

CIEL TEXTILE LIMITED AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

CONDENSED INCOME STATEMENTS

	THE GROUP	
	Year ended 30 June 2018 AUDITED	Year ended 30 June 2017 AUDITED
	Rs '000	Rs '000
Revenue	10,943,943	10,509,069
Earnings before interest, tax, depreciation and amortisation	759,024	997,002
Depreciation and amortisation	(274,316)	(250,218)
Earnings before interest and income tax	484,708	746,784
Net finance costs	(124,470)	(82,120)
Profit before income tax	360,238	664,664
Income tax expense	(42,961)	(103,153)
Profit for the year	317,277	561,511
Attributable to:-		
Owners of the Company	232,784	458,645
Non-Controlling Interests	84,493	102,866
	317,277	561,511
Basic and diluted Earnings per Share		
Earnings attributable to Owners of the Company (Rs '000)	232,784	458,645
Number of shares used in calculation ('000)	101,808	101,808
Basic and diluted Earnings per Share (Rs.Cs)	2.29	4.51

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP	
	Year ended 30 June 2018 AUDITED	Year ended 30 June 2017 AUDITED
	Rs '000	Rs '000
Profit for the year	317,277	561,511
Other comprehensive income:		
Revaluation surplus, net of deferred tax	11,771	16,979
Remeasurements of post retirement benefit obligations net of deferred tax	(7,897)	(27,818)
Amount recognised in cash flow hedge reserve net of deferred tax	74,930	(30,064)
Exchange differences on retranslation of foreign subsidiaries	(187,893)	(26,634)
Other comprehensive loss for the year	(109,089)	(67,537)
Total comprehensive income for the year	208,188	493,974
Total comprehensive income attributable to:		
Owners of the Company	139,105	378,494
Non Controlling Interests	69,083	115,480
	208,188	493,974

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	As at 30 June 2018 AUDITED	As at 30 June 2017 AUDITED
	Rs '000	Rs '000
ASSETS EMPLOYED		
Non Current Assets		
Property, Plant and Equipment	4,129,861	4,079,349
Investments and Others	82,136	121,737
	4,211,997	4,201,086
Current Assets	6,669,243	6,148,404
TOTAL ASSETS	10,881,240	10,349,490
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	685,865	685,865
Revaluation and Other Reserves	611,355	705,034
Retained Earnings	2,996,059	3,050,177
Total attributable to owners of the company	4,293,279	4,441,076
Non Controlling Interests	322,807	292,053
Total Equity	4,616,086	4,733,129
Non Current Liabilities	528,193	629,558
Current Liabilities	5,736,961	4,986,803
TOTAL EQUITY AND LIABILITIES	10,881,240	10,349,490
Net Interest Bearing Debts	3,471,213	2,646,814
Net Assets Value per Share (Rs.Cs)	42.17	43.62

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	Year ended 30 June 2018 AUDITED	Year ended 30 June 2017 AUDITED
	Rs '000	Rs '000
Net Cash from Operating Activities	39,176	674,018
Net Cash used in Investing Activities	(502,147)	(602,553)
Net Cash from/(used in) Financing Activities	149,234	(75,580)
Decrease in Cash and Cash Equivalents	(313,737)	(4,115)
Exchange differences	(5,085)	(399)
Cash and Cash Equivalents at 01 July	(373,363)	(368,849)
Cash and Cash Equivalents at 30 June	(692,185)	(373,363)

CONDENSED SEGMENTAL RESULTS - BY CLUSTER

THE GROUP	Year ended 30 June 2018			Year ended 30 June 2017		
	Woven AUDITED	Knitwear, Knits and Retail AUDITED	Total AUDITED	Woven AUDITED	Knitwear, Knits and Retail AUDITED	Total AUDITED
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Revenue	6,382,943	4,561,000	10,943,943	6,190,281	4,318,788	10,509,069
Earnings before interest and income tax	443,642	41,066	484,708	702,722	44,062	746,784
Net finance costs	(49,397)	(75,073)	(124,470)	(28,090)	(54,030)	(82,120)
Profit/(loss) before income tax	394,245	(34,007)	360,238	674,632	(9,968)	664,664
Income tax (expense)/credit	(44,267)	1,306	(42,961)	(86,227)	(16,926)	(103,153)
Profit/(loss) for the year	349,978	(32,701)	317,277	588,405	(26,894)	561,511
Non-controlling interests	(84,493)	-	(84,493)	(102,866)	-	(102,866)
Profit/(loss) attributable to Owners of the Company	265,485	(32,701)	232,784	485,539	(26,894)	458,645

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	THE GROUP					
	Stated Capital	Revaluation and Other Reserves	Retained Earnings	Sub Total	Non Controlling Interests	Total Equity
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
At 01 July 2017	685,865	705,034	3,050,177	4,441,076	292,053	4,733,129
Profit for the year	-	-	232,784	232,784	84,493	317,277
Other comprehensive loss for the year	-	(93,679)	-	(93,679)	(15,410)	(109,089)
Ordinary Dividends paid by holding company	-	-	(279,971)	(279,971)	-	(279,971)
Changes in ownership interest in subsidiaries that do not result in a loss of control	-	-	(448)	(448)	-	(448)
Dividends and tax paid by foreign subsidiary	-	-	(6,483)	(6,483)	(38,329)	(44,812)
At 30 June 2018	685,865	611,355	2,996,059	4,293,279	322,807	4,616,086
At 01 July 2016	685,865	785,185	2,922,721	4,393,771	329,916	4,723,687
Profit for the year	-	-	458,645	458,645	102,866	561,511
Other comprehensive (loss)/income for the year	-	(80,151)	-	(80,151)	12,614	(67,537)
Ordinary Dividends paid by holding company	-	-	(305,423)	(305,423)	-	(305,423)
Dividends and tax paid by Foreign Subsidiary	-	-	(25,766)	(25,766)	(153,343)	(179,109)
At 30 June 2017	685,865	705,034	3,050,177	4,441,076	292,053	4,733,129

Comments on the Condensed Audited Financial Statements for the year ended 30 June 2018

Results

CIEL Textile posted a profit after tax of Rs 317.3m for the financial year under review compared to Rs 561.5m for last year's corresponding financial year.

The Group experience lower sales margins, while higher than forecasted costs in the region and reduction of export subsidies in India have also impacted profitability.

Outlook

Order books are improving, while foreign currency volatility remain a constant threat.

Loading and efficiencies of the Knits factory in India and the Knitwear automated factory in Antsirabe (Madagascar) are on an ameliorating trend.

Upcoming general elections in Madagascar, current negotiations for a Brexit agreement between EU and UK and the resurgence of trade tariffs on the international front, are being followed with attention.

By order of the Board

CIEL Corporate Services Ltd
Secretaries

25 September 2018

The condensed financial statements of CIEL Textile Limited and all its subsidiaries are audited and have been prepared in accordance with International Financial Reporting Standards (IFRS). Copies of the report are available free of charge at the registered office of the Company, 5th Floor, Ebene Skies, Rue de l'Institut, Ebene. These audited condensed financial statements are issued pursuant to DEM Rule 17 and the Securities Act 2005. The statement of direct and indirect interests of Insiders pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available free of charge, at the registered office of the Company. The Board of Directors of CIEL Textile Limited accepts full responsibility for the accuracy of the information contained in the report.

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