

KELANI CABLES PLC

Company Reg. No. PQ 117



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - MARCH 31, 2019
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 MARCH	COMPANY AND INVESTEE		COMPANY	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Revenue	2,133,004,209	2,219,450,591	2,133,004,209	2,219,450,591
Cost of sales	(1,787,183,759)	(1,967,852,534)	(1,787,183,759)	(1,967,852,534)
Gross profit	345,820,450	251,598,057	345,820,450	251,598,057
Other income	3,645,969	3,101,418	3,645,969	3,101,418
Change in fair value of investment property	15,000,000	26,250,000	15,000,000	26,250,000
Distribution expenses	(153,813,132)	(132,984,699)	(153,813,132)	(132,984,699)
Administrative expenses	(71,356,582)	(70,817,667)	(72,143,245)	(64,459,363)
Profit from operations	139,296,705	77,147,109	138,510,042	83,505,413
Net finance expenses	(66,102,585)	(16,449,711)	(66,102,585)	(16,449,711)
Share of profit/(loss) on equity accounted investee, net of tax	12,597,899	(3,348,059)	-	-
Profit before tax	85,792,019	57,349,339	72,407,457	67,055,702
Income tax expense	(16,294,354)	(11,814,384)	(16,294,354)	(11,814,384)
Profit for the quarter	69,497,665	45,534,955	56,113,103	55,241,318
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit obligations	(168,499)	(4,848,516)	(168,499)	(4,848,516)
Gain on PPE Revaluation	-	168,987,105	-	168,987,105
Share of OCI of equity accounted investee, net of tax	-	11,599,223	-	-
Related tax	47,180	(74,797,410)	47,180	(74,797,410)
Other comprehensive income , net of tax	(121,319)	100,940,402	(121,319)	89,341,179
Total comprehensive income for the quarter	69,376,346	146,475,357	55,991,784	144,582,497
Earnings per share -Rs.			2.57	2.53
Market value per share				
Highest price			77.40	99.00
Lowest price			67.10	86.00
Last traded price			67.40	93.00
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - MARCH 31, 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH	COMPANY AND INVESTEE		COMPANY	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Revenue	8,492,482,278	7,994,364,353	8,492,482,278	7,994,364,353
Cost of sales	(7,323,797,527)	(6,987,825,777)	(7,323,797,527)	(6,987,825,777)
Gross profit	1,168,684,751	1,006,538,576	1,168,684,751	1,006,538,576
Other income	11,088,716	9,841,523	11,088,716	9,841,523
Change in fair value of investment property	15,000,000	26,250,000	15,000,000	26,250,000
Distribution expenses	(489,884,992)	(462,554,206)	(489,884,992)	(462,554,206)
Administrative expenses	(266,617,704)	(263,561,896)	(266,617,704)	(257,203,592)
Profit from operations	438,270,771	316,513,997	438,270,771	322,872,301
Net finance expenses	(106,681,433)	(59,123,601)	(106,681,433)	(59,123,601)
Share of profit/(loss) on equity accounted investee, net of tax	13,383,337	(5,733,164)	-	-
Profit before tax	344,972,675	251,657,232	331,589,338	263,748,700
Income tax expense	(88,645,015)	(66,888,423)	(88,645,015)	(66,888,423)
Profit for the period	256,327,660	184,768,809	242,944,323	196,860,277
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit obligations	(741,009)	(709,795)	(741,009)	(709,795)
Revaluation of Property, Plant and equipment	-	168,987,105	-	168,987,105
Share of OCI of equity accounted investee, net of tax	-	11,599,223	-	-
Related tax	207,483	(75,956,252)	207,483	(75,956,252)
Other comprehensive income, net of tax	(533,526)	103,920,281	(533,526)	92,321,058
Total comprehensive income for the period	255,794,134	288,689,090	242,410,797	289,181,335
Earnings per share -Rs.			11.14	9.03
Market value per share				
Highest price			100.00	129.00
Lowest price			67.10	86.00
Last traded price			67.40	93.00
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC

INTERIM FINANCIAL STATEMENTS - MARCH 31, 2019

STATEMENT OF FINANCIAL POSITION

	COMPANY & INVESTEE		COMPANY	
	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	872,319,835	852,736,597	872,319,835	852,736,597
Investment property	295,000,000	280,000,000	295,000,000	280,000,000
Investment in equity accounted investee	33,404,281	20,020,944	21,761,019	21,761,019
	1,200,724,116	1,152,757,541	1,189,080,854	1,154,497,616
CURRENT ASSETS				
Inventories	1,896,848,077	1,676,332,970	1,896,848,077	1,676,332,970
Trade and other receivables	2,285,340,466	2,311,052,178	2,285,340,466	2,311,052,178
Value added tax recoverable	575,758,110	394,906,105	575,758,110	394,906,105
Deposits and prepayments	14,782,199	14,280,620	14,782,199	14,280,620
Cash and cash equivalents	1,164,088,983	671,656,354	1,164,088,983	671,656,354
	5,936,817,835	5,068,228,227	5,936,817,835	5,068,228,227
TOTAL ASSETS	7,137,541,951	6,220,985,768	7,125,898,689	6,222,725,843
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	218,000,000	218,000,000	218,000,000	218,000,000
Capital reserves	404,949,947	404,949,947	353,276,640	353,276,640
General reserves	431,136,000	431,136,000	431,136,000	431,136,000
Retained earnings	2,812,355,782	2,632,861,648	2,852,385,827	2,686,275,030
	3,866,441,729	3,686,947,595	3,854,798,467	3,688,687,670
NON-CURRENT LIABILITIES				
Employee benefits	109,782,934	94,980,418	109,782,934	94,980,418
Deferred taxation	124,782,310	124,782,310	124,782,310	124,782,310
Interest bearing borrowings	7,876,972	11,100,768	7,876,972	11,100,768
	242,442,216	230,863,496	242,442,216	230,863,496
CURRENT LIABILITIES				
Trade and other payables	1,224,998,456	1,689,790,450	1,224,998,456	1,689,790,450
Current taxation	333,817,709	290,895,714	333,817,709	290,895,714
Unclaimed dividends	13,394,318	12,111,368	13,394,318	12,111,368
Interest bearing borrowings	1,115,220,908	230,961,000	1,115,220,908	230,961,000
Bank overdrafts	341,226,615	79,416,145	341,226,615	79,416,145
	3,028,658,006	2,303,174,677	3,028,658,006	2,303,174,677
TOTAL LIABILITIES	3,271,100,222	2,534,038,173	3,271,100,222	2,534,038,173
TOTAL EQUITY AND LIABILITIES	7,137,541,951	6,220,985,768	7,125,898,689	6,222,725,843
Net Asset Per Share	177.36	169.13	176.83	169.21

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

Sgd.
Ms. Hemamala Karunasekara
Chief Financial Officer

Sgd.
U. G. Madanayake
Chairman

Sgd.
Suren Madanayake
Deputy Chairman

Colombo
May 27, 2019

STATEMENT OF CHANGES IN EQUITY

COMPANY AND INVESTEE

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance As At 1 April 2017	218,000,000	300,457,528	431,136,000	2,524,964,977	3,474,558,505
Comprehensive income for the period					
Profit for the period	-	-	-	184,768,809	184,768,809
Other comprehensive income	-	104,492,419	-	(572,138)	103,920,281
Total comprehensive income	218,000,000	404,949,947	431,136,000	2,709,161,648	3,763,247,595
Interim dividend 2016/17	-	-	-	(76,300,000)	(76,300,000)
Balance as at 31 March 2018	218,000,000	404,949,947	431,136,000	2,632,861,648	3,686,947,595
Balance as at 1 April 2018	218,000,000	404,949,947	431,136,000	2,632,861,648	3,686,947,595
Comprehensive income for the period					
Profit for the period	-	-	-	256,327,660	256,327,660
Other comprehensive income	-	-	-	(533,526)	(533,526)
Total comprehensive income	218,000,000	404,949,947	431,136,000	2,888,655,782	3,942,741,729
Interim Dividend 2017/18	-	-	-	(76,300,000)	(76,300,000)
Balance as at 31 March 2019	218,000,000	404,949,947	431,136,000	2,812,355,782	3,866,441,729

COMPANY

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance As At 1 April 2017	218,000,000	260,444,530	431,136,000	2,566,225,805	3,475,806,335
Comprehensive income for the period					
Profit for the period	-	-	-	196,860,277	196,860,277
Other comprehensive income	-	92,832,110	-	(511,052)	92,321,058
Total comprehensive income	218,000,000	353,276,640	431,136,000	2,762,575,030	3,764,987,670
Interim dividend 2016/17	-	-	-	(76,300,000)	(76,300,000)
Balance as at 31 March 2018	218,000,000	353,276,640	431,136,000	2,686,275,030	3,688,687,670
Balance as at 1 April 2018	218,000,000	353,276,640	431,136,000	2,686,275,030	3,688,687,670
Comprehensive income for the period					
Profit for the period	-	-	-	242,944,323	242,944,323
Other comprehensive income	-	-	-	(533,526)	(533,526)
Total comprehensive income	218,000,000	353,276,640	431,136,000	2,928,685,827	3,931,098,467
Interim dividend 2017/18	-	-	-	(76,300,000)	(76,300,000)
Balance as at 31 March 2019	218,000,000	353,276,640	431,136,000	2,852,385,827	3,854,798,467

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - MARCH 31, 2019
STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH	COMPANY & INVESTEE		COMPANY	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Cash Flow From Operating Activities				
Profit before taxation	344,972,675	251,657,232	331,589,338	263,748,700
Adjustments for:				
Share of (Profit)/ loss from equity accounted investee (net of tax)	(13,383,337)	5,733,164	-	-
Reversal of impairment of the associate	-	-	-	(6,358,304)
Interest income	(15,840,023)	(15,153,045)	(15,840,023)	(15,153,045)
Interest expense	122,521,456	70,542,950	122,521,456	70,542,950
Revaluation gain on investment property	(15,000,000)	(26,250,000)	(15,000,000)	(26,250,000)
Depreciation of property, plant and equipment	70,068,120	76,724,991	70,068,120	76,724,991
Impairment of trade receivables	-	8,447,306	-	8,447,306
Impairment/(Reversal of impairment) of obsolete inventories	6,066,306	1,003,572	6,066,306	1,003,572
Dividend Income	(56)	(78)	(56)	(78)
Gain on disposal of property, plant and equipment	-	-	-	-
Provision for employee benefits	19,237,924	17,717,752	19,237,924	17,717,752
Operating Profit before working capital changes	518,643,065	390,423,844	518,643,065	390,423,844
Changes in working capital				
Increase in inventories	(226,581,413)	(29,114,584)	(226,581,413)	(29,114,584)
Decrease/(Increase) in trade and other receivables	25,711,712	(212,305,866)	25,711,712	(212,305,866)
Decrease in amount due from related companies	-	41,854,000	-	41,854,000
Increase in deposits and prepayments and value added tax recoverable	(181,353,584)	(151,832,861)	(181,353,584)	(151,832,861)
Increase/(Decrease) in trade and other payables	(464,791,994)	127,362,136	(464,791,994)	127,362,136
Cash (used in) /generated from operations	(328,372,214)	166,386,669	(328,372,214)	166,386,669
Employee benefit paid	(5,176,417)	(6,758,790)	(5,176,417)	(6,758,790)
Current tax paid	(45,515,537)	(8,105,667)	(45,515,537)	(8,105,667)
Interest paid	(122,521,456)	(70,542,950)	(122,521,456)	(70,542,950)
Net Cash (used in)/ Generated from Operating Activities	(501,585,624)	80,979,262	(501,585,624)	80,979,262
Cash Flow from Investing Activities				
Proceeds from disposal of property, plant and equipment	-	-	-	-
Acquisition of property, plant and equipment	(89,651,358)	(97,362,348)	(89,651,358)	(97,362,348)
Acquisition of Intangible assets	-	-	-	-
Cash proceeds from Sri Lanka Development Bonds	-	164,926,800	-	164,926,800
Interest received	15,840,023	15,153,045	15,840,023	15,153,045
Dividend income	56	78	56	78
Net Cash Used in Investing Activities	(73,811,279)	82,717,575	(73,811,279)	82,717,575
Cash Flow from Financing Activities				
Dividend paid	(75,017,050)	(75,291,453)	(75,017,050)	(75,291,453)
Loans obtained during the period	1,599,556,771	730,600,000	1,599,556,771	730,600,000
Loans repayments during the period	(718,520,659)	(520,379,232)	(718,520,659)	(520,379,232)
Net Cash generated from/ (used in) Financing Activities	806,019,062	134,929,315	806,019,062	134,929,315
Net Increase in Cash and Cash Equivalents	230,622,159	298,626,152	230,622,159	298,626,152
Cash and Cash Equivalents at beginning of the period	592,240,209	294,397,057	592,240,209	294,397,057
Cash and Cash Equivalents at the end of the period	822,862,368	593,023,209	822,862,368	593,023,209

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 2018 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 March 31, 2019 on guarantees given to third parties amounted to Rs.178,897,250/-.
- The Board of Directors declared an Interim Dividend of Rs.3/50 per share for the year ended 31st March 2018 amounting to Rs.76.3 Mn on 29th June 2018 which was paid on 17th July 2018.
- 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 31 March 2019		As at 31 March 2018	
		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 Shareholders
Share held by public as at March 31, 2019	4,399,696	20.2%	1178
Float Adjusted Market Capitalization (Rs.)	296,539,510		

Company complies the requirement of Listing Rules of **7.13.1 -Minimum Public Holding as a Continuous Listing Requirement** under the option No. 05 of 7.13.1 (a) as follows.

OPTION	MINIMUM PUBLIC HOLDING REQUIREMENT		
	Float adjusted Market Capitalization	Public Holding Percentage	Number of Public Shareholders
Option -5	Less than Rs.2.5Bn	20%	500

- 20 Largest Shareholders of the Company as at March 31, 2019 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 Sri Lanka Opportunity Fund Pte Ltd	911,084	4.18%
4 Bank of Ceylon-No 2 A/c	323,800	1.49%
5 Hatton National Bank PLC-Candor Opportunities	250,000	1.15%
6 Thaha I. M.	103,500	0.47%
7 Employees Trust Fund Board	95,567	0.44%
8 People's Leasing & Finance PLC/L. P. Hapangama	88,402	0.41%
9 People's Leasing & Finance PLC/Dr. H. S. D. Soysa	84,912	0.39%
10 Waddock Mackenzie Limited/Ceylinco Shriram Capital	76,600	0.35%
11 Dalpethado D. F G. and Fonseka H. F. A. K. D.	75,584	0.35%
12 Goonesekera C. D. M. (Mrs)	62,500	0.29%
13 Madanayake H. A. S.	61,000	0.28%
14 Madanayake U. G.	56,200	0.26%
15 Vignarajah K. C.	42,435	0.19%
16 Leonard D. S.	41,203	0.19%
17 Hatton National Bank PLC-Amana Candor Shariah Bala.	40,000	0.18%
18 Kannangara N. L. & De Livera S. S.	40,000	0.18%
19 Sumathipala U. W. J. P. A.	35,200	0.16%
20 People's Leasing & Finance PLC/ L. H. L. M. P. Haradasa	35,058	0.16%

CORPORATE INFORMATION

Name of the Company	-	Kelani Cables PLC
Company Registration No.	-	PQ 117
Legal Form	-	<p>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.</p>
Registered Office	-	<p>No. 60, Rodney Street, Colombo 08, Sri Lanka Telephone : 94-11-7608300, 94-11-2697652 Fax : 94-11-2667758, 94 11 2699503</p>
Principal Place of Business	-	<p>P.O. Box 14, Wewelduwa, Kelaniya, Sri Lanka Telephone : 94-11-2911224, 94-11-7434400 Fax : 94-11-2910481 Email : info@kelanicables.com Website : www.kelanicables.com</p>
Board of Directors	-	<p>Mr. U. G. Madanayake Mr. Suren Madanayake Mrs. N. C. Madanayake Dr. Bandula Perera Dr. Ranjith Cabral Mr. Mahinda Saranapala</p>
Company Secretary	-	<p>Corporate Affairs (Private) Limited. No. 68/1, Dawson Street, Colombo 02, Sri Lanka</p>
Auditors	-	<p>KPMG (Chartered Accountants) 32A, Sir Mohamed Macan Marker Mawatha P. O. Box 186 Colombo 03 Sri Lanka</p>
Bankers	-	<p>Hatton National Bank PLC Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank Peoples Bank Nations Trust Bank PLC NDB Bank PLC Sampath Bank PLC</p>