.
Balance at 1st Apr 2020	7,576,574	11,869,635	19,446,209
Profit /(Loss) for the Period		(778,218)	(778,218)
Balance at 30th Sep 2020	7,576,574	11,091,417	18,667,991
Balance at 1st April 2021	7,576,574	12,347,070	19,923,644
Profit /(Loss) for the Period		554,645	554,645
Balance at 30th Sep 2021	7,576,574	12,901,715	20,478,289

(The above figures are unaudited)

LANKA IOC PLC

Cash Flow Statement

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

	Apr-Sep 2021-22	Apr-Sep 2020-21
Cash Flows From/(Used in) Operating Activities		
Profit /(Loss)before Income Tax Expense	620,280	(956,822)
Adjustments for		
Finance Income	(690,662)	(579,732)
Finance Expenses	416,832	174,608
Dividend Income	-	(120,000)
(Profit)/Loss on Sale of Property Plant and Equipment	163	(872)
Defined Benefit Plan Cost	5,511	(409)
Depreciation	205,272	199,825
Amortisation of Intangible Asset	250	250
Amotisation Right to use Assets	15,641	15,145
Operating Profit/(Loss) before Working Capital Changes	573,287	(1,268,007)
Changes in Working Capital		
(Increase)/ Decrease in Inventories	(8,368,976)	3,569,484
(Increase) /Decrease in Trade and Other Receivables	237,585	508,432
Increase/ (Decrease) in Trade and Other Payables	5,903,476	3,604,251
Cash Generated From/(Used in) Operations	(1,654,628)	6,414,160
Income Tax	(40,709)	(5)
Finance Expenses	(416,832)	(174,608)
Defined Benefit Paid	(7,646)	(5,874)
Net Cash Flows From Operating Activities	(2,119,815)	6,233,673
Cash Flows from Investing Activities		
Finance Income	690,662	579,732
Dividend Income	-	120,000
Acquisition of Property, Plant and Equipment	(110,367)	(120,606)
Proceeds on disposal of Property, Plant and Equipment	132	1,422
Deposit with Banks	809,014	(2,593,566)
Net (Investment)/Withdrawal in Gratuity Fund	(4,637)	(3,703)
Net Cash Flows From/(Used in) Investing Activities	1,384,804	(2,016,721)
Cash Flows From Financing Activities		
Proceed from Interest bearing borrowings	45,888,087	17,638,785
Repayments of Interest bearing borrowings	(47,091,272)	(17,431,466)
Payment to Lease Creditor	(16,737)	(16,054)
Net Cash Flows From/(Used in) Financing Activities	(1,219,922)	191,265
Net Increase / (Decrease) in Cash and Cash Equivalents	(1,954,933)	4,408,217
Cash and Cash Equivalents at the Beginning of the Year	12,639,760	12,711,821
Cash and Cash Equivalents at the End of the Period	10,684,827	17,120,038
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short Term Investments	9,680,736	16,725,709
Cash in hand & at Bank	1,004,091	394,329
Total cash and cash equivalents	10,684,827	17,120,038

LANKA IOC PLC

Notes to the Financial Statement

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 25th Oct 2021

2 - Basis of preparation

These condensed interim financial statements of Lanka IOC PLC are for the period ended 30th September 2021. 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 2021.

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 2021.

4- Net assets per share have been computed based on number of shares in issues as at 30th September 2021

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- The short term loans LKR 19,386 Mn are unsecured except for the loans from State Bank of India Colombo branch amounting to LKR 3,551 Mn. These loans are secured against hypothecation over trading stock held at Kolonnawa, Trincomalee and Muthurajawala terminals.

7- There is a disagreement on interpretation of NBT Act between Company and Inland Revenue Department. The case was determined by the Tax Appeal Commission in favour of IRD for the assessment period Jan 2012 to June 2012 amounting to LKR 100.75 million including interest & penalty. Considering the merits of the case & expert opinion, LIOC filed the appeals in the Court of Appeal. The cases for the assessment period July 2012 to December 2015 is pending before the Tax Appeal Commission amounting to LKR 740.06 million including interest & penalty. For the assessment period Jan 2016 to March 2018 amounting to LKR 817.98 million including interest & penalty, appeals have been filed before the Commissioner General of Inland Revenue. The estimated liability for the assessment period Apr 2018 to November 2019 is LKR 329.47 million for which assessment orders have not yet been issued by Inland Revenue Department. NBT has been abolished w.e.f. 01.12.2019. Therefore, total Contingent liability for the period Jan 2012 to November 2019 is 1,988.26 million."

8- No Circumstances have been arisen since the Balance Sheet date, which would require adjustments to or disclosure in the Financial Statements of 30th September 2021

9- Share price movement

July-Sep

The market prices during	2021-22	2020-21
Highest prices LKR	21.70	27.50
Lowest prices LKR	19.50	15.00
Last trade price LKR	20.60	26.00

10- Net Asset Value per share (30th Sep 2021) - LKR

38.46

Net Asset Value per share (30th Sep 2020) - LKR

35.06

Notes to the Financial Statement for the quarter ended 30th Sep 2021

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 Sep 2021

	Name	No.of Shares	Percentage
1	Indian Oil Corporation Limited, India	400,000,005	75.12
2	J B Cocoshell [Pvt] Ltd	14,183,250	2.66
3	Sri Lanka Insurance Corporation Ltd-Life fund	7,075,980	1.33
4	Bank of Ceylon A/c Ceybank Unit Trust	6,025,833	1.13
5	Employees Trust Fund Board	5,732,922	1.08
6	Deutsche Bank AG-AS Trustee for JB Vantage Value Equity Fund	5,533,553	1.04
7	Seylan Bank PLC/Karagoda Loku Gamage Udayananda	3,518,458	0.66
8	Peoples Leasing & Finance Plc/Mr.D.M.P.Disanayake	3,335,489	0.63
9	E W Balasuriya & Co (Pvt) Ltd	2,526,800	0.47
10	GF Capital Global Limited	2,426,980	0.46
11	Employees Provident Fund	2,346,558	0.44
12	Askold (Pvt)Limited	1,943,798	0.37
13	Assetline Leasing Co.Ltd/British American Technologies (Pvt)Ltd	1,801,796	0.34
14	Bank of Ceylon A/C Ceybank Century Growth Fund	1,767,951	0.33
15	Est of Lat S.H.A. Gulamhusein	1,481,956	0.28
16	Mr. M.A. Jafferjee	1,382,030	0.26
17	Timex Garments [Pvt] Ltd	1,338,957	0.25
18	Sri Lanka Insurance Corporation Ltd-General fund	1,310,128	0.25
19	Hallsville Trading Group inc.	1,280,865	0.24
20	Commercial Bank of Ceylon PLC/S.A.Gulamhusein	1,260,867	0.24
	Total	466,274,176	87.57

13- Public Holding as a % of issued Share Capital 24.88%
 Number of Public Shareholders 10,433
 Compliant under option 4 - Float adjusted market capitalization (LKR Mn) 2,729

14- Directors' Shareholding as on 30th Sep 2021

Mr.Ranjan Kumar Mohapatra		Nil
Mr Manoj Gupta		Nil
Prof.Lakshman R Watawala		500
Mr Amitha Gooneratne		4,800
Mr Vigyan Kumar		Nil
Mr D R Paranjape		Nil