

KELANI CABLES PLC

Company Reg. No. PQ 117



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 31 March	COMPANY AND INVESTEE		COMPANY	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue	4,315,721,502	3,359,733,375	4,315,721,502	3,359,733,375
Cost of sales	(3,271,944,194)	(2,817,752,736)	(3,271,944,194)	(2,817,752,736)
Gross profit	1,043,777,308	541,980,639	1,043,777,308	541,980,639
Other income	4,842,549	18,154,156	4,842,549	18,154,156
Change in fair value of investment property	39,500,000	344,500,000	39,500,000	344,500,000
Distribution expenses	(152,498,294)	(182,344,442)	(152,498,294)	(182,344,442)
Administrative expenses	(87,449,255)	(97,366,587)	(87,449,255)	(97,366,587)
Profit from operations	848,172,308	624,923,766	848,172,308	624,923,766
Finance income	238,129,974	8,659,250	238,129,974	8,659,250
Finance expenses	60,126,857	(33,236,738)	60,126,857	(33,236,738)
Net finance expenses	298,256,831	(24,577,488)	298,256,831	(24,577,488)
Share of (loss)/profit on equity accounted investee, net of tax	3,216,410	2,106,692	-	-
Profit before tax	1,149,645,549	602,452,970	1,146,429,139	600,346,278
Income tax expense	(206,657,245)	(97,386,154)	(206,657,245)	(97,386,154)
Profit for the quarter	942,988,304	505,066,816	939,771,894	502,960,124
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial (loss)/gain on defined benefit obligations	-	(28,444,633)	-	(28,444,633)
Revaluation of property, plant and equipment	-	155,426,146	-	155,426,146
Share of OCI of equity accounted investee, net of tax	-	18,197,452	-	-
Related tax	-	19,356,246	-	19,356,246
Other comprehensive income , net of tax	-	164,535,211	-	146,337,759
Total comprehensive income for the quarter	942,988,304	669,602,027	939,771,894	649,297,883
Earnings per share -Rs.	43.26	23.17	43.11	23.07
Market value per share				
Highest price-Rs.			772.00	195.00
Lowest price-Rs.			250.00	103.00
Last traded price-Rs.			290.75	111.75
Number of shares representing the stated capital (Nos.)			21,800,000	21,800,000

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 March	COMPANY AND INVESTEE		COMPANY	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue	15,305,402,864	9,650,437,531	15,305,402,864	9,650,437,531
Cost of sales	(12,024,530,057)	(8,366,450,216)	(12,024,530,057)	(8,366,450,216)
Gross profit	3,280,872,807	1,283,987,315	3,280,872,807	1,283,987,315
Other income	19,815,363	25,313,720	19,815,363	25,313,720
Change in fair value of investment property	39,500,000	344,500,000	39,500,000	344,500,000
Distribution expenses	(521,722,300)	(498,159,444)	(521,722,300)	(498,159,444)
Administrative expenses	(370,767,190)	(336,091,703)	(370,767,190)	(336,091,703)
Profit from operations	2,447,698,680	819,549,888	2,447,698,680	819,549,888
Finance income	279,459,612	34,865,822	279,459,612	34,865,822
Finance expenses	(85,931,854)	(110,301,456)	(85,931,854)	(110,301,456)
Net finance expenses	193,527,758	(75,435,634)	193,527,758	(75,435,634)
Share of loss on equity accounted investee, net of tax	1,390,679	515,612	-	-
Profit before tax	2,642,617,117	744,629,866	2,641,226,438	744,114,254
Income tax expense	(475,715,473)	(123,264,390)	(475,715,473)	(123,264,390)
Profit for the period	2,166,901,644	621,365,476	2,165,510,965	620,849,864
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial (loss)/gain on defined benefit obligations	-	(28,962,253)	-	(28,962,253)
Revaluation of property, plant and equipment	-	155,426,146	-	155,426,146
Share of OCI of equity accounted investee, net of tax	-	18,197,452	-	-
Related tax	-	19,449,418	-	19,449,418
Other comprehensive income, net of tax	-	164,110,763	-	145,913,311
Total comprehensive income for the period	2,166,901,644	785,476,239	2,165,510,965	766,763,175
Earnings per share -Rs.	99.40	28.50	99.34	28.48
Market value per share				
Highest price-Rs.			772.00	195.00
Lowest price-Rs.			110.25	50.00
Last traded price-Rs.			290.75	111.75
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2022

STATEMENT OF FINANCIAL POSITION

	COMPANY & INVESTEE		COMPANY	
	As at 31 March 2022 Rs.	As at 31 March 2021 Rs.	As at 31 March 2022 Rs.	As at 31 March 2021 Rs.
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	1,155,167,934	1,009,006,175	1,155,167,934	1,009,006,175
Intangible assets	-	6,825,088	-	6,825,088
Investment property	690,000,000	650,500,000	690,000,000	650,500,000
Right-of-use assets	3,125,244	4,018,166	3,125,244	4,018,166
Investment in equity accounted investee	74,845,763	73,455,084	51,200,000	51,200,000
	1,923,138,941	1,743,804,513	1,899,493,178	1,721,549,429
CURRENT ASSETS				
Inventories	1,708,576,725	2,227,972,407	1,708,576,725	2,227,972,407
Trade and other receivables	1,878,599,702	2,981,195,149	1,878,599,702	2,981,195,149
Amount due from related companies	450,107,924	224,294	450,107,924	224,294
Value added tax recoverable	747,211,164	743,686,739	747,211,164	743,686,739
Deposits and prepayments	21,617,215	15,345,296	21,617,215	15,345,296
Cash and cash equivalents	3,898,121,707	924,789,700	3,898,121,707	924,789,700
	8,704,234,437	6,893,213,585	8,704,234,437	6,893,213,585
TOTAL ASSETS	10,627,373,378	8,637,018,098	10,603,727,615	8,614,763,014
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	218,000,000	218,000,000	218,000,000	218,000,000
Capital reserves	592,491,173	592,491,173	522,620,414	522,620,414
General reserves	431,136,000	431,136,000	431,136,000	431,136,000
Retained earnings	5,476,997,527	3,408,195,883	5,523,222,523	3,455,811,558
	6,718,624,700	4,649,823,056	6,694,978,937	4,627,567,972
NON-CURRENT LIABILITIES				
Employee benefits	180,503,442	160,740,911	180,503,442	160,740,911
Deferred taxation	41,408,240	41,408,240	41,408,240	41,408,240
Interest bearing borrowings	239,466,918	5,553,380	239,466,918	5,553,380
	461,378,600	207,702,531	461,378,600	207,702,531
CURRENT LIABILITIES				
Trade and other payables	2,166,929,026	1,960,727,534	2,166,929,026	1,960,727,534
Amount due to related companies	416,259,299	600,636,824	416,259,299	600,636,824
Current taxation	666,828,026	306,620,053	666,828,026	306,620,053
Unclaimed dividends	12,301,374	17,212,429	12,301,374	17,212,429
Interest bearing borrowings	157,791,059	803,428,116	157,791,059	803,428,116
Bank overdrafts	27,261,294	90,867,555	27,261,294	90,867,555
	3,447,370,078	3,779,492,511	3,447,370,078	3,779,492,511
TOTAL LIABILITIES	3,908,748,678	3,987,195,042	3,908,748,678	3,987,195,042
TOTAL EQUITY AND LIABILITIES	10,627,373,378	8,637,018,098	10,603,727,615	8,614,763,014

Net asset per share (Rs.)	308.19	213.29	307.11	212.27
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These Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Ms. Hemamala Karunasekara
Chief Financial Officer

Mahinda Saranapala
Director/Chief Executive Officer

U. G. Madanayake
Chairman

May 25, 2022
Colombo

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 2020	218,000,000	404,949,947	431,136,000	2,908,360,870	3,962,446,817
Comprehensive income for the period					
Profit for the period				621,365,476	621,365,476
Other comprehensive income	-	187,541,226	-	(23,430,463)	164,110,763
Total comprehensive income	-	187,541,226	-	597,935,013	785,476,239
Transactions with owners of the Company					
Interim dividend 2019/20	-	-	-	(98,100,000)	(98,100,000)
Balance as at 31 March 2021	218,000,000	592,491,173	431,136,000	3,408,195,883	4,649,823,056
Balance as at 1 April 2021	218,000,000	592,491,173	431,136,000	3,408,195,883	4,649,823,056
Comprehensive income for the period					
Profit for the period	-	-	-	2,166,901,644	2,166,901,644
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,166,901,644	2,166,901,644
Transactions with owners of the Company					
Interim Dividend 2020/21	-	-	-	(98,100,000)	(98,100,000)
Balance as at 31 March 2022	218,000,000	592,491,173	431,136,000	5,476,997,527	6,718,624,700

COMPANY

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 April 2020	218,000,000	353,276,640	431,136,000	2,956,492,157	3,958,904,797
Comprehensive income for the period					
Profit for the period	-	-	-	620,849,864	620,849,864
Other comprehensive income	-	169,343,774	-	(23,430,463)	145,913,311
Total comprehensive income	-	169,343,774	-	597,419,401	766,763,175
Transactions with owners of the Company					
Interim dividend 2019/20	-	-	-	(98,100,000)	(98,100,000)
Balance as at 31 March 2021	218,000,000	522,620,414	431,136,000	3,455,811,558	4,627,567,972
Balance as at 1 April 2021	218,000,000	522,620,414	431,136,000	3,455,811,558	4,627,567,972
Comprehensive income for the period					
Profit for the period	-	-	-	2,165,510,965	2,165,510,965
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,165,510,965	2,165,510,965
Transactions with owners of the Company					
Interim dividend 2020/21	-	-	-	(98,100,000)	(98,100,000)
Balance as at 31 March 2022	218,000,000	522,620,414	431,136,000	5,523,222,523	6,694,978,937

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - 31ST MARCH 2022

STATEMENT OF CASH FLOWS

For the period ended 31 March	COMPANY & INVESTEE		COMPANY	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash flow from operating activities				
Profit before tax	2,642,617,117	744,629,866	2,641,226,438	744,114,254
Adjustments for:				
Share of loss from equity accounted investee (net of tax)	(1,390,679)	(515,612)	-	-
Interest income	(71,960,262)	(34,865,822)	(71,960,262)	(34,865,822)
Interest expense	85,931,854	98,192,492	85,931,854	98,192,492
Changes in fair value of investment property	(39,500,000)	(344,500,000)	(39,500,000)	(344,500,000)
Depreciation of property, plant and equipment	92,840,087	84,746,037	92,840,087	84,746,037
Impairment of trade receivables	-	27,362,076	-	27,362,076
Amortization of Intangible assets	6,825,088	103,086	6,825,088	103,086
Amortization of right-of-use assets	892,926	892,926	892,926	892,926
Provision for obsolete and slow moving inventories	8,529,400	15,747,367	8,529,400	15,747,367
Inventory Write off	29,189,239	27,404,844	29,189,239	27,404,844
Debtors write off	-	53,261	-	53,261
Write back of unclaimed dividends	(6,949,940)		(6,949,940)	
Provision for employee benefits	26,594,436	24,901,452	26,594,436	24,901,452
Operating profit before working capital changes	2,773,619,266	644,151,973	2,773,619,266	644,151,973
Changes in working capital				
Decrease/(Increase) in inventories	481,677,043	(521,151,071)	481,677,043	(521,151,071)
Decrease/(Increase) in trade and other receivables	1,102,595,447	(84,044,077)	1,102,595,447	(84,044,077)
Increase/(decrease) in amount due from related companies	(449,883,630)	9,911,066	(449,883,630)	9,911,066
Increase in deposits and prepayments and value added tax recoverable	(9,796,344)	(99,983,509)	(9,796,344)	(99,983,509)
Increase in trade and other payables	206,201,492	692,579,348	206,201,492	692,579,348
(decrease)/increase in amount due to related parties	(184,377,527)	156,919,784	(184,377,527)	156,919,784
Cash generated from operations	3,920,035,747	798,383,514	3,920,035,747	798,383,514
gratuity paid	(6,831,905)	(10,835,939)	(6,831,905)	(10,835,939)
Current tax paid	(115,507,500)	(55,488,563)	(115,507,500)	(55,488,563)
Interest paid	(85,931,854)	(97,550,564)	(85,931,854)	(97,550,564)
Net cash generated from/(used in) operating activities	3,711,764,488	634,508,448	3,711,764,488	634,508,448
Cash flow from investing activities				
Acquisition of property, plant and equipment	(239,001,846)	(116,078,789)	(239,001,846)	(116,078,789)
Acquisition of Intangible assets	-	(6,928,174)	-	(6,928,174)
Interest received	71,960,262	34,865,822	71,960,262	34,865,822
Net cash (used in)/generated from investing activities	(167,041,584)	(88,141,141)	(167,041,584)	(88,141,141)
Cash flow from financing activities				
Dividend paid	(96,061,115)	(95,845,261)	(96,061,115)	(95,845,261)
Lease payments	(665,760)	(1,161,600)	(665,760)	(1,161,600)
Loans obtained during the period	1,971,740,822	2,323,882,276	1,971,740,822	2,323,882,276
Loans repayments during the period	(2,382,798,583)	(2,536,230,049)	(2,382,798,583)	(2,536,230,049)
Net Cash (used in)/generated from financing activities	(507,784,636)	(309,354,634)	(507,784,636)	(309,354,634)
Net increase in cash and cash equivalents	3,036,938,268	237,012,673	3,036,938,268	237,012,673
Cash and cash equivalents at beginning of the period	833,922,145	596,909,472	833,922,145	596,909,472
Cash and cash equivalents at the end of the period	3,870,860,413	833,922,145	3,870,860,413	833,922,145

NOTES TO THE FINANCIAL STATEMENTS

- Figures in the Interim Financial Statements 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 2021 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.
- Finance income for the year ended 31 March 2022 include exchange gain on foreign currency translation of the period amounting to Rs.207,499,350/-.
- The contingent liability as at March 31, 2022 on guarantees given to third parties amounted to Rs.183,384,363/-.
The Board of Directors declared an Interim Dividend of Rs.4/50 per share for the year ended 31 March 2021 on 26 July 2021, amounting to Rs.98.1 Mn which was paid on 24 August 2021.
- 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 2022		As at 31 March 2021	
		No. of Shares	% Holding	No. of Shares	% Holding
Mr. U. G. Madanayake	- Chairman	56,200		56,200	0.26%
Mr. Suren Madanayake	- Deputy Chairman	61,000		61,000	0.28%
Mrs. N. C. Madanayake	- Director	-		-	
Dr. Bandula Perera	- Director	-		-	
Mr. Mahinda Saranapala	- Director/CEO	-		-	
Mr. Deepal Sooriyaarachchi	- Director	-		-	

- Shares held by public

	No. of Shares	% Holding	Shareholders
Shares held by public as at 31 March 2022	21,800,000	0.0%	-4

Float adjusted market capitalization (Rs.)

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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 31 March 2022 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 National Savings Bank	170,000	0.78%
4 Bank of Ceylon-No 2 A/C (BOC PTF)	117,918	0.54%
5 Employees Trust Fund Board	116,285	0.53%
6 Frontier Wealth (Pvt) Ltd	112,905	0.52%
7 Hatton National Bank PLC/Hennasy Geeth B.	110,000	0.50%
8 Thaha I. M.	103,500	0.47%
9 Hatton National Bank PLC-Astrue Alpha Fund	100,000	0.46%
10 DFCC Bank PLC A/C No. 02	87,450	0.40%
11 Ceylinco Shiram Capital Management Services	76,600	0.35%
12 Seylan Bank PLC/Gladstone Capital (Pvt) Ltd.	72,500	0.33%
13 Saraswathi V. and Vasudevan S.	63,944	0.29%
14 Seylan Bank PLC/Neyil Susntha Sugathadasa	63,278	0.29%
15 Goonesekera C. D. M. (Mrs.)	62,500	0.29%
16 Madanayake H. A. S.	61,000	0.28%
17 Ratnasabapathy M. R.	60,369	0.28%
18 Asantha D. N.	59,275	0.27%
19 Madanayake U. G.	56,200	0.26%
20 Mayakaduwa J. K.	54,000	0.25%

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, 94 11 2699503
Principle 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 Mr. Mahinda Saranapala Mr. Deepal Sooriyaarachchi
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 03 Sri Lanka
Bankers	- Hatton National Bank PLC Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank Peoples Bank Nations Trust Bank PLC NDB Bank PLC DFCC Bank PLC Commercial Bank of Ceylon PLC Sampath Bank PLC