

# **LANKA IOC PLC**

## **FINANCIAL STATEMENTS - 31 MARCH 2024**

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# Lanka IOC PLC

## Statement of Financial Position

(all amounts in Sri Lanka Rupees 000's)

	Note	As at 31 March 2024	As at 31 Mar 2023
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment		4,899,713	3,903,723
Long term Investment -CPSTL		5,306,000	4,852,000
Long term Investment -TPTL		98,000	49,000
Intangible Assets		673,876	673,876
Right to Use-Lease Assets		46,899	47,881
Other Receivables		162,621	148,463
		<b>11,187,109</b>	<b>9,674,943</b>
<b>Current Assets</b>			
Inventories		26,302,203	38,027,406
Trade and Other Receivables		19,099,796	7,474,390
Short Term Investments		38,928,945	21,045,631
Cash and Bank Balances		6,277,439	5,990,257
		<b>90,608,383</b>	<b>72,537,684</b>
<b>Total Assets</b>		<b>101,795,492</b>	<b>82,212,627</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital		7,576,574	7,576,574
Other Reserve		912,000	458,000
Retained Earnings		64,981,583	53,197,972
<b>Total Equity</b>		<b>73,470,157</b>	<b>61,232,546</b>
<b>Non Current Liabilities</b>			
Defined Benefit Obligation (Net)		26,533	15,171
Right to Use-Lease Liability		48,669	49,539
Deferred Tax Liability (Net)		28,775	541,161
		<b>103,977</b>	<b>605,871</b>
<b>Current Liabilities</b>			
Interest Bearing Borrowings		4,306,616	4,468,346
Income Tax Payable		1,228,034	1,077,421
Trade and Other Payables		22,682,361	14,826,759
Right to Use-Lease Liability		4,347	1,684
		<b>28,221,358</b>	<b>20,374,210</b>
<b>Total Equity and Liabilities</b>		<b>101,795,492</b>	<b>82,212,627</b>

(The above figures are audited)

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 18th April 2024



**Dipak Das**

Managing Director

Date : 18th April 2024



**Prof. Lakshman R Watawala**

Director

Date : 18th April 2024

# Lanka IOC PLC

## Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees 000's)

	Three Months Ended		Twelve Months Ended	
	Jan-March 2023-24	Jan-March 2022-23	Apr-Mar 2023-24	Apr-Mar 2022-23
Revenue	75,101,379	68,721,293	263,568,721	281,487,600
Cost of Sales	(69,349,784)	(58,335,877)	(239,550,439)	(227,305,669)
<b>Gross Profit</b>	<b>5,751,595</b>	<b>10,385,416</b>	<b>24,018,282</b>	<b>54,181,931</b>
Other Operating Income	34,448	28,990	235,857	115,541
Selling and Distribution Expenses	(2,177,600)	(1,988,534)	(7,896,403)	(6,806,931)
Administrative Expenses	(903,412)	(858,376)	(3,548,774)	(3,313,625)
<b>Operating Profit/(Loss)</b>	<b>2,705,031</b>	<b>7,567,496</b>	<b>12,808,962</b>	<b>44,176,916</b>
Finance Income	1,720,654	1,375,021	5,033,468	3,453,888
Finance Expenses	(203,373)	(410,052)	(759,070)	(2,928,709)
<b>Profit/(Loss) Before Tax</b>	<b>4,222,312</b>	<b>8,532,465</b>	<b>17,083,360</b>	<b>44,702,095</b>
Income Tax	(798,099)	(1,352,850)	(3,138,366)	(7,006,455)
<b>Profit/(Loss) for the period</b>	<b>3,424,213</b>	<b>7,179,615</b>	<b>13,944,994</b>	<b>37,695,640</b>
<b>Other Comprehensive Income /(Loss)</b>				
Items that will not be reclassified to profit or loss:				
Other Comprehensive Income /(Loss)	(37,084)	(10,541)	(37,084)	(10,541)
Income tax on other Comprehensive income/(loss)	5,563	1,581	5,563	1,581
Fair Value Adjustment on CPSTL	454,000	458,000	454,000	458,000
<b>Total Comprehensive Income/(Loss), Net of Tax</b>	<b>3,846,692</b>	<b>7,628,655</b>	<b>14,367,473</b>	<b>38,144,680</b>
<b>Earnings Per Share</b>	<b>6.43</b>	<b>13.48</b>	<b>26.19</b>	<b>70.79</b>

(The above figures are audited)

# Lanka IOC PLC

## Statement of changes in equity

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

	Stated Capital	Other Reserve (Financial Assets at FVOCI) Rs	Retained Earnings	Total
	Rs.	Rs	Rs.	Rs.
<b>Balance at 1st April 2022</b>	7,576,574	-	16,709,340	24,285,914
Dividends Paid	-	-	(1,198,048)	(1,198,048)
Profit /(Loss) for the Period	-	-	37,695,640	37,695,640
Other Comprehensive Income/(Loss)		458,000	(8,960)	449,040
<b>Balance at 31st March 2023</b>	<b>7,576,574</b>	<b>458,000</b>	<b>53,197,972</b>	<b>61,232,546</b>
<b>Balance at 1st April 2023</b>	7,576,574	458,000	53,197,972	61,232,546
Dividends	-	-	(2,129,863)	(2,129,863)
Profit /(Loss) for the Period	-	-	13,944,994	13,944,994
Other Comprehensive Income/(Loss)		454,000	(31,521)	422,479
<b>Balance at 31st March 2024</b>	<b>7,576,574</b>	<b>912,000</b>	<b>64,981,583</b>	<b>73,470,157</b>

( The above figures are audited)



# Lanka IOC PLC

## Cash Flow Statement

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

	Apr-Mar 2023-24	Apr-Mar 2022-23
<b>Cash Flows From/(Used in) Operating Activities</b>		
Profit /(Loss)before Income Tax Expense	17,083,360	44,702,095
<b>Adjustments for</b>		
Finance Income	(5,033,468)	(3,453,888)
Finance Expenses	759,070	2,928,709
Dividend Income	(120,000)	-
Increase/(Decrease) in Allowances for Impairment	107,175	20,534
(Profit)/Loss on Sale of Property Plant and Equipment	(116)	(862)
Defined Benefit Plan Cost	5,435	4,551
Depreciation	427,121	421,531
Amotisation Right to use Assets	982	32,264
Lease Interest - Right of - use Assets	6,147	9,573
Exchange (Gain )/ Loss on Borrowings	(77,080)	13,573
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>13,158,625</b>	<b>44,678,080</b>
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories	11,725,203	(10,770,373)
(Increase) /Decrease in Trade and Other Receivables	(11,746,739)	(2,761,173)
Increase/ (Decrease) in Trade and Other Payables	7,855,602	322,289
<b>Cash Generated From/(Used in) Operations</b>	<b>20,992,693</b>	<b>31,468,823</b>
Income Tax	(3,531,660)	(5,789,025)
Finance Expenses	(759,070)	(2,928,709)
Finance Income	5,033,468	3,453,888
Defined Benefit Paid	(10,899)	(38,108)
<b>Net Cash Flows From Operating Activities</b>	<b>21,724,532</b>	<b>26,166,869</b>
<b>Cash Flows from Investing Activities</b>		
Dividend Income	120,000	-
Acquisition of Property, Plant and Equipment	(1,423,118)	(468,595)
Proceeds on disposal of Property, Plant and Equipment	122	1,128
Withdrawal/(Investment) in Bank Deposits	-	5,731,000
Withdrawal/(Investment) in Short Term Investments	(17,883,314)	(5,422,962)
Investment In TPTL	(49,000)	-
Net (Investment)/Withdrawal in Gratuity Fund	16,826	26,655
<b>Net Cash Flows From/(Used in) Investing Activities</b>	<b>(19,218,484)</b>	<b>(132,774)</b>
<b>Cash Flows From Financing Activities</b>		
Proceed from Interest bearing borrowings	98,378,748	127,445,045
Repayments of Interest bearing borrowings	(98,463,397)	(148,768,497)
Dividend Paid	(2,129,863)	(1,198,048)
Payment to Lease Creditor	(4,354)	(46,087)
<b>Net Cash Flows From/(Used in) Financing Activities</b>	<b>(2,218,866)</b>	<b>(22,567,587)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>287,182</b>	<b>3,466,508</b>
Cash and Cash Equivalents at the Beginning of the Year	5,990,257	2,523,749
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>6,277,439</b>	<b>5,990,257</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash in hand & at Bank	6,277,439	5,990,257
Bank OD	-	-
<b>Total cash and cash equivalents</b>	<b>6,277,439</b>	<b>5,990,257</b>

(The above figures are audited)

# **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 18th April 2024.

### **2 - Basis of preparation**

These condensed interim financial statements of Lanka IOC PLC are for the period ended 31st March 2024. They have been prepared in accordance with 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 2024.

### **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 2023.

- 4- Net assets per share have been computed based on number of shares in issues as at 31st March 2024
- 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 from banks Rs 4,306 Mn (2023- Rs 4,468 Mn) are unsecured except for the loans from State Bank of India Colombo branch amounting to Rs 1,560 Mn (2023- Rs 1,204 Mn). These loans are secured against hypothecation over trading stock held at Kolonnawa, Muthurajawala and Trincomalee 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 Rs. 149.12 Mn including interest & penalty. Considering the merits of the case & expert opinion, LIOC filed the appeals in the Court of Appeal. Arguments of the appeals filed for the period of Jan 2012 to June 2012 are being heard by COA. COA given the Judgement dated 15.12.2023 for the period of July 2012 to Sept 2012 and allowed the LIOC appeal. IRD has appealed against the judgement of the Court of Appeal before Supreme Court (SC). Subsequent to the COA judgement, TAC issued determinations for all pending periods before TAC (The Appeals for the assessment period Oct 2012 to Dec 2015 & April 2016 to Mar 2017) in favour LIOC which was against their previous determinations amounting to Rs. 1,052.18 Mn including interest & penalty. IRD is in the appeal process to appeal before COA against TAC determinations. For the assessment period April 2017 to March 2018 amounting to Rs. 376.68 Mn including interest & penalty, CGIR has issued the determinations confirming assessments, later on CGIR agreed to waive off the same which is yet to be updated in IRD system.

The estimated liability for the assessment period Jan 2016 to Mar 2016 & Apr 2018 to November 2019 is Rs. 410.28 Mn for which assessment orders have not yet been received and no default in Inland Revenue Department. NBT has been abolished w.e.f. 01.12.2019. Therefore, total amount for the period Jan 2012 to Nov 2019 is Rs. 1,988.26 Mn which includes principal demand of Rs. 1,412 Mn and Interest & penalty of Rs. 576 Mn. Total principal amount for the assessed period Jan 2012 to Dec 2015 & April 2016 to March 2018 is Rs. 1,028.83 Mn provided in the books of accounts while the balance Rs. 959.43 Mn not been provided on the ground that the assessment from IRD has not been received and no liability is shown in IRD and the management is unable to make a best estimate of the penalty required to settle the present obligation at the end of the reporting period.

### **8- Events after the end of reporting period**

No events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

### **9- Share price movement**

	<b>January - March</b>	
	<b>2023-24</b>	<b>2022-23</b>
The market prices during		
Highest prices LKR	120.00	214.25
Lowest prices LKR	97.50	158.00
Last trade price LKR	116.75	171.50
<b>10- Net Asset Value per share (31st March 2024) - LKR</b>	<b>137.98</b>	
Net Asset Value per share (31st March 2023) - LKR		114.99



**Notes to the Financial Statement for the quarter ended 31st March 2024**

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 March 2024**

	Name	No. of Shares	Percentage
1	Indian Oil Corporation Limited, India	400,000,005	75.12
2	Sri Lanka Insurance Corporation Ltd-Life fund	7,975,875	1.50
3	J B Cocoshell (Pvt) Ltd	6,206,090	1.17
4	Bank of Ceylon A/c Ceybank Unit Trust	5,161,333	0.97
5	Mr. K.A.S.R. Nissanka	4,450,519	0.84
6	Peoples Leasing & Finance Plc/Mr.D.M.P.Disanayake	4,034,762	0.76
7	Mrs. S. Amarasekera	2,531,500	0.48
8	Employees Provident Fund	2,346,558	0.44
9	Sri Lanka Insurance Corporation Ltd-General Fund	2,148,947	0.40
10	Hatton National Bank PLC-Senfin Growth Fund	2,139,185	0.40
11	Hatton National Bank PLC/ Mr. Elayathamby Thavagnanasundaram	2,078,038	0.39
12	Odyssey Capital Partners (Private) Limited	2,070,945	0.39
13	Employees Trust Fund Board	1,868,959	0.35
14	Mr. N. Samarasuriya	1,704,000	0.32
15	DFCC Bank PLC A/C NO .02	1,550,000	0.29
16	Assetline Finance Leasing Co.Ltd/British American Technologies (Pvt )Ltd	1,451,796	0.27
17	Acuity Partners (Pvt) Limited/Mr.Elayathamby Thavagnanasooriyam/Mr.Elayathamby Thavagnanasundaram	1,278,624	0.24
18	Amana Bank PLC/Mr.Mohamed Nayaz Deen	1,093,242	0.21
19	Jafferjee Brothers Exports (Private)Limited	1,041,200	0.20
20	Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	996,128	0.19
	Total	<b>452,127,706</b>	<b>84.93</b>

13- Public Holding as a % of issued Share Capital 24.88%  
 Number of Public Shareholders 14,524  
 Compliant under **Option -1** Float adjusted market capitalization (LKR Mn) 15,465  
 The Company complies with Minimum Public Holding Requirement under option 1 of the Listing Rules 7.14.1 (a) which is no minimum % requires in Public Holding and Number of Public Shareholders 500 .

**14- Directors' Shareholding as on 31st March 2024**

Mr.Sujoy Choudhury -Chairman	Nil
Mr Dipak Das	Nil
Prof.Lakshman R Watawala	500
Mr Amitha Gooneratne	4,800
Mr Ruchir Agrawal ( Ceased W .e .f 20th March 2024)	Nil
Mr Saumitra P Srivastava ( Ceased W .e .f 20th March 2024)	Nil
Mr Rani Venkata Naga Vishweshwar (Appointed W.e f 20th March 2024)	Nil
Mr Nikhil Deep Mathur (Appointed W.e f 20th March 2024)	Nil