

Swisstek (Ceylon) PLC

Provisional Financial Statements

For the Nine Months Ended 31st December 2022

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

STATEMENT OF FINANCIAL POSITION

As at ;

ASSETS

Property, plant and equipment

Investment property

Other long term investment

Non current assets

Inventories

Trade & other receivables

Income tax receivable

Contract Assets

Amounts due from related parties

Cash & cash equivalents

Current assets

Total assets

EQUITY

Stated capital

Reserves

Retained Earnings

Equity attributable to owners of the company

Non controlling interest

Total equity

Liabilities

Retirement benefits obligation

Lease Rental Payable after one year

Deferred tax liability

Long term borrowings payable after one year

Non current liabilities

Trade & other payables

Contract liabilities

Long term borrowings payable within one year

Short term loans

Amount due to related parties

Lease Rental Payable within one year

Income tax payable

Bank overdrafts

Current liabilities

Total liabilities

Total equity and liabilities

Net asset value per share (Rs.)

	GROUP		COMPANY	
	31-12-2022	31-03-2022	31-12-2022	31-03-2022
	Unaudited	Audited	Unaudited	Audited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS				
Property, plant and equipment	3,598,721	3,435,474	1,979,921	1,791,397
Investment property	211,985	211,985	211,985	211,985
Other long term investment	56,667	56,667	229,784	229,784
Non current assets	3,867,373	3,704,126	2,421,690	2,233,166
Inventories	5,468,375	2,848,173	559,059	255,997
Trade & other receivables	2,724,060	3,559,031	763,261	559,921
Income tax receivable	43,237	-	-	-
Contract Assets	36,625	29,343	36,625	29,343
Amounts due from related parties	16,697	4,789	100,950	65,133
Cash & cash equivalents	368,226	575,657	281,784	378,320
Current assets	8,657,219	7,016,993	1,741,679	1,288,714
Total assets	12,524,592	10,721,119	4,163,369	3,521,880
EQUITY				
Stated capital	368,256	368,256	368,256	368,256
Reserves	714,307	796,941	611,989	694,623
Retained Earnings	1,572,596	1,989,933	1,086,144	913,908
Equity attributable to owners of the company	2,655,159	3,155,130	2,066,389	1,976,787
Non controlling interest	119,530	204,676	-	-
Total equity	2,774,689	3,359,806	2,066,389	1,976,787
Liabilities				
Retirement benefits obligation	57,724	49,051	11,901	10,953
Lease Rental Payable after one year	20,860	21,576	-	-
Deferred tax liability	352,148	369,555	366,353	224,628
Long term borrowings payable after one year	269,566	494,071	113,037	304,208
Non current liabilities	700,298	934,253	491,292	539,789
Trade & other payables	2,046,829	2,124,998	465,908	354,544
Contract liabilities	1,533	3,836	1,533	3,836
Long term borrowings payable within one year	223,819	223,819	123,819	123,819
Short term loans	5,790,426	3,445,119	686,090	344,318
Amount due to related parties	63,418	40,679	16,405	1,677
Lease Rental Payable within one year	2,247	4,083	-	-
Income tax payable	6,822	104,558	6,822	69,420
Bank overdrafts	914,512	479,968	305,111	107,690
Current liabilities	9,049,606	6,427,060	1,605,688	1,005,304
Total liabilities	9,749,904	7,361,313	2,096,981	1,545,094
Total equity and liabilities	12,524,592	10,721,119	4,163,369	3,521,880
Net asset value per share (Rs.)	19.40	23.05	15.10	14.44

Figures in brackets indicate deductions.

The notes to the financial statement on page 5 form an integral part of these Financial Statements.

It is certified that the interim financial statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

General Manager-Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed for and on behalf of the board by

Sgd.

Chairman

26th January 2023

Sgd.

Managing Director

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

STATEMENT OF COMPREHENSIVE INCOME

Period ended	GROUP					COMPANY				
	31-12-2022		31-12-2021		Variance % for the Nine Months	31-12-2022		31-12-2021		Variance % for the Nine Months
	Unaudited		Unaudited			Unaudited		Unaudited		
	Quarter	9 Month	Quarter	9 Months		Quarter	6 Month	Quarter	9 Months	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Sales (net of tax)	1,488,714	6,797,184	2,656,355	6,099,263	11	1,010,665	2,916,752	669,262	1,613,664	81
Cost of sales	(1,033,509)	(4,840,746)	(1,894,774)	(4,507,571)	(7)	(798,097)	(2,192,602)	(485,868)	(1,179,129)	(86)
Gross profit	455,205	1,956,438	761,581	1,591,692	23	212,567	724,149	183,394	434,535	67
Other operating income	33,099	81,966	28,099	68,237	20	40,597	65,992	77,340	172,426	(62)
Distribution expenses	(211,391)	(632,497)	(197,011)	(477,287)	(33)	(59,063)	(201,964)	(40,593)	(112,585)	79
Administration expenses	(100,507)	(250,631)	(88,319)	(231,532)	(8)	(32,710)	(81,713)	(19,290)	(51,795)	58
Profit from operating activities	176,406	1,155,275	504,350	951,110	(21)	161,391	506,464	200,851	442,581	14
Net finance cost	(494,709)	(1,566,486)	(47,412)	(127,457)	(1,129)	(81,220)	(83,822)	(16,984)	(35,018)	139
Profit/(Loss) before taxation	(318,303)	(411,210)	456,938	823,653	150	80,172	422,642	183,867	407,563	4
Taxation	5,600	31,901	(92,313)	(179,704)	118	(74,003)	(127,232)	(32,815)	(81,885)	55
Profit/(Loss) for the period	(312,703)	(379,309)	364,625	643,949	159	6,169	295,410	151,052	325,678	(9)
Other Comprehensive income										
Deferred tax on other comprehensive income	(82,634)	(82,634)	-	-	-	(82,634)	(82,634)	-	-	-
Other comprehensive income for the period	(82,634)	(82,634)	-	-	-	(82,634)	(82,634)	-	-	-
Total comprehensive income for the period	(395,337)	(461,944)	364,625	643,949	(172)	(76,465)	212,776	151,052	325,678	(35)
Attributable to:										
Owners of the company	(272,465)	(294,163)	330,419	588,797	(150)	6,169	295,410	151,052	325,678	(9)
Non-controlling interest	(40,238)	(85,146)	34,206	55,152	(254)	-	-	-	-	-
Profit/(Loss) for the year	(312,703)	(379,309)	364,625	643,949	(159)	6,169	295,410	151,052	325,678	(9)
Total comprehensive income attributable to:										
Owners of the company	(355,099)	(376,797)	330,419	588,797	(164)	(76,465)	212,776	151,052	325,678	(35)
Non-controlling interest	(40,238)	(85,146)	34,206	55,152	(254)	-	-	-	-	-
Total comprehensive income for the period	(395,337)	(461,944)	364,625	643,949	(172)	(76,465)	212,776	151,052	325,678	(35)
Basic earnings per share (Rs.)	(1.99)	(2.15)	2.41	4.30	(150)	0.05	2.16	1.10	2.38	(9)

Figures in brackets indicate deductions.

The notes to the financial statement on page 5 form an integral part of these Financial Statements.

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

STATEMENT OF CHANGES IN EQUITY

Group

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Shareholders' funds	Non-controlling Interest	Total Equity
Balance as at 1st April 2021	368,256	777,099	19,842	1,533,341	2,698,535	182,392	2,880,930
Total comprehensive income							
- Profit for the year	-	-	-	588,797	588,797	55,152	643,949
- Dividend paid				(253,191)	(253,191)	(17,140)	(270,331)
Balance as at 31st December 2021	368,256	777,099	19,842	1,868,947	3,034,141	220,404	3,254,548
Balance as at 1st April 2022	368,256	777,099	19,842	1,989,933	3,155,130	204,676	3,359,806
Total comprehensive income							
- Profit/(Loss) for the year	-	-	-	(294,163)	(294,163)	(85,146)	(379,309)
Other comprehensive income							
- Deferred tax on other comprehensive income	-	(82,634)	-	-	(82,634)	-	(82,634)
	-	(82,634)	-	-	(82,634)	-	(82,634)
- Dividend paid	-	-	-	(123,174)	(123,174)	-	(123,174)
Balance as at 31st December 2022	368,256	694,465	19,842	1,572,596	2,655,159	119,530	2,774,688

Company

	Stated capital	Revaluation reserve	General reserve	Retained earnings	Total Equity
Balance as at 1st April 2021	368,256	674,781	19,842	604,873	1,667,752
Total comprehensive income					
- Profit for the year	-	-	-	325,678	325,678
- Dividend paid	-	-	-	(253,191)	(253,191)
Balance as at 31st December 2021	368,256	674,781	19,842	677,360	1,740,239
Balance as at 1st April 2022	368,256	674,781	19,842	913,908	1,976,787
Total comprehensive income					
- Profit for the year	-	-	-	295,410	295,410
Other comprehensive income					
- Deferred tax on other comprehensive income	-	(82,634)	-	-	(82,634)
	-	(82,634)	-	-	(82,634)
- Dividend paid	-	-	-	(123,174)	(123,174)
Balance as at 31st December 2022	368,256	592,147	19,842	1,086,144	2,066,389

Segmental Information						
For the period ended 31st December	GROUP			COMPANY		
	2022	2021	Variance	2022	2021	Variance
	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000	%
Turnover						
Flooring and tile accessories	2,916,752	1,613,664	80.8%	2,916,752	1,613,664	80.8%
Aluminium products	3,902,633	4,574,100	-14.7%	-	-	-
Inter Segment sales	(22,200)	(88,501)	-74.9%	-	-	-
Consolidated turnover	6,797,184	6,099,263	11.4%	2,916,752	1,613,664	80.8%
Profit/ (Loss) before tax						
Flooring and tile accessories	422,642	407,563	3.7%	422,642	407,563	3.7%
Aluminium products	(833,852)	416,090	-300.4%	-	-	-
Consolidated profit/ (Loss) before tax	(411,210)	823,653	-149.9%	422,642	407,563	3.7%

Figures in brackets indicate deductions.

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SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

CASH FLOW STATEMENT

Period ended

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(loss) before tax

Adjustments for;

Depreciation

Amortisation of leased assets

Provision on retirement benefit obligation

Interest cost

Dividend income

Exchange loss / (gain)

Operating profit/(loss) before working capital changes

Changes in working capital

- (Increase)/Decrease in inventory

- (Increase)/Decrease in trade & other receivables

- (Increase)/Decrease in amounts due from/to related parties

- Increase/(Decrease) in trade & other payables

- Contract Asset

- Contract Liability

Cash generated from operations

Interest paid

Tax paid

Gratuity payments

Net cash generated from/(used) in operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment

Dividend Income

Net cash generated from/(used) in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid

Loan Obtained

Repayment of borrowings

Net cash generated from/(used) in financing activities

Net Increase/ (Decrease) in cash and cash equivalents

Cash & cash equivalents at the beginning of the year

Cash & cash equivalents at the end of the period (Note a)

Notes

Analysis of cash and cash equivalent at the end of the period

Cash at banks and cash in hand

Bank Overdraft

Cash and cash equivalent at the end of the period

	Group		Company	
	31-12-2022	31-12-2021	31-12-2022	31-12-2021
	Unaudited	Unaudited	Unaudited	Unaudited
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	(411,210)	823,653	422,642	407,563
Adjustments for;				
Depreciation	137,777	128,809	41,685	38,579
Amortisation of leased assets	4,298	3,025	-	-
Provision on retirement benefit obligation	9,726	10,077	2,025	1,665
Interest cost	1,171,253	123,569	176,539	37,378
Dividend income	-	-	-	(118,670)
Exchange loss / (gain)	392,365	3,889	(92,717)	(2,359)
Operating profit/(loss) before working capital changes	1,304,209	1,093,022	550,174	364,156
Changes in working capital				
- (Increase)/Decrease in inventory	(2,620,202)	(813,748)	(303,062)	(29,902)
- (Increase)/Decrease in trade & other receivables	834,971	(558,448)	(203,339)	(78,598)
- (Increase)/Decrease in amounts due from/to related parties	10,831	32,697	(21,089)	1,839
- Increase/(Decrease) in trade & other payables	(671,228)	1,268,374	194,875	(7,640)
- Contract Asset	(7,282)	(178)	(7,282)	(178)
- Contract Liability	(2,303)	(23,788)	(2,303)	(23,788)
Cash generated from operations	(1,151,004)	997,931	207,974	225,889
Interest paid	(982,734)	(116,091)	(167,333)	(24,364)
Tax paid	(201,001)	(88,374)	(130,739)	(68,069)
Gratuity payments	(1,077)	(422)	(1,077)	(122)
Net cash generated from/(used) in operating activities	(2,335,815)	793,044	(91,175)	133,334
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(301,024)	(608,103)	(230,209)	(449,977)
Dividend Income	-	-	-	118,670
Net cash generated from/(used) in investing activities	(301,024)	(608,103)	(230,209)	(331,307)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid	(123,174)	(270,331)	(123,174)	(253,191)
Loan Obtained	7,569,689	5,818,188	1,383,383	1,579,096
Repayment of borrowings	(5,451,649)	(5,569,991)	(1,232,782)	(1,096,857)
Net cash generated from/(used) in financing activities	1,994,866	(22,134)	27,427	229,048
Net Increase/ (Decrease) in cash and cash equivalents	(641,974)	162,807	(293,957)	31,075
Cash & cash equivalents at the beginning of the year	95,688	(113,617)	270,630	48,205
Cash & cash equivalents at the end of the period (Note a)	(546,286)	49,190	(23,327)	79,280
Notes				
Analysis of cash and cash equivalent at the end of the period				
Cash at banks and cash in hand	368,226	337,629	281,784	232,401
Bank Overdraft	(914,512)	(288,439)	(305,111)	(153,121)
Cash and cash equivalent at the end of the period	(546,286)	49,190	(23,327)	79,280

Figures in brackets indicate deductions.

The notes to the financial statement on page 5 form an integral part of these Financial Statements.

SWISSTEK (CEYLON) PLC
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2022

Notes

1. Swisstek (Ceylon) PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company is located at No.215, Nawala Road, Narahenpita, Colombo 05.

The Consolidated Financial Statements of the company for the period ended 31st December 2022 comprise Swisstek (Ceylon) PLC (Parent Company) and its subsidiaries (together referred as the " Group"), namely Swisstek Aluminium Ltd, Swisstek Development Ltd.

2. The above figures are provisional & subject to audit.
3. The same accounting policies as in the annual report for the year ended 31 March 2022 have been followed in the preparation of financial statements and are in compliance with LKAS 34 - Interim Financial Reporting.

The presentation and classification of the financial statements of the previous period have been amended, with those of the current period, where relevant, for better presentation and to be comparable.

4. Total number of shares in issue of the company as at 31st December 2022 is 136,860,000.
5. There have been no changes in contingent assets and contingent liabilities since 31st March 2022.

6. Impact of Tax Rate Change

As per the Inland Revenue (Amendment) Act No.45 of 2022, the increase in tax rates for companies are effective from 1st October 2022. Accordingly, the increase in deferred tax arising from the change in tax rate amounting to Rs. 37.3 Mn is recognised in group profit or loss (The Company - Rs. 45.2 Mn) and Rs. 82.6 Mn is recognised in group other comprehensive income (The Company - Rs. 82.6 Mn).

7. There have been no material events occurring after the Balance Sheet date that require adjustments or disclosure to these financial statements.

8. Market prices recorded during the quarter ended

31st December	2022		2021	
	Rs.cts	Date	Rs.cts	Date
Highest traded price per share	24.00	03/10/2022	47.90	17/12/2021
Lowest traded price per share	14.60	21/11/2022	26.40	01/10/2021
Last traded price per share	15.70	30/12/2022	46.00	31/12/2021
Number of Ordinary Shares Issued	136,860,000		136,860,000	

9. Directors' Holdings as at 31st December 2022.

Director's name	Shareholding	
	No. of Shares	%
Mr. J A P M Jayasekera (Managing Director)	75,000	0.055
Mr. A M Weerasinghe (Director)	263,142	0.192
	338,142	0.247

10. 25 Major Shareholders as at 31st December 2022.

Shareholder's Name	Shareholding	
	No. of Shares	%
1 LANKA FLOORTILES PLC	65,425,900	47.805
2 LANKA WALLTILES PLC	15,706,250	11.476
3 ROYAL CERAMICS LANKA PLC.	9,413,065	6.878
4 MRS V. SARASWATHI	2,000,000	1.461
5 ARUNODHAYA INVESTMENTS (PRIVATE) LIMITED	1,000,000	0.731
6 ARUNODHAYA (PRIVATE) LIMITED	1,000,000	0.731
7 ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	1,000,000	0.731
8 ANDYSEL PRIVATE LIMITED	1,000,000	0.731
9 HATTON NATIONAL BANK PLC/MUSHTAQ MOHAMED FUAD	920,246	0.672
10 MR S.D.S. GUNASEKARA	780,491	0.570
11 MERCHANT BANK OF SRI LANKA & FINANCE PLC/ACQUEST PVT LTS	700,000	0.511
12 HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	695,124	0.508
13 MRS M.S. JAYEWARDENE	630,000	0.460
14 MR A.A. PAGE	625,000	0.457
15 AMANA BANK PLC/HI-LINE TOWERS PVT LIMITED	601,662	0.440
16 BANK OF CEYLON NO. 1 ACCOUNT	567,798	0.415
17 AMBEON HOLDINGS PLC	553,419	0.404
18 AMBEON CAPITAL PLC	498,311	0.364
19 MR M.R. RASHEED	483,000	0.353
20 COMMERCIAL BANK OF CEYLON PLC./ M R H GALAPPATTI	466,780	0.341
21 DEUTSCHE BANK AG AS TRUSTEE TO ASSETLINE INCOME PLUS GROWTH FUND	400,465	0.293
22 SEYLAN BANK PLC/ANUJA CHAMILA JAYASINGHE	390,289	0.285
23 MR M.A. ZAREEN	380,408	0.278
24 MRS S. BALENDRA	375,653	0.274
25 MR S.A. COORAY & MR P.T. COORAY & MRS S. NUGAPITIYA	375,000	0.274
Sub Total	105,988,861	77.443
	30,871,139	22.557
Others	136,860,000	100.000

11. Percentage of public holding as at 31st December 2022 was 30.419%, comprising of 3,505 shareholders.

12. The float adjustment market capitalization of the Company as at 31st December 2022 was Rs. 653,616,795/10 under Option 5 of Rule 7.14.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

CORPORATE INFORMATION

Name of the Company

Swisstek (Ceylon) PLC

Legal Form

Swisstek (Ceylon) PLC is a public limited liability company listed on the Colombo Stock Exchange. Which was incorporated under the Companies Ordinance No.51 of 1938 as a public company on 12th day of July 1967. Pursuant to the requirements of the new Companies Act No. 7 of 2007, the Company was re-registered on 6th June 2008 and bears registration number PQ155.

Directors

Mr. S H Amarasekera (Chairman)
 Mr. J A P M Jayasekera (Managing Director)
 Mr. J K A Sirinatha
 Dr. S Selliah
 Mr. A M Weerasinghe
 Mr. A S Mahendra
 Mr. K D G Gunaratne
 Mr. C U Weerawardena

Registered Office

215 Nawala Road, Narahenpita,
 Colombo 5
 Telephone : +94 11 4734391
 Facsimile : +94 11 2805885
 Email : swisstek@lankatiles.com
 Website : www.swisstekceylon.com

Factory

Swisstek (Ceylon) PLC
 Factory Complex, Belummahara, Imbulgoda
 Telephone : + 94 - 33 - 4930590
 Facsimile : + 94 - 33 - 5701371
 Email : swisstek@lankatiles.com

Secretaries

PW Corporate Secretarial (Pvt) Ltd
 3/17 Kynsey Road, Colombo 08
 Telephone : +94 11 4640360-3
 Facsimile : +94 11 4740588
 Email : pwcs@pwcs.lk

Bankers

Bank of Ceylon
 DFCC Bank PLC
 Seylan Bank PLC
 Commercial Bank of Ceylon PLC

Auditors

KPMG
 Chartered Accountants
 32 A Sir Mohammed Macan Markar Mawatha, Colombo - 3
 Telephone : + 94 11 5426 304
 Facsimile : + 94 11 2541 249