



**DUNAMIS CAPITAL PLC**  
— *Igniting value*

## **DUNAMIS CAPITAL PLC**

Provisional Financial Statements  
**Quarter ended 31 March 2012**

## INCOME STATEMENT

For the period	Group			
	April ~ March		April ~ March	
	2012	2011	2012	2011
Revenue	182,486	453,889	1,062,907	2,558,495
Cost of sales	(216,519)	(362,817)	(941,028)	(1,832,288)
Gross profit	(34,033)	91,072	121,879	726,207
Other operating income	8,688	424,693	51,012	563,999
<b>Less:</b>				
Administrative expenses	(59,929)	(63,653)	(221,711)	(205,473)
Provision for bad debts	(25,801)	-	(156,701)	-
Provision for fall in value of investment	-	-	(17,914)	-
Distribution expenses	(867)	(17,898)	(4,557)	(102,537)
Other expenses	(745)	(3,515)	(52,193)	(111,500)
Profit/ (loss) from operations	(112,687)	430,699	(280,185)	870,696
Finance expense	(1,442)	(12,038)	(6,593)	(53,891)
Profit/ (loss) before tax	(114,129)	418,661	(286,778)	816,805
Taxation	12,180	4,185	(14,236)	367,600
Profit/ (loss) for the year from continuing operations	(101,949)	422,846	(301,014)	1,184,405
Profit/ (loss) for the year from discontinuing operations	-	-	-	876
<b>Profit/ (loss) after tax</b>	<b>(101,949)</b>	<b>422,846</b>	<b>(301,014)</b>	<b>1,185,281</b>
<b>Attributable to:</b>				
Equity holders of the parent	(73,918)	345,405	(230,263)	780,325
Minority interest	(28,031)	77,441	(70,751)	404,956
	<b>(101,949)</b>	<b>422,846</b>	<b>(301,014)</b>	<b>1,185,281</b>
Earnings/ (loss) per share	(0.60)	3.51	(1.87)	7.92

Note: All values are in rupees '000s unless otherwise stated.

## INCOME STATEMENT

For the period	Company			
	January ~ March		April ~ March	
	2012	2011	2012	2011
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other operating income	26,614	289,252	60,189	368,275
<b>Less:</b>				
Administrative expenses	(5,848)	(5,977)	(26,147)	(34,276)
Other expenses	-	-	-	(15,000)
Provision for fall in value of - investment in subsidiary	-	-	(67,382)	-
Profit/ (loss) from operations	20,766	283,275	(33,340)	318,999
Finance expense	(12,074)	(26,526)	(56,334)	(126,902)
Profit/ (loss) before tax	8,692	256,749	(89,674)	192,097
Taxation	-	-	-	(291)
Profit/ (loss) after tax	8,692	256,749	(89,674)	191,806
Earnings/ (loss) per share	0.07	2.61	(0.73)	1.95

Note: All values are in rupees '000s unless otherwise stated.

## BALANCE SHEET

As at	Group		Company	
	31-Mar-12	31-Mar-11 (Audited)	31- Mar-12	31-Mar-11 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant & equipment	117,464	28,694	109,462	15,194
Investments in subsidiaries	-	-	615,174	639,902
Group balance receivable	-	-	130,000	130,000
Investment securities	91,465	1,000	-	-
Venture capital investment	8,000	8,000	-	-
Deferred tax asset	49,625	49,625	-	-
Intangible assets	305,280	336,843	-	-
	571,834	424,162	854,636	785,096
<b>Current assets</b>				
Inventories	392,376	115,537	-	-
Short term investments	6,182,571	10,127,665	-	101,125
Trade and other receivables	453,703	948,844	3,566	3,678
Group balance receivable	2,819	1,132	52,382	48,163
Cash and cash equivalents	18,270	21,970	3,231	559
	7,049,739	11,215,148	59,179	153,525
Assets held for sale	415,218	415,218	335,000	335,000
<b>Total assets</b>	<b>8,036,791</b>	<b>12,054,528</b>	<b>1,248,815</b>	<b>1,273,621</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital &amp; reserves</b>				
Stated capital	445,994	445,994	445,994	445,994
Capital reserves	292,865	292,865	-	-
Revenue reserves	371,425	569,772	(100,441)	(10,767)
<b>Equity attributable to the parent</b>	1,110,284	1,308,631	345,553	435,227
Minority interest	453,130	626,628	-	-
<b>Total equity</b>	1,563,414	1,935,259	345,553	435,227
<b>Non-current liabilities</b>				
Deferred tax liability	1,373	1,373	1,373	1,373
Retirement benefit obligations	12,710	13,043	1,501	1,204
	14,083	14,416	2,874	2,577
<b>Current liabilities</b>				
Securities sold under re-purchase agreements	4,846,751	8,688,590	-	-
Trade & other payables	229,706	256,382	19,942	11,831
Group balance payable	38,121	124,804	879,029	814,614
Short-term borrowings	1,338,519	1,016,176	-	-
Bank overdrafts	6,197	18,901	1,417	9,372
	6,459,294	10,104,853	900,388	835,817
<b>Total equity &amp; liabilities</b>	<b>8,036,791</b>	<b>12,054,528</b>	<b>1,248,815</b>	<b>1,273,621</b>

Note: All values are in Rupees '000s unless otherwise stated.  
The above figures are subject to audit.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)  
Mangala Jayashantha  
**Chief Financial Officer**

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

(Sgd.)  
Manjula Mathews  
**Managing Director**

(Sgd.)  
Dinesh Schaffter  
**Director**

May 23, 2012  
Colombo

## STATEMENT OF CHANGES IN EQUITY

### GROUP

	Stated Capital	Capital Reserve	Foreign Currency Reserve	Retained Earnings	Total	Minority Interest	Total Equity
Balance as at 1 April 2010	200,000	160,816	7,901	(163,316)	205,401	502,236	707,637
Right issue	245,994	-	-	-	245,994	-	245,994
Profit for the year	-	-	-	780,325	780,325	404,956	1,185,281
Transfer to risk reserve	-	132,049	-	(132,049)	-	-	-
Dividend paid	-	-	-	-	-	(24,244)	(24,244)
Adjustment due to acquisition	-	-	-	31,303	31,303	(31,303)	-
Adjustment due to disposal	-	-	(7,901)	53,509	45,608	(185,117)	(139,509)
Share Re-purchase	-	-	-	-	-	(39,900)	(39,900)
<b>As at 31 March 2011</b>	<b>445,994</b>	<b>292,865</b>	<b>-</b>	<b>569,772</b>	<b>1,308,631</b>	<b>626,628</b>	<b>1,935,259</b>
Balance as at 1 April 2011	445,994	292,865	-	569,772	1,308,631	626,628	1,935,259
Profit for the year	-	-	-	(230,263)	(230,263)	(70,751)	(301,014)
Adjustment due to acquisition	-	-	-	31,916	31,916	31,916	-
Repurchase of ordinary shares	-	-	-	-	-	(439)	(439)
Dividend paid	-	-	-	-	-	(70,392)	(70,392)
<b>As at 31 March 2012</b>	<b>445,994</b>	<b>292,865</b>	<b>-</b>	<b>371,425</b>	<b>1,110,284</b>	<b>453,130</b>	<b>1,563,414</b>

### COMPANY

	Stated Capital	Retained Earnings	Total Equity
Balance as at 1 April 2010	200,000	(202,573)	(2,573)
Right issue	245,994	-	245,994
Profit for the year	-	191,806	191,806
<b>As at 31 March 2011</b>	<b>445,994</b>	<b>(10,767)</b>	<b>435,227</b>
Balance as at 1 April 2011	445,994	(10,767)	435,227
Loss for the year	-	(89,674)	(89,674)
<b>As at 31 March 2012</b>	<b>445,994</b>	<b>(100,441)</b>	<b>345,553</b>

### SEGMENT INFORMATION

For the year ended 31 March 2012

	Export Manufacturing	Property Development	Financial Services	Group Adjustments	Group
Total revenue	45,828	158,965	934,570	(76,456)	1,062,907
Profit / (loss) from operations	(18,157)	6,945	(128,614)	(140,359)	(280,185)
Finance expenses	(588)	(26,127)	(56,334)	76,456	(6,593)
Loss before tax	(18,745)	(19,182)	(184,948)	(63,903)	(286,778)
Taxation	(69)	(29)	(14,138)	-	(14,236)
Loss for the period	(18,814)	(19,211)	(199,086)	(63,903)	(301,014)

Note: All values are in Rupees '000s unless otherwise stated.

## CASH FLOW STATEMENT

For the period ended	Group		Company	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Marc-11
<b>Cash flows from operating activities</b>				
Profit/(Loss) before taxation	(286,778)	816,805	(89,674)	192,097
<b>Adjustments for:</b>				
Depreciation	11,586	14,648	5,466	6,256
Amortization of intangible assets	-	562	-	-
Interest paid	6,593	129,864	56,334	126,902
Dividend income	-	-	(21,887)	(73,491)
Profit/ (loss) on sale of subsidiary	-	(535,040)	-	(290,711)
Profit/ (loss) on sale of property, plant and equipment	(5,759)	(1,881)	(5,759)	(1,881)
Discontinued operations	-	876	-	-
Profit/ (loss) on sale of investment	(21,217)	-	(21,217)	-
Provision for gratuity	1,935	3,937	297	237
Provision for fall in value of investment	-	-	67,383	-
Provision for diminution in value of non-current assets held for sale	-	15,000	-	15,000
<b>Operating Profit/(loss)before working capital changes</b>	<b>(293,640)</b>	<b>444,771</b>	<b>(9,057)</b>	<b>(25,591)</b>
Change in inventories	(276,839)	22,499	-	-
Change in trade & other receivables	495,141	(633,549)	111	1,436
Change in related party receivable	(1,687)	(1,132)	(4,219)	(30,621)
Change in short term investments	3,936,171	(1,184,923)	-	127,921
Change in investment securities	(90,465)	378,258	-	-
Change in trade & other payables	(26,676)	485,944	8,110	7,285
Change in securities purchased under re-purchases agreements	(3,841,839)	(601,574)	-	-
Change in short term borrowings	322,343	-	-	-
Change in related party payables	(86,683)	(305,474)	64,415	(399,440)
<b>Cash generated from/(used in) operations</b>	<b>135,826</b>	<b>(1,395,180)</b>	<b>59,360</b>	<b>(319,010)</b>
Interest paid	(6,593)	(129,864)	(56,334)	(126,902)
Income tax paid	(32,960)	(53,138)	-	-
Gratuity paid	(675)	(1,577)	-	(234)
<b>Net cash generated from/(used in) in operations</b>	<b>95,598</b>	<b>(1,579,759)</b>	<b>3,026</b>	<b>(446,146)</b>
<b>Cash flows from investing activities</b>				
Investment in subsidiaries	(42,654)	(247,418)	(42,654)	(247,418)
Disposal of subsidiary	-	968,300	-	394,845
Acquisition of property, plant & equipment	(105,251)	(5,314)	(103,774)	2,708
Acquisition of intangible assets	-	(1,869)	-	-
Proceeds from sale of property, plant & equipment	9,800	2,712	9,800	-
Proceeds from sale of investment	122,342	-	122,342	-
Dividend receipt from subsidiaries	-	-	21,887	73,491
Staff loans recovered	-	904	-	-
<b>Net cash flows from / (used in) investing activities</b>	<b>(15,763)</b>	<b>717,315</b>	<b>7,601</b>	<b>223,626</b>
<b>Cash flows from financing activities</b>				
Proceeds from right issue	-	245,994	-	245,994
Borrowings	-	621,534	-	-
Lease installments paid	-	(4,616)	-	(693)
Net dividend paid to minority shareholders	(70,392)	(24,244)	-	-
Share repurchase proceeds to minority shareholders	(439)	(39,900)	-	-
<b>Net cash used in financing activities</b>	<b>(70,831)</b>	<b>798,768</b>	<b>-</b>	<b>245,301</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>9,004</b>	<b>(63,676)</b>	<b>10,627</b>	<b>22,781</b>
Cash & cash equivalent at the beginning of the period	3,069	66,745	(8,813)	(31,594)
<b>Cash &amp; cash equivalent at the end of the period</b>	<b>12,073</b>	<b>3,069</b>	<b>1,814</b>	<b>(8,813)</b>
<b>Note A</b>				
Cash in hand and at bank	18,270	21,970	3,231	559
Bank overdraft	(6,197)	(18,901)	(1,417)	(9,372)
<b>Cash &amp; cash equivalents as at 31 March</b>	<b>12,073</b>	<b>3,069</b>	<b>1,814</b>	<b>(8,813)</b>

Note: All values are in Rupees '000s unless otherwise stated.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Earnings per share Year ended 31 March

Net profit/(loss) attributable to equity holders of the parent  
Weighted average number of ordinary shares in issue  
Earnings/(loss) per share (Rs.)

Group	
2012	2011
(230,263)	780,325
122,997,050	98,465,036
(1.87)	7.92

Company	
2012	2011
(89,674)	191,806
122,997,050	98,465,036
(0.73)	1.95

### 2. Net assets per share As at 31 March

Group	
2012	2011
Rs.	Rs.
9.03	10.63

Company	
2012	2011
Rs.	Rs.
2.81	3.54

### 3. Market price per share

For the period ended

Highest market price recorded  
Lowest market price recorded  
Closing market price recorded

31-Mar-12	31-Mar-11
Rs.Cts	Rs.Cts
16.80	18.00
9.60	10.00
10.00	12.90

- The above figures are provisional and subject to audit. The same accounting policies as in the annual report for the year ended 31 March 2011, have been followed in the preparation of the above financial statements.
- The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.
- The number of shares represented by stated capital as at 31 March 2012 is 122,997,050 shares.
- In accordance with accounting policy, short term investments (dealing securities) are valued at the lower of cost or market value. The cost of short term investments as at 31 March 2012 is Rs. 6,200.5 Mn where as the market value of the same is Rs. 6,182.6 Mn. Accordingly, a Marked to Market provision of Rs. 17.9 Mn is reflected as at 31 March 2012.
- Mr. A.D.E.I. Perera and Mr. C.L. De Silva were appointed as Directors of Dunamis Capital PLC with effect from May 1, 2012.
- There has been no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2011.
- There have been no material events subsequent to the balance sheet date which require disclosure in the interim financial statements.

## INVESTOR INFORMATION

### List of twenty major shareholders as at 31 March 2012

	Names of shareholders	No. of Shares	Holding (%)
1	First Capital Markets Ltd/ Nextventures Ltd	26,244,562	21.34%
2	Mr.D.Schaffter	20,274,918	16.48%
3	Pan Asia Banking Corporation PLC / Mrs.M.Mathews	19,003,365	15.45%
4	HSBC International Nominees Limited - SSBT-Deutsche Bank	11,487,018	9.34%
5	Commercial Bank Of Ceylon PLC / Janashakthi Ltd.	9,400,000	7.64%
6	Seylan Bank PLC / Janashakthi Ltd.	8,899,000	7.24%
7	Janashakthi Limited	7,924,473	6.44%
8	HSBC International Nominees Limited - UBS AG Singapore Branch	3,300,100	2.68%
9	Mrs. R.S.L De Mel	2,000,000	1.63%
10	Nextventures Ltd	1,213,500	0.99%
11	Mr. A Sithampalam	466,328	0.38%
12	Mr. R.E Rambukwelle	308,850	0.25%
13	Dr. R.M.S Fernando	304,800	0.25%
14	Mr. D.A Edussuriya	281,500	0.23%
15	Mr D.S.D De Lanerolle	250,000	0.20%
16	Mr.Abeysiri Hemapala Munasinghe	243,727	0.20%
17	Mrs.W.A.D.S.Wijesooriya	221,600	0.18%
18	Pan Asia Banking Corporation PLC / Aruna Enterprises	200,000	0.16%
19	Mrs.Julia Anne De Mel	200,000	0.16%
20	Mr. Abdul Azeez Mohamed Razik	193,650	0.16%

The percentage of shares held by the public , as defined in the regulations of Colombo Stock Exchange was 24.41% as at 31 March 2012.

### Directors' shareholding

Name of the Director	No. of Shares 31 March 2012	%
Mrs. M. Mathews	19,003,365	15.45
Mr. D. Schaffter	20,274,918	16.48
Mr. N.E. Rodrigo	13,000	0.01