

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 2018
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended 30 September		Period ended 30 September	
	2018	2017	2018	2017
<i>For the period ended 30 September</i>				
Revenue	5,070,289	4,664,161	8,602,946	8,067,385
Cost of sales	(4,388,309)	(3,938,962)	(7,419,879)	(6,976,164)
Gross profit	681,980	725,199	1,183,067	1,091,221
Other income	514	9,524	9,664	13,607
Distribution costs	(233,912)	(208,904)	(435,570)	(395,107)
Administrative costs	(128,603)	(120,915)	(243,285)	(231,304)
Operating profit	319,979	404,904	513,876	478,417
Finance costs - net	(179,185)	(101,561)	(267,200)	(170,143)
Share of (loss)/profit of investments accounted for using the equity method	14,540	13,958	34,940	16,360
Profit before income tax	155,333	317,301	281,616	324,634
Income tax expenses	(52,331)	(85,793)	(91,436)	(98,585)
Profit	103,003	231,508	190,180	226,049
Profit attributable to :				
- Owners of the parent	90,444	212,233	175,155	199,939
- Non-controlling interests	12,559	19,275	15,024	26,110
	103,003	231,508	190,180	226,049
Earnings per share (Rs.)	0.76	1.77	1.46	1.67

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2018	2017	2018	2017
Revenue	2,474,442	2,253,269	4,811,611	4,007,354
Cost of sales	(2,252,780)	(1,924,949)	(4,386,922)	(3,547,620)
Gross profit	221,662	328,320	424,689	459,734
Other income	62,215	71,613	69,131	72,765
Distribution costs	(117,924)	(86,223)	(222,040)	(157,649)
Administrative costs	(58,450)	(52,839)	(104,927)	(99,165)
Operating profit	107,503	260,871	166,853	275,685
Finance costs - net	(14,113)	(65,039)	(38,208)	(100,476)
Profit before income tax	93,390	195,832	128,645	175,209
Income tax expenses	(7,860)	(27,525)	(22,644)	(27,525)
Profit	85,530	168,307	106,001	147,684
Earnings per share (Rs.)	0.71	1.41	0.88	1.23

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	
	2018	2017	2018	2017
Profit	103,003	231,508	190,180	226,049
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(3,801)	(352)	(2,927)	4,611
Share of other comprehensive income of equity accounted investee, net of tax	-	(1,942)	1,669	(1,756)
Other comprehensive income, net of tax	(3,801)	(2,294)	(1,258)	2,855
Total comprehensive income, net of tax	99,202	229,214	188,922	228,904
Total comprehensive income attributable to:				
- Owners of the parent	182,759	209,926	174,437	201,604
- Non-controlling interests	6,474	19,288	14,486	27,300
Total comprehensive income, net of tax	189,234	229,214	188,923	228,904

(B) COMPANY

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2018	2017	2018	2017
Profit	85,530	168,307	106,001	147,684
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(1,183)	(390)	(1,381)	1,192
Other comprehensive income, net of tax	(1,183)	(390)	(1,381)	1,192
Total comprehensive income, net of tax	84,347	167,917	104,620	148,876

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 September 2018	31 March 2018	30 September 2018	31 March 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4,386,493	4,151,266	1,924,492	1,717,804
Work in progress	42,015	97,469	2,782	2,303
Investment property	638,000	638,000	358,000	358,000
Intangible assets	7,767	7,704	1,773	1,711
Prepaid lease rentals	1,632	1,644	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	313,815	277,206	345,093	345,093
Available-for-sale Financial assets	271,562	274,488	11,279	12,660
Deferred income tax assets	3,959	3,959	-	-
	5,665,243	5,451,736	3,219,662	3,013,814
Current assets				
Inventories	4,712,151	4,763,792	2,223,987	2,311,360
Trade and other receivables	6,468,487	6,350,481	4,552,811	3,924,446
Prepaid lease rentals	22	22	-	-
Held-to-maturity financial assets	-	466,800	-	466,800
Cash and cash equivalents	1,460,739	2,113,345	341,238	395,842
	12,641,399	13,694,440	7,118,036	7,098,448
TOTAL ASSETS	18,306,642	19,146,176	10,337,698	10,112,262
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	2,277,718	2,277,718	1,002,568	1,002,568
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	5,617	8,006	1,447	2,828
Retained earnings	6,616,712	6,619,568	3,320,490	3,394,171
Equity attributable to owners of the parent	10,323,361	10,328,605	5,304,259	5,379,321
Non-controlling interests	1,234,973	1,245,074	-	-
Total equity	11,558,333	11,573,679	5,304,259	5,379,321
Non-current liabilities				
Defined benefit obligations	320,407	297,977	189,407	177,918
Deferred tax liability	577,577	577,689	278,776	278,776
Borrowings	406,770	350,101	158,333	100,000
	1,304,754	1,225,767	626,516	556,694
Current liabilities				
Trade and other payables	3,066,327	2,805,971	3,119,066	2,048,750
Current income tax liability	732,343	809,069	387,769	403,403
Borrowings	783,943	1,863,854	267,590	949,019
Bank overdraft	860,942	867,836	632,498	775,075
	5,443,555	6,346,730	4,406,923	4,176,247
Total liabilities	6,748,309	7,572,497	5,033,439	4,732,941
Total equity and liabilities	18,306,642	19,146,176	10,337,698	10,112,262
Net asset value per share	86.18	86.22	44.28	44.91
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			43.40	44.70
Lowest price (Rs.)			37.00	41.00
Last traded price (Rs.)			37.20	41.00

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 Chief Financial Officer

Sgd
Suren Madanayake
Managing Director

Sgd
U. G. Madanayake
Chairman
14 November 2018
Colombo

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 2018	299,488	2,277,718	1,123,825	8,006	6,619,568	10,328,605	1,245,074	11,573,679
Net profit	-	-	-	-	175,155	175,155	15,024	190,179
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,389)	-	(2,389)	(538)	(2,927)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	1,669	1,669	-	1,669
Total comprehensive income	-	-	-	(2,389)	176,824	174,436	14,486	188,921
Dividends	-	-	-	-	(179,681)	(179,681)	(24,588)	(204,269)
Balance at 30 September 2018	299,488	2,277,718	1,123,825	5,617	6,616,712	10,323,361	1,234,973	11,558,333

For the year ended 31 March 2018

	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
Balance at 30 September 2017	299,488	1,790,589	1,123,825	10,173	6,308,780	9,532,855	1,162,618	10,695,473
Balance at 1 October 2017	299,488	1,790,589	1,123,825	10,173	6,308,780	9,532,855	1,162,618	10,695,473
Net profit	-	-	-	-	497,342	497,342	39,345	536,687
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,167)	-	(2,167)	(1,338)	(3,505)
Re-measurements of post employment benefit obligation	-	-	-	-	(19,948)	(19,948)	-	(19,948)
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	5,586	5,586	-	5,586
Gain on revaluation of Land and Building	-	831,432	-	-	-	831,432	68,460	899,892
Deferred tax on revaluation surplus	-	(336,800)	-	-	-	(336,800)	-	(336,800)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(1,793)	(1,793)	-	(1,793)
Impact on transfer of NCI balance to retained earnings of equity investee	-	-	-	-	(1,138)	(1,138)	-	(1,138)
Total comprehensive income	-	494,632	-	(2,167)	480,049	972,514	106,467	1,078,981
Transfer from revaluation reserve	-	(10,420)	-	-	10,420	-	-	-
Deferred tax on transfer from revaluation reserve	-	2,917	-	-	-	2,917	-	2,917
Dividends	-	-	-	-	(179,681)	(179,681)	(24,011)	(203,692)
Balance at 31 March 2018	299,488	2,277,718	1,123,825	8,006	6,619,568	10,328,605	1,245,074	11,573,679

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 2018	299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Net profit	-	-	-	-	106,001	106,001
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,381)	-	(1,381)
Total comprehensive income	-	-	-	(1,381)	106,001	104,620
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2018	299,488	1,002,568	680,266	1,447	3,320,490	5,304,259
No of shares as at 30 September 2018	119,787,360					

For the year ended 31 March 2018

	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	3,075,778	4,853,602
Balance at 1 October 2017	299,488	795,582	680,266	2,488	3,075,778	4,853,602
Net profit	-	-	-	-	330,760	330,760
Fair value adjustment for available-for-sale financial assets	-	-	-	340	-	340
Re-measurements of post employment benefit obligation	-	-	-	-	(17,176)	(17,176)
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	4,809	4,809
Gain on revaluation of Land and Building	-	367,818	-	-	-	367,818
Deferred tax on revaluation surplus	-	(160,832)	-	-	-	(160,832)
Total comprehensive income	-	206,986	-	340	318,393	525,719
Balance at 31 March 2018	299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
No of shares as at 31 March 2018	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	
	2018	2017	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	281,616	324,634	128,645	175,209
Adjustments for:				
Depreciation of property, plant and equipment	110,394	110,375	48,512	45,215
share of profit from equity accounted investee (net of tax)	(34,940)	(16,360)	-	-
Dividend income	(694)	(613)	(67,234)	(70,460)
Interest expense/(income)	179,185	173,806	38,208	103,356
Exchange gain on investment in Sri Lanka development bonds	(4,830)	(3,663)	(4,830)	(2,880)
Amortization of leasehold properties	12	11	-	-
Defined benefit obligations	28,236	27,544	16,152	16,152
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	51,641	(1,084,726)	87,373	(380,116)
Receivables and prepayments	(118,006)	(828,255)	(628,365)	(1,078,302)
Increase/(Decrease) in;				
Trade and other payables	260,356	772,615	1,070,316	1,531,340
Cash generated from/ (used in) operations	752,970	(524,631)	688,777	339,514
Interest received/(paid)	(179,185)	(173,806)	(38,208)	(103,356)
Defined benefit obligations paid	(5,806)	(4,177)	(4,662)	(3,258)
Income tax paid less refund received	(158,190)	(244,488)	(38,278)	(132,197)
WHT on dividend paid by subsidiary to non-controlling interests	(10,084)	(7,164)	-	-
Net cash (used in)/from operating activities	399,705	(954,266)	607,629	100,703
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(290,230)	(47,996)	(255,742)	(21,619)
Investment in held-to-maturity investments	-	(457,020)	-	(457,020)
Dividend received	694	613	67,234	70,460
Cash proceeds from held-to-maturity investments	471,630	403,536	471,630	238,609
Net cash from/(used in) investing activities	182,094	(100,868)	283,121	(169,571)
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(1,079,911)	817,116	(681,429)	657,999
Long term borrowings net of payments	56,669	181,159	58,333	(50,000)
Dividends paid	(179,681)	(179,681)	(179,681)	(179,681)
Dividends paid by subsidiaries to non-controlling interests	(24,588)	(24,587)	-	-
Net cash generated from/ (used in) financing activities	(1,227,511)	794,007	(802,777)	428,318
Net increase/(decrease) in cash and cash equivalents	(645,712)	(261,127)	87,973	359,451
Cash and cash equivalents at the beginning of the year	1,245,509	1,192,692	(379,233)	(12,537)
Cash and cash equivalents at the end of the year	599,797	931,565	(291,260)	346,914

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 30 September</i>	Manufacturing cables 2018	Manufacturing PVC compound 2018	Others 2018	Total 2018	Total 2017
Revenue					
Total revenue	9,045,729	636,261	3,118,252	12,800,242	10,937,620
Inter-segment sales	(481,181)	(602,597)	(3,113,518)	(4,197,296)	(2,870,235)
External sales	8,564,548	33,664	4,734	8,602,946	8,067,385
Results					
Profit/(loss) before other income and finance cost	262,308	(3,117)	245,021	504,212	464,810
Other income	7,270	2,394	-	9,664	13,607
Finance (cost)/income	(68,166)	(15,621)	(183,413)	(267,200)	(170,143)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	34,940	34,940	16,360
Taxation	(70,635)	-	(20,801)	(91,436)	(98,585)
Profit/(loss) after taxation	130,777	(16,344)	75,747	190,180	226,049
Capital expenditure					
Segment capital expenditure	279,863	32	10,335	290,230	47,996
Total capital expenditure				290,230	47,996
Depreciation and amortisation					
Segment depreciation	84,607	8,749	17,038	110,394	110,375
Total depreciation and amortisation				110,394	110,375

<i>For the period ended 30 September</i>	Manufacturing cables 2018	Manufacturing PVC compound 2018	Others 2018	Total 2018	Total 31 March 2018
Assets					
Segment assets	12,275,553	1,353,686	3,938,135	17,567,374	18,555,013
Unallocated corporate assets				739,268	591,163
Total assets				18,306,642	19,146,176
Liabilities					
Segment liabilities	3,855,755	197,470	2,691,495	6,744,720	7,568,349
Unallocated corporate liabilities				3,589	4,148
Total liabilities				6,748,309	7,572,497

(b) Geographical segment information - revenue

<i>For the period ended 30 September</i>	Group		Company	
	2018	2017	2018	2017
Local sales	7,113,690	7,130,737	3,970,334	3,547,845
Export sales	1,489,256	936,648	841,277	459,509
	8,602,946	8,067,385	4,811,611	4,007,354

- 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 2018 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 2018.

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 30 September 2018

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 SEB AB-Tundra Frontier Opportunities Fund	6,044,156	5.05%
4 Employees Provident Fund	5,907,432	4.93%
5 Employees Trust Fund Board	4,427,057	3.70%
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 Bank of Ceylon-No 2 A/C	1,320,800	1.10%
10 MAS Capital (Private) Limited	1,128,964	0.94%
11 Bank Of Ceylon No. 1 Account	1,005,246	0.84%
12 Perera R.D.M.	701,864	0.59%
13 Selliah A & Selliah S	700,000	0.58%
14 Sir Cyril De Zoysa Trust	682,072	0.57%
15 Sri Lanka Insurance Corporation LTD-Life Fund	675,647	0.56%
16 Arunodhaya (Private) Limited	500,000	0.42%
17 Arunodhaya Industries (Private) Limited	500,000	0.42%
18 Arunodhaya Investments (Private) Limited	500,000	0.42%
19 Andysel Private Limited	400,000	0.33%
20 Kailasapillai A	400,000	0.33%
	102,791,702	85.81%

Share holding of directors as at 30 September 2018

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 2018

44,723,936 37.34%

Total No of Shares as at 30 September 2018

119,787,360 100.00%

No of public share holders as at 30 September 2018

2,562

The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market capitalization as of 30.09.2018 was Rs.1,663,730,419/-