

LANKA IOC PLC

FINANCIAL STATEMENTS - 31 DECEMBER 2021

LANKA IOC PLC

INTERIM FINANCIAL STATEMENTS - 31 DECEMBER 2021

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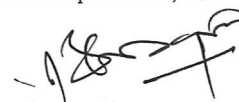
Statement of Financial Position

(all amounts in Sri Lanka Rupees 000's)

	Note	As at 31 Dec 2021	As at 31 Mar 2021
ASSETS			
Non Current Assets			
Property, Plant and Equipment		3,894,322	4,019,364
Long term Investment -CPSTL		4,394,000	4,394,000
Deposits with Bank		1,623,932	10,222,477
Intangible Assets		674,001	674,376
Right to Use-Lease Assets		39,103	62,565
Other Receivables		132,858	118,675
Deferred Tax Asset (Net)		157,061	261,416
		10,915,277	19,752,873
Current Assets			
Inventories		18,445,943	9,625,050
Trade and Other Receivables		3,713,124	4,371,149
Income Tax Receivables		-	18,173
Short Term Investments		17,314,196	12,040,810
Cash and Bank Balances		418,138	598,950
		39,891,401	26,654,132
Total Assets		50,806,678	46,407,005
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital		7,576,574	7,576,574
Retained Earnings		13,338,819	12,347,070
Total Equity		20,915,393	19,923,644
Non Current Liabilities			
Defined Benefit Obligation (Net)		9,920	13,692
Right to Use-Lease Liability		20,286	38,205
		30,206	51,897
Current Liabilities			
Trade and Other Payables		8,266,749	5,808,435
Right to Use-Lease Liability		26,290	33,476
Interest Bearing Borrowings	6	21,555,945	20,589,553
Income Tax Payable		12,096	-
		29,861,080	26,431,464
Total Equity and Liabilities		50,806,678	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 20th Jan 2022



Manoj Gupta
Managing Director
Date : 20th Jan 2022



Prof. Lakshman R Watawala
Director
Date : 20th Jan 2022

Lanka IOC PLC

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees 000's)

	Three Months ended 31st Dec		Nine Months ended 31st Dec	
	Oct-Dec	Oct-Dec	Apr-Dec	Apr-Dec
	2021-22	2020-21	2021-22	2020-21
Revenue	22,993,240	16,594,098	60,463,602	46,023,938
Cost of Sales	(21,101,599)	(15,195,853)	(56,632,304)	(44,629,803)
Gross Profit	1,891,641	1,398,245	3,831,298	1,394,135
Other Operating Income	20,673	26,134	57,671	222,979
Selling and Distribution Expenses	(507,040)	(452,297)	(1,396,988)	(1,336,930)
Administrative Expenses	(424,826)	(345,556)	(1,165,084)	(1,015,604)
Operating Profit/(Loss)	980,448	626,526	1,326,897	(735,420)
Finance Income	315,648	360,872	1,006,310	940,604
Finance Expenses	(261,188)	(177,273)	(678,020)	(351,881)
Profit/(Loss) Before Tax	1,034,908	810,125	1,655,187	(146,697)
Income Tax	(145,209)	(123,197)	(210,843)	55,407
Profit/(Loss) for the period	889,699	686,928	1,444,344	(91,290)
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	889,699	686,928	1,444,344	(91,290)
Earnings Per Share	1.67	1.29	2.71	(0.17)

(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
Dividends Paid		(399,350)	(399,350)
Profit /(Loss) for the Period		(91,290)	(91,290)
Balance at 31st Dec 2020	7,576,574	11,378,995	18,955,569
Balance at 1st April 2021	7,576,574	12,347,070	19,923,644
Dividends Paid		(452,595)	(452,595)
Profit /(Loss) for the Period		1,444,344	1,444,344
Balance at 31st Dec 2021	7,576,574	13,338,819	20,915,393

(The above figures are unaudited)

LANKA IOC PLC

Cash Flow Statement

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

	Apr-Dec 2021-22	Apr-Dec 2020-21
<u>Cash Flows From/(Used in) Operating Activities</u>		
Profit /(Loss)before Income Tax Expense	1,655,187	(146,697)
<u>Adjustments for</u>		
Finance Income	(1,006,310)	(940,604)
Finance Expenses	678,020	351,881
Dividend Income	-	(120,000)
(Profit)/Loss on Sale of Property Plant and Equipment	207	(3,227)
Defined Benefit Plan Cost	8,511	(467)
Depreciation	314,649	301,861
Amortisation of Intangible Asset	375	375
Amotisation Right to use Assets	23,462	22,717
Operating Profit/(Loss) before Working Capital Changes	1,674,101	(534,161)
<u>Changes in Working Capital</u>		
(Increase)/ Decrease in Inventories	(8,820,893)	6,211,293
(Increase) /Decrease in Trade and Other Receivables	643,842	1,040,333
Increase/ (Decrease) in Trade and Other Payables	2,458,315	162,439
Cash Generated From/(Used in) Operations	(4,044,636)	6,879,904
Income Tax	(76,219)	(9,147)
Finance Expenses	(678,020)	(351,881)
Defined Benefit Paid	(7,646)	(7,469)
Net Cash Flows From Operating Activities	(4,806,520)	6,511,407
<u>Cash Flows from Investing Activities</u>		
Finance Income	1,006,310	940,604
Dividend Income	-	120,000
Acquisition of Property, Plant and Equipment	(189,960)	(171,505)
Proceeds on disposal of Property, Plant and Equipment	145	3,919
Deposit with Banks	8,598,545	(8,922,721)
Net (Investment)/Withdrawal in Gratuity Fund	(4,637)	(2,051)
Net Cash Flows From/(Used in) Investing Activities	9,410,403	(8,031,754)
<u>Cash Flows From Financing Activities</u>		
Proceed from Interest bearing borrowings	71,853,235	32,971,481
Repayments of Interest bearing borrowings	(70,886,843)	(32,561,881)
Dividend Paid	(452,595)	(399,350)
Payment to Lease Creditor	(25,105)	(24,191)
Net Cash Flows From/(Used in) Financing Activities	488,692	(13,941)
Net Increase / (Decrease) in Cash and Cash Equivalents	5,092,574	(1,534,288)
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	17,732,334	11,177,533
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short Term Investments	17,314,196	10,966,869
Cash in hand & at Bank	418,138	210,664
Total cash and cash equivalents	17,732,334	11,177,533

(The above figures are unaudited)

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 20th Jan 2022

2 - Basis of preparation

These condensed interim financial statements of Lanka IOC PLC are for the period ended 31st December 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 31st December 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 21,556 Mn are unsecured except for the loans from State Bank of India Colombo branch amount equivalent to LKR 3,813 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 Sept 2012 amounting to LKR 149.12 Mn 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 Oct 2012 to Dec 2015 & April 2016 to Mar 2017 is pending before the Tax Appeal Commission amounting to LKR 1,052.18 Mn including interest & penalty. For the assessment period April 2017 to March 2018 amounting to LKR 376.68 Mn including interest & penalty, appeals have been filed before the Commissioner General of Inland Revenue. The estimated liability for the assessment period Jan 2016 to Mar 2016 & Apr 2018 to November 2019 is LKR 410.28 Mn 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 Nov 2019 is LKR 1,988.26 Mn including principal demand of LKR 1,412 Mn and Interest & penalty of LKR 576 Mn for the assessed periods"

8 - Lanka IOC PLC (LIOC) has invested in 49% shares of Trinco Petroleum Terminal (Pvt) Ltd (TPT), Joint Venture Company with Ceylon Petroleum Corporation (CPC) which holds balance 51 % of the issued share capital of TPT, and LIOC has entered into a Joint Venture Shareholder Agreement with CPC and TPT for the development of Sixty-One (61) tanks, the related area, and allied facilities in the { Upper Tank Farm of the China Bay Oil Tank Farm. LIOC has entered into a Modalities Agreement with CPC and TPT for the possession, development, and use of the China Bay Oil Tank Farm by LIOC, CPC and TPT. LIOC has entered into a Lease of State Land with the Government of Sri Lanka for a term of Fifty (50) years for the purpose of developing of the Lower Tank Farm of the China Bay Oil Tank Farm.

Except above, 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

Oct-Dec

The market prices during	2021-22	2020-21
Highest prices LKR	81.30	26.70
Lowest prices LKR	20.90	19.30
Last trade price LKR	73.20	22.40

10- Net Asset Value per share (31st Dec 2021) - LKR 39.28

Net Asset Value per share (31st Dec 2020) - LKR 35.60

Notes to the Financial Statement for the quarter ended 31st Dec 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 31st Dec 2021

	Name	No.of Shares	Percentage
1	Indian Oil Corporation Limited, India	400,000,005	75.12
2	J B Cocoshell [Pvt] Ltd	9,889,005	1.86
3	Bank of Ceylon A/c Ceybank Unit Trust	5,165,833	0.97
4	Deutsche Bank AG-AS Trustee for JB Vantage Value Equity Fund	4,427,053	0.83
5	Seylan Bank PLC/Karagoda Loku Gamage Udayananda	3,837,000	0.72
6	Peoples Leasing & Finance Plc/Mr.D.M.P.Disanayake	3,719,321	0.70
7	MR. K.A.S.R. Nissanka	2,600,153	0.49
8	Seylan Bank PLC/C. Nalin Rajahmonev	2,400,454	0.45
9	Employees Provident Fund	2,346,558	0.44
10	Employees Trust Fund Board	2,266,989	0.43
11	Sri Lanka Insurance Corporation Ltd-Life fund	2,043,592	0.38
12	Askold (Pvt)Limited	1,725,000	0.32
13	Peoples Leasing & Finance PLC/K.L.Udayananda	1,550,239	0.29
14	Peoples Merchant Finance PLC/ T.G.M. Sudharma	1,462,000	0.27
15	Assetline Leasing Co.Ltd/British American Technologies (Pvt)Ltd	1,451,796	0.27
16	Mr. M.A. Jafferjee	1,382,030	0.26
17	Sri Lanka Insurance Corporation Ltd-General fund	1,310,128	0.25
18	Commercial Bank of Ceylon PLC/S.A.Gulamhusein	1,260,867	0.24
19	Mr M N Cader	1,241,282	0.23
20	MR. K.N.J. Balendra	1,240,781	0.23
	Total	451,320,086	84.76

13- Public Holding as a % of issued Share Capital 24.88%
 Number of Public Shareholders 12,316
 Compliant under Float adjusted market capitalization (LKR Mn) 9,697

14- Directors' Shareholding as on 31st Dec 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