

**INTERIM FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 31 DECEMBER 2018
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
INCOME STATEMENT - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended		Period ended	
	31 December	31 December	31 December	31 December
<i>For the period ended 31 December</i>	2018	2017	2018	2017
Revenue	4,733,297	3,602,087	13,336,243	11,669,472
Cost of Sales	(3,920,542)	(2,781,313)	(11,340,421)	(9,757,477)
Gross profit	812,755	820,774	1,995,822	1,911,995
Other income	1,918	6,249	11,582	19,856
Distribution costs	(258,998)	(224,784)	(694,568)	(619,891)
Administrative costs	(116,585)	(120,099)	(359,870)	(351,403)
Operating profit	439,090	482,140	952,966	960,557
Finance costs - net	(99,564)	(121,358)	(366,764)	(291,501)
Share of (loss)/profit of investments accounted for using the equity method	22,901	21,591	57,841	37,951
Profit before income tax	362,427	382,373	644,043	707,007
Income tax expenses	(86,590)	(101,938)	(178,026)	(200,523)
Profit	275,837	280,435	466,017	506,484
Profit attributable to :				
- Owners of the parent	247,121	256,578	422,275	456,517
- Non-controlling interests	28,717	23,857	43,741	49,967
	275,837	280,435	466,017	506,484
Earnings per share (Rs.)	2.06	2.14	3.53	3.81

ACL CABLES PLC
INCOME STATEMENT -COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended 31 December		Period ended 31 December	
	2018	2017	2018	2017
<i>For the period ended 31 December</i>				
Revenue	2,817,313	2,242,430	7,628,924	6,249,784
Cost of Sales	(2,492,700)	(1,939,089)	(6,879,622)	(5,486,709)
Gross profit	324,613	303,341	749,302	763,075
Other income	29,651	935	98,782	73,700
Distribution costs	(118,740)	(102,156)	(340,780)	(259,805)
Administrative costs	(49,752)	(54,286)	(154,679)	(153,451)
Operating profit	185,772	147,834	352,625	423,519
Finance costs - net	(6,122)	(60,905)	(44,330)	(161,381)
Profit before income tax	179,650	86,929	308,295	262,138
Income tax expenses	(42,760)	(24,364)	(65,404)	(51,889)
Profit	136,890	62,565	242,891	210,249
Earnings per share (Rs.)	1.14	0.52	2.03	1.76

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 31 December		Period ended 31 December	
	2018	2017	2018	2017
Profit	275,837	280,435	466,017	506,484
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	(235)	(1,495)	(3,162)	3,116
Share of other comprehensive income of equity accounted investee, net of tax	-	(971)	1,669	(2,727)
Other comprehensive income, net of tax	(235)	(2,466)	(1,493)	389
Total comprehensive income, net of tax	275,603	277,969	464,524	506,873
Total comprehensive income attributable to:				
- Owners of the parent	246,989	254,583	421,424	456,187
- Non-controlling interests	28,615	23,386	43,101	50,686
Total comprehensive income, net of tax	275,604	277,969	464,525	506,873

(B) COMPANY

For the period ended 31 December

	Quarter ended 30 September		Period ended 30 September	
	2018	2017	2018	2017
Profit	136,890	62,565	242,891	210,249
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	61	(143)	(1,320)	1,049
Other comprehensive income, net of tax	61	(143)	(1,320)	1,049
Total comprehensive income, net of tax	136,951	62,422	241,571	211,298

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	31 December 2018	31 March 2018	31 December 2018	31 March 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4,373,450	4,151,266	1,913,453	1,717,804
Work in progress	44,678	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	1,627	1,644	-	-
Investment in subsidiaries	-	-	576,243	576,243
Investment in equity accounted investee	308,232	277,206	345,093	345,093
Available-for-sale Financial assets	271,327	274,488	11,340	12,660
Deferred income tax assets	3,959	3,959	-	-
	5,649,040	5,451,736	3,208,684	3,013,814
Current assets				
Inventories	5,347,843	4,763,792	2,389,279	2,311,360
Trade and other receivables	7,682,910	6,350,481	4,624,980	3,924,446
Prepaid lease rentals	22	22	-	-
Held-to-maturity financial assets	-	466,800	-	466,800
Cash and cash equivalents	1,974,548	2,113,345	990,536	395,842
	15,005,323	13,694,440	8,004,795	7,098,448
TOTAL ASSETS	20,654,363	19,146,176	11,213,479	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	5,485	8,006	1,508	2,828
Retained earnings	6,863,831	6,619,568	3,457,380	3,394,171
Equity attributable to owners of the parent	10,570,348	10,328,605	5,441,210	5,379,321
Non-controlling interests	1,263,587	1,245,074	-	-
Total equity	11,833,935	11,573,679	5,441,210	5,379,321
Non-current liabilities				
Defined benefit obligations	330,033	297,977	194,867	177,918
Deferred tax liability	577,530	577,689	278,776	278,776
Borrowings	395,835	350,101	137,356	100,000
	1,303,398	1,225,767	610,999	556,694
Current liabilities				
Trade and other payables	2,523,031	2,805,971	3,475,059	2,048,750
Current income tax liability	800,888	809,069	424,438	403,403
Borrowings	3,165,510	1,863,854	700,170	949,019
Bank overdraft	1,027,601	867,836	561,603	775,075
	7,517,030	6,346,730	5,161,270	4,176,247
Total liabilities	8,820,428	7,572,497	5,772,269	4,732,941
Total equity and liabilities	20,654,363	19,146,176	11,213,479	10,112,262
Net asset value per share	88.24	86.22	45.42	44.91
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			43.00	44.70
Lowest price (Rs.)			36.00	41.00
Last traded price (Rs.)			37.00	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 February 2019
Colombo

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 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	-	-	-	-	422,275	422,275	43,741	466,016
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,521)	-	(2,521)	(641)	(3,162)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	1,669	1,669	-	1,669
Total comprehensive income	-	-	-	(2,521)	423,943	421,423	43,101	464,523
Dividends	-	-	-	-	(179,681)	(179,681)	(24,588)	(204,269)
Balance at 31 December 2018	299,488	2,277,718	1,123,825	5,485	6,863,831	10,570,348	1,263,587	11,833,935

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	-	-	-	-	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	506,873
Balance at 31 December 2017	299,488	1,790,589	1,123,825	9,149	6,564,387	9,787,438	1,186,004	10,973,442
Balance at 1 January 2018	299,488	1,790,589	1,123,825	9,149	6,564,387	9,787,438	1,186,004	10,973,442
Net profit	-	-	-	-	240,764	240,764	15,488	256,252
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,143)	-	(1,143)	(867)	(2,010)
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	-	-	-	-	(822)	(822)	-	(822)
Impact on transfer of NCI balance to retained earnings of equity investee	-	-	-	-	(1,138)	(1,138)	-	(1,138)
Total comprehensive income	-	494,632	-	(1,143)	224,442	717,931	83,081	801,012
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 31 December

	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	-	-	-	-	242,891	242,891
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,320)	-	(1,320)
Total comprehensive income	-	-	-	(1,320)	242,891	241,571
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2018	299,488	1,002,568	680,266	1,508	3,457,380	5,441,210
No of shares as at 31 December 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	-	-	-	-	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	3,138,343	4,916,024
Balance at 1 January 2018	299,488	795,582	680,266	2,345	3,138,343	4,916,024
Net profit	-	-	-	-	268,195	268,195
Fair value adjustment for available-for-sale financial assets	-	-	-	483	-	483
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	-	483	255,828	463,297
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 31 December

	GROUP		COMPANY	
	2018	2017	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	644,043	324,634	308,295	175,209
Adjustments for:				
Depreciation of property, plant and equipment	169,584	110,375	75,512	45,215
share of profit from equity accounted investee (net of tax)	(57,841)	(16,360)	-	-
Dividend received from equity accounted investee	28,483	-	-	-
Dividend income	(746)	(613)	(95,773)	(70,460)
Interest expense/(income)	366,764	173,806	44,330	103,356
Exchange gain on investment in Sri Lanka development bonds	(4,830)	(3,663)	(4,830)	(2,880)
Amortization of leasehold properties	17	11	-	-
Defined benefit obligations	41,113	27,544	24,228	16,152
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(584,051)	(1,084,726)	(77,919)	(380,116)
Receivables and prepayments	(1,332,429)	(828,255)	(700,534)	(1,078,302)
Increase/(Decrease) in;				
Trade and other payables	(282,940)	772,615	1,426,309	1,531,340
Cash generated from/ (used in) operations	(1,012,833)	(524,631)	999,618	339,514
Interest received/(paid)	(366,764)	(173,806)	(44,330)	(103,356)
Defined benefit obligations paid	(9,057)	(4,177)	(7,279)	(3,258)
Income tax paid less refund received	(176,282)	(244,488)	(44,369)	(132,197)
WHT on dividend paid by subsidiary to non-controlling interests	(10,084)	(7,164)	-	-
Net cash (used in)/from operating activities	(1,575,019)	(954,266)	903,640	100,703
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(339,033)	(47,996)	(271,702)	(21,619)
Investment in held-to-maturity investments		(457,020)		(457,020)
Dividend received	746	613	95,773	70,460
Cash proceeds from held-to-maturity investments		403,536	471,630	238,609
Net cash from/(used in) investing activities	(338,295)	(100,868)	295,700	(169,571)
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	1,301,656	817,116	(248,849)	657,999
Long term borrowings net of payments	45,734	181,159	37,356	(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	1,143,121	794,007	(391,174)	428,318
Net increase/(decrease) in cash and cash equivalents	(770,192)	(261,127)	808,166	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	475,317	931,565	428,933	346,914

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

-	Manufacturing cables 2018	Manufacturing PVC compound 2018	Others 2018	Total 2018	Total 2017
<i>For the period ended 31 December</i>					
Revenue					
Total revenue	14,054,865	1,075,327	4,642,100	19,772,292	14,539,707
Inter-segment sales	(775,816)	(1,020,248)	(4,639,985)	(6,436,049)	(2,870,235)
External sales	13,279,049	55,079	2,115	13,336,243	11,669,472
Results					
Profit/(loss) before other income and finance cost	545,720	38,173	357,491	941,384	940,701
Other income	10,876	706	-	11,582	19,856
Finance (cost)/income	(82,532)	(16,319)	(267,913)	(366,764)	(291,501)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	57,841	57,841	37,951
Taxation	(147,839)	(8,548)	(21,639)	(178,026)	(200,523)
Profit/(loss) after taxation	326,225	14,012	125,780	466,017	506,484
Capital expenditure					
Segment capital expenditure	313,533	27	25,473	339,033	47,996
Total capital expenditure				339,033	47,996
Depreciation and amortisation					
Segment depreciation	130,888	13,124	25,572	169,584	110,375
Total depreciation and amortisation				169,584	110,375

	Manufacturing cables 2018	Manufacturing PVC compound 2018	Others 2018	Total 2018	Total 31 March 2018
<i>For the period ended 31 December</i>					
Assets					
Segment assets	13,984,480	1,397,833	4,532,482	19,914,795	18,555,013
Unallocated corporate assets				739,568	591,163
Total assets				20,654,363	19,146,176
Liabilities					
Segment liabilities	5,346,622	211,557	3,258,710	8,816,889	7,568,349
Unallocated corporate liabilities				3,539	4,148
Total liabilities				8,820,428	7,572,497

(b) Geographical segment information - revenue

	Group		Company	
	2018	2017	2018	2017
<i>For the period ended 31 December</i>				
Local sales	11,846,987	10,732,824	6,787,647	5,790,275
Export sales	1,489,256	936,648	841,277	459,509
	13,336,243	11,669,472	7,628,924	6,249,784

- 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 31 December 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 31 December 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 31 December 2018

44,723,936 37.34%

Total No of Shares as at 31 December 2018

119,787,360 100.00%

No of public share holders as at 31 December 2018

2,568

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.1,654,785,632/-