

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 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 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2017	2016	2017	2016
Revenue	4,664,161	3,685,055	8,067,385	7,046,864
Cost of sales	(3,938,962)	(2,710,219)	(6,976,164)	(5,266,125)
Gross profit	725,199	974,836	1,091,221	1,780,739
Other income	9,524	6,611	13,607	18,456
Distribution costs	(208,904)	(205,723)	(395,107)	(390,782)
Administrative costs	(120,915)	(105,901)	(231,304)	(208,166)
Operating profit	404,904	669,824	478,417	1,200,248
Finance costs - net	(101,561)	(64,809)	(170,143)	(119,318)
Share of (loss)/profit of investments accounted for using the equity method	13,958	(5,815)	16,360	262
Profit before income tax	317,301	599,200	324,634	1,081,192
Income tax expenses	(85,793)	(182,852)	(98,585)	(315,737)
Profit	231,508	416,348	226,049	765,455
Profit attributable to :				
- Owners of the parent	212,233	373,890	199,939	680,061
- Non-controlling interests	19,275	42,458	26,110	85,394
	231,508	416,348	226,049	765,455
Earnings per share (Rs.)	1.77	3.12	1.67	5.68

ACL CABLES PLC
COMPANY INCOME STATEMENT

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2017	2016	2017	2016
Revenue	2,253,269	2,129,388	4,007,354	3,898,479
Cost of sales	(1,924,949)	(1,658,980)	(3,547,620)	(3,083,203)
Gross profit	328,320	470,408	459,734	815,276
Other income	71,613	181,626	72,765	191,485
Distribution costs	(86,223)	(84,788)	(157,649)	(166,341)
Administrative costs	(52,839)	(44,745)	(99,165)	(87,010)
Operating profit	260,871	522,501	275,685	753,410
Finance costs - net	(65,039)	(45,624)	(100,476)	(81,452)
Profit before income tax	195,832	476,877	175,209	671,958
Income tax expenses	(27,525)	(77,156)	(27,525)	(130,729)
Profit	168,307	399,721	147,684	541,229
Earnings per share (Rs.)	1.41	3.34	1.23	4.52

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2017	2016	2017	2016
Profit	231,508	416,348	226,049	765,455
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(352)	4,167	4,611	4,086
Share of other comprehensive income of equity accounted investee, net of tax	(1,942)	-	(1,756)	-
Other comprehensive income, net of tax	(2,294)	4,167	2,855	4,086
Total comprehensive income, net of tax	229,214	420,514	228,904	769,541
Total comprehensive income attributable to:				
- Owners of the parent	209,925	377,259	201,604	683,172
- Non-controlling interests	19,288	43,255	27,300	86,369
Total comprehensive income, net of tax	229,214	420,514	228,904	769,541

(B) COMPANY

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2017	2016	2017	2016
Profit	168,307	399,721	147,684	541,229
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(390)	1,879	1,192	1,285
Other comprehensive income, net of tax	(390)	1,879	1,192	1,285
Total comprehensive income, net of tax	167,917	401,600	148,876	542,514

ACL CABLES PLC
STATEMENT OF FINANCIAL POSITION

Unaudited

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
ASSETS				
Non-current assets				
Property, plant and equipment	3,279,402	3,347,709	1,360,352	1,383,290
Work in progress	38,265	31,678	653	653
Investment property	538,750	538,750	285,000	285,000
Intangible assets	8,480	9,138	2,486	3,144
Prepaid lease rentals	1,655	1,666	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	289,890	275,286	333,454	333,454
Available-for-sale Financial assets	38,823	34,211	12,319	11,127
Deferred income tax assets	1,774	1,774	-	-
	4,197,039	4,240,212	2,570,507	2,592,911
Current assets				
Inventories	5,448,063	4,363,337	2,375,273	1,995,157
Trade and other receivables	6,162,423	5,334,170	4,162,233	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	1,547,165	2,224,971	629,301	815,363
	13,617,572	12,325,252	7,626,707	6,133,061
TOTAL ASSETS	17,814,612	16,565,464	10,197,214	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	10,173	6,752	2,488	1,296
Retained earnings	6,129,099	6,110,597	3,075,777	3,107,775
Equity attributable to owners of the parent	9,353,174	9,331,250	4,853,601	4,884,407
Non-controlling interests	1,138,031	1,135,318	-	-
Total equity	10,491,205	10,466,568	4,853,601	4,884,407
Non-current liabilities				
Defined benefit obligations	264,608	241,241	152,228	139,334
Deferred tax liability	269,250	269,252	120,089	120,089
Borrowings	389,000	207,841	150,000	200,000
	922,858	718,334	422,317	459,423
Current liabilities				
Trade and other payables	2,722,832	1,950,217	2,469,149	937,809
Current income tax liability	689,866	842,931	363,446	468,118
Borrowings	2,372,250	1,555,134	1,806,314	1,148,315
Bank overdraft	615,600	1,032,279	282,387	827,900
	6,400,548	5,380,561	4,921,296	3,382,142
Total liabilities	7,323,406	6,098,896	5,343,613	3,841,565
Total equity and liabilities	17,814,612	16,565,464	10,197,214	8,725,972
Net asset value per share	78.08	77.90	40.52	40.78
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			59.00	61.50
Lowest price (Rs.)			45.00	53.00
Last traded price (Rs.)			45.10	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 November 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 September

	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	9,331,251	1,135,318	10,466,569
Net profit	-	-	-	-	199,939	199,939	26,110	226,049
Fair value adjustment for available-for-sale financial assets	-	-	-	3,421	-	3,421	1,190	4,611
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(1,756)	(1,756)	-	(1,756)
Total comprehensive income	-	-	-	3,421	198,183	201,604	27,300	228,904
Dividends	-	-	-	-	(179,681)	(179,681)	(24,587)	(204,268)
Balance at 30 September 2017	299,488	1,790,589	1,123,825	10,173	6,129,099	9,353,174	1,138,031	10,491,205

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	-	-	-	-	680,061	680,061	85,394	765,455
Fair value adjustment for available-for-sale financial assets	-	-	-	3,111	-	3,111	975	4,086
Total comprehensive income	-	-	-	3,111	680,061	683,172	86,369	769,541
Dividends	-	-	-	-	(179,681)	(179,681)	(29,098)	(208,779)
Balance at 30 September 2016	299,488	1,875,347	1,123,825	7,965	5,642,122	8,948,747	1,083,574	10,032,321
Balance at 1 October 2016	299,488	1,875,347	1,123,825	7,965	5,642,122	8,948,747	1,083,574	10,032,321
Net profit	-	-	-	-	437,793	437,793	52,191	489,984
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,213)	-	(1,213)	(448)	(1,661)
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)	-	(1,213)	461,474	380,542	51,743	432,285
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 30 September

	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	-	-	-	-	147,684	147,684
Fair value adjustment for available-for-sale financial assets	-	-	-	1,192	-	1,192
Total comprehensive income	-	-	-	1,192	147,684	148,876
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2017	299,488	795,582	680,266	2,488	3,075,777	4,853,601
No of shares as at 30 September 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	-	-	-	-	541,229	541,229
Fair value adjustment for available-for-sale financial assets	-	-	-	1,285	-	1,285
Total comprehensive income	-	-	-	1,285	541,229	542,514
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2016	299,488	849,241	680,266	1,671	2,630,434	4,461,100
Balance at 1 October 2016	299,488	849,241	680,266	1,671	2,630,434	4,461,100
Net profit	-	-	-	-	460,669	460,669
Fair value adjustment for available-for-sale financial assets	-	-	-	(375)	-	(375)
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)	-	(375)	477,341	423,307
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 30 September

	GROUP		COMPANY	
	2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	324,634	1,081,192	175,209	671,958
Adjustments for:				
Depreciation of property, plant and equipment	110,375	117,966	45,215	45,991
share of profit from equity accounted investee (net of tax)	(16,360)	(262)	-	-
Dividend income	(613)	(800)	(70,460)	(180,794)
Interest expense/(income)	173,806	129,244	103,356	87,303
Exchange gain on investment in Sri Lanka development bonds	(3,663)	(9,926)	(2,880)	(5,851)
Profit on disposal of property, plant and equipment	-	(6,579)	-	(4,422)
Amortization of leasehold properties	11	11	-	-
Defined benefit obligations	27,544	25,649	16,152	16,152
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(1,084,726)	(73,321)	(380,116)	23,755
Receivables and prepayments	(828,255)	(660,544)	(1,078,302)	(871,821)
Increase/(Decrease) in;				
Trade and other payables	772,615	281,730	1,531,340	1,149,863
Cash generated from/ (used in) operations	(524,631)	884,360	339,514	932,134
Interest received/(paid)	(173,806)	(129,244)	(103,356)	(87,303)
Defined benefit obligations paid	(4,177)	(5,838)	(3,258)	(4,412)
Income tax paid less refund received	(244,488)	(271,126)	(132,197)	(10,412)
WHT on dividend paid by subsidiary to non-controlling interests	(7,164)	(20,017)	-	-
Net cash (used in)/from operating activities	(954,266)	458,135	100,703	830,007
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(47,996)	(54,410)	(21,619)	(10,176)
Investment in held-to-maturity investments	(457,020)	(230,068)	(457,020)	(230,068)
Dividend received	613	800	70,460	180,794
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	(100,868)	648,130	(169,571)	532,353
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	817,116	(32,585)	657,999	92,907
Long term borrowings net of payments	181,159	155,250	(50,000)	167,250
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	794,007	(86,114)	428,318	80,476
Net increase/(decrease) in cash and cash equivalents	(261,127)	1,020,151	359,451	1,442,836
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	931,565	1,802,933	346,914	1,016,144

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 30 September</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 2016
Revenue					
Total revenue	7,741,232	688,277	1,468,919	9,898,428	9,917,099
Inter-segment sales	(411,111)	(112,231)	(1,307,701)	(1,831,043)	(2,870,235)
External sales	7,330,121	576,046	161,218	8,067,385	7,046,864
Results					
Profit/(loss) before other income and finance cost	302,909	59,095	102,806	464,810	1,181,791
Other income	6,078	7,529	-	13,607	18,456
Finance (cost)/income	(127,081)	(6,489)	(36,573)	(170,143)	(119,318)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	16,360	16,360	262
Taxation	(56,851)	(18,600)	(23,134)	(98,585)	(315,737)
Profit/(loss) after taxation	125,055	41,535	59,459	226,049	765,455
Capital expenditure					
Segment capital expenditure	42,305	4,365	1,326	47,996	54,410
Total capital expenditure				47,996	54,410
Depreciation and amortisation					
Segment depreciation	86,411	8,552	15,412	110,375	117,966
Total depreciation and amortisation				110,375	117,966

<i>For the period ended 30 September</i>	Manufacturing cables 2017	Manufacturing PVC compound 2017	Others 2017	Total 2017	Total 31 March 2017
Assets					
Segment assets	14,531,905	507,659	2,183,284	17,222,849	15,974,301
Unallocated corporate assets				591,763	591,163
Total assets				17,814,612	16,565,464
Liabilities					
Segment liabilities	5,221,735	395,226	1,702,297	7,319,258	6,094,748
Unallocated corporate liabilities				4,148	4,148
Total liabilities				7,323,406	6,098,896

(b) Geographical segment information - revenue

<i>For the period ended 30 September</i>	Group		Company	
	2017	2016	2017	2016
Local sales	6,952,465	6,110,216	3,524,740	3,438,970
Export sales	1,114,920	936,648	482,614	459,509
	8,067,385	7,046,864	4,007,354	3,898,479

- 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 September 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 Mellon Bank N.A.-Commonwealth Of Massachuse	674,946	0.56%
19 Arunodhaya (Private) Limited	500,000	0.42%
20 Arunodhaya Industries (Private) Limited	500,000	0.42%
	100,612,648	83.99%

Share holding of directors as at 30 September 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 September 2017	44,723,936	37.34%
Total No of Shares as at 30 September 2017	119,787,360	100.00%

No of public share holders as at 30 September 2017

2,534