



# **TEXTURED JERSEY LANKA PLC**

**Condensed Interim Financial Statements**

**Period Ended 31 December 2014**

## **TEXTURED JERSEY LANKA PLC**

### **Chairman's Review**

Textured Jersey Lanka PLC (TJL) reported net profit of Rs. 376mn for the quarter ended 31st December 2014 (3Q FY2014/15), a significant increase of 25% compared to the corresponding period last year. A combination of increased margins and strong revenue growth enabled TJL to post this impressive result this quarter.

With demand from its main customers back on track TJL was able to record a strong revenue growth of 12% year on year for 3Q FY2014/15, and report an impressive Rs. 3.8bn in sales. The better demand conditions also enabled TJL to improve its product mix and achieve higher levels of production efficiencies through optimal capacity utilisation and planning. This in turn allowed the company to expand its gross profit margins to 12.8% from 10.6% last year, causing gross profit to rise 34% to Rs. 481mn for 3Q FY2014/15.

The strong performance at gross profit level also enabled TJL to post an operating profit of approximately Rs.354mn and record 34% year over year growth at the operating profit level as well. This was achieved despite a 25% year on year increase in administrative and distribution expenses largely due to increases in provisions and some increases in training and development expenses.

TJL continued to maintain its near debt-free balance sheet as at 31st December 2014, with a net cash position of Rs.1.65bn. TJL's strong cash generation ability has enabled it to increase its net cash position by 33% compared to Rs.1.24bn recorded as at 30th September 2014. However, due to increased levels of investment and working capital the net cash balance was 29% less compared with the same period previous year.

Lower interest rates, combined with a lower cash position vs. a year before contributed to net finance income coming in at Rs.9mn for 3Q FY2014/15, compared to Rs. 22mn in the corresponding quarter last year. The quarter closed at a net profit of Rs. 376mn, a significant increase of 25% from last year, pushing up the net profit for 9 months ended 31st December 2014 to Rs.822mn, putting it back on track to achieve a strong annual performance despite the setbacks during the early part of the year.

The operational ramp up of the multi fuel boiler is progressing well though slightly behind schedule. This is due to fine tuning work being undertaken to achieve the envisaged level of efficiencies during the testing phase. The plant is expected to commence full scale operations in the coming quarter.

With TJL's additional capacity of 10-12% coupled with the continuous focus on improving its capabilities and demand from its main markets back on track, management is confident that the company will continue its growth and create shareholder value for the foreseeable future.

**Bill Lam**

**Chairman**

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014 Unaudited	2013 Unaudited	Variance	2014 Unaudited	2013 Unaudited	Variance	2014 Audited
Revenue	3,767,806	3,377,523	12%	9,902,072	9,479,683	4%	12,724,715
Cost of sales	(3,287,150)	(3,018,312)	9%	(8,863,811)	(8,426,132)	5%	(11,268,294)
<b>Gross profit</b>	<b>480,656</b>	<b>359,211</b>	<b>34%</b>	<b>1,038,261</b>	<b>1,053,551</b>	<b>-1%</b>	<b>1,456,421</b>
Other (expenses)/income	(605)	6,060	-110%	20,023	23,499	-15%	16,386
Distribution expenses	(22,808)	(19,401)	18%	(61,930)	(64,555)	-4%	(86,797)
Administrative expenses	(103,502)	(82,010)	26%	(270,918)	(271,053)	0%	(331,971)
<b>Results from operating activities</b>	<b>353,741</b>	<b>263,860</b>	<b>34%</b>	<b>725,436</b>	<b>741,442</b>	<b>-2%</b>	<b>1,054,039</b>
Non Operating Income	20,733	24,240	-14%	61,963	24,240	156%	48,595
Finance income	10,299	22,033	-53%	45,759	64,199	-29%	90,750
Finance costs	(940)	(10)	9303%	(2,382)	(191)	1149%	(297)
Net finance income	9,359	22,023	-58%	43,377	64,008	-32%	90,453
<b>Profit before tax</b>	<b>383,833</b>	<b>310,123</b>	<b>24%</b>	<b>830,776</b>	<b>829,690</b>	<b>0%</b>	<b>1,193,087</b>
Income tax	(7,736)	(8,733)	-11%	(8,836)	(24,724)	-64%	(40,315)
<b>Profit for the period</b>	<b>376,097</b>	<b>301,390</b>	<b>25%</b>	<b>821,940</b>	<b>804,966</b>	<b>2%</b>	<b>1,152,772</b>
<b>Basic earnings per share (LKR)</b>	<b>0.57</b>	<b>0.46</b>		<b>1.25</b>	<b>1.23</b>		<b>1.76</b>

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in Sri Lankan Rupees thousands)

	Quarter Ended			Period Ended			Year Ended
	31 December			31 December			31 March
	2014	2013	Variance	2014	2013	Variance	2013
Unaudited	Unaudited	Unaudited		Unaudited	Audited		
<b>Profit for the period</b>	<b>376,097</b>	<b>301,390</b>	<b>25%</b>	<b>821,940</b>	<b>804,966</b>	<b>2%</b>	<b>1,152,772</b>
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	3,753
Effect on remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	(31,272)
Currency translation differences	72,914	(137,991)	-153%	69,034	139,774	-51%	183,273
<b>Total other comprehensive income for the period</b>	<b>72,914</b>	<b>(137,991)</b>	<b>-153%</b>	<b>69,034</b>	<b>139,774</b>	<b>-51%</b>	<b>155,754</b>
<b>Total comprehensive income for the period</b>	<b>449,011</b>	<b>163,399</b>	<b>175%</b>	<b>890,974</b>	<b>944,740</b>	<b>-6%</b>	<b>1,308,526</b>

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in Sri Lankan Rupees thousands)

	As at 31 December		As at
	2014	2013	31 March
	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant & equipment	2,463,529	2,228,956	2,178,992
Capital work-in-progress	765,662	216,370	779,820
Intangible assets	55,411	43,517	56,715
Lease rentals paid in advance	90,494	92,588	92,319
	<b>3,375,096</b>	<b>2,581,431</b>	<b>3,107,846</b>
<b>Current assets</b>			
Inventories	1,800,309	1,686,304	1,924,517
Trade and other receivables	1,314,383	1,407,438	1,280,945
Cash and cash equivalents	2,130,619	2,338,227	2,121,875
	<b>5,245,311</b>	<b>5,431,969</b>	<b>5,327,337</b>
<b>Total assets</b>	<b>8,620,407</b>	<b>8,013,400</b>	<b>8,435,183</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	2,849,899	2,797,229	2,797,229
ESOP fund	19,473	NIL	19,473
Exchange equalisation reserve	1,161,278	1,048,745	1,092,244
Retained earnings	2,755,260	2,469,136	2,461,922
	<b>6,785,910</b>	<b>6,315,110</b>	<b>6,370,868</b>
<b>Non - current liabilities</b>			
Deferred tax liabilities	105,871	93,989	95,927
Retirement benefit obligations	116,840	69,786	98,389
	<b>222,711</b>	<b>163,775</b>	<b>194,316</b>
<b>Current liabilities</b>			
Trade and other payables	1,128,465	1,519,825	1,818,093
Bank overdrafts	483,321	14,690	51,906
	<b>1,611,786</b>	<b>1,534,515</b>	<b>1,869,999</b>
<b>Total liabilities</b>	<b>1,834,497</b>	<b>1,698,290</b>	<b>2,064,315</b>
<b>Total equity and liabilities</b>	<b>8,620,407</b>	<b>8,013,400</b>	<b>8,435,183</b>
<b>Net Asset per share</b>	<b>10.27</b>	<b>9.64</b>	<b>9.73</b>

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd

**Salman Nishtar**

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Sgd

**Sriyan Joseph de Silva Wijeyeratne**

Managing Director/Chief Executive Officer

Sgd

**Hasitha Premarathne**

Director

29-Jan-2015

TEXTURED JERSEY LANKA PLC

Statement of Changes In Equity

(all amounts in Sri Lankan Rupees thousands)

	Stated capital	ESOP fund	Exchange equalisation reserve	Retained earnings	Total
<b>Balance as at 1 April 2013</b>	<b>2,797,229</b>	NIL	<b>908,971</b>	<b>2,044,071</b>	<b>5,750,271</b>
Profit for the period	NIL	NIL	NIL	1,152,772	<b>1,152,772</b>
Other comprehensive income	NIL	NIL	183,273	(27,519)	<b>155,754</b>
<b>Total comprehensive income</b>	<b>NIL</b>	<b>NIL</b>	<b>183,273</b>	<b>1,125,253</b>	<b>1,308,526</b>
<b>Transactions with owners</b>					
Final dividend paid - 2012/13	NIL	NIL	NIL	(379,901)	(379,901)
Interim dividend paid - 2013/14	NIL	NIL	NIL	(327,501)	(327,501)
ESOP fund	NIL	19,473	NIL	NIL	19,473
<b>Balance as at 31 March 2014</b>	<b>2,797,229</b>	<b>19,473</b>	<b>1,092,244</b>	<b>2,461,922</b>	<b>6,370,868</b>
<b>Balance as at 1 April 2014</b>	<b>2,797,229</b>	<b>19,473</b>	<b>1,092,244</b>	<b>2,461,922</b>	<b>6,370,868</b>
Issue of shares	52,670	NIL	NIL	NIL	52,670
Profit for the period	NIL	NIL	NIL	821,940	821,940
Other comprehensive income	NIL	NIL	69,034	NIL	69,034
<b>Total comprehensive income</b>	<b>NIL</b>	<b>NIL</b>	<b>69,034</b>	<b>821,940</b>	<b>890,974</b>
<b>Transactions with owners</b>					
Final dividend paid - 2013/14	NIL	NIL	NIL	(528,602)	(528,602)
<b>Balance as at 31 December 2014</b>	<b>2,849,899</b>	<b>19,473</b>	<b>1,161,278</b>	<b>2,755,260</b>	<b>6,785,910</b>
<b>Balance as at 1 April 2013</b>	<b>2,797,229</b>	NIL	<b>908,971</b>	<b>2,044,071</b>	<b>5,750,271</b>
Profit for the period	NIL	NIL	NIL	804,966	804,966
Other comprehensive income	NIL	NIL	139,774	NIL	139,774
<b>Total comprehensive income</b>	<b>NIL</b>	<b>NIL</b>	<b>139,774</b>	<b>804,966</b>	<b>944,740</b>
<b>Transactions with owners</b>					
Final dividend paid - 2012/13	NIL	NIL	NIL	(379,901)	(379,901)
<b>Balance as at 31 December 2013</b>	<b>2,797,229</b>	<b>NIL</b>	<b>1,048,745</b>	<b>2,469,136</b>	<b>6,315,110</b>

TEXTURED JERSEY LANKA PLC

Cash Flow Statement

(all amounts in Sri Lankan Rupees thousands)

	Period Ended 31 December	
	2014	2013
	Unaudited	Unaudited
<b>Cash flows from operating activities</b>		
Cash generated from operations	520,972	1,114,946
Finance income received	48,355	64,199
Finance cost paid	(2,382)	(42)
Retirement benefit obligations paid	(2,917)	(3,685)
<b>Net cash generated from operating activities</b>	<b>564,028</b>	<b>1,175,418</b>
<b>Cash flows from investing activities</b>		
Additions to capital work - in - progress	(497,251)	(270,295)
Purchase of intangible assets	(13,638)	(21,002)
<b>Net cash used in investing activities</b>	<b>(510,889)</b>	<b>(291,297)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(528,602)	(379,901)
Proceed from issuance of Ordinary shares	52,791	NIL
<b>Net cash used in financing activities</b>	<b>(475,811)</b>	<b>(379,901)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(422,672)</b>	<b>504,220</b>
Cash and cash equivalents at the beginning of the period	2,069,969	1,837,052
<b>Cash and cash equivalents at the end of the period</b>	<b>1,647,297</b>	<b>2,341,272</b>

# TEXTURED JERSEY LANKA PLC

## Notes to the Financial Statements

### 1 Corporate Information

Textured Jersey Lanka PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The address of its registered office is Block D8 - D14, C V Gooneratne Seethawaka International Industrial Park, Avissawella.

### 2 Condensed Interim Financial Statements

The financial statements for the period ended 31 December 2014, includes "the Company" referring to Textured Jersey Lanka PLC .

The Company has also presented the statement of comprehensive income and the statement of financial position in United States Dollars (USD) since the functional currency of the enterprise is USD.

### 3 Approval of Financial Statements

The condensed interim financial statements of the Company for the 03 months ended 31 December 2014 were authorised for issue by the Board of Directors on 29 January 2015.

### 4 Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 Interim Financial Reporting . The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014.

The condensed interim financial statements have been prepared on a historical cost basis.

### 5 Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

### 6. 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 31 March 2014.

### 7. Events after the Reporting Period

No circumstances have arisen since the Statement of Financial Position date which would require adjustment to or disclosure in the Financial Statements.

### 8. Key Ratios of the Company

	Period Ended 31 December	
	2014	2013
<b>Profitability Ratios</b>		
Net Profit Margin	8.30%	8.49%
Asset to Turnover	1.53	1.58
Debt : Equity	0.07	0.00
Return on Assets (ROA)	12.85%	13.52%
Return on Equity (ROE)	16.66%	17.79%

### Investor Ratios

Earnings per Share (EPS) - LKR	1.25	1.23
Net Book Value per Share - LKR	10.27	9.64
Price / Earnings Ratio (PE Ratio)	12.36	9.28
Price to Book Value Ratio (PBV Ratio)	2.01	1.58

(PE and PBV Ratios are based on a market price of LKR 20.60 per share closed 31 December 2014)

### 9 Number of shares representing the entity's Stated Capital - 660,752,465 Shares

### 10 Directors' Interest in Shares of the Company (As at 31 December 2014)

	No. of Shares
Hasitha Premaratne	40,000



## TEXTURED JERSEY LANKA PLC

### Notes to the Financial Statements

#### 11 Market Price per Share

	Highest (LKR)	Lowest (LKR)
Period ended 31 December 2014	21.90	18.80
Last traded price (on 31 December 2014)	20.60	

#### 12 Public Shareholding 199,234,261 (30.17%) shares by 9,099 share holders

#### 13 List of the 20 Largest Shareholders

	No. of Shares	
Pacific Textured Jersey Holdings Limited	262,001,464	39.65%
Brandix Lanka Ltd-Number 1 Account	197,000,976	29.81%
Mr. Y.S.H.I.Silva	19,057,500	2.88%
Melstacorp Limited	12,622,428	1.91%
Deutsche Bank Ag Singapore-DSS A/C Navis Yield Fund	11,132,219	1.68%
J.B. Cocoshell (Pvt) Ltd	10,625,537	1.61%
Mcbridge Blue (Private) Limited	5,150,700	0.78%
National Savings Bank	4,335,000	0.66%
MAS Capital (Private) Limited	3,277,202	0.50%
Citi Bank NY S/A Forward Select EM Dividend Fund	3,224,998	0.49%
Periceyl ( Private ) Limited A/C No. 03	2,694,100	0.41%
Employees Trust Fund Board	2,679,251	0.41%
Mcsen Range Private Limited	2,031,400	0.31%
Nawaloka Piling Private Limited	2,031,400	0.31%
South Asian Investment (Pvt) Ltd	2,031,400	0.31%
Ms O.D.Gunewardene	2,000,000	0.30%
Peoples Bank	1,710,228	0.26%
Mr. K.Balendra	1,691,200	0.26%
Mr. A.R.Gunasekara	1,556,200	0.24%
Union Assurance PLC/No-01A/C	1,553,000	0.24%
Amana Bank Limited	1,547,672	0.23%
Miss. D.S.T.Jayawardena	1,429,300	0.22%

TEXTURED JERSEY LANKA PLC

Income Statement

(all amounts in United States Dollars)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014 Unaudited	2013 Unaudited	Variance	2014 Unaudited	2013 Unaudited	Variance	2014 Audited
Revenue	28,711,671	25,758,093	11%	75,692,342	73,083,675	4%	97,867,363
Cost of sales	(25,045,652)	(23,020,718)	9%	(67,755,777)	(64,961,314)	4%	(86,665,853)
<b>Gross profit</b>	3,666,019	2,737,375	34%	7,936,565	8,122,361	-2%	11,201,510
Other (expenses)/income	(4,930)	45,915	-111%	153,055	181,165	-16%	126,033
Distribution expenses	(173,767)	(147,493)	18%	(473,397)	(497,688)	-5%	(667,570)
Administrative expenses	(788,727)	(623,552)	26%	(2,070,918)	(2,089,687)	-1%	(2,553,232)
<b>Results from operating activities</b>	2,698,595	2,012,245	34%	5,545,305	5,716,151	-3%	8,106,741
Non Operating Income	157,884	186,876	-16%	473,652	186,876	153%	373,752
Finance income	78,202	167,932	-53%	349,774	494,943	-29%	697,972
Finance costs	(7,167)	(77)	9154%	(18,206)	(1,470)	1138%	(2,285)
<b>Net finance income</b>	71,035	167,855	-58%	331,568	493,473	-33%	695,687
<b>Profit before tax</b>	2,927,514	2,366,976	24%	6,350,525	6,396,500	-1%	9,176,180
<b>Income tax</b>	(59,118)	(66,594)	-11%	(67,544)	(190,612)	-65%	(310,072)
<b>Profit for the period</b>	<b>2,868,396</b>	<b>2,300,382</b>	<b>25%</b>	<b>6,282,981</b>	<b>6,205,888</b>	<b>1%</b>	<b>8,866,108</b>

TEXTURED JERSEY LANKA PLC

Statement of Comprehensive Income

(all amounts in United States Dollars)

	Quarter Ended 31 December			Period Ended 31 December			Year Ended 31 March
	2014	2013	Variance	2014	2013	Variance	2014
	Unaudited	Unaudited		Unaudited	Unaudited		Audited
<b>Profit for the period</b>	2,868,396	2,300,382	25%	6,282,981	6,205,888	1%	8,866,108
<b>Other comprehensive income</b>							
Deferred tax attributable to remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	28,862
Effect on remeasurement of retirement benefit obligations	NIL	NIL	-	NIL	NIL	-	(240,518)
<b>Total other comprehensive income for the period</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>	<b>NIL</b>	<b>NIL</b>	<b>-</b>	<b>(211,656)</b>
<b>Total comprehensive income for the period</b>	<b>2,868,396</b>	<b>2,300,382</b>	<b>25%</b>	<b>6,282,981</b>	<b>6,205,888</b>	<b>1%</b>	<b>8,654,452</b>

TEXTURED JERSEY LANKA PLC

Statement of Financial Position

(all amounts in United States Dollars)

	As at 31 December		As at 31 March
	2014	2013	2014
	Unaudited	Unaudited	Audited
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant & equipment	18,663,099	17,184,152	16,684,471
Capital work-in-progress	5,800,469	1,668,100	5,971,058
Intangible assets	419,777	335,494	434,263
Lease rentals paid in advance	685,563	713,811	706,880
	25,568,908	19,901,557	23,796,672
<b>Current assets</b>			
Inventories	13,638,706	13,000,570	14,735,968
Trade and other receivables	9,957,447	10,850,653	9,808,154
Cash and cash equivalents	16,141,052	18,026,577	16,247,126
	39,737,205	41,877,800	40,791,248
<b>Total assets</b>	<b>65,306,113</b>	<b>61,779,357</b>	<b>64,587,920</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	29,028,481	28,624,940	28,624,940
ESOP Fund	149,794	NIL	149,794
Retained earnings	22,230,124	20,061,431	20,006,789
	51,408,399	48,686,371	48,781,523
<b>Non - current liabilities</b>			
Deferred tax liabilities	802,056	724,606	734,513
Retirement benefit obligations	885,155	538,019	753,358
	1,687,211	1,262,625	1,487,871
<b>Current liabilities</b>			
Trade and other payables	8,548,979	11,717,110	13,921,083
Bank overdrafts	3,661,524	113,251	397,443
	12,210,503	11,830,361	14,318,526
<b>Total liabilities</b>	<b>13,897,714</b>	<b>13,092,986</b>	<b>15,806,397</b>
<b>Total equity and liabilities</b>	<b>65,306,113</b>	<b>61,779,357</b>	<b>64,587,920</b>

I certify that financial statements comply with the requirements of the Companies Act No. 07 of 2007.

Sgd

**Salman Nishtar**

Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Sgd

**Sriyan Joseph de Silva Wijeyeratne**

Managing Director/Chief Executive Officer

Sgd

**Hasitha Premarathne**

Director

29-Jan-2015