

KELANI CABLES PLC

Company Reg. No. PQ 117

INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS PERIOD ENDED SEPTEMBER 30, 2016

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2016

	COMPANY AND INVESTEE QUARTER ENDED		COMPANY QUARTER ENDED	
	30.09.2016 Rs.	30.09.2015 Rs.	30.09.2016 Rs.	30.09.2015 Rs.
Revenue	1,772,904,446	2,072,984,886	1,772,904,446	2,072,984,886
Cost of sales	<u>(1,466,186,621)</u>	<u>(1,706,496,597)</u>	<u>(1,466,186,621)</u>	<u>(1,706,496,597)</u>
Gross profit	306,717,825	366,488,289	306,717,825	366,488,289
Other income	2,670,951	2,681,732	2,670,951	2,681,732
Distribution expenses	(107,692,290)	(116,764,680)	(107,692,290)	(116,764,680)
Administrative expenses	(59,996,831)	(48,541,833)	(59,996,831)	(48,541,833)
Profit from operations	141,699,655	203,863,508	141,699,655	203,863,508
Net finance income/(expenses)	20,408	(3,794,554)	20,408	(3,794,554)
Share of profit/(loss) on equity accounted investee, net of tax	<u>(1,112,929)</u>	<u>(519,727)</u>	<u>-</u>	<u>-</u>
Profit before tax	140,607,134	199,549,227	141,720,063	200,068,954
Income tax expense	(39,681,618)	(56,095,804)	(39,681,618)	(56,095,804)
Profit for the period	<u>100,925,516</u>	<u>143,453,423</u>	<u>102,038,445</u>	<u>143,973,150</u>
Other comprehensive income				
Actuarial loss on defined benefit plans	1,654,390	440,170	1,654,390	440,170
Gain on PPE Revaluation	-	-	-	-
Equity accounted investee-Share of OCI	-	-	-	-
Tax on other comprehensive income	<u>(463,229)</u>	<u>(123,248)</u>	<u>(463,229)</u>	<u>(123,248)</u>
	<u>1,191,161</u>	<u>316,922</u>	<u>1,191,161</u>	<u>316,922</u>
Total comprehensive income for the quarter	<u>102,116,677</u>	<u>143,770,345</u>	<u>103,229,606</u>	<u>144,290,072</u>
Earnings per share -Rs.	4.63	6.58	4.68	6.60
Market value per share				
Highest price			145.00	123.80
Lowest price			122.00	103.00
Last traded price			143.70	115.20
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	COMPANY AND INVESTEE PERIOD ENDED		COMPANY PERIOD ENDED	
	30.09.2016 Rs.	30.09.2015 Rs.	30.09.2016 Rs.	30.09.2015 Rs.
Revenue	3,370,723,798	3,513,567,186	3,370,723,798	3,513,567,186
Cost of sales	<u>(2,804,623,891)</u>	<u>(2,876,795,781)</u>	<u>(2,804,623,891)</u>	<u>(2,876,795,781)</u>
Gross profit	566,099,907	636,771,405	566,099,907	636,771,405
Other income	6,966,116	5,679,912	6,966,116	5,679,912
Distribution expenses	(200,365,687)	(226,058,555)	(200,365,687)	(226,058,555)
Administrative expenses	(118,822,673)	(103,520,667)	(118,822,673)	(103,520,667)
Profit from operations	253,877,663	312,872,095	253,877,663	312,872,095
Net finance income/(expenses)	4,820,339	(13,358,793)	4,820,339	(13,358,793)
Share of profit/(loss) on equity accounted investee net of tax	<u>1,042,752</u>	<u>(2,175,475)</u>	<u>-</u>	<u>-</u>
Profit before tax	259,740,754	297,337,827	258,698,002	299,513,302
Income tax expense	(72,435,441)	(83,941,658)	(72,435,441)	(83,941,658)
Profit for the period	<u>187,305,313</u>	<u>213,396,169</u>	<u>186,262,561</u>	<u>215,571,644</u>
Other comprehensive income				
Actuarial gain on defined benefit plans	3,308,779	880,339	3,308,779	880,339
Gain on PPE Revaluation	-	-	-	-
Equity accounted investee-Share of OCI	-	-	-	-
Tax on other comprehensive income	(926,458)	(246,495)	(926,458)	(246,495)
	<u>2,382,321</u>	<u>633,844</u>	<u>2,382,321</u>	<u>633,844</u>
Total comprehensive income for the period	<u>189,687,634</u>	<u>214,030,013</u>	<u>188,644,882</u>	<u>216,205,488</u>
Earnings per share -Rs.			8.54	9.89
Market value per share				
Highest price			145.00	123.80
Lowest price			115.00	80.10
Last traded price			143.70	115.20
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2016

	COMPANY & INVESTEE		COMPANY	
	As At 30.09.2016 Rs.	As At 31.03.2016 Rs.	As At 30.09.2016 Rs.	As At 31.03.2016 Rs.
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	674,970,532	679,381,144	674,970,532	679,381,144
Intangible Assets	-	-	-	-
Investment property	231,000,000	231,000,000	231,000,000	231,000,000
Investment in equity accounted investee	14,522,221	13,479,469	14,409,234	14,409,234
	<u>920,492,753</u>	<u>923,860,613</u>	<u>920,379,766</u>	<u>924,790,378</u>
CURRENT ASSETS				
Inventories	1,271,917,193	1,299,620,252	1,271,917,193	1,299,620,252
Trade and other receivables	1,961,197,886	1,598,975,160	1,961,197,886	1,598,975,160
Amount due from related companies	42,588,537	41,854,000	42,588,537	41,854,000
Value added tax recoverable	180,102,799	127,746,354	180,102,799	127,746,354
Deposits and prepayments	9,846,073	9,956,018	9,846,073	9,956,018
Investment in Sri Lanka Development Bonds	158,284,800	489,035,300	158,284,800	489,035,300
Cash and cash equivalents	676,718,339	603,570,166	676,718,339	603,570,166
	<u>4,300,655,627</u>	<u>4,170,757,250</u>	<u>4,300,655,627</u>	<u>4,170,757,250</u>
TOTAL ASSETS	<u>5,221,148,380</u>	<u>5,094,617,863</u>	<u>5,221,035,393</u>	<u>5,095,547,628</u>
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	218,000,000	218,000,000	218,000,000	218,000,000
Capital reserves	300,457,528	300,457,528	260,444,530	260,444,530
General reserves	431,136,000	431,136,000	431,136,000	431,136,000
Retained earnings	2,334,943,679	2,243,356,045	2,374,843,690	2,284,298,808
	<u>3,284,537,207</u>	<u>3,192,949,573</u>	<u>3,284,424,220</u>	<u>3,193,879,338</u>
NON-CURRENT LIABILITIES				
Employee benefits	90,395,573	83,681,977	90,395,573	83,681,977
Deferred taxation	72,968,587	72,968,586	72,968,587	72,968,586
Interest bearing borrowings	19,841,000	31,841,000	19,841,000	31,841,000
	<u>183,205,160</u>	<u>188,491,563</u>	<u>183,205,160</u>	<u>188,491,563</u>
CURRENT LIABILITIES				
Trade payables	1,165,882,483	1,039,634,030	1,165,882,483	1,039,634,030
Other payables	138,399,875	152,369,808	138,399,875	152,369,808
Current taxation	273,793,574	359,327,044	273,793,574	359,327,044
Unclaimed dividends	11,468,642	8,670,493	11,468,642	8,670,493
Interest bearing borrowings	24,000,000	24,000,000	24,000,000	24,000,000
Bank overdrafts	139,861,439	129,175,352	139,861,439	129,175,352
	<u>1,753,406,013</u>	<u>1,713,176,727</u>	<u>1,753,406,013</u>	<u>1,713,176,727</u>
TOTAL LIABILITIES	<u>1,936,611,173</u>	<u>1,901,668,290</u>	<u>1,936,611,173</u>	<u>1,901,668,290</u>
TOTAL EQUITY AND LIABILITIES	<u>5,221,148,380</u>	<u>5,094,617,863</u>	<u>5,221,035,393</u>	<u>5,095,547,628</u>
Net Asset Per Share	150.67	146.47	150.66	146.51

It is certified that these Financial Statements have been prepared in compliance with the requirements of Companies Act No. 7 of 2007.

(Sgnd.)
Ms. Hemamala Karunasekara
Chief Financial Officer

(Sgnd.)
U. G. Madanayake
Chairman

(Sgnd.)
Suren Madanayake
Deputy Chairman

Colombo
November 15, 2016

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2016

Company & Investee

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance As At 1st April 2015	218,000,000	300,457,528	431,136,000	1,809,487,814	2,759,081,342
Comprehensive income for the period					
Profit for the period	-	-	-	213,396,169	213,396,169
Other comprehensive Income	-	-	-	633,844	633,844
Total comprehensive Income	218,000,000	300,457,528	431,136,000	2,023,517,827	2,973,111,355
Dividend Paid	-	-	-	(65,400,000)	(65,400,000)
Balance As At 30th September 2015	<u>218,000,000</u>	<u>300,457,528</u>	<u>431,136,000</u>	<u>1,958,117,827</u>	<u>2,907,711,355</u>
Balance As At 1st April 2016	218,000,000	300,457,528	431,136,000	2,243,356,045	3,192,949,573
Comprehensive income for the period					
Profit for the period	-	-	-	187,305,313	187,305,313
Other comprehensive Income	-	-	-	2,382,321	2,382,321
Total comprehensive Income	218,000,000	300,457,528	431,136,000	2,433,043,679	3,382,637,207
Dividend Paid	-	-	-	(98,100,000)	(98,100,000)
Balance As At 30th September 2016	<u>218,000,000</u>	<u>300,457,528</u>	<u>431,136,000</u>	<u>2,334,943,679</u>	<u>3,284,537,207</u>

COMPANY

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance As At 1st April 2015	218,000,000	260,444,530	431,136,000	1,850,232,411	2,759,812,941
Comprehensive income for the period					
Profit for the period	-	-	-	215,571,644	215,571,644
Other comprehensive Income	-	-	-	633,844	633,844
Total comprehensive Income	218,000,000	260,444,530	431,136,000	2,066,437,899	2,976,018,429
Dividend Paid	-	-	-	(65,400,000)	(65,400,000)
Balance As At 30th September 2015	<u>218,000,000</u>	<u>260,444,530</u>	<u>431,136,000</u>	<u>2,001,037,899</u>	<u>2,910,618,429</u>
Balance As At 1st April 2016	218,000,000	260,444,530	431,136,000	2,284,298,808	3,193,879,338
Comprehensive income for the period					
Profit for the period	-	-	-	186,262,561	186,262,561
Other comprehensive Income	-	-	-	2,382,321	2,382,321
Total comprehensive Income	218,000,000	260,444,530	431,136,000	2,472,943,690	3,382,524,220
Dividend Paid	-	-	-	(98,100,000)	(98,100,000)
Balance As At 30th September 2016	<u>218,000,000</u>	<u>260,444,530</u>	<u>431,136,000</u>	<u>2,374,843,690</u>	<u>3,284,424,220</u>

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	COMPANY & INVESTEE		COMPANY	
	PERIOD ENDED		PERIOD ENDED	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	Rs.	Rs.	Rs.	Rs.
Cash Flow From Operating Activities				
Profit before taxation	259,740,754	297,337,827	258,698,002	299,513,302
Adjustments for:				
Share of loss from equity accounted investee (net of tax)	(1,042,752)	2,175,475	-	-
Interest income	(18,728,693)	(7,006,644)	(18,728,693)	(7,006,644)
Interest expense	15,290,537	25,334,146	15,290,537	25,334,146
Revaluation gain on investment property	-	-	-	-
Depreciation of property, plant and equipment	40,259,143	40,032,540	40,259,143	40,032,540
Amortisation of Intangible Assets	-	1,036,449	-	1,036,449
Impairment of trade receivables	-	34,890,794	-	34,890,794
Impairment of obsolete inventories	3,611,799	8,400,721	3,611,799	8,400,721
Dividend Income	-	(186)	-	(186)
Sri Lanka Development Bonds	(4,074,800)	-	(4,074,800)	-
Gain on disposal of property, plant and equipment	(2,157,069)	(34,359)	(2,157,069)	(34,359)
Provision for employee benefits	11,116,968	10,986,673	11,116,968	10,986,673
Operating Profit before working capital changes	304,015,887	413,153,436	304,015,887	413,153,436
Changes in working capital				
Decrease/ (increase) in inventories	24,091,260	(20,017,749)	24,091,260	(20,017,749)
Decrease/ (increase) in trade and other receivables	(414,579,171)	(478,410,407)	(414,579,171)	(478,410,407)
Decrease/ (increase) in amount due from related companies	(734,537)	553,519	(734,537)	553,519
Decrease/(increase) in deposits and prepayments and VAT	109,945	855,983	109,945	855,983
Increase/(decrease) in trade payables	126,248,453	699,875,035	126,248,453	699,875,035
Increase/ (decrease) in other payables	(13,969,931)	15,462,480	(13,969,930)	15,462,480
Cash (used in) /generated from operations	25,181,906	631,472,297	25,181,907	631,472,297
Gratuity paid	(1,094,593)	(2,282,127)	(1,094,593)	(2,282,127)
Current tax paid	(158,895,370)	-	(158,895,371)	-
Interest paid	(15,290,537)	(25,334,146)	(15,290,537)	(25,334,146)
Net Cash (used in)/ Generated from Operating Activities	(150,098,594)	603,856,024	(150,098,594)	603,856,024
Cash Flow from Investing Activities				
Proceeds from disposal of property, plant and equipment	5,180,180	209,184	5,180,180	209,184
Acquisition of property, plant and equipment	(38,871,642)	(15,497,268)	(38,871,642)	(15,497,268)
Interest received	18,728,693	7,006,644	18,728,693	7,006,644
Investment withdrawn- SLDB	334,825,300	-	334,825,300	-
Dividend income	-	186	-	186
Net Cash Used in Investing Activities	319,862,531	(8,281,254)	319,862,531	(8,281,254)
Cash Flow from Financing Activities				
Dividend paid	(95,301,851)	(63,185,318)	(95,301,851)	(63,185,318)
Loan obtained /(Repayment) during the period	(12,000,000)	(12,000,000)	(12,000,000)	(12,000,000)
Net Cash generated from/ (used in) Financing Activities	(107,301,851)	(75,185,318)	(107,301,851)	(75,185,318)
Net Increase in Cash and Cash Equivalents	62,462,086	520,389,452	62,462,086	520,389,452
Cash and Cash Equivalents at beginning of the period	474,394,814	(106,734,426)	474,394,814	(106,734,426)
Cash and Cash Equivalents at the end of the period	536,856,900	413,655,026	536,856,900	413,655,026

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - SEPTEMBER 30, 2016

NOTES TO THE FINANCIAL STATEMENTS

- The above figures are provisional and subject to audit.
- The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2016 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
- The previous period figures have been re-classified to confirm with the current year's presentation.
- The contingent liability as at September 30, 2016 on guarantees given to third parties amounted to Rs.125,959,706/-.
- The Board of Directors declared an Interim Dividend of Rs.4/50 per share for the year ended 31st March 2016 amounting to Rs.98.1 Mn on 27th June 2016 which was paid on 18th July 2016.
- There have been no other material events subsequent to the interim period which require disclosure in the Financial Statements.
- The number of shares held by the Board of directors are as follows :

		As at September 30, 2016		As at September 30, 2015	
		No. of Shares	% Holding	No. of Shares	% Holding
Mr. U. G. Madanayake	- Chairman	56,200	0.26%	56,200	0.26%
Mr. Suren Madanayake	- Deputy Chairman	61,000	0.28%	61,000	0.28%
Mrs. N. C. Madanayake	- Director	-		-	
Dr. Bandula Perera	- Director	-		-	
Dr. Ranjith Cabral	- Director	-		-	
Mr. Mahinda Saranapala	- Director/CEO	-		-	

- Shares held by public

	No. of Shares	% Holding	No. of Share holders
Share held by public as at September 30, 2016.	4,399,696	20.2%	1127

- 20 Largest Shareholders of the Company as at September 30, 2016 were as follows:

	No. of Shares	% Holding
1 Lanka Olex Cables (Private) Ltd	16,349,348	75.00%
2 ACL Cables PLC	933,756	4.28%
3 Bank of Ceylon-No 2 A/c	323,800	1.49%
4 Deutsche Bank AG As Trustee to Candor Sharia Fund	259,367	1.19%
5 National Industries Group (Holdings) (S.A.K)	250,000	1.15%
6 Deutche bank ag as trustee to candor opport.	163,901	0.75%
7 Deutsche Bank AG As Trustee to Candor Growth	119,308	0.55%
8 Eable Proprietary Investments Limited	109,957	0.50%
9 Thaha I. M.	103,500	0.47%
10 Employees trust Fumd Board	95,567	0.44%
11 Waldock Mackenzie Ltd/Ceylinco Shriram Capital Management	76,600	0.35%
12 Pan Asia Banking Corpn, PLC/S. R. Fernando	75,189	0.34%
13 People's Leasing & Finance PLC/L. P. Hapangama	74,699	0.34%
14 Goonesekera C. D. M. (Mrs)	62,500	0.29%
15 Madanayake H. A. S.	61,000	0.28%
16 Madanayake U.G.	56,200	0.26%
17 De Silva C. P.	56,117	0.26%
18 Waldock Mackenzie Ltd/Mrs.. G. Soysa	46,772	0.21%
19 Vignarajah K. C.	42,420	0.19%
20 Leonard D. S.	41,186	0.19%

Corporate Information

- Name of the Company** - Kelani Cables PLC
- Company Registration No.** - PQ 117
- Legal Form** - A Quoted Public Company with Limited Liability
Incorporated as Ceylon Non-Ferrous Metal Industries Limited on 27th January 1969. Thereafter on 18th December 1973 the name was changed to Kelani Cables Limited.
With the adoption of the Companies Act No. 07 of 2007, re-registered as Kelani Cables PLC in February 2008.
- Registered Office** - No. 60, Rodney Street, Colombo 08, Sri Lanka
Telephone : 94-11-7608300, 94-11-2697652
Fax : 94-11-2667758
- Principal Place of Business** - P.O. Box 14, Wewelduwa, Kelaniya, Sri Lanka
Telephone : 94-11-2911224, 94-11-7434400
Fax : 94-11-2910481
Email : info@kelanicable.com
Website : www.kelanicable.com
- Board of Directors** - Mr. U. G. Madanayake
Mr. Suren Madanayake
Mrs. N. C. Madanayake
Dr. Bandula Perera
Dr. Ranjith Cabral
Mr. Mahinda Saranapala
- Company Secretary** - Corporate Affairs (Private) Limited.
No. 68/1, Dawson Street, Colombo 02, Sri Lanka
- Auditors** - KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Marker Mawatha
P. O. Box 186
Colombo 3
Sri Lanka
- Bankers** - Hatton National Bank PLC
Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank
Peoples Bank
Nations Trust Bank PLC