

**INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2014  
UNAUDITED**



**ACL CABLES PLC (PQ 102)**

**ACL CABLES PLC**  
**CONSOLIDATED INCOME STATEMENT**

*Unaudited*

	Quarter ended 31 December		Period ended 31 December	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
Revenue	4,601,367	3,074,397	11,087,513	9,222,638
Cost of sales	(3,932,543)	(2,564,714)	(9,397,463)	(7,832,874)
<b>Gross profit</b>	668,824	509,683	1,690,050	1,389,764
Other income	6,028	6,517	15,947	29,500
Distribution costs	(205,338)	(164,741)	(541,551)	(459,875)
Administrative costs	(90,754)	(87,133)	(277,554)	(240,019)
<b>Results from operating activities</b>	378,760	264,326	886,892	719,370
Net finance costs	(113,430)	(80,026)	(281,305)	(215,354)
Share of profit of equity accounted investee and gain on bargain purchase (Note 7)	61,829	-	61,829	-
<b>Profit before income tax</b>	327,159	184,300	667,416	504,016
Income tax expenses	(72,285)	(24,377)	(178,700)	(116,506)
<b>Profit for the period</b>	254,875	159,923	488,717	387,510
Share of profit attributable to non-controlling interest	(19,891)	(16,669)	(51,948)	(53,780)
Net profit attributable to equity holders of the Company	234,984	143,254	436,769	333,730
<b>Earnings per share (Rs.)</b>	3.92	2.39	7.29	5.57

**ACL CABLES PLC**  
**COMPANY INCOME STATEMENT**

*Unaudited*

	Quarter ended 31 December		Period ended 31 December	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
Revenue	2,222,505	1,399,935	5,543,864	4,634,693
Cost of sales	(1,914,819)	(1,259,284)	(4,793,814)	(4,169,375)
<b>Gross profit</b>	307,686	140,651	750,050	465,318
Other income	2,106	1,441	65,287	69,215
Distribution costs	(78,340)	(58,562)	(209,819)	(185,088)
Administrative costs	(40,061)	(32,850)	(122,000)	(97,262)
<b>Results from operating activities</b>	191,391	50,680	483,518	252,183
Net finance costs	(58,807)	(61,123)	(162,205)	(172,964)
<b>Profit before income tax</b>	132,584	(10,443)	321,313	79,219
Income tax expenses	(36,685)	1,786	(75,827)	(5,664)
<b>Profit for the period</b>	95,899	(8,657)	245,486	73,555
<b>Earnings per share (Rs.)</b>	1.60	(0.14)	4.10	1.23

**ACL CABLES PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**

Unaudited

**(A) Group**

	Quarter ended 31 December		Period ended 31 December	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
<b>Profit for the period</b>	254,875	159,923	488,717	387,510
<b>Other comprehensive income/(expenses)</b>				
Net change in fair value of available for sale financial assets	510	1,116	7,480	(523)
<b>Other comprehensive income for the period, net of tax</b>	510	1,116	7,480	(523)
<b>Total comprehensive income for the period</b>	255,385	161,039	496,197	386,987
<b>Total comprehensive income attributable to:</b>				
Non controlling interests	(19,768)	(16,702)	(53,599)	(53,590)
Owners of the company	235,617	144,337	442,598	333,397

**(B) COMPANY**

	Quarter ended 31 December		Period ended 31 December	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
<b>Profit for the period</b>	95,899	(8,657)	245,486	73,555
<b>Other comprehensive income/(expenses)</b>				
Net change in fair value of available for sale financial assets	863	1,020	2,736	21
<b>Other comprehensive income for the period, net of tax</b>	863	1,020	2,736	21
<b>Total comprehensive income for the period</b>	96,762	(7,637)	248,222	73,576

**ACL CABLES PLC**  
**STATEMENT OF FINANCIAL POSITION**

Unaudited

As at

	Group		Company	
	31.12.2014 Rs.000	31.03.2014 Rs.000	31.12.2014 Rs.000	31.03.2014 Rs.000
<b>ASSETS</b>				
Property, plant & equipment	3,082,930	3,136,216	1,382,433	1,410,398
Work in progress	85,440	49,764	49,775	8,028
Investment property	130,000	130,000	-	-
Intangible assets	11,290	14,060	5,296	8,066
Pre paid lease rentals	1,715	1,732	-	-
Investment in subsidiaries	-	-	611,472	611,472
Investment in equity accounted investee	839,422	-	777,593	-
Financial assets - Available for sale at fair value	33,312	25,832	13,425	10,689
<b>Non - current assets</b>	<b>4,184,110</b>	<b>3,357,604</b>	<b>2,839,994</b>	<b>2,048,653</b>
Inventories	5,536,982	3,940,054	2,299,588	1,722,317
Trade and other receivables	4,716,844	3,985,324	3,005,229	2,649,321
Pre paid lease rentals	22	22	-	-
Cash & cash equivalents	748,264	765,469	177,084	281,372
<b>Current assets</b>	<b>11,002,112</b>	<b>8,690,869</b>	<b>5,481,901</b>	<b>4,653,010</b>
<b>TOTAL ASSETS</b>	<b>15,186,221</b>	<b>12,048,473</b>	<b>8,321,895</b>	<b>6,701,663</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Capital &amp; reserves</b>				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	1,439,892	1,439,892	658,340	658,340
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	13,235	(3,739)	3,900	(9,981)
Retained earnings	3,617,120	3,240,245	1,502,418	1,316,826
<b>Total Equity attributable to Equity Holders of the Company</b>	<b>6,493,560</b>	<b>6,099,711</b>	<b>3,144,412</b>	<b>2,944,939</b>
Non controlling interests	789,023	745,123	-	-
<b>Total equity</b>	<b>7,282,583</b>	<b>6,844,834</b>	<b>3,144,412</b>	<b>2,944,939</b>
<b>Liabilities</b>				
Provision for payment in lieu of employee share issue scheme	1,788	1,969	-	-
Defined benefit obligations	253,072	227,933	159,362	145,613
Deferred tax liability	210,260	210,260	99,594	99,594
Borrowings	1,338,841	77,841	1,277,000	-
<b>Non - current liabilities</b>	<b>1,803,961</b>	<b>518,003</b>	<b>1,535,956</b>	<b>245,207</b>
Trade and other payables	3,924,957	1,379,722	2,192,053	1,417,380
Current income tax liability	298,870	294,440	28,516	84,369
Borrowings	1,291,693	2,559,890	1,112,215	1,704,209
Bank overdraft	584,157	451,584	308,743	305,559
<b>Current liabilities</b>	<b>6,099,677</b>	<b>4,685,636</b>	<b>3,641,527</b>	<b>3,511,517</b>
<b>Total liabilities</b>	<b>7,903,638</b>	<b>5,203,639</b>	<b>5,177,483</b>	<b>3,756,724</b>
<b>Total equity &amp; liabilities</b>	<b>15,186,221</b>	<b>12,048,473</b>	<b>8,321,895</b>	<b>6,701,663</b>
Net asset value per share	108.42	101.84	52.50	49.17
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs)			83.90	74.00
Lowest price (Rs)			72.00	60.00
Last traded price (Rs)			76.40	61.00

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

12 February 2015  
Colombo

Sgd.

**Suren Madanayake**  
Managing Director

For the period ended 31 December 2014

	Attributable to owners of the company					Total Rs. '000	Non controlling interest Rs. '000	Total equity Rs. '000
	Stated capital Rs. '000	Capital reserves Rs. '000	General reserve Rs. '000	Available for sale reserve Rs.000	Retained profit Rs. '000			
<b>(A) GROUP</b>								
<b>Balance at 1 April 2014</b>	299,488	1,439,892	1,123,825	(3,739)	3,240,245	6,099,711	745,123	6,844,834
Net profit for the period	-	-	-	-	436,769	436,769	51,948	488,717
Fair value adjustment for AFS investments	-	-	-	5,829	-	5,829	1,651	7,480
<b>Total comprehensive income for the period</b>	-	-	-	5,829	436,769	442,598	53,599	496,197
Dividend paid	-	-	-	-	(59,894)	(59,894)	(9,699)	(69,593)
Impairment for AFS investments	-	-	-	11,145	-	11,145	-	11,145
<b>Balance at 31 December 2014</b>	299,488	1,439,892	1,123,825	13,235	3,617,120	6,493,560	789,023	7,282,583

	Stated capital Rs.000	Capital reserves Rs.000	General reserve Rs.000	Available for sale reserve Rs.000	Retained profit Rs.000	Total Rs.000
<b>(B) COMPANY</b>						
<b>Balance at 1 April 2014</b>	299,488	658,340	680,266	(9,981)	1,316,826	2,944,939
Net profit for the period	-	-	-	-	245,486	245,486
Fair value adjustment for AFS investments	-	-	-	2,736	-	2,736
<b>Total comprehensive income for the period</b>	-	-	-	2,736	245,486	248,222
Dividend paid	-	-	-	-	(59,894)	(59,894)
Impairment for AFS investments	-	-	-	11,145	-	11,145
<b>Balance at 31 December 2014</b>	299,488	658,340	680,266	3,900	1,502,418	3,144,412

No of shares as at 31 December 2014

59,893,680

For the year ended 31 March 2014

	Attributable to owners of the company					Total Rs. '000	Non controlling interest Rs. '000	Total equity Rs. '000
	Stated capital Rs. '000	Capital reserves Rs. '000	General reserve Rs. '000	Available for sale reserve Rs.000	Retained profit Rs. '000			
<b>(A) GROUP</b>								
<b>Balance at 1 April 2013</b>	299,488	1,443,836	1,123,825	(2,543)	2,853,755	5,718,361	683,959	6,402,320
Net profit for the period	-	-	-	-	333,730	333,730	53,780	387,510
Fair value adjustment for AFS investments	-	-	-	(334)	-	(334)	(189)	(523)
<b>Total comprehensive income for the period</b>	-	-	-	(334)	333,730	333,396	53,591	386,987
Dividend paid	-	-	-	-	(59,894)	(59,894)	(8,233)	(68,127)
<b>Balance at 31 December 2013</b>	299,488	1,443,836	1,123,825	(2,877)	3,127,591	5,991,863	729,317	6,721,180
<b>Balance at 1 January 2014</b>	299,488	1,443,836	1,123,825	(2,877)	3,127,591	5,991,863	729,317	6,721,180
Net profit for the period	-	-	-	-	107,765	107,765	15,938	123,703
Fair value adjustment for AFS investments	-	-	-	(862)	-	(862)	(131)	(993)
<b>Total comprehensive income for the period</b>	-	-	-	(862)	107,765	106,903	15,807	122,710
Transfer from revaluation reserve	-	(4,889)	-	-	4,889	-	-	-
Deferred tax on transfer	-	944	-	-	-	944	-	944
<b>Balance at 31 March 2014</b>	299,488	1,439,892	1,123,825	(3,739)	3,240,245	6,099,710	745,123	6,844,834

	Stated capital Rs.000	Capital reserves Rs.000	General reserve Rs.000	Available for sale reserve Rs.000	Retained profit Rs.000	Total Rs.000
<b>(B) COMPANY</b>						
<b>Balance at 1 April 2013</b>	299,488	658,340	680,266	(9,385)	1,278,476	2,907,185
Net profit for the period	-	-	-	-	73,555	73,555
Fair value adjustment for AFS investments	-	-	-	21	-	21
<b>Total comprehensive income for the period</b>	-	-	-	21	73,555	73,576
Dividend paid	-	-	-	-	(59,894)	(59,894)
<b>Balance at 31 December 2013</b>	299,488	658,340	680,266	(9,364)	1,292,137	2,920,867
<b>Balance at 1 January 2014</b>	299,488	658,340	680,266	(9,364)	1,292,137	2,920,867
Net profit for the period	-	-	-	-	24,689	24,689
Fair value adjustment for AFS investments	-	-	-	(617)	-	(617)
<b>Total comprehensive income for the period</b>	-	-	-	(617)	24,689	24,072
<b>Balance at 31 March 2014</b>	299,488	658,340	680,266	(9,981)	1,316,826	2,944,939

No of shares as at 31 March 2014

59,893,680

**ACL CABLES PLC**  
**STATEMENT OF CASH FLOW**

Unaudited

For the nine months ended 31 December

	GROUP		COMPANY	
	2014 Rs.000	2013 Rs.000	2014 Rs.000	2013 Rs.000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(loss) before tax	667,416	504,016	321,313	79,219
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	141,605	120,302	59,030	55,049
Dividend income	(158)	(395)	(61,046)	(60,787)
Interest expense/(income)	281,305	215,354	162,205	172,964
Profit on disposal of property, plant and equipment	-	(5,951)	-	(5,951)
Amortization of leasehold properties	(17)	40	-	-
Impairment for investments	11,145	-	11,145	-
Defined benefit obligations	35,414	32,245	20,241	18,578
<b>Changes in working capital:</b>				
(Increase)/Decrease in;				
Inventories	(1,596,928)	(562,076)	(577,271)	(239,335)
Receivables and prepayments	(731,520)	(448,078)	(355,908)	(138,053)
Increase/(Decrease) in;				
Trade and other payables	2,545,235	307,891	774,673	(19,043)
<b>Cash generated from/ (used in) operations</b>	<b>1,353,497</b>	<b>163,348</b>	<b>354,382</b>	<b>(137,359)</b>
Interest received/(paid)	(281,305)	(215,354)	(162,205)	(172,964)
Gratuity paid	(10,275)	(22,532)	(6,492)	(18,756)
Payment in lieu of employee share issue scheme	(181)	(204)	-	-
Income tax paid less refund received	(167,682)	(30,851)	(131,680)	-
WHT on dividend paid by subsidiary	(6,588)	(6,684)	-	-
<b>Net cash (used in)/from operating activities</b>	<b>887,467</b>	<b>(112,277)</b>	<b>54,005</b>	<b>(329,079)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase and construction of property, plant and equipment	(122,127)	(163,985)	(70,978)	(44,944)
Dividend received	158	395	61,046	60,787
Investments in Financial assets - Available for sale at fair value	-	(423)	-	(423)
Investment in equity accounted investee	(839,422)	-	(777,593)	-
Proceeds on disposal of property, plant & equipment	937	6,252	937	6,252
<b>Net cash from/(used in) investing activities</b>	<b>(960,454)</b>	<b>(157,761)</b>	<b>(786,588)</b>	<b>21,672</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Lease installments paid	-	(53)	-	(53)
Short term borrowings net of payments	(1,268,197)	17,964	(591,994)	162,476
Long term borrowings net of payments	1,261,000	130,845	1,277,000	(74,940)
Dividends paid by the Company	(59,894)	(59,894)	(59,894)	(59,894)
Dividends paid by subsidiaries to minorities	(9,699)	(8,233)	-	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>(76,790)</b>	<b>80,629</b>	<b>625,112</b>	<b>27,589</b>
Net increase/(decrease) in cash & cash equivalents	(149,778)	(189,409)	(107,472)	(279,818)
Cash & cash equivalents at the beginning of the period	313,885	402,278	(24,187)	54,360
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>164,107</b>	<b>212,869</b>	<b>(131,659)</b>	<b>(225,458)</b>

## 1. Segment information

### (a) Business segment information

	Manufacturing cables 2014 Rs'000	Manufacturing PVC compound 2014 Rs'000	Others 2014 Rs'000	Total 2014 Rs'000	Total 2013 Rs'000
<i>For the nine months ended 30 December</i>					
<b>Revenue</b>					
Total revenue	10,346,416	896,748	2,897,802	14,140,966	11,716,782
Inter-segment sales	(705,503)	(88,700)	(2,259,250)	(3,053,453)	(2,494,144)
<b>External sales</b>	<b>9,640,913</b>	<b>808,048</b>	<b>638,552</b>	<b>11,087,513</b>	<b>9,222,638</b>
<b>Results</b>					
Profit/(loss) before other income and finance cost	654,532	84,448	131,965	870,945	689,870
Other income	11,595	4,352	-	15,947	29,500
Finance (cost)/income	(195,781)	(13,786)	(71,738)	(281,305)	(215,354)
Share of profit of equity accounted investee and gain on bargain purchase (Power and energy)	-	-	61,829	61,829	-
Taxation	(149,224)	(22,600)	(6,876)	(178,700)	(116,506)
<b>Profit/(loss) after taxation</b>	<b>321,123</b>	<b>52,414</b>	<b>115,180</b>	<b>488,717</b>	<b>387,510</b>
<b>Capital expenditure</b>					
Segment capital expenditure	97,601	5,351	19,175	122,127	163,985
<b>Total capital expenditure</b>				<b>122,127</b>	<b>163,985</b>
<b>Depreciation and amortisation</b>					
Segment depreciation	114,744	9,896	16,965	141,605	120,302
<b>Total depreciation and amortisation</b>				<b>141,605</b>	<b>120,302</b>

	Manufacturing cables 2014 Rs'000	Manufacturing PVC compound 2014 Rs'000	Others 2014 Rs'000	Total 2014 Rs'000	Total 31.03.2014 Rs'000
<i>For the nine months ended 31 December</i>					
<b>Assets</b>					
Segment assets	11,700,580	460,157	2,501,028	14,661,765	11,524,017
Unallocated corporate assets				524,456	524,456
<b>Total assets</b>				<b>15,186,221</b>	<b>12,048,473</b>
<b>Liabilities</b>					
Segment liabilities	5,114,794	154,680	2,628,531	7,898,005	5,197,947
Unallocated corporate liabilities				5,633	5,693
<b>Total liabilities</b>				<b>7,903,638</b>	<b>5,203,639</b>

### (b) Geographical segment information - revenue

	Group		Company	
	2014 RS'000	2013 RS'000	2014 RS'000	2013 RS'000
<i>For the nine months ended 30 December</i>				
Local sales	9,306,886	7,761,790	4,776,815	3,974,873
Export sales	1,780,627	1,460,848	767,049	659,820
	<b>11,087,513</b>	<b>9,222,638</b>	<b>5,543,864</b>	<b>4,634,693</b>



**ACL CABLES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

*Unaudited*

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 2014 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. Acquisition of Equity Accounted Investees - Resus Energy PLC**

In December 2014, ACL Cables PLC acquired 34.49% of the voting rights of Resus Energy PLC. The acquisition has been accounted for using the equity method.

Provisional fair values of the identifiable assets and liabilities of Resus Energy PLC (based on un-audited financial statements) were used when arriving to the results of the acquisition.

Gain on Bargain Purchase (negative goodwill) as a result of the acquisition is recognised as follows;

	<b>Rs.000</b>
Fair value of consideration paid	777,594
Fair value of Identifiable net assets acquired	826,610
Resulted gain on bargain purchase	<u>49,016</u>
Share of profit of equity accounted investee	12,813
Total of share of profit of equity accounted investee and gain on bargain purchase	<u>61,829</u>

8. There were no significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2014.

**Twenty largest shareholders as at 31 December 2014**

<b>Shareholder Name</b>	<b>Number of shares</b>	<b>Holdings %</b>
01. Mr. U. G. Madanayake	22,837,216	38.13%
02. Mr. Suren Madanayake	13,302,396	22.21%
03. Employees Provident Fund	3,193,091	5.33%
04. National Savings Bank	2,059,267	3.44%
05. Seylan Bank Ltd/Govindasami Ramanan	1,983,637	3.31%
06. Mrs. N.C. Madanayake	1,032,100	1.72%
07. Deutsche Bank AG -National Equity Fund	959,157	1.60%
08. FAB Foods (Private) Ltd	767,520	1.28%
09. Bank of Ceylon-No 2 A/C	741,900	1.24%
10. Mas Capital (Private) Limited	591,503	0.99%
11. Sri Lanka Insurance Corporation Limited - Life Fund	558,557	0.93%
12. Deutsche Bank AG AS Trustee for Namal Acuity	500,000	0.83%
13. Bank of Ceylon, No.01 Account	456,324	0.76%
14. Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	371,353	0.62%
15. Perera R.D.M.	350,932	0.59%
16. Sir Cyril De Zoysa Trust	341,036	0.57%
17. E.W. Balasuriya & Co. (Pvt) Ltd	335,400	0.56%
18. Ramanayake G.C.S. & Ramanayake K.M.	210,000	0.35%
19. Perera V.A.D.L.W.	188,500	0.31%
20. Radhakrishnan M.	187,731	0.31%
	<b>50,967,620</b>	<b>85.10%</b>

**Share holding of directors as at 31 December 2014**

<b>Director Name</b>	<b>Number of shares</b>	<b>Holdings %</b>
01. Mr. U. G. Madanayake - Chairman	22,837,216	38.13%
02. Mr. Suren Madanayake - Managing Director	13,302,396	22.21%
03. Mrs. N.C. Madanayake	1,032,100	1.72%
04. Mr. Ajit Jayaratne	-	-
05. Mr. Hemaka Amarasuriya	-	-
06. Mr. D.D. Wahalthanthri	-	-
07. Mr. Rajiv Casie Chitty	-	-
Total held by Directors	<b>37,171,712</b>	<b>62.06%</b>

**Shares held by public as at 31 December 2014**

**22,721,968**      **37.94%**

**Total No of Shares as at 31 December 2014**

**59,893,680**      **100.00%**

**No of public share holders as at 31 December 2014**

**2,307**