



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

DUNAMIS CAPITAL PLC

Provisional Financial Statements
Quarter ended 30 September 2013

STATEMENT OF COMPREHENSIVE INCOME

For the period	Group		Group	
	July ~ September 2013 Unaudited	2012 Unaudited (Restated)	April ~ September 2013 Unaudited	2012 Unaudited (Restated)
Revenue	566,112	498,009	1,068,354	792,363
Cost of sales	(483,455)	(414,268)	(856,372)	(648,828)
Gross profit	82,657	83,741	211,982	143,535
Other operating income	11,262	7,479	14,601	14,324
Gain/(loss) on fair value of financial investments - held for trading	(23,405)	27,318	(29,549)	15,121
Gain/(loss) on fair value of Derivative financial instruments	11,359	(8,079)	16,982	(22,365)
Less:				
Administrative expenses	(103,130)	(60,662)	(164,537)	(114,056)
Selling and distribution expenses	(2,442)	297	(3,198)	(1,339)
Provision for bad debts	(6,665)	-	(6,665)	-
Other expenses	-	(7,483)	(5,104)	(11,108)
Profit/ (loss) from operations	(30,364)	42,611	34,512	24,112
Finance expenses	(1,213)	(2,467)	(1,213)	(4,219)
Profit/ (loss) before tax	(31,577)	40,144	33,299	19,893
Taxation	(1,317)	(3,068)	(33,521)	(5,171)
Profit/ (loss) after tax	(32,894)	37,076	(222)	14,722
Attributable to:				
Equity holders of the parent	(22,818)	25,720	(154)	10,213
Non-controlling interests	(10,076)	11,356	(68)	4,509
	(32,894)	37,076	(222)	14,722
Other Comprehensive income, net of income tax				
Gain/(loss) on fair value of financial investments- available for sale	(2,313)	(76,312)	(20,813)	309,598
Other Comprehensive income/(loss) for the period, net of tax	(2,313)	(76,312)	(20,813)	309,598
Total comprehensive income/(loss) for the period	(35,207)	(39,236)	(21,035)	324,320
Attributable to:				
Equity holders of the parent	(24,423)	(27,218)	(14,592)	224,981
Non-controlling interests	(10,784)	(12,018)	(6,443)	99,339
	(35,207)	(39,236)	(21,035)	324,320
Earnings/ (loss) per share	(0.19)	0.21	(0.00)	0.08

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

STATEMENT OF COMPREHENSIVE INCOME

	Company		Company	
	July ~ September 2013 Unaudited	2012 Unaudited (Restated)	April ~ September 2013 Unaudited	2012 Unaudited (Restated)
For the period				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other operating income	145,447	6,786	148,786	438,454
Gain/ (loss) on fair value of financial investments- Held for trading	-	-	-	-
Gain/(loss) on fair value of Derivative financial instruments	-	-	-	-
Less:				
Administrative expenses	(8,319)	(12,429)	(15,061)	(22,575)
Distribution expenses	-	-	-	-
Other expenses	-	-	-	-
Profit/ (loss) from operations	137,128	(5,643)	133,725	415,879
Finance expense	(29,695)	(16,244)	(47,464)	(32,228)
Profit/ (loss) before tax	107,433	(21,887)	86,261	383,651
Taxation	-	-	-	-
Profit/ (loss) for the period	107,433	(21,887)	86,261	383,651
Attributable to:				
Equity holders of the parent	107,433	(21,887)	86,261	383,651
Non-controlling interests	-	-	-	-
	107,433	(21,887)	86,261	383,651
Earnings/ (loss) per share	0.87	(0.18)	0.70	3.12

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

FINANCIAL POSITION

As at	Group			Company		
	30 Sep 2013 Un-audited	30 Sep 2012 Un-audited (Restated)	31 March 2013 (Audited)	30 Sep 2013 Un-audited	30 Sep 2012 Un-audited (Restated)	31 March 2013 (Audited)
ASSETS						
Non-current assets						
Property, plant and equipment	153,781	24,083	43,590	9,379	12,503	11,047
Investments in subsidiaries	-	-	-	1,429,692	629,537	1,284,594
Investment property	359,042	396,042	96,042	536,042	396,042	96,042
Group balances receivable	-	-	-	-	-	-
Venture capital investments	6,000	6,000	6,000	-	-	-
Deferred tax assets	60,829	48,674	46,733	-	-	-
Intangible assets	275,957	306,637	275,928	29	47	37
Trade and other receivables	9,370	-	5,355	-	-	-
	864,979	781,436	473,648	1,975,142	1,038,129	1,391,720
Current assets						
Inventories	61,254	449,665	364,313	-	-	-
Trade and other receivables	570,064	442,823	447,181	14,607	8,398	54,994
Group balances receivable	-	3,875	-	-	137,406	-
Other investments	202	-	-	-	-	-
Financial investments - Held for trading	10,515,012	6,042,688	9,792,142	-	-	-
Financial investments - Loans and receivables	1,037,692	4,010,149	-	-	-	66,960
Financial investments - Available for sale	325,750	401,063	346,563	-	-	-
Financial investments - Held to maturity	66,960	1,002,887	3,208,413	66,960	-	-
Derivative financial instruments	77,827	-	10,378	-	-	-
Cash and cash equivalents	255,166	11,275	20,395	25,440	1,548	688
	12,909,927	12,364,425	14,189,385	107,007	147,352	122,642
Assets held for sale	42,416	80,218	42,416	-	-	-
Total assets	13,817,322	13,226,079	14,705,449	2,082,149	1,185,481	1,514,362
EQUITY AND LIABILITIES						
Capital & reserves						
Stated capital	445,994	445,994	445,994	445,994	445,994	445,994
Capital Reserves	22,500	-	22,500	-	-	-
Risk reserves	411,849	328,715	384,104	-	-	-
Retained Earnings	291,460	328,609	442,356	463,283	200,788	500,021
Fair value Reserves	161,830	214,768	176,268	-	-	-
Equity attributable to equity holders of the parent	1,333,633	1,318,086	1,471,222	909,277	646,782	946,015
Non-controlling interests	592,995	537,696	615,992	-	-	-
Total equity	1,926,628	1,855,782	2,087,214	909,277	646,782	946,015
Non-current liabilities						
Interest bearing borrowings	672,375	933,671	576,117	-	-	-
Deferred tax liability	1,373	1,373	1,373	1,373	1,373	1,373
Retirement benefit obligations	19,163	13,209	14,905	1,808	1,215	1,808
	692,911	948,253	592,395	3,181	2,588	3,181
Current liabilities						
Trade and other payables	147,964	278,884	243,624	5,344	22,334	7,115
Interest bearing borrowings	-	-	-	20,097	-	-
Group balances payable	-	83,266	287	958,573	512,360	553,595
Securities sold under re-purchase agreements	10,810,085	10,048,689	11,771,296	-	-	-
Derivative financial instruments	51,303	4,782	837	-	-	-
Bank overdrafts	188,431	6,423	9,796	185,677	1,417	4,456
	11,197,783	10,422,044	12,025,840	1,169,691	536,111	565,166
Total equity & liabilities	13,817,322	13,226,079	14,705,449	2,082,149	1,185,481	1,514,362

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.)
Niwani Perera
Accountant

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

(Sgd.)
Manjula Mathews (Ms)
Managing Director

(Sgd.)
Dinesh Schaffter
Director

14 November 2013
Colombo

STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to equity holders of parent							
	Stated Capital Rs.	Capital Reserve Rs.	Risk Reserve Rs.	Retained Earnings Rs.	Fair value Reserves Rs.	Total Rs.	Non-controlling Interests Rs.	Total Equity Rs.
Balance as at 1 April 2012	445,994	-	292,865	339,777	-	1,078,636	452,826	1,531,462
Profit for the period	-	-	-	10,213	-	10,213	4,509	14,722
Other comprehensive income, net of tax	-	-	-	-	214,768	214,768	94,830	309,598
Transfer to risk reserves	-	-	35,850	(35,850)	-	-	-	-
Adjustment due to acquisition	-	-	-	14,469	-	14,469	(14,469)	-
As at 30 September 2012	445,994	-	328,715	328,609	214,768	1,318,086	537,696	1,855,782
Balance as at 1 April 2013	445,994	22,500	384,104	442,356	176,268	1,471,222	615,992	2,087,214
Profit for the period	-	-	-	(154)	-	(154)	(68)	(222)
Other comprehensive loss, net of tax	-	-	-	-	(14,438)	(14,438)	(6,375)	(20,813)
Transfer to risk reserves	-	-	27,745	(27,745)	-	-	-	-
Dividend paid	-	-	-	(122,997)	-	(122,997)	(16,554)	(139,551)
As at 30 September 2013	445,994	22,500	411,849	291,460	161,830	1,333,633	592,995	1,926,628

COMPANY

	Stated Capital Rs.	Accumulated Profit/(Loss) Rs.	Total Equity Rs.
Balance as at 1 April 2012	445,994	(100,441)	345,553
Profit for the year	-	405,538	405,538
As at 30 September 2012	445,994	305,097	751,091
Balance as at 1 April 2013	445,994	500,119	946,113
Profit for the year	-	86,261	86,261
Dividend paid	-	(122,997)	(122,997)
As at 30 September 2013	445,994	463,283	909,277

SEGMENT INFORMATION

For the period ended 30 September 2013

	Financial Services Rs.	Property Development Rs.	Manufacturing Rs.	Investment Holdings Rs.	Group Adjustments Rs.	Group Rs.
Total revenue	1,057,979	68,185	-	-	(57,810)	1,068,354
Profit / (loss) from operations	128,933	174,599	(25,882)	133,725	(376,863)	34,512
Finance expenses	-	(10,347)	(1,213)	(47,464)	57,811	(1,213)
Profit / (loss) before tax	128,933	164,252	(27,095)	86,261	(319,052)	33,299
Taxation	(33,521)	-	-	-	-	(33,521)
Profit / (loss) for the period	95,412	164,252	(27,095)	86,261	(319,052)	(222)

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

CASH FLOW STATEMENT

For the period ended	Group		Company	
	30 Sep 2013	30 Sep 2012 (Restated)	30 Sep 2013	30 Sep 2012 (Restated)
Cash flows from operating activities				
Profit/(Loss) before taxation	33,299	19,893	86,261	383,651
Adjustments for:				
Depreciation	4,232	6,738	1,688	2,326
Interest paid	1,213	2,467	47,464	32,228
Dividend income	-	-	(142,054)	(424,883)
Loss on sale of venture capital	-	80	-	-
Provision for gratuity	4,258	1,128	-	-
Operating Profit/(loss) before working capital changes	43,002	30,306	(6,641)	(6,678)
Change in inventories	303,059	(56,562)	-	-
Change in trade & other receivables	(119,050)	11,952	40,387	(4,832)
Change in related party receivables	-	(1,055)	-	(2,056)
Change in other investments	(202)	-	-	-
Change in Financial investments - Held for trading	(722,870)	(2,338,720)	-	-
Change in Financial investments - Loans and receivables	(1,037,692)	(1,553,144)	-	-
Change in Financial investments - Available for sale	(20,813)	(308,598)	-	-
Change in Financial investments - Held to maturity	3,141,453	(1,002,887)	-	-
Change in Derivative financial instruments (Assets)	(67,449)	17,583	-	-
Change in Derivative financial instruments (Liabilities)	(50,466)	4,782	-	-
Change in trade & other payables	(95,660)	(48,338)	(1,770)	(640)
Change in securities purchased under re-purchases agreements	(961,212)	5,621,333	-	-
Change in short term borrowings	-	(1,338,305)	-	-
Change in related party payables	287	50,963	(35,024)	(366,738)
Cash generated from/(used in) operations	454,013	(910,690)	(3,048)	(380,944)
Interest paid	(1,213)	(4,219)	(47,464)	(32,228)
Income tax paid	(58,111)	(4,033)	-	-
Net cash generated from/(used in) in operations	394,689	(918,942)	(50,512)	(413,172)
Cash flows from investing activities				
Investment in subsidiaries	(185,000)	(13,217)	(145,097)	(13,217)
Acquisition of property, plant & equipment	(114,423)	(7,725)	(13)	(275)
Acquisition of intangible assets	-	(3,234)	-	(50)
Proceeds from sale of venture capital investments	-	1,920	-	-
Dividend receipt from subsidiaries	4,163	-	142,054	424,883
Dividend paid	(122,997)	-	(122,997)	-
Dividend paid to minority shareholders	(16,554)	-	-	-
Net cash flows from / (used in) investing activities	(434,811)	(22,256)	(126,053)	411,341
Cash flows from financing activities				
Proceeds from interest bearing loans & borrowings	96,258	933,671	20,097	-
Net cash used in financing activities	96,258	933,671	20,097	-
Net change in cash & cash equivalents	56,136	(7,527)	(156,468)	(1,831)
Cash & cash equivalent at the beginning of the period	10,599	12,379	(3,769)	1,962
Cash & cash equivalent at the end of the period (Note A)	66,735	4,852	(160,237)	131
Note A				
Cash in hand and at bank	255,166	11,275	25,440	1,548
Bank overdraft	(188,431)	(6,423)	(185,677)	(1,417)
Cash & cash equivalents as at 30 September	66,735	4,852	(160,237)	131

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

NOTES TO THE FINANCIAL STATEMENTS

1. Earnings per share

Period ended 30 September

Net profit /(loss) attributable to equity holders of the parent (Rs.000)
Weighted average number of ordinary shares in issue
Earnings/(loss) per share (Rs.)

Group	
2013	2012
(154)	10,213
122,997,050	122,997,050
(0.00)	0.08

Company	
2013	2012
86,261	383,651
122,997,050	122,997,050
0.70	3.12

2. Net assets per share

As at 30 September

Group	
2013	2012
Rs.	Rs.
10.84	10.72

Company	
2013	2012
Rs.	Rs.
7.39	5.26

3. Market price per share

For the period ended

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

30-Sep-13	30-Sep-12
Rs.	Rs.
14.00	15.10
10.90	7.20
11.10	14.40

- The above figures are provisional and subject to audit. The same accounting policies as in the Annual Report for the year ended 31 March 2013 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 30 September 2013 is 122,997,050 shares. (122,997,050 shares-as at 30 September 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 2013.
- On 23 September 2013, the Board of Directors declared an interim dividend of Rs. 1/- per share (exempt of tax) totalling Rs. 122,997,050/- for the financial year 2012/13.
- Loss on fair value of Financial Investments - Available for sale amounting to Rs. 2.3 Mn has been recognised during the quarter ended 30 September 2013 which is relating to the group's equity stake in Orient Finance PLC. (Loss of Rs. 76.3 Mn was recognised during the quarter ended 30 September 2012).
- Disclosures in relation to related party transactions in accordance with the Continuing Listing Requirements of the Colombo Stock Exchange (Section 8).
 - In September 2013, the Company has settled Rs. 185Mn, being balance loan to Kelsey Property Developers (Pvt) Limited, a subsidiary of the Company, in accordance with the agreement on the sale of a property in Nuwara Eliya.
 - On 1 October 2013 the Company borrowed Rs. 156 Mn from Kelsey Property Developers (Pvt) Limited, a subsidiary of the Company, payable on demand on or before 31 December 2013. Kelsey Property Developers (Pvt) Limited will recall this money when required to purchase property.
 - The Company received a dividend income of Rs. 142,053,512/- from First Capital Holdings PLC in September 2013. (Interim dividend of Rs.2/- per share)
- There have been no material events subsequent to the balance sheet date which require disclosure/adjustments in the interim financial statements.

INVESTOR INFORMATION

List of twenty major shareholders as at 30 September 2013

	Names of shareholders	No. of Shares	Holding (%)
1	First Capital Markets Limited/ Nextventures Limited	26,244,562	21.34
2	Pan Asia Banking Corporation PLC / Ms. M Mathews	26,003,365	21.14
3	Mr.D.Schaffter	20,274,918	16.48
4	HSBC International Nominees Limited - SSBT-Deutsche Bank	12,398,723	10.08
5	Commercial Bank of Ceylon PLC / Janashakthi Limited	9,400,000	7.64
6	Janashakthi Limited	7,924,473	6.44
7	HSBC International Nominees Limited - UBS AG Singapore Branch	5,043,652	3.90
8	Mrs. R.S.L De Mel	2,000,000	1.63
9	Seylan Bank PLC/ Janashakthi Limited	1,899,000	1.54
10	Nextventures Limited	1,213,500	0.99
11	Mr. A Sithampalam	466,328	0.38
12	Dr. R.M.S. Pieris	304,800	0.25
13	Mr. R.E Rambukwelle	301,850	0.25
14	Aruna Enterprises (Pvt) Limited	260,345	0.21
15	Mr. D.A Edussuriya	250,000	0.20
16	Mr D.S.D De Lanerolle	250,000	0.20
17	Mr.Abeysiri Hemapala Munasinghe	243,727	0.20
18	Mrs.W.A.D.S.Wijesooriya	221,600	0.18
19	Mr. K.M. Dissanayake	128,300	0.10
20	Waldock Mackenzie Limited/ Ranuk Financial Holdings (Pvt) Limited	127,961	0.10

The percentage of shares held by the public , as defined in the regulations of Colombo Stock Exchange was 14.33% as at 30 September 2013.

The number of shares held by the members of the Board of Directors are as follows:

Name	No. of Shares 30 September 2013	%
Ms. M. Mathews	26,003,365	21.14
Mr. D. Schaffter	20,274,918	16.48
Mr. N.E. Rodrigo	13,000	0.01
Mr. A.D.E.I. Perera	-	
Mr. C. L. de Silva	-	