

**INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED 30 JUNE 2017
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
CONSOLIDATED INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period months ended 30 June	Group		Company	
	2017	2016	2017	2016
Revenue	3,403,224	3,361,809	1,754,085	1,769,091
Cost of sales	(3,037,202)	(2,555,906)	(1,622,671)	(1,424,223)
Gross profit	366,022	805,903	131,414	344,868
Other income	16,867	15,879	13,936	9,859
Distribution costs	(186,203)	(185,059)	(71,426)	(81,553)
Administrative costs	(110,389)	(102,265)	(46,326)	(42,265)
Results from operating activities	86,298	534,458	27,599	230,909
Net finance costs	(81,366)	(58,543)	(48,221)	(35,828)
Share of profit of investments accounted for using the equity method	2,402	6,077	-	-
Profit before income tax	7,334	481,992	(20,622)	195,081
Income tax expenses	(12,792)	(132,885)	-	(53,573)
Profit for the year	(5,458)	349,107	(20,622)	141,508
Profit attributable to :				
- Owners of the parent	(12,293)	306,171	(20,622)	141,508
- Non-controlling interests	6,835	42,936	-	-
	(5,458)	349,107	(20,622)	141,508
Earnings per share (Rs.)	(0.10)	2.56	(0.17)	1.18

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period months ended 30 June

	Group		Company	
	2017	2016	2017	2016
Profit for the year	(5,458)	349,107	(20,622)	141,508
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	4,963	(81)	1,582	(594)
Share of other comprehensive income of equity accounted investee, net of tax	186	-	-	-
Other comprehensive income for the year, net of tax	5,149	(81)	1,582	(594)
Total comprehensive income for the year, net of tax	(309)	349,026	(19,040)	140,914
Total comprehensive income attributable to:				
- Owners of the parent	(8,321)	305,912	(19,040)	140,914
- Non-controlling interests	8,012	43,115	-	-
Total comprehensive income for the year, net of tax	(309)	349,026	(19,040)	140,914

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 June 2017	31 March 2017	30 June 2017	31 March 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3,321,473	3,347,709	1,368,709	1,383,290
Work in progress	24,973	31,678	653	653
Investment property	538,750	538,750	285,000	285,000
Intangible assets	8,809	9,138	2,815	3,144
Pre paid lease rentals	1,660	1,666	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	277,874	275,286	333,454	333,454
Available-for-sale Financial assets	39,175	34,211	12,709	11,127
Deferred income tax assets	1,774	1,774	-	-
	4,214,488	4,240,212	2,579,583	2,592,911
Current assets				
Inventories	5,107,883	4,363,337	2,392,814	1,995,157
Trade and other receivables	5,820,316	5,334,170	4,208,961	3,083,933
Pre paid lease rentals	22	22	-	-
Held-to-maturity financial assets	624,827	402,752	459,900	238,608
Cash and cash equivalents	1,287,808	2,224,971	297,047	815,363
	12,840,856	12,325,252	7,358,722	6,133,061
TOTAL ASSETS	17,055,344	16,565,464	9,938,305	8,725,972
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	1,790,589	1,790,589	795,582	795,582
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	10,539	6,752	2,878	1,296
Retained earnings	6,098,490	6,110,597	3,087,153	3,107,775
Equity attributable to owners of the parent	9,322,931	9,331,250	4,865,367	4,884,407
Non-controlling interests	1,143,330	1,135,318	-	-
Total equity	10,466,261	10,466,568	4,865,367	4,884,407
Non-current liabilities				
Defined benefit obligations	255,102	241,241	146,630	139,334
Deferred tax liability	269,252	269,252	120,089	120,089
Borrowings	176,841	207,841	175,000	200,000
	701,195	718,334	441,719	459,423
Current liabilities				
Trade and other payables	2,174,298	1,950,217	1,564,758	937,809
Current income tax liability	768,752	842,931	446,727	468,118
Borrowings	2,296,514	1,555,134	2,018,817	1,148,315
Bank overdraft	648,325	1,032,279	600,917	827,900
	5,887,888	5,380,561	4,631,219	3,382,142
Total liabilities	6,589,083	6,098,896	5,072,938	3,841,565
Total equity and liabilities	17,055,344	16,565,464	9,938,305	8,725,972
Net asset value per share	77.83	77.90	40.62	40.78
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			64.90	61.50
Lowest price (Rs.)			54.00	53.00
Last traded price (Rs.)			56.50	54.50

It is certified that these financial statements have been prepared in compliance with the requirements of Companies Act, No. 07 of 2007.

Sgd.
Champika Coomasaru
Group Financial Controller

Sgd.
U. G. Madanayake
Chairman
14 August 2017
Colombo

Sgd.
Suren Madanayake
Managing Director

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 30 June 2017

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2017	299,488	1,790,589	1,123,825	6,752	6,110,597	9,331,250	1,135,318	10,466,568
Net profit	-	-	-	-	(12,293)	(12,293)	6,835	(5,458)
Fair value adjustment for available-for-sale financial assets	-	-	-	3,786	-	3,786	1,177	4,963
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	186	186	-	186
Total comprehensive income	-	-	-	3,786	(12,107)	(8,321)	8,012	(309)
Balance at 30 June 2017	299,488	1,790,589	1,123,825	10,539	6,098,490	9,322,931	1,143,330	10,466,261

For the year ended 31 March 2016

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2016	299,488	1,875,347	1,123,825	4,854	5,141,742	8,445,256	1,026,303	9,471,559
Net profit	-	-	-	-	306,171	306,171	42,936	349,107
Fair value adjustment for available-for-sale financial assets	-	-	-	(259)	-	(259)	179	(80)
Total comprehensive income	-	-	-	(259)	306,171	305,912	43,115	349,027
Balance at 30 June 2016	299,488	1,875,347	1,123,825	4,595	5,447,913	8,751,168	1,069,418	9,820,586
Balance at 1 July 2016	299,488	1,875,347	1,123,825	4,595	5,447,913	8,751,168	1,069,418	9,820,586
Net profit	-	-	-	-	811,683	811,683	94,649	906,332
Fair value adjustment for available-for-sale financial assets	-	-	-	2,157	-	2,157	348	2,505
Re-measurements of post employment benefit obligation	-	-	-	-	32,883	32,883	-	32,883
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(8,267)	(8,267)	-	(8,267)
Deferred tax on revaluation surplus	-	(79,719)	-	-	-	(79,719)	-	(79,719)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(935)	(935)	-	(935)
Total comprehensive income	-	(79,719)	-	2,157	835,364	757,802	94,997	852,799
Transfers upon disposal of available-for-sale investments	-	-	-	-	-	-	-	-
Transfer from revaluation reserve	-	(7,000)	-	-	7,000	-	-	-
Deferred tax on transfer from revaluation reserve	-	1,961	-	-	-	1,961	-	1,961
Dividends	-	-	-	-	(179,681)	(179,681)	(29,098)	(208,779)
Balance at 31 March 2017	299,488	1,790,589	1,123,825	6,752	6,110,597	9,331,250	1,135,318	10,466,568

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 30 June 2017

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2017	299,488	795,582	680,266	1,296	3,107,775	4,884,407
Net profit	-	-	-	-	(20,622)	(20,622)
Fair value adjustment for available-for-sale financial assets	-	-	-	1,582	-	1,582
Total comprehensive income	-	-	-	1,582	(20,622)	(19,040)
Balance at 30 June 2017	299,488	795,582	680,266	2,878	3,087,153	4,865,367

No of shares as at 30 June 2017

119,787,360

For the year ended 31 March 2017

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2016	299,488	849,241	680,266	386	2,268,886	4,098,267
Net profit	-	-	-	-	141,508	141,508
Fair value adjustment for available-for-sale financial assets	-	-	-	(594)	-	(594)
Total comprehensive income	-	-	-	(594)	141,508	140,914
Balance at 30 June 2016	299,488	849,241	680,266	(208)	2,410,394	4,239,181
Balance at 1 July 2016	299,488	849,241	680,266	(208)	2,410,394	4,239,181
Net profit	-	-	-	-	860,390	860,390
Fair value adjustment for available-for-sale financial assets	-	-	-	1,504	-	1,504
Re-measurements of post employment benefit obligation	-	-	-	-	23,156	23,156
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(6,484)	(6,484)
Deferred tax on revaluation surplus	-	(53,659)	-	-	-	(53,659)
Total comprehensive income	-	(53,659)	-	1,504	877,062	824,907
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 March 2017	299,488	795,582	680,266	1,296	3,107,775	4,884,407

No of shares as at 31 March 2017

119,787,360

ACL CABLES PLC
STATEMENT OF CASH FLOW

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period months ended 30 June

	GROUP		COMPANY	
	2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	7,334	481,992	(20,622)	195,081
Adjustments for:				
Depreciation of property, plant and equipment	55,056	58,850	22,501	23,114
share of profit from equity accounted investee (net of tax)	(2,402)	(6,077)	-	-
Dividend income	(189)	(228)	(189)	(180)
Interest expense/(income)	85,029	58,543	51,101	35,828
Exchange gain on investment in Sri Lanka development bonds	(3,663)	(14,167)	(2,880)	(7,880)
Profit on disposal of property, plant and equipment	-	(2,325)	-	-
Amortization of leasehold properties	6	6	-	-
Defined benefit obligations	15,480	15,289	8,076	8,076
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(744,546)	(31,401)	(397,657)	44,773
Receivables and prepayments	(486,146)	(817,207)	(1,125,028)	(936,741)
Increase/(Decrease) in;				
Trade and other payables	224,081	(51,424)	626,949	429,304
Cash generated from/ (used in) operations	(849,961)	(308,149)	(837,749)	(208,625)
Interest received/(paid)	(85,029)	(58,543)	(51,101)	(35,828)
Defined benefit obligations paid	(1,619)	(5,771)	(780)	(2,218)
Income tax paid less refund received	(86,971)	(7,447)	(21,391)	-
Net cash (used in)/from operating activities	(1,023,580)	(379,910)	(911,021)	(246,671)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(21,786)	(41,303)	(7,591)	(5,783)
Investment in held-to-maturity investments	(457,020)	(230,068)	(457,020)	(230,068)
Dividend received	189	228	189	180
Sales proceeds from held-to-maturity investments	238,609	293,080	238,609	293,080
Sales proceeds from disposal of property, plant and equipment	-	5,230	-	-
Net cash from/(used in) investing activities	(240,008)	27,167	(225,813)	57,409
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	741,380	(91,484)	870,502	74,825
Long term borrowings net of payments	(31,000)	185,550	(25,000)	191,550
Net cash generated from/ (used in) financing activities	710,380	94,066	845,502	266,375
Net increase/(decrease) in cash & cash equivalents	(553,208)	(258,677)	(291,333)	77,113
Cash and cash equivalents at the beginning of the year	1,192,692	782,783	(12,537)	(426,692)
Cash and cash equivalents at the end of the year	639,484	524,106	(303,870)	(349,579)

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period months ended 30 June</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 2016
Revenue					
Total revenue	3,357,529	331,521	555,935	4,244,985	4,629,061
Inter-segment sales	(128,056)	(301,318)	(412,387)	(841,761)	(1,267,252)
External sales	3,229,473	30,203	143,548	3,403,224	3,361,809
Results					
Profit/(loss) before other income and finance cost	28,302	24,468	16,661	69,431	518,579
Other income	14,923	1,944	-	16,867	15,879
Finance (cost)/income	(57,551)	(2,022)	(21,793)	(81,366)	(58,543)
Share of profit of equity accounted investee and gain on bargain purchase (Power and energy)	-	-	-	2,402	6,077
Taxation	(2,041)	(7,800)	(2,951)	(12,792)	(132,885)
Profit/(loss) after taxation	(16,367)	16,590	(8,083)	(5,458)	349,107
Capital expenditure					
Segment capital expenditure	19,110	2,345	331	21,786	41,303
Total capital expenditure				21,786	41,303
Depreciation and amortisation					
Segment depreciation	43,060	4,237	7,759	55,056	58,850
Total depreciation and amortisation				55,056	58,850

<i>For the period months ended 30 June</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 31 March 2016
Assets					
Segment assets	13,917,987	590,910	1,954,984	16,463,881	15,974,301
Unallocated corporate assets				591,463	591,163
Total assets				17,055,344	16,565,464
Liabilities					
Segment liabilities	5,095,157	152,738	1,337,040	6,584,935	6,094,748
Unallocated corporate liabilities				4,148	4,148
Total liabilities				6,589,083	6,098,896

(b) Geographical segment information - revenue

<i>For the period months ended 30 June</i>	Group		Company	
	2017	2016	2017	2016
Local sales	2,923,176	2,812,094	1,524,567	1,499,859
Export sales	480,048	549,715	229,518	269,232
	3,403,224	3,361,809	1,754,085	1,769,091

- 2.** 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 2017 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
- 3.** Where necessary, the presentation and classification of the financial statements of the previous period have been adjusted for better presentation and to be comparable with year end reporting.
- 4.** There were no liabilities for management fees or any other similar expenditures in the interim financial statements.
- 5.** There were no funds raised through an IPO/Rights/Debenture issues by the group of companies.
- 6.** There have been no other events subsequent to the balance sheet date, which require disclosures in the interim financial statements.
- 7.** There were no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2017.

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 30 June 2017

	Shareholder Name	Number of shares	Holdings %
1	Mr. U. G. Madanayake	45,694,432	38.15%
2	Mr. Suren Madanayake	26,604,792	22.21%
3	Employees Provident Fund	5,907,432	4.93%
4	Employees Trust Fund Board	4,427,057	3.70%
5	Deutsche Bank AG -National Equity Fund	2,264,314	1.89%
6	Mrs. N.C. Madanayake	2,064,200	1.72%
7	Bnymsanv Re-Compass Asia Partners,L.P.	2,000,000	1.67%
8	Seylan Bank Ltd/Govindasami Ramanan	1,590,308	1.33%
9	FAB Foods (Private) Ltd	1,535,040	1.28%
10	Deutsche Bank AG AS Trustee for Namal Acuity	1,500,000	1.25%
11	Bank of Ceylon-No 2 A/C	1,320,800	1.10%
12	Bank of Ceylon, No.01 Account	1,005,246	0.84%
13	Mellon Bank N A - Commonwealth of Massachuse	780,956	0.65%
14	Ceylon Investment Plc A/C # 01	725,842	0.61%
15	Perera R.D.M.	701,864	0.59%
16	Selliah A & Selliah S	700,000	0.58%
17	Sir Cyril De Zoysa Trust	682,072	0.57%
18	Arunodhaya (Private) Limited	500,000	0.42%
19	Arunodhaya Industries (Private) Limited	500,000	0.42%
20	Arunodhaya Investments (Private) Limited	500,000	0.42%
		101,004,355	84.32%

Share holding of directors as at 30 June 2017

	Director Name	Number of shares	Holdings %
01.	Mr. U. G. Madanayake - Chairman	45,694,432	38.15%
02.	Mr. Suren Madanayake - Managing Director	26,604,792	22.21%
03.	Mrs. N.C. Madanayake	2,064,200	1.72%
04.	Dr.Sivakumar Selliah	700,000	0.58%
05.	Mr. Ajit Jayaratne	-	-
06.	Mr. Hemaka Amarasuriya	-	-
07.	Mr. D.D. Wahalthanthri	-	-
08.	Mr. Rajiv Casie Chitty	-	-
Total held by Directors		75,063,424	62.66%
Shares held by public as at 30 June 2017		44,723,936	37.34%
Total No of Shares as at 30 June 2017		119,787,360	100.00%

No of public share holders as at 30 June 2017

2,466