

**INTERIM FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 31 DECEMBER 2017
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
CONSOLIDATED INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 31 December</i>	Quarter ended		Period ended	
	2017	2016	2017	2016
Revenue	3,602,087	3,711,830	11,669,472	10,758,694
Cost of sales	(2,781,313)	(2,874,948)	(9,757,477)	(8,141,073)
Gross profit	820,774	836,882	1,911,995	2,617,621
Other income	6,249	13,810	19,856	32,266
Distribution costs	(224,784)	(221,397)	(619,891)	(612,179)
Administrative costs	(120,099)	(103,113)	(351,403)	(311,279)
Operating profit	482,140	526,182	960,557	1,726,429
Finance costs - net	(121,358)	(69,284)	(291,501)	(188,602)
Share of (loss)/profit of investments accounted for using the equity method	21,591	(18,014)	37,951	(17,752)
Profit before income tax	382,373	438,884	707,007	1,520,075
Income tax expenses	(101,938)	(124,109)	(200,523)	(439,846)
Profit	280,435	314,775	506,484	1,080,229
Profit attributable to :				
- Owners of the parent	256,578	283,827	456,517	963,887
- Non-controlling interests	23,857	30,948	49,967	116,342
	280,435	314,775	506,484	1,080,229
Earnings per share (Rs.)	2.14	2.37	3.81	8.05

ACL CABLES PLC
COMPANY INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 31 December</i>	Quarter ended		Period ended	
	2017	2016	2017	2016
Revenue	2,242,430	2,165,368	6,249,784	6,063,847
Cost of sales	(1,939,089)	(1,761,734)	(5,486,709)	(4,844,937)
Gross profit	303,341	403,634	763,075	1,218,910
Other income	935	3,291	73,700	194,776
Distribution costs	(102,156)	(91,322)	(259,805)	(257,663)
Administrative costs	(54,286)	(47,721)	(153,451)	(134,731)
Operating profit	147,834	267,882	423,519	1,021,292
Finance costs - net	(60,905)	(35,014)	(161,381)	(116,466)
Profit before income tax	86,929	232,868	262,138	904,826
Income tax expenses	(24,364)	(62,639)	(51,889)	(193,368)
Profit	62,565	170,229	210,249	711,458
Earnings per share (Rs.)	0.52	1.42	1.76	5.94

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 31 December

	Quarter ended		Period ended	
	2017	2016	2017	2016
Profit	280,435	314,775	506,484	1,080,229
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(1,495)	(1,331)	3,116	2,755
Share of other comprehensive income of equity accounted investee, net of tax	(971)	(1,157)	(2,727)	(1,157)
Other comprehensive income, net of tax	(2,466)	(2,488)	389	1,598
Total comprehensive income, net of tax	277,970	312,287	506,874	1,081,827
Total comprehensive income attributable to:				
- Owners of the parent	254,583	281,518	456,187	964,689
- Non-controlling interests	23,386	30,769	50,686	117,138
Total comprehensive income, net of tax	277,971	312,287	506,874	1,081,827

(B) COMPANY

For the period ended 31 December

	Quarter ended		Period ended	
	2017	2016	2017	2016
Profit	62,565	170,229	210,249	711,458
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(143)	(816)	1,049	469
Other comprehensive income, net of tax	(143)	(816)	1,049	469
Total comprehensive income, net of tax	62,422	169,413	211,298	711,927

ACL CABLES PLC
STATEMENT OF FINANCIAL POSITION

Unaudited

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	31 December 2017	31 March 2017	31 December 2017	31 March 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3,243,078	3,347,709	1,352,589	1,383,290
Work in progress	57,459	31,678	906	653
Investment property	538,750	538,750	285,000	285,000
Intangible assets	8,151	9,138	2,157	3,144
Prepaid lease rentals	1,649	1,666	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	310,510	275,286	333,454	333,454
Available-for-sale Financial assets	37,528	34,211	12,176	11,127
Deferred income tax assets	1,774	1,774	-	-
	4,198,899	4,240,212	2,562,525	2,592,911
Current assets				
Inventories	5,763,632	4,363,337	2,662,389	1,995,157
Trade and other receivables	5,888,773	5,334,170	4,428,189	3,083,933
Prepaid lease rentals	22	22	-	-
Held-to-maturity financial assets	459,900	402,752	459,900	238,608
Cash and cash equivalents	1,724,028	2,224,971	612,245	815,363
	13,836,354	12,325,252	8,162,723	6,133,061
TOTAL ASSETS	18,035,253	16,565,464	10,725,248	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	9,149	6,752	2,345	1,296
Retained earnings	6,384,706	6,110,597	3,138,342	3,107,775
Equity attributable to owners of the parent	9,607,757	9,331,250	4,916,023	4,884,407
Non-controlling interests	1,161,417	1,135,318	-	-
Total equity	10,769,174	10,466,568	4,916,023	4,884,407
Non-current liabilities				
Defined benefit obligations	272,283	241,241	159,265	139,334
Deferred tax liability	269,252	269,252	120,089	120,089
Borrowings	484,214	207,841	233,333	200,000
	1,025,749	718,334	512,687	459,423
Current liabilities				
Trade and other payables	2,208,076	1,950,217	2,544,197	937,809
Current income tax liability	727,210	842,931	370,017	468,118
Borrowings	2,567,722	1,555,134	1,806,257	1,148,315
Bank overdraft	737,322	1,032,279	576,067	827,900
	6,240,330	5,380,561	5,296,538	3,382,142
Total liabilities	7,266,079	6,098,896	5,809,225	3,841,565
Total equity and liabilities	18,035,253	16,565,464	10,725,248	8,725,972
Net asset value per share	80.21	77.90	41.04	40.78
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			47.00	61.50
Lowest price (Rs.)			41.80	53.00
Last traded price (Rs.)			42.40	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 February 2018
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 31 December

	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	-	-	-	-	456,517	456,517	49,967	506,484
Fair value adjustment for available-for-sale financial assets	-	-	-	2,397	-	2,397	719	3,116
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(2,727)	(2,727)	-	(2,727)
Total comprehensive income	-	-	-	2,397	453,790	456,187	50,686	506,874
Dividends	-	-	-	-	(179,681)	(179,681)	(24,587)	(204,268)
Balance at 31 December 2017	299,488	1,790,589	1,123,825	9,149	6,384,706	9,607,757	1,161,417	10,769,174

For the year ended 31 March 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 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	-	-	-	-	963,887	963,887	116,342	1,080,229
Fair value adjustment for available-for-sale financial assets	-	-	-	1,959	-	1,959	796	2,755
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(1,157)	(1,157)	-	(1,157)
Total comprehensive income	-	-	-	1,959	962,730	964,689	117,138	1,081,827
Dividends	-	-	-	-	(179,681)	(179,681)	(29,098)	(208,779)
Balance at 31 December 2016	299,488	1,875,347	1,123,825	6,813	5,924,791	9,230,264	1,114,343	10,344,607
Balance at 1 January 2017	299,488	1,875,347	1,123,825	6,813	5,924,791	9,230,264	1,114,343	10,344,607
Net profit	-	-	-	-	153,967	153,967	21,243	175,210
Fair value adjustment for available-for-sale financial assets	-	-	-	(61)	-	(61)	(269)	(330)
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	-	-	-	-	222	222	-	222
Total comprehensive income	-	(79,719)	-	(61)	178,805	99,025	20,974	119,999
Transfer from revaluation reserve	-	(7,000)	-	-	7,000	-	-	-
Deferred tax on transfer from revaluation reserve	-	1,961	-	-	-	1,961	-	1,961
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 31 December

	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	-	-	-	-	210,249	210,249
Fair value adjustment for available-for-sale financial assets	-	-	-	1,049	-	1,049
Total comprehensive income	-	-	-	1,049	210,249	211,298
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2017	299,488	795,582	680,266	2,345	3,138,342	4,916,023
No of shares as at 31 December 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	-	-	-	-	711,458	711,458
Fair value adjustment for available-for-sale financial assets	-	-	-	469	-	469
Total comprehensive income	-	-	-	469	711,458	711,927
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2016	299,488	849,241	680,266	855	2,800,663	4,630,513
Balance at 1 January 2017	299,488	849,241	680,266	855	2,800,663	4,630,513
Net profit	-	-	-	-	290,440	290,440
Fair value adjustment for available-for-sale financial assets	-	-	-	441	-	441
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)	-	441	307,112	253,894
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 ended 31 December

	GROUP		COMPANY	
	2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	707,007	1,520,075	262,138	904,826
Adjustments for:				
Depreciation of property, plant and equipment	146,988	175,938	68,379	68,869
share of profit from equity accounted investee (net of tax)	(37,951)	17,752	-	-
Dividend income	(71,524)	(1,248)	(70,460)	(180,844)
Interest expense/(income)	295,164	188,602	164,261	116,466
Exchange gain on investment in Sri Lanka development bonds	(3,663)	(13,371)	(2,880)	(5,851)
Property Plant & equipment written off	732	-	732	-
Profit on disposal of property, plant and equipment	-	(6,578)	-	(4,422)
Amortization of leasehold properties	17	17	-	-
Defined benefit obligations	40,131	40,347	24,228	24,228
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(1,400,295)	(233,969)	(667,232)	(34,691)
Receivables and prepayments	(554,804)	(688,105)	(1,344,258)	(1,231,592)
Increase/(Decrease) in;				
Trade and other payables	257,859	11,636	1,606,388	1,185,566
Cash generated from/ (used in) operations	(620,339)	1,011,095	41,296	842,555
Interest received/(paid)	(295,164)	(188,602)	(164,261)	(116,465)
Defined benefit obligations paid	(9,089)	(12,156)	(4,297)	(8,811)
Income tax paid less refund received	(309,080)	(414,941)	(149,990)	(53,550)
WHT on dividend paid by subsidiary to non-controlling interests	(7,164)	(20,017)	-	-
Net cash (used in)/from operating activities	(1,240,836)	375,379	(277,252)	663,729
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(67,883)	(95,313)	(37,676)	(16,373)
Investment in held-to-maturity investments	(457,020)	(230,068)	(457,020)	(230,068)
Investment in a available -for sale financial assets	-	(157)	-	(157)
Dividend received	71,524	1,248	70,460	180,844
Cash proceeds from held-to-maturity investments	403,536	918,925	238,609	584,100
Sales proceeds from disposal of property, plant and equipment	-	12,883	-	7,703
Net cash from/(used in) investing activities	(49,843)	607,518	(185,628)	526,049
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	1,012,588	(113,904)	657,942	50,515
Long term borrowings net of payments	276,373	124,250	33,333	142,250
Dividends paid	(179,681)	(179,681)	(179,681)	(179,681)
Dividends paid by subsidiaries to non-controlling interests	(24,587)	(29,098)	-	-
Net cash generated from/ (used in) financing activities	1,084,693	(198,433)	511,594	13,084
Net increase/(decrease) in cash and cash equivalents	(205,986)	784,464	48,715	1,202,862
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	986,706	1,567,246	36,178	776,170

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 31 December</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 2016
Revenue					
Total revenue	12,058,947	1,031,471	2,877,025	15,967,443	15,333,400
Inter-segment sales	(589,276)	(982,540)	(2,726,155)	(4,297,971)	(4,574,706)
External sales	11,469,671	48,931	150,870	11,669,472	10,758,694
Results					
Profit/(loss) before other income and finance cost	582,153	88,960	269,588	940,701	1,694,163
Other income	10,169	9,687	-	19,856	32,266
Finance (cost)/income	(206,737)	(12,577)	(72,187)	(291,501)	(188,602)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	37,951	37,951	(17,752)
Taxation	(115,286)	(27,200)	(58,037)	(200,523)	(439,846)
Profit/(loss) after taxation	270,299	58,870	177,315	506,484	1,080,229
Capital expenditure					
Segment capital expenditure	60,345	5,402	2,136	67,883	95,313
Total capital expenditure				67,883	95,313
Depreciation and amortisation					
Segment depreciation	111,071	12,872	23,045	146,988	175,938
Total depreciation and amortisation				146,988	175,938

<i>For the period ended 31 December</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 31 March 2017
Assets					
Segment assets	15,277,343	497,504	1,668,343	17,443,190	15,974,301
Unallocated corporate assets				592,063	591,163
Total assets				18,035,253	16,565,464
Liabilities					
Segment liabilities	5,348,721	354,469	1,558,792	7,261,981	6,094,748
Unallocated corporate liabilities				4,098	4,148
Total liabilities				7,266,079	6,098,896

(b) Geographical segment information - revenue

<i>For the period ended 31 December</i>	Group 2017	2016	Company 2017	2016
Local sales	9,994,377	9,467,005	5,484,898	5,456,945
Export sales	1,675,095	1,291,689	764,886	606,902
	11,669,472	10,758,694	6,249,784	6,063,847

- 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 31 December 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 FAB Foods (Private) Ltd	1,535,040	1.28%
9 Deutsche Bank AG AS Trustee for Namal Acuity	1,500,000	1.25%
10 Bank of Ceylon-No 2 A/C	1,320,800	1.10%
11 Mas Capital (Private) Limited	1,128,964	0.94%
12 Bank of Ceylon, No.01 Account	1,005,246	0.84%
13 Ceylon Investment PLC A/C # 01	725,842	0.61%
14 Perera R.D.M.	701,864	0.59%
15 Selliah A & Selliah S	700,000	0.58%
16 Sir Cyril De Zoysa Trust	682,072	0.57%
17 Sri Lanka Insurance Corporation Ltd-Life Fund	675,647	0.56%
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%
	100,437,702	83.85%

Share holding of directors as at 31 December 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 31 December 2017	44,723,936	37.34%
Total No of Shares as at 31 December 2017	119,787,360	100.00%

No of public share holders as at 31 December 2017

2,611