



**Bogala Graphite**

**Bogala Graphite Lanka PLC.**

Financial Statements

Quarter ended 30th June 2016

# BOGALA GRAPHITE LANKA PLC.

## Statement of Financial Position

As at	30-06-2016 Rs.	31-12-2015 Rs.
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	248,776,814	253,502,895
Other Non Current Financial Assets	16,822,508	18,481,894
	<b>265,599,322</b>	<b>271,984,789</b>
<b>Current Assets</b>		
Inventories	113,708,788	115,368,047
Trade and Other Receivables	112,372,083	83,146,413
Advances and Prepayments	12,766,127	9,063,307
Other Financial Assets	12,875,753	12,252,811
Cash and Cash Equivalents	35,179,733	32,804,003
	<b>286,902,483</b>	<b>252,634,581</b>
<b>Total Assets</b>	<b>552,501,805</b>	<b>524,619,370</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Stated Capital	102,074,201	80,074,201
Reserves	5,718,298	5,718,298
Retained Earnings	194,005,692	192,514,375
<b>Total Equity</b>	<b>301,798,191</b>	<b>278,306,874</b>
<b>Non-current Liabilities</b>		
Interest Bearing Loans and Borrowings	118,546,481	128,511,023
Deferred Tax Liability	7,414,100	7,414,100
Employee Benefit Liability	44,837,603	43,670,171
	<b>170,798,184</b>	<b>179,595,294</b>
<b>Current Liabilities</b>		
Trade and Other Payables	44,420,104	35,193,003
Income Tax Payables	4,117,605	182,165
Interest Bearing Loans and Borrowings	31,367,722	31,342,034
	<b>79,905,431</b>	<b>66,717,202</b>
<b>Total Equity and Liabilities</b>	<b>552,501,805</b>	<b>524,619,370</b>
<b>Net Assets Per Share (Rs.)</b>	<b>3.19</b>	<b>2.94</b>

These financial statements are in compliance with the requirements of Companies Act 07 of 2007.

Certified by,

.....  
Sugath Amarasinghe  
**Finance Director**

The Board of Directors are responsible for the preparation and presentation of these financial statements, signed for and on behalf of the Board of Directors by.

.....  
Vijaya Malalasekera  
**Chairman**

.....  
A.P. Jayasinghe  
**Chief Executive Officer**

## BOGALA GRAPHITE LANKA PLC.

### Statement of Profit & Loss and Other Comprehensive Income

For the Period ended 30th June 2016	Quarter		Six Months		Variance	
	Unaudited 2nd Quarter Ended 30/06/2016	Unaudited 2nd Quarter Ended 30/06/2015	Unaudited Six Months Ended 30/06/2016	Unaudited Six Months Ended 30/06/2015		
	Rs.	Rs.			Rs.	%
<b>REVENUE</b>	<b>153,093,823</b>	<b>141,150,373</b>	<b>339,923,903</b>	<b>272,294,845</b>	<b>67,629,058</b>	<b>25%</b>
Cost of Sales	(105,489,289)	<b>(105,736,317)</b>	(218,877,916)	(200,098,701)	(18,779,215)	<b>9%</b>
<b>Gross Profit</b>	<b>47,604,534</b>	<b>35,414,056</b>	<b>121,045,986</b>	<b>72,196,144</b>	<b>48,849,842</b>	<b>68%</b>
Other Income and Gains	7,126,194	<b>137,090</b>	7,330,609	270,465	7,060,144	<b>2610%</b>
Selling and Distribution Costs	(23,415,837)	<b>(23,913,845)</b>	(48,634,782)	(42,234,257)	(6,400,525)	<b>15%</b>
Administrative Expenses	(25,606,804)	<b>(26,484,299)</b>	(50,239,525)	(51,134,661)	895,136	<b>-2%</b>
Exchange Gain/(Loss) (Note 8)	5,081,263	<b>(1,567,417)</b>	1,551,117	17,081,980	(15,530,863)	<b>-91%</b>
<b>Operating Profit</b>	<b>10,789,351</b>	<b>(16,414,415)</b>	<b>31,053,405</b>	<b>(3,820,328)</b>	<b>34,873,734</b>	<b>-913%</b>
Finance Cost	(2,209,035)	<b>(2,806,815)</b>	(4,511,700)	(5,442,680)	930,980	<b>-17%</b>
Finance Income	501,240	<b>575,050</b>	1,282,191	1,330,639	(48,449)	<b>-4%</b>
<b>Profit Before Tax</b>	<b>9,081,555</b>	<b>(18,646,180)</b>	<b>27,823,896</b>	<b>(7,932,368)</b>	<b>35,756,265</b>	<b>-451%</b>
Income Tax (Expenses)/Reversals	(1,390,247)	<b>(45,986)</b>	(4,332,579)	(103,790)	(4,228,789)	<b>4074%</b>
<b>Net Profit for the period</b>	<b>7,691,308</b>	<b>(18,692,166)</b>	<b>23,491,317</b>	<b>(8,036,158)</b>	<b>31,527,476</b>	<b>-392%</b>
<b>Other Comprehensive Income</b>	-	-			-	-
Actuarial Loss on Retirement Benefit Obligation						
Income tax effect					-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-		
<b>Total Comprehensive Income for the period, net of tax</b>	<b>7,691,308</b>	<b>(18,692,166)</b>	<b>23,491,317</b>	<b>(8,036,158)</b>	<b>31,527,476</b>	<b>-392%</b>
<b>Earning/(Loss) Per Share</b>	<b>0.08</b>	<b>(0.20)</b>	<b>0.25</b>	<b>(0.08)</b>		

## BOGALA GRAPHITE LANKA PLC.

### STATEMENT OF CHANGES IN EQUITY

Six Months ended 30th June 2016

	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings/(Losses) Rs.	Total Equity Rs.
Balance as at 31 December 2014	80,074,201	5,718,298	183,609,710	269,402,209
Re-estimation of fully depreciated assets			13,142,102	13,142,102
<b>Adjusted balance as at 1st January 2015</b>	<b>80,074,201</b>	<b>5,718,298</b>	<b>196,751,812</b>	<b>282,544,311</b>
Net Profit for the period 30th June 2015	-	-	(8,036,158)	(8,036,158)
Other Comprehensive Income			-	-
<b>Balance as at 30th June 2015</b>	<b>80,074,201</b>	<b>5,718,298</b>	<b>188,715,654</b>	<b>274,508,152</b>
Balance as at 1st January 2016	80,074,201	5,718,298	192,514,375	278,306,874
Net Profit for the period ended 30th June 2016	-	-	23,491,317	23,491,317
Other Comprehensive Income			-	-
Bonus Issue (Note 9)	22,000,000		(22,000,000)	-
<b>Balance as at 30 June 2016</b>	<b>102,074,201</b>	<b>5,718,298</b>	<b>194,005,692</b>	<b>301,798,191</b>

# BOGALA GRAPHITE LANKA PLC.

## CASH FLOW STATEMENT

Six Months ended 30 June 2016	30/06/2016 Rs.	30/06/2015 Rs.
<b>Cash Flows From / (Used in) Operating Activities</b>		
Net Profit/ (Loss) Before Income Tax Expense and Extraordinary Items	<b>27,823,896</b>	<b>(7,932,368)</b>
<b>Adjustments for</b>		
Depreciation on Property Plant & Equipments	22,543,223	23,539,964
Amortization and Impairment of Intangible Assets	-	618,612
Foreign Currency Gains	(1,551,117)	(17,081,980)
Profit on disposal of Property Plant & Equipments	(6,956,522)	(270,465)
Finance Income	(1,282,191)	(1,330,639)
Finance Costs	4,511,700	2,806,815
Provision for Defined Benefit Obligations & others	4,000,000	4,900,000
<b>Operating Profit before Working Capital Changes</b>	<b>49,088,989</b>	<b>5,249,938</b>
Decrease in Inventories	1,659,259	29,071,458
Increase in Trade and Other Receivables	(33,971,968)	(9,059,554)
Decrease in Other Financial Assets	1,036,445	432,220
Increase in Trade and Other Payables	9,227,101	7,006,404
<b>Cash Generated from Operations</b>	<b>27,039,826</b>	<b>32,700,465</b>
Interest Received	1,282,191	1,330,639
Income Tax Paid	(397,137)	(7,689)
Employee Benefit Paid	(2,832,568)	(723,210)
<b>Net Cash Flows From Operating Activities</b>	<b>25,092,312</b>	<b>33,300,206</b>
<b>Cash Flows Used in Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(17,817,147)	(8,541,927)
Proceeds from sale of Property Plant & Equipments	8,000,000	281,847
<b>Net Cash Flows Used in Investing Activities</b>	<b>(9,817,147)</b>	<b>(8,260,080)</b>
<b>Cash Flows Used in Financing Activities</b>		
Repayment of Interest Bearing Loans and Borrowings	(13,926,320)	(19,419,394)
Principal Payment under Finance Lease Liabilities	(2,191,821)	(3,260,692)
Finance Cost Paid	(4,511,700)	(2,806,815)
<b>Net Cash Flows from Financing Activities</b>	<b>(20,629,840)</b>	<b>(25,486,901)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(5,354,676)</b>	<b>(446,774)</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	7,730,405	2,132,380
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2,375,730</b>	<b>1,685,605</b>
<b>Cash and Cash Equivalents at the beginning of the Year</b>	<b>32,804,003</b>	<b>44,257,005</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>35,179,733</b>	<b>45,942,611</b>

# BOGALA GRAPHITE LANKA PLC.

## NOTES TO THE ACCOUNTS

**(1) Corporate Information** - Bogala Graphite Lanka PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on Colombo Stock Exchange. The address of the company's principle place of business is Bogala Mines, 71041 Aruggammana.

**(2) Interim Financial Statements** - the financial statements for the period ended 30th June 2016, refers to the Companies accounts which have not been audited.

**(3) Approval of Financial Statements** - The interim financial statements of the Company for the Period ended 30th June 2016 were authorized for issue by the Board of Directors on 11th August 2016

**(4) Basis of Preparation** - The interim financial statements of the company have been prepared in compliance with Sri Lanka Accounting Standard (SLAS) LKAS 34 - Interim Financial Reporting. Financial Statements are in compliance with the Companies Act No.07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 and CSE Guidelines.

The accounting policies have been consistently applied in preparation of the Interim Financial Statements by the Company and, are consistent with those used in the previous year. Previous year figures and phrases have been re-arranged whenever necessary to conform to current presentation. All known expenses have been provided for in financial statements.

The Company has estimated the remaining useful life of revenue generating fully depreciated assets and reinstate the cost and accumulated depreciation at amounts which would have been reflected in the statement of financial position on 01 January 2015 had the entity measured depreciation from date of acquisition of the assets based on the total useful life including the estimated remaining useful life and adjust the difference under retained earnings.

Cost of the re assessed property, plant and equipments	Rs. 67,236,785/-
Accumulated depreciation	Rs. 67,236,785/-
Accumulated depreciation should have been	Rs. 52,874,409/-
Deferred tax impact	Rs. 1,220,275/-
Adjustment to retained earnings (net of tax)	<b>Rs. 13,142,102/-</b>

**(5) Contingencies, Capital and Other Commitments** - There has been no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31st December 2015.

**(6) Material events subsequent to the interim period** - No circumstances have arisen since the reporting date, which would require adjustments to or disclosure in the financial statements

**(7) Functional Currency** - The financial statements are presented in Sri Lankan rupees, which is the Company's functional currency.

**(8) Foreign currency transactions** - Transactions in foreign currency are translated to the functional currency at exchange rates at the date of the transactions. All monetary assets and liabilities denominated in foreign currency at the reporting date are translated at the rate prevailing on the reporting date.

Net Exchange gain shown separately in the Income Statement amounting to Rs.1.5 Mn for the period ended 30th June 2016 comprises an unrealized exchange loss of Rs.6.2Mn on the revaluation of the Euro Loan amounting to Euro 915,941. Exchange Gain for the comparative period was Rs.17Mn.

**(9) Capitalisation of Retained Earnings** - Company has completed the capitalisation of retained earnings amounting to Rs.22.0million as fully paid shares to increase the stated capital in the proportion of 1:1 during the period under review. Accordingly the number of ordinary shares has increased to 94,632,904 and the new numbers of shares was used in calculating the Earnings per share and Net assets per share. Further comparative Earnings per Share and Net Assets per Share (EPS/NAPS) were also calculated based on new number of shares and adjusted retrospectively.

**(10) Events After Reporting date** - There are no material events occurring after the reporting date that require adjustments to or a disclosure in the financial statements.

**(11) Market Value details for the Quarter is indicated below.**

The Market Price/Ratios	2016-06-30 Rs.	2015-06-30 Rs.
Highest price per share	18.10 (04/05/ 2016)	37.00 (05/05/ 2015)
Lowest price per share	13.80 (30/06/ 2016)	28.30 (09/04/ 2015)
Last Traded Price (Closing Price)	13.90	32.20
Net Assets Value per share	3.19	2.76
Quick Asset Ratio	2.22:1	2.04:1

## BOGALA GRAPHITE LANKA PLC.

### TOP 20 SHAREHOLDER LIST AS AT 30TH June 2016

	Shareholder Name	No of Shares	%
1	GRAPHIT KROPFMUHL GMBH	75,310,068	79.58
2	ALTERNA GK LLC	9,775,580	10.33
3	SECRETARY TO THE TREASURY	509,000	0.54
4	MRS. N.TIRIMANNE	374,200	0.40
5	PEOPLES LEASING & FINANCE PLC/L.P.HAPANGAMA	194,437	0.21
6	MR. W.A.DE SILVA (DECEASED)	181,800	0.19
7	MR. D.M.KODIKARA	121,386	0.13
8	MR. A.J.M.JINADASA	106,000	0.11
9	UNIVOGUE GARMENTS (PVT) LIMITED.	99,000	0.10
10	MR. M.H.HANIFFA	90,200	0.10
11	MRS. N.MULJIE	69,902	0.07
12	MR. S.J.M.R.P.S.K.W.SENEVIRATHNA GUNATHILAKA	68,990	0.07
13	ASHA FINANCIAL SERVICES LIMITED/MR.C.N.PAKIANATHAN	68,258	0.07
14	MR. K.S.M.RODRIGO	61,300	0.06
15	MR. A.P.JAYASINGHE	60,738	0.06
16	MR. R.P.SUGATHADASA	58,000	0.06
17	MR. N.A.WITHANA	54,604	0.06
18	MR. M.S.HIRIPITIYA	53,026	0.06
19	MR. A.R.IBRAHIM	52,997	0.06
20	MR. K.S.H.MAWELLAGE	50,000	0.05

#### BOGALA GRAPHITE LANKA PLC

##### Shares not taken into Account to compute Public Holding

Name	No of Shares	%
GRAPHIT KROPFMUHL GmbH	75,310,068	79.58
MR. A.P.JAYASINGHE	60,738	0.06
ALTERNA GK LLC	9,775,580	10.33
<b>Total</b>	<b>85,146,386</b>	<b>89.98</b>

Director's Shareholding	No of Shares	%
MR. A.P.JAYASINGHE	60,738	0.06

Number of Shares held by Public	9,486,518
Percentage	10.02%
Total No of Shareholders	9,580
Total No. of shareholders who hold the Public Holding	9,577
No. of Shares Representing Stated Capital	94,632,904