

KELANI CABLES PLC

Company Reg. No. PQ 117



INTERIM FINANCIAL STATEMENTS

FOR THE 03 MONTHS PERIOD ENDED JUNE 30, 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter/period ended 30 June	COMPANY AND INVESTEE		COMPANY	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Revenue	3,520,564,700	2,691,491,814	3,520,564,700	2,691,491,814
Cost of sales	(2,447,355,673)	(2,323,335,790)	(2,447,355,673)	(2,323,335,790)
Gross profit	1,073,209,027	368,156,024	1,073,209,027	368,156,024
Other income	4,605,737	1,949,330	4,605,737	1,949,330
Change in fair value of investment property	-	-	-	-
Distribution expenses	(152,191,438)	(107,772,682)	(152,191,438)	(107,772,682)
Administrative expenses	(82,560,555)	(100,646,606)	(82,560,555)	(100,646,606)
Profit from operations	843,062,771	161,686,066	843,062,771	161,686,066
Finance income	440,253,394	10,920,802	440,253,394	10,920,802
Finance expenses	(11,478,761)	(20,770,499)	(11,478,761)	(20,770,499)
Net finance expenses	428,774,633	(9,849,697)	428,774,633	(9,849,697)
Share of loss on equity accounted investee, net of tax	(574,067)	(594,657)	-	-
Profit before tax	1,271,263,337	151,241,712	1,271,837,404	151,836,369
Income tax expense	(228,930,733)	(27,331,399)	(228,930,733)	(27,331,399)
Profit for the period	1,042,332,604	123,910,313	1,042,906,671	124,504,970
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,042,332,604	123,910,313	1,042,906,671	124,504,970
Earnings per share -Rs.	47.81	5.68	47.84	5.71
Market value per share				
Highest price-Rs.			284.00	159.25
Lowest price-Rs.			98.10	110.25
Last traded price-Rs.			178.50	111.75
Number of shares representing the stated capital			21,800,000	21,800,000

KELANI CABLES PLC
INTERIM FINANCIAL STATEMENTS - 30 JUNE 2022

STATEMENT OF FINANCIAL POSITION

	COMPANY & INVESTEE		COMPANY	
	As at 30 June 2022	As at 31 March 2022	As at 30 June 2022	As at 31 March 2022
	Rs.	Rs.	Rs.	Rs.
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment	1,137,955,749	1,155,167,933	1,137,955,749	1,155,167,933
Intangible assets	-	-	-	-
Investment property	690,000,000	690,000,000	690,000,000	690,000,000
Right-of-use assets	2,902,014	3,125,240	2,902,014	3,125,240
Investment in equity accounted investee	74,558,667	75,132,734	51,200,000	51,200,000
	1,905,416,430	1,923,425,907	1,882,057,763	1,899,493,173
CURRENT ASSETS				
Inventories	2,359,533,897	2,340,191,863	2,359,533,897	2,340,191,863
Trade and other receivables	1,487,114,804	2,057,136,180	1,487,114,804	2,057,136,180
Amount due from related companies	602,411,112	547,202,345	602,411,112	547,202,345
Value added tax recoverable	782,302,066	747,211,164	782,302,066	747,211,164
Deposits and prepayments	21,991,194	23,077,783	21,991,194	23,077,783
Cash and cash equivalents	3,210,103,693	3,865,930,694	3,210,103,693	3,865,930,694
	8,463,456,766	9,580,750,029	8,463,456,766	9,580,750,029
TOTAL ASSETS	10,368,873,196	11,504,175,936	10,345,514,529	11,480,243,202
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	6,521,359,289	5,479,026,685	6,567,871,381	5,524,964,710
	7,762,986,462	6,720,653,858	7,739,627,795	6,696,721,124
NON-CURRENT LIABILITIES				
Employee benefits	127,287,654	122,806,774	127,287,654	122,806,774
Deferred taxation	45,834,383	45,834,383	45,834,383	45,834,383
Interest bearing borrowings	200,613,536	239,274,647	200,613,536	239,274,647
	373,735,573	407,915,804	373,735,573	407,915,804
CURRENT LIABILITIES				
Trade and other payables	598,903,405	3,005,971,638	598,903,405	3,005,971,638
Amount due to related companies	457,475,005	511,344,422	457,475,005	511,344,422
Current taxation	865,645,636	660,744,216	865,645,636	660,744,216
Unclaimed dividends	12,298,364	12,301,374	12,298,364	12,301,374
Interest bearing borrowings	157,011,110	157,983,330	157,011,110	157,983,330
Bank overdrafts	140,817,641	27,261,294	140,817,641	27,261,294
	2,232,151,161	4,375,606,274	2,232,151,161	4,375,606,274
TOTAL LIABILITIES	2,605,886,734	4,783,522,078	2,605,886,734	4,783,522,078
TOTAL EQUITY AND LIABILITIES	10,368,873,196	11,504,175,936	10,345,514,529	11,480,243,202
Net asset per share (Rs.)	356.10	308.29	355.03	307.19

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

August 12, 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 2021	218,000,000	560,376,093	431,136,000	3,488,187,344	4,697,699,437
Comprehensive income for the period					
Profit for the period				123,910,313	123,910,313
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	123,910,313	123,910,313
Transactions with owners of the Company					
Interim dividend	-	-	-	-	-
Balance as at 30 June 2021	218,000,000	560,376,093	431,136,000	3,612,097,657	4,821,609,750
Balance as at 1 April 2022	218,000,000	592,491,173	431,136,000	5,479,026,685	6,720,653,858
Comprehensive income for the period					
Profit for the period	-	-	-	1,042,332,604	1,042,332,604
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,042,332,604	1,042,332,604
Transactions with owners of the Company					
Interim Dividend	-	-	-	-	-
Balance as at 30 June 2022	218,000,000	592,491,173	431,136,000	6,521,359,289	7,762,986,462

COMPANY

	Stated Capital Rs.	Capital Reserves Rs.	General Reserves Rs.	Retained Earnings Rs.	Total Rs.
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	-	-	-	124,504,970	124,504,970
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	124,504,970	124,504,970
Transactions with owners of the Company					
Interim dividend	-	-	-	-	-
Balance as at 30 June 2021	218,000,000	522,620,414	431,136,000	3,580,316,528	4,752,072,942
Balance as at 1 April 2022	218,000,000	522,620,414	431,136,000	5,524,964,710	6,696,721,124
Comprehensive income for the period					
Profit for the period	-	-	-	1,042,906,671	1,042,906,671
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,042,906,671	1,042,906,671
Transactions with owners of the Company					
Interim dividend	-	-	-	-	-
Balance as at 30 June 2022	218,000,000	522,620,414	431,136,000	6,567,871,381	7,739,627,795

STATEMENT OF CASH FLOWS

For the quarter/period ended 30 June	COMPANY & INVESTEE		COMPANY	
	2022 Rs.	2021 Rs.	2022 Rs.	2021 Rs.
Cash flow from operating activities				
Profit before tax	1,271,263,337	151,241,712	1,271,837,404	151,836,369
Adjustments for:				
Share of loss from equity accounted investee (net of tax)	574,067	594,657	-	-
Interest income	(83,054,278)	(10,920,802)	(83,054,278)	(10,920,802)
Interest expense	11,478,761	18,604,918	11,478,761	18,604,918
Depreciation of property, plant and equipment	25,392,276	23,597,097	25,392,276	23,597,097
Amortization of Intangible assets	-	1,154,696	-	1,154,696
Amortization of right-of-use assets	223,230	223,230	223,230	223,230
Provision/(reversal) for obsolete and slow moving inventories	(5,778,700)	19,558,771	(5,778,700)	19,558,771
Provision for employee benefits	7,313,471	6,648,609	7,313,471	6,648,609
Operating profit before working capital changes	1,227,412,164	210,702,888	1,227,412,164	210,702,888
Changes in working capital				
Increase in inventories	(13,563,334)	(798,587,189)	(13,563,334)	(798,587,189)
Decrease/(increase) in trade and other receivables	570,021,378	(2,105,297)	570,021,378	(2,105,297)
Increase in amount due from related companies	(55,208,767)	(5,307,383)	(55,208,767)	(5,307,383)
Increase in deposits and prepayments and value added tax recoverable	(34,004,313)	(126,148,280)	(34,004,313)	(126,148,280)
(Decrease)/Increase in trade and other payables	(2,407,068,237)	265,915,629	(2,407,068,237)	265,915,629
(Decrease)/increase in amount due to related parties	(53,869,419)	367,066,435	(53,869,419)	367,066,435
Cash generated from operations	(766,280,528)	(88,463,197)	(766,280,528)	(88,463,197)
Gratuity paid	(2,832,591)	(2,017,792)	(2,832,591)	(2,017,792)
Current tax paid	(24,029,313)	(16,519,034)	(24,029,313)	(16,519,034)
Interest paid	(11,478,761)	(18,604,918)	(11,478,761)	(18,604,918)
Net cash generated from/(used in) operating activities	(804,621,193)	(125,604,941)	(804,621,193)	(125,604,941)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(8,180,092)	(90,662,256)	(8,180,092)	(90,662,256)
Interest received	83,054,278	10,920,802	83,054,278	10,920,802
Net cash (used in)/generated from investing activities	74,874,186	(79,741,454)	74,874,186	(79,741,454)
Cash flow from financing activities				
Dividend paid	(3,010)	(602)	(3,010)	(602)
Lease payments	(193,849)	(223,230)	(193,849)	(223,230)
Loans obtained during the period	-	732,176,139	-	732,176,139
Loans repayments during the period	(39,439,482)	(325,092,679)	(39,439,482)	(325,092,679)
Net Cash (used in)/generated from financing activities	(39,636,341)	406,859,628	(39,636,341)	406,859,628
Net increase/(decrease) in cash and cash equivalents	(769,383,348)	201,513,233	(769,383,348)	201,513,233
Cash and cash equivalents at beginning of the period	3,838,669,400	833,922,145	3,838,669,400	833,922,145
Cash and cash equivalents at the end of the period	3,069,286,052	1,035,435,378	3,069,286,052	1,035,435,378

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 period include exchange gain on foreign currency translation of the period amounting to Rs.357,199,116/-.
- The contingent liability as at 30 June , 2022 on guarantees given to third parties amounted to Rs.235,276,018/-.
- The Board of Directors declared an Interim Dividend of Rs.6/50 per share for the year ended 31st March 2022 amounting to Rs. 141.7 Mn. on August 4, 2022.
- 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 30 June 2022		As at 30 June 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	No. of Shareholders
Shares held by public as at 30 June 2022	4,399,696	20.2%	2096
Float adjusted market capitalization (Rs.)	785,345,736		

Company complies the requirement of Listing Rules of **7.14.1 -Minimum Public Holding as a Continuous Listing Requirement** under the option No. 05 of 7.14.1 (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 30 June 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.	109,710	0.50%
8 Thaha I. M.	103,500	0.47%
9 Hatton National Bank PLC-Astrue Alpha Fund	96,482	0.44%
10 DFCC Bank PLC A/C No. 02	87,450	0.40%
11 Ceylinco Shiram Capital Management Services	76,600	0.35%
12 Saraswathi V. and Vasudevan S.	63,944	0.29%
13 Goonesekera C. D. M. (Mrs.)	62,500	0.29%
14 Madanayake H. A. S.	61,000	0.28%
15 Ratnasabapathy M. R.	57,989	0.27%
16 Madanayake U. G.	56,200	0.26%
17 Mayakaduwa J. K.	54,000	0.25%
18 Hatton National Bank PLC/Muhandiramlage L.	48,463	0.22%
19 Peoples' Leasing & Finance PLC/Mr. S. Sivashantha	47,000	0.22%
20 Seylan Bank PLC/Gradstone Capital (Private) Ltd	45,638	0.21%

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