THE EXCELLENCE OF A TRUSTED PARTNER

ACL Cables PLC
Annual Report 2018/19

CONTENTS

THE EXCELLENCE OF A TRUSTED PARTNER

Since 1962, ACL Cables has been following our vision "To be the preferred brand of electric cables in the region, whilst strengthening our dominant position in Sri Lanka." Over the years, we have clearly established ourselves as the market leader with a pioneering spirit, inspired to create lasting value in all that we undertake to do.

Today, ACL continues to innovate and improve its technology, talent, products and services, growing its reputation as a superior corporate with a total commitment to quality and value. This report records another good performance by your company as we continue to bring the unmatched excellence of a trusted partner to the thousands of customers, employees, business partners, investors and communities who share our journey of success.

Our Vision

To be the preferred brand of electric cables, switches & accessories in the region, whilst strengthening the dominant position in Sri Lanka.

Mission

- To expand our range of products and services in the fields of electrification.
- To be the most competitive in chosen global markets and to achieve continuous growth.
- To create an environment that will inculcate a feeling of ownership in our people and their families.
- To create a company that will be in the forefront of technology and win the admiration of our customers, suppliers, shareholders and the community.

Our Values

- We strive to do our best for our stakeholders in the following ways;

Our Customers

- We reach out to our customers and give them a fair deal.
- We build enduring customer relationships without trying to maximise short term profits.
- We always make it easier for customers to do business with us.
- We communicate regularly with our customers.
- We never forget to say thank you.

Our People

- We respect each other as individuals and motivate our people to work as a team.
- We provide opportunities for personal and professional development.
- We recognise and reward individual initiative and performance of our people.
- We inculcate family culture and togetherness.

Our Suppliers

- We treat our suppliers as valuable business partners and maintain a mutually beneficial relationship.

Our Shareholders

- We ensure superior returns to our shareholders through sustained growth of profitability.

Our Community

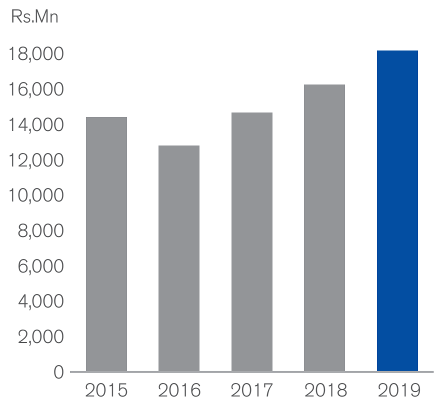
- We carry out our activities in an environment friendly manner, contributing towards a safer and healthier community.
- We maintain ethical standards.

GROUP FINANCIAL HIGHLIGHTS

	2019 LKR Million	2018 LKR Million
Operations		
Turnover	18,183	16,252
Gross Profit	2,765	2,631
Finance Cost	572	382
Profit before Tax	875	1,057
Profit after Tax	624	763
Total Equity	11,825	11,574
Key Financial Indicators		
Gross Profit Margin	15.21%	16.19%
Net Profit Margin before Tax	4.81%	6.51%
Interest Cover (Times)	3.17	3.62
Return on Equity	5.22%	6.59%
Current Ratio (Times)	1.90	2.16

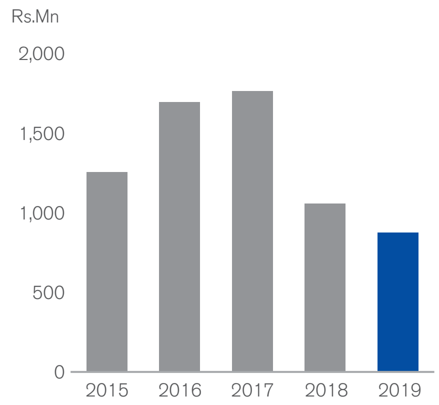
Revenue

for the year ended 31 March



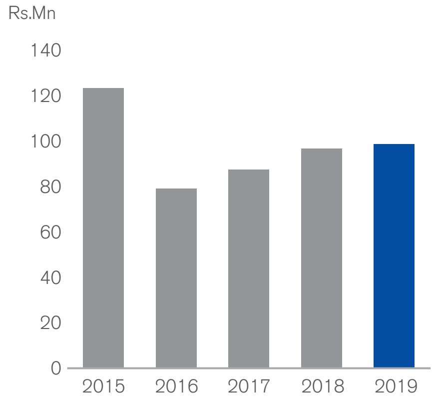
Net Profit before Tax

for the year ended 31 March

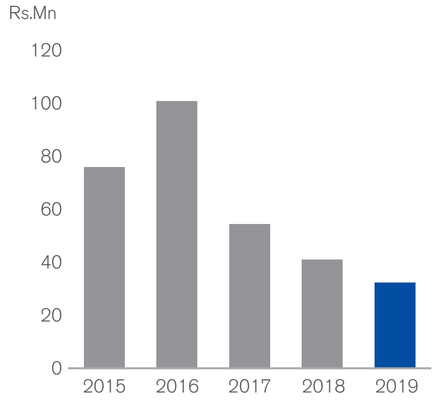


"With the growth in electricity generation and moves towards eco friendly power generation techniques we continue to invest in new technology and our in-house Research & Development for better and innovative products assuring safe lives."

Net Assets per Share
as at 31 March



Market Value per Share
as at 31 March



Net Revenue

18,183Rs. Mn

Profit to Equity Holders

560Rs. Mn

Profit to Equity Holders

5.31%

MILESTONES

1962

In March 1962, Associated Motorways Ltd (AMW) incorporated Associated Cables Ltd as a Subsidiary for the manufacture of electric cables.

1963

Within a period of one year, manufacture of electric cables commenced in Sri Lanka for the first time with Japanese technical assistance within the AMW Industrial complex at Kalutara.

1976

The Company became a public quoted company under the rules of the Colombo Brokers Association.

1978

Established facilities for drawing Copper wires.

1980

The Company moved out of AMW Group. An Aluminium Conductor plant was set up for the manufacture of AAC and ACSR.

1981

Joint Venture with Aluminium Industries Ltd, India for the manufacture of 1400 M/Ts of Aluminium conductors.

1982

Establishment of own distribution network island wide.

1986

Production of Armored Cable commenced at Piliyandala Factory.

1988

Company entered into a technical collaboration agreement with Nokia Cables Finland, for manufacturing of Aerial Bundled Cables and XLPE Insulated Cables.

1990

The name of the Company was changed from Associated Cables Ltd. to ACL Cables Ltd, in order to establish an independent identity for the Company.

1991

ACL Plastics Limited was incorporated for the manufacture of PVC compound.

1993

Second technical collaboration agreement with Nokia Cables of Finland for drawing and ageing Aluminium Alloy conductors.
Commenced manufacturing of PVC compound at ACL Plastics Ltd, Ekala.

1995

Commencement of cable exports to Bangladesh and Maldives.
Acquisition of Ceylon Bulbs & Electricals Ltd.

1999

Acquisition of Kelani Cables Ltd.
Introduction of Power - X and Flexi cables.

2006

Incorporation of ACL Metals & Alloys (Private) Ltd and ACL Polymers (Private) Ltd.
Introduction of ACL Fireguard and other fire rated range of products.

2007

Winning the Achievers Gold Award for Performance Excellence awarded by Ceylon National Chamber of Industries, Sri Lanka, National Quality Award and Taiki Akimoto Award on 5S.

2008

ACL Cables PLC awarded the highest award of Asia Pacific Quality Organization beating participants from 46 countries. Recognized as a world-class Company. Awarded Super Brand status for the ACL brand.

2012

Incorporation of Ceylon Copper (Pvt) Ltd. to manufacture copper rods.
ACL secured SLS Certification for Armored Cables for the first time in Sri Lanka.

2013

Incorporation of ACL Electric (Pvt) Ltd. to manufacture electrical accessories.

2014

Introduction of Fire Resistance Circuit Integrity Power Cables.

2015

ACL Cables PLC acquired 35% stake of Hemas Power PLC & renamed company RESUS Energy PLC. As a result of share buyback by RESUS Energy PLC during 2015/2016, ACL Cables PLC's stake was reduced to 31.71%.

2016

ICRA Lanka Limited, Subsidiary of ICRA Limited, group company of Moody's Investors Service has assigned an Issuer rating of [SL] A+ (pronounced S L A plus) with stable outlook to ACL Cables PLC.

2018

Introduction of ACL Elegance switches and sockets.

ACL Cables PLC achieved the prestigious Master Brand status for 2017, conferred by Chief Marketing Officers (CMO) Asia in partnership with the World Marketing Congress. A Master Brand status is conferred only to top tier brands in a particular category and in recognition of market dominance. Once the status is awarded on a single brand, the competing brands are excluded from the category.

Introduction of an own fleet of distribution vehicle network for retail market.

CHAIRMAN'S MESSAGE

It's my pleasure to welcome you for the 57th Annual General Meeting of ACL Cables PLC. I take this opportunity to present our annual report and audited financial statements for the year ended 2018/2019. We witnessed a reasonable year despite stringent macroeconomic activities that took place throughout the period.

I am pleased to announce that the group turnover increased compared to last year but experienced a drop in shareholder returns due to overall economic and industry contractions.

Economic Outlook

The year was driven by a mix of positive and negative trends within the Sri Lankan economy. Amidst these fluctuations I'm pleased to inform that, ACL being a group of companies that focuses on multiple business avenues, has performed upto expectations with its annual numbers both locally and internationally.

Focusing on the real sector development of Sri Lanka, the economy recorded a growth of 3.2% for the year 2018 compared to its growth of 3.4% the year before. It has been yet another year of moderate growth and the decline, which prevailed for the past couple of years continued towards this year as well due to local and global unrest.

The economic growth for 2018 was vastly supported by activities of the service and agricultural sectors that recorded growth rate of 4.7% and 4.8% respectively. Significant recovery was noted in the agricultural sector became a significant turnaround due to favorable weather conditions compared to its contraction of 0.4% in 2017. Similarly the service sector expansion from 3.6% last year made a noteworthy contribution to the overall economic growth rate.

It is disappointing to experience the downfall of the industrial sector and construction sub sector, which created a major drawback on the economy's overall growth rate. Industry activities recorded a serious decline with a growth rate of 0.9% compared to 4.1% in 2017, mainly due to the negative figures in construction and mining and quarrying sub sectors. The restrained activities of major developments especially infrastructure development projects, led construction activities to contract by 2.1% against the 4.3% growth it recorded last year. I believe such low growth rates were recorded due to the continued volatility of major macroeconomic factors within the country through out the fiscal year, especially the last two quarters.

> "ACL group recorded an annual turnover of Rs. 18.2 Billion For 2018. This is a growth of 12% compared with our last year's performance of Rs. 16.2 billion."

On a positive note, electricity generation grew by 4% during the year from 3.7% growth in 2017, managing to continue its year on year expansion, whilst increasing the share of power generated by CEB to 77.4% in 2018 from 72.4% the year before. The significant increase in hydropower generation, non-conventional renewable energy, mini hydro and solar power generation by 68.4%, 17.3%, 27.3% and 15.3% respectively compared with the previous year signifies a trend towards eco friendly power generating sources.

Moreover due to the support in restoring EU GSP+ facility industrial exports recorded a 8.4% year on year increase in 2018, whilst machinery and mechanical appliances grew by 17.3% in 2018 compared to 2017. This includes positive performance of insulation wires, cables and conductors reflecting their significance towards our major business sector within the export market as well.

Gross Profit - Group

2,765Rs. Mn

Net Profit - Group

624Rs. Mn

CHAIRMAN'S MESSAGE

Group Performance

Its with immense pleasure I announce that ACL group recorded an annual turnover of Rs. 18.2 Billion for 2018. This is a growth of 12% compared with our 2017 performance of Rs. 16.2 billion. The continued hike in exchange rate forced an adjustment in prices, which supported us to achieve the above result.

Amidst high volatility and uncertainty within the local economy the Group recorded Rs. 624 million profit after tax, against Rs. 763 million the year before which is an 18% decline compared to 2017. Increase in raw material prices mainly due to adverse exchange rate conditions, moderate fluctuations in metal prices at the London Metal Exchange (LME), the extreme slowdown in industrial activities and contraction of construction sector within the overall economy led to our margins reducing heavily, resulting in an increase in the cost of sales and operational costs, despite a higher turnover.

Challenges

Most economies worldwide experienced a slow down in their economic activities compared to last year due to political conditions, increased trade tensions and tighter financial conditions. Such challenging global macroeconomic conditions accounted for a ripple effect, affecting the economies of most developing nations such as Sri Lanka.

The Rupee began depreciating at the beginning of the second quarter; by the end of the quarter, the depreciation accelerated resulting the USD rising to an all time high of Rs. 183 by end December 2018. The Adverse exchange rate had an immense impact on our total cost structure affecting the Groups bottom line. The adverse exchange rate had an immance impact on our total cost structure affecting the Group's bottom line.

Furthermore the political unrest that prevailed through out the year, and heightened government instability during beginning of the third quarter shattered investor credibility dragging down FDIs, leading to negative shocks in industry activities and contraction within the construction sector. This adversely affected on the project market, which is highly likely to fluctuate due to such conditions. I believe the major drawback within the Industry sector were due to the repulsive local environment for FDI inflows and also the faliure to route prevailing investments towards productive sectors that would help generate positive economic growth. Policies to route a significant amount of investment towards the manufacturing and construction sectors would stimulate a sustainable economic growth within the country.

Increasing price trends in certain food categories as well as non-food categories resulted in an overall fluctuation and volatile movement in the consumer price index. Such inflation tends to increase consumer expenditure and reduce their disposable income, discouraging planned construction activities resulting in an unhealthy domestic market for cables and electrical appliances.

Along with the above external challenges, we needed to the latest focus on industry expansions adhering to local and international standards, as well as move into innovative product lines and product enhancements through regular investments in Research and Development activities.

New Developments

Despite the unfavorable figures recorded in the construction sector during the current year we believe that these conditions would revert to a positive note during next year.

As a Group at the forefront of our sector, we forecast higher demand and increased order inquiries in line with the scheduled national infrastructure and commercial developments. Hence we plan to prepare ourselves to meet these demand expectations and have placed adequate measures towards expanding our in-house capacity during this financial year. This enables us to gain higher productivity and facilitate accurate production at any given time. As a process of our continuous development plan, we conduct regular monitoring on national demand requirements and project our investments for future capacity expansions as well.

Further, with the growth in electricity generation and moves towards eco friendly power generation techniques we continue to invest in new technology and our in-house Research & Development for better and more innovative products that assure safety of lives.

Appreciations

I would like to thank all our retail, project and overseas customers, business partners and other stakeholders for placing their trust and faith upon us and staying with us through out this journey. It has been a great strength for our Group to maintain our consistency and achieve what we have today. Special appreciation goes to Ceylon Electricity Board (CEB), our largest customer for being one of the most vital partners in our business. This has led us to maintain better shareholder value and perform up to their expectations.

I take this opportunity to extend my gratitude towards numerous public and private entities for creating a supportive business environment amidst challenging economic conditions.

I also thank all our shareholders and members of the Board of Director for the immense value they provided through advice, expertise and knowledge to guide us on the right direction.

Last but not least I appreciate all our employees who were with us from start upto now for their untiring effort and commitment to lift ACL group to higher standards and keep us moving further towards a better future.

U. G. Madanayake
Chairman

30 July 2019

MANAGING DIRECTOR'S REPORT

Suren Madanayake
Managing Director

I'm pleased to present you the Annual Report of ACL Cables PLC for the financial year 2018/2019. It has been a challenging year for our company due to an unstable macroeconomic environment. Yet the company managed to record a 14.3% increase in our topline compared with 2017/18. We achieved a turnover of Rs.10.2 Billion, against Rs. 8.9 billion the year before. I'm immensely happy to announce that this became the first occasion for us to go pass the hurdle of Rs. 10 billion, which I believe is a significant milestone. Considering the tough business condition the company profit before tax recorded a figure of Rs. 439 million, falling back 24.5% against year 2017/18, which gained Rs. 582 million for the same. This was mainly due to the sharp appreciation of the USD against the rupee and continued adverse conditions prevailed within the country throughout the year.

Favourable factors

Similar to past years, Ceylon Electricity Board (CEB) continued its trend into this year as well, being our single largest customer contributing a significant turnover and accounting for a considerable year on year growth. Further on a positive note ACL trading items posted a growth of 33.3% compared with last year showing positive results on products we have bought to support our core business activity. The most significant increase was shown in our international business, posting a 54.7% growth compared to the year before.

The reorganization that took place in the distribution sector proved major success. This led to an increased penetration in our dealer network and increased productivity in the segment of local retail business. Retail sales grew strongly compared to 2017, whilst contributing the highest share of sale from an individual operating business unit to the company's overall turnover.

Further, I'm delighted to announce the performance of 'ACL Elegance', our latest range of electrical switches introduced during last quarter 2017. ACL Elegance achieved great success in terms of numbers as well as customer acceptance during its first year in market. This

"The company managed to record a 14.3% increase in our topline compared with 2017/18. We achieved a turnover of Rs.10.2 Billion, against Rs.8.9 billion the year before. I'm immensely happy to announce that this became the first occasion for us to go pass the hurdle of Rs.10 billion."

shows the quality and trust we maintain within the market to gain such a success during the first year of introduction.

Resus Energy PLC an associate company of ACL Cables PLC, posted a remarkable growth of 40.2% from last year, accounting Rs. 162.8 million for 2018/19 against Rs. 116.1 million in 2017/18.

Moreover we were rated as an A+ category company for the year under review by ICRA rating agency, which is an achievement we have maintained for consecutive years.

Challenges as a business

The major challenge we experienced was the severe downfall of the rupee creating an unfavorable exchange rate. It affected tremendously on the purchasing price of raw materials, increasing the cost of sales by almost 19% compared that with the previous year. Similarly, modest movements in metal prices at London Metal Exchange (LME) created a set back on margins impacting the bottom line.

Turnover - Company

10,207 Rs. Mn

Net Profit - Company

347 Rs. Mn

MANAGING DIRECTOR’S REPORT

Extreme contraction in the construction sector and draw back in industrial activities resulted in a major hit on orders for project sales. The business unit recorded a decline against last year’s sale that held us back marginally from achieving the company’s overall budget for the year.

Future Outlook

Actioning out to strengthen our distribution network further, we implemented an operation with a fleet of company maintained delivery vehicles ensuring an easing of day to day operations for the distributors and also upgrading their delivery capacities. Through such a structure we plan to equip ourselves with improved productive deliveries, Increased capacity for on the move product storage and a full range product sales technique, creating more interest among dealers towards our scope of products.

We anticipated many government and private funded projects to in-line to begin in the next financial year. Yet, I believe that at national policy level we should strengthen the prevailing political system, national security and steer a favourable stance towards industrial activities to execute prevailing projects at a rapid pace and generate better investor confidence to facilitate future construction projects. Such a national initiative would help us overcome the present stagnant condition in our B2B business market.

With export numbers moving towards higher standards during the year we anticipate better potential for business in the international market. Hence we have a strategize to move into new markets within the South Asian region whilst increasing our penetration in current global markets we operate in. Myanmar is one such new market we work to exploit ourselves better.

ACL Cables has been the only company in market with proven international test certifications for fire rated and fire retardant cables. This has proved our excellence and expertise in the industry we operate. These cables have always given us the competitive edge within the market. Sadly, since recent past we have experienced developments from some of the cables in the market claiming to be fire proof but lacking proper test certifications, due to the absence of local standardization for this range. In order to prevent this situation we intend to liaise with key government personnel and institutes to make them aware on such alarming and harmful conditions, and to create a process to offer local standards and certification for fire retardant cables and grant approvals accordingly. This would give the consumer a genuine fire retardant cable with best standard.

Trading items became another area we improved during past few years. It has supported our stance to be a 'one stop shop company' for all electrical needs. With the success of restructuring the distribution network we go to market with the entire range of products at the hands of each sales person. Hence, we look positively into the future and commit fully to push the operation of trading items towards the next level.

Appreciations

I would like to take this opportunity to thank all business personnel and well-wishers who supported us tremendously in all business activities under the turbulent economic conditions within the country. It helped immensely in escalating towards our numbers.

Also I thank our Chairman and Board of Directors for extending their guidance and assistance in steering the company forward.

It's my pleasure to thank all government authorities and private institutions who supported us to carry out our activities precisely without delays. My sincere gratitude goes towards all suppliers, shareholders and all other stakeholders who were with us and helped us in each and every activity.

Finally, I thank all my employees past and present for their dedication and effort, which brought success for the company and made us rise above standards, achieving superior excellence.

Suren Madanayake
Managing Director

30 July 2019

BOARD OF DIRECTORS

Seated from left to right : Mr. U. G. Madanayake - Chairman, Mrs. N. C. Madanayake - Director,
Standing from left to right : Mr. Ajit Jayaratne - Director, Mr. Suren Madanayake - Managing Director, Dr Sivakumar Selliah - Director, Mr. Hemaka Amarasuriya - Director, Mr. Daya Wahalatantiri - Executive Director, Mr. Rajiv Casie Chitty - Director,

BOARD OF DIRECTORS

Mr. U. G. Madanayake
Chairman

Mr. U.G. Madanayake had his early education at Ananda College, Colombo. He graduated from the University of Cambridge - England in 1958, and had his M.A. (Cantab) conferred on him in 1962. He is a Barrister at-law (Lincoln's Inn) and an Attorney-at-law of the Supreme Court of Sri Lanka. He started his working life managing family-owned plantations until most of the lands were taken over by the State under the Land Reform Law of 1972. He still continues to have an active interest in agriculture.

He joined the Board of Associated Motorways Ltd, and subsequently became the Deputy Chairman of the Company. He became a Director of ACL Cables PLC (then Associated Cables Ltd.) in January 1963, its Managing Director in July 1978 and Chairman cum Managing Director in May 1990. He relinquished his duties as Managing Director in September 2005 after appointing Mr. Suren Madanayake as Managing Director. With the acquisition of Kelani Cables PLC, by the ACL Group in October 1999, he was appointed as Chairman of Kelani Cables PLC.

Mr. U.G Madanayake is also the Chairman of Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd., ACL Plastics PLC and Lanka Olex Cables (Pvt.) Ltd. He is also a Director of ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt) Ltd., Ceylon Copper (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., and ACL Electric (Pvt.) Ltd. and Resus Energy PLC. He has over 50 years' experience in the cable Industry.

Mr. Suren Madanayake
Managing Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd which is the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

He also serves as the Chairman of Resus Energy PLC, Managing Director of ACL Plastics PLC and Director of ACL Electric (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., Destination Ceylon (Pvt.) Ltd., Ethimale Plantation Pvt LTD, Marshal Investments (Pvt) Ltd. and National Asset Management (Pvt) Ltd. He also serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity. He captained the Royal College 1st XV Rugby team in 1987.

Mrs. N. C. Madanayake
Director

Mrs. N.C. Madanayake was appointed to the Board of ACL Cables PLC in July 1980. She is also a Director of Kelani Cables PLC, ACL Plastics PLC, Ceylon Bulbs & Electricals Ltd., Lanka Olex Cables (Pvt) Ltd. and Ceylon Tapioca Ltd. Mrs. N.C Madanayake is a pioneering Director of Fab Foods (Pvt) Ltd.

Mr. Ajit Jayaratne
Director

Mr. Ajit M. de S. Jayaratne had his education at Royal College, Colombo. He holds a B.Sc. (Economics) Degree from Southampton University and is a fellow member of the Institute of Chartered Accountants, England & Wales and also a fellow member of the Institute of Chartered Accountants, Sri Lanka. Mr. Jayaratne was the Chairman of Forbes & Walker Limited, The Colombo Stock Exchange, The Ceylon Chamber of Commerce and The Finance Commission. Mr. Jayaratne also served as the High Commissioner of Sri Lanka in Singapore. He is a Director of several other Public Quoted Companies in Sri Lanka. Mr. Jayaratne was appointed to the Board of Directors of ACL Cables PLC in November 2005.

Mr. Hemaka Amarasuriya
Director

Mr. Hemaka Amarasuriya is a fellow member of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants, U.K. He also holds an Honorary Fellowship from the Chartered Institute of Marketing, U.K. and a Diploma in Marketing Strategy from the University of New York.

He is the former the Chairman of Sri Lanka Insurance Corporation Limited from 2015 to 2018 and is on the directorate of several other listed and unlisted private companies. He held the chair of the Singer Group in Sri Lanka for a period of 30 years.

He was recognized by the Asia Retails Congress 2007 with the "Retail Leadership Award" for his contribution to retailing in Asia and by the Chartered Institute of Marketing U.K. as a "Visionary Business Leader" for his invaluable contribution to the Marketing Profession in initiating revolutionary changes in the Consumer Market. His association with local industry goes back to 1992 from which time he chairs the Regional Industry Service Committee – Southern Province of the Ministry of Industry & commerce. He is a former Chairman of the Employers' Federation of Ceylon and was previously responsible for the Human Resource Development Function of Singer Asia and also chaired the Singer Worldwide Business Council, policy implementation body of one of the oldest multinationals.

His contribution to the profession was recognized by the Institute of Chartered Accountants of Sri Lanka when conferred with the "Lifetime Award for Excellence in 2011", while the Institute of Chartered Management Accountants (CIMA) selected him as the Business Icon of the year for 2013.

Mr. Daya Wahalatantiri
Executive Director

Mr. Daya Wahalatantiri had his early education at Holy Cross College, Kalutara and Royal College, Colombo. He is a Graduate in Chemistry (Special) from the University of Ceylon, Peradeniya. In 1990, he obtained his Masters in Business Administration from the University of Sri Jayewardenepura. Having gained sufficient exposure in marketing of industrial products to institutional customers, he joined ACL Cables PLC as its first Marketing Manager in 1982. In 1999, with the acquisition of Kelani Cables PLC, he was promoted as the Group Marketing Manager. He was appointed to the Board of Directors of ACL Cables PLC in November 2005.

Mr. Rajiv Casie Chitty
Director

Mr. Rajiv Casie Chitty is a fellow of the Association of Chartered Certified Accountants (ACCA), UK and Associate Member of the Chartered Institute of Management Accountants (CIMA), UK and a Chartered Financial Analyst, USA. He obtained his Masters in Economics from the University of Colombo and won the Janashakthi Gold at the 2006 CIMA Pinnacle Awards. Mr. Casie Chitty was appointed as a Director of ACL Cables PLC in November 2005. He is Chief Operating Officer of Commercial Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC and Office Equipment PLC. He is former President of the ACCA Sri Lanka panel. He has over 20 years of experience in Senior Managerial positions in the private sector.

Dr Sivakumar Selliah
Director

Dr Selliah holds an MBBS Degree and a Master's Degree (M.Phill), and has over two decades of experience in diverse fields, which include manufacturing, healthcare, plantations, packaging, insurance, retail and logistics.

Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Private Ltd. He is a Director of Lanka Tiles PLC, HNB Assurance PLC, Softlogic Holdings PLC, ODEL PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, , Swisstek (Ceylon) PLC and Swisstek Aluminium Pvt Ltd. Dr. Selliah is also the Chairman of JAT Holdings Pvt Ltd, Vydexa (Lanka) Power Corporation Pvt Ltd and Cleanco Lanka Pvt Ltd.

Dr.Selliah also serves on the Audit Committee, Investment committee, Strategic planning committee, Related party transaction committee and Human Resource & Remuneration committee which are sub committees of the board, of some of the companies listed above.

MANAGEMENT TEAM

Champika Coomasaru
Group Chief Financial Officer

Rohitha Amarasekara
General Manager Operation

Lakshman Bandaranayake
Deputy General Manager Marketing

Palitha Ethulgama
Deputy General Manager Project Sales

Senila Rupasingha
Import/Export Manager

Manohara De Zoysa
Group Logistic Manager

Sampath Wijesundara
Chief Information Officer

Padmana Wijesundara
Quality Assurance Manager

R Nandakumara
Engineering Manager (Mechanical)

A G U K Abeynayake
Engineering Manager (Electrical)

Indunil Perera
Security Manager

S M Welihinda
Deputy General Manager - Aluminium Cable & Rod Plant

Gamini Wanasinghe
Manager Credit Control

Deepthi Bandara
Head of Sales

Sujeewa Sampath
Manager Finance & Operations

A D A Chinthaka
Factory Manager Copper Cable Plant

PRODUCTS PORTFOLIO

ACL Cables comply with most local and international test certificates including ISO 9002, ISO 9001-2000 & ISO 14001 environmental management system certificate.

CABLES

ACL Cables evolved as the No. 1 cable in Sri Lanka since inception in 1962. During its 57 year operation the company has grown to become a specialised manufacturer and supplier of an extensive range of cables and conductors with superior quality and standard unmatched by any other in the island. Excelling itself through advanced technology, quality control and continues research and development ACL Cables produces a range over 250 cables across 20 categories. ACL continued to expand its sector through innovation and dominate the market with the introduction of new products and many industry firsts. ACL cables comply with most local and international test certificates including ISO 9002, ISO 9001-2000 & ISO 14001 environmental management system certificate.

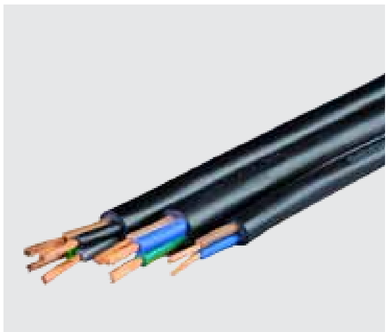

House Wiring Cables


Earth Cables


Telecommunication Cables


Fire Resistance Circuit Integrity (Power Cables.(LSHF-CI


33KV Covered Conductors

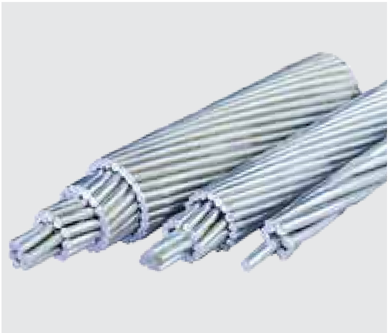

Flexible Cables


Auto Cables


Low Voltage – Aerial Bundled Cables


Fire Retardant Power Cables


ACSR & AAAC Conductors


All Aluminium Conductors


Customised Cu Power Cables


Multi Core Al Power Cables with Cu Wire Screen


Unarmored Control Cables


Three Phase Cu Concentric Cable

PRODUCTS PORTFOLIO

Single Core Unarmored Cu Power Cables

Multi Core Unarmored Al Power Cables

Multi Core Armored Cu Power Cables

Single Core Armored Cu Power Cable

Unsheathed Cu Power Cables

Armored Control Cables

Single Phase Al Concentric Cable

ACL SAX AMO 33kV Covered Conductor

ELECTRIC

Commencing its operation in 2014 ACL Electric was formed to market high quality electrical switches, sockets, breakers and accessories. This complied with the company objective to move ACL Cables PLC to strengthen its value chain and to become a comprehensive one-stop shop for electrical requirements.

PRODUCTS PORTFOLIO


One Gang One Way Switch


One Gang Two Way Switch


Two Gang One way Switch


Three Gang One Way Switch

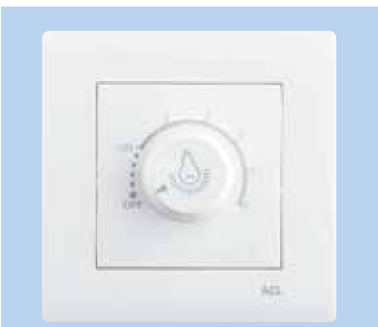

Four Gang One Way Switch


20A Double Pole Switch


One Gang Bell Press Switch

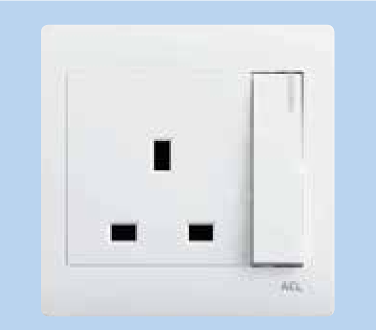

Data Socket Outlet


Fan Speed Controller


Light Dimmer

Blank Plate


TV Socket Outlet



13A Switched Socket Outlet

13A Switched Socket Outlet with Neon

Telephone Socket Outlet

ACL ELEGANCE COLOUR RANGE

HD Black

HD Bronze

HD Gray

PRODUCTS PORTFOLIO


One Gang One Way Switch


Two Gang One Way Switch


Three Gang One Way Switch


Four Gang One Way Switch


Five Gang One Way Switch


13A Switched Socket


13A Switched Socket with Neon


Blank Plate


Bell Press (20A, AC 250V)


Telephone Socket (4Wire, RJ11)


TV Outlet (75Ohm, co-axial)


Light Dimmer (500W)


Double Pole (20A, AC 250V)


Data Socket


Ceiling Rose


Lamp Holder


5A Plug Top


13A Plug Top


15A Plug Top


Led Indicating Light Blue MCB Single Pole


Led Indicating Light Green MCB Single Pole


Led Indicating Light Red MCB Single Pole


Led Indicating Light Yellow MCB Single Pole


Main Switch (Isolator) Double Pole

PRODUCTS PORTFOLIO

Trip Switch (RCD) Double Pole

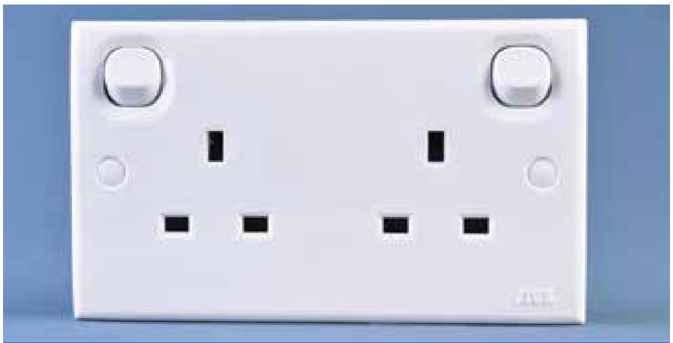
Circuit Breaker (MCB) Single Pole

Bell For MCB

USB Charger 5V 2.5A

5 Step Fan Controller

Fan Speed Controller



13A Twin Socket

CEILING FAN

ACL Ceiling fans were introduced to local market with superior quality and a product that of few value for money. Complying with international criterions ACL ceiling fans are manufactured under ISO certification. The product comes in two models as Metal blade and Aluminium blade fans. Designed with broader width of blades ACL Ceiling fans ensure higher air delivery than most other fans in market. The aluminium blade ceiling fan is designed especially to cater the needs of anti-corrosion. Both ranges possess a two year one-to- one replacement warranty on motor defects.

Aluminium Blade Fan

Metal Blade Fan

CORPORATE SOCIAL RESPONSIBILITY AT ACL CABLES

As the No. 1 and pioneered cable company in Sri Lanka we believe that Corporate Social Responsibility (CSR) is an evolving business practice that incorporates sustainable development into a company's business model. It has a positive impact on social, economic and environmental factors that paves way for a better tomorrow. By the practice of this concept, we become conscious of the kind of impact we do make on all aspects of a society in a 360 degree view. We at ACL take it as a privilege to engage in CSR during the normal course of our business and operate in ways that enhance society and the environment, instead of contributing negatively.

As a listed corporate entity we do face challenges to thrive as a socially responsible business organization, and work diligently to mitigate these challenges much as possible. By doing so, we believe that ACL Cables will grow much stronger and achieve our best as a responsible and resilient business. We identify our key stakeholder groups and make sure to conduct regular healthy conversations with them, which helps us to understand their views much better on the most important social and environmental issues that appeals to them. We believe this process as one of the most critical aspect to sustain our business as a manufacturer and supplier in the category of building material and electrical wiring.

Similar to previous years we continued our three pillar CSR strategy during this year as well. ACL had designed such a corporate CSR strategy so that the entire company grooves to focus on these lines and contribute towards society on similar grounds. This creates uniformity in all activities we engage, internally and externally. The three pillars of CSR initiative is as follows:

I. Environmental Responsibility
II. Employee Responsibility
III. Community Engagement & development

Environmental Responsibility

Undoubtedly ACL Cables provides a valuable product, which is part and parcel of people's overall life. This helps them to engage in all their day-to-day activities with maximum protection, safety and uninteruption. While we acknowledge the creation and consumption in some of our cables do have consequences at times on the environment and communities, we are looking at behaviors and technologies we can adopt and invest to reduce its negative impact towards the environment. Thereby we ensure to create a better place for all of us to live in.

ACL Cables has taken key action to maintain a pleasant and clean environment. We have incorporated such action items in our ISO standards manual, to maintain the plant and equipment as per nationally and globally approved environmental safety levels.

As a result ACL Cables PLC invested to become the largest shareholder of a major hydro power company in Sri Lanka, Resus Energy PLC, contributing ourselves to become a 'Green Company'. Further, the most significant activity is disbursement of scrap stocks at ACL Plastics Factory. The plastic scrap was not used for cables and instead was given for recycling. This same principle is applied to every industrial by-product and we make sure that we do not contaminate our environment with our industrial produce.

ACL Cables has taken key action to maintain a pleasant and clean environment. We have incorporated such action items in our ISO standards manual, to maintain the plant and equipment as per nationally and globally approved environmental safety levels. Thereby we have kept up to the standards and awarded the internationally recognized certificate of ISO 14001, which specifies international standards required for an effective environmental management system.

Employee Responsibility

This explains how we offer development opportunities, recognize achievements, and foster an inclusive and healthy workplace to help employees achieve their fullest potential. Life at ACL, for an employee is as joining a family. Our values underpin the company culture and support a great deal of employee experience. Employee responsibility at ACL Cables aligns on four key pillars.

A Safe and Healthy Work Environment: We invest in our employees' health and well-being, with ethical work practices, and provide a safe workplace. One such key highlight is the insurance cover offered to over 500 employees at ACL Cables considering the work tasks they undergo especially at our factories. Also we do practice a nondiscrimination policy for our workers, believing that the employees should conduct in moral standards.

Togetherness: We believe "togetherness" is one of the most important aspect in building team work and harmony amongst communities within a company for a healthy work environment. Such relationships build well, at informal gathering rather than formal exposure. Hence ACL organizes all its staff, both head office and factory an annual trip to develop unity amongst workers. This has been one of the routine activity that takes place during each year.

The employees at factory were taken to hill country, Nuwaraeliya this year. It was signified as a major travel parade with a fleet of 23 buses. The journey includes not only the staff of ACL but their families as well. This unity always helps ACL to build trust and togetherness within all tiers of the company.

The annual fund raising event has been an attention seeking event on every year. The function is organized as a route to generate funds towards employee welfare activities. These funds will be used for the benefit of employees and as a mode to facilitate their personal needs during essential occasions.

The event organized by ACL head office was a cultural stage show presented by veteran artist Sahan Ranwala

CORPORATE SOCIAL RESPONSIBILITY AT ACL CABLES

and his team that took place at Tower Hall Colombo 10. The factory hosted a stage play directed by renowned personality, Jayantha Chandrasiri featuring many top tier local artists.

Both events gathered almost a house full audience comprising its staff, families as well as general public.

Rewarding Our People: At ACL we believe the importance of employee retention. This has not only put into word but also is performed in practice. As a gratitude for long standing employees ACL reward employees over 25 years of work service with a one pound gold coin presented by our Chairman and Managing Director

Moving a step further from our employees ACL rewards their children as well. Children of employees who gained best results at their grade 5 scholarship, GCE Ordinary Level and GCE Advanced Level examinations, were recognized and rewarded through a special scheme named "Nana thilina". During the year a total of 11 students were rewarded through this programme.

Community engagement and development

As a responsible national cable provider at the forefront we believe in constant community development and sharing of adequate knowledge to the society. Going in line with these values we conduct a series of programs to educate electricians and students at the vocational training authority.

ACL has formed a dedicated unit to serve electricians and facilitate for their requirements. The unit schedules and organized electrician seminars, which is an educative and session of knowledge transfer for electricians on latest electrical regulations as well as on day to day electrical activities. This is conducted as a half a day programme and comprises a lecture from an electrical engineer at CEB and also an educative session by the director of Public Utility Commission (PUC) on latest regulations and compliances on electrification. During last year the company conducted 44 such educative sessions for 2000 plus electricians and 500 plus VTA students island-wide

Furthermore the electrician loyalty club provides a personal accident insurance cover for all electricians. Considering the level of risk involved in their jobs this insurance is provided to protect and as a scheme to secure their lives. The insurance cover of Rs. 1 million was increased to Rs. 1.2 million along with many more incremental benefits during the last financial year.

Our main goal is to empower all stakeholders and work as a responsible partner to enhance human lives who are engaged with our day to day business operations.

The company also organized a blood donation campaign in collaboration with the Sri Lanka Blood Bank of the Colombo General Hospital during the month of May 2018. Majority of the participants were employees of ACL Cables Group that comprised more than 1000 workers. Staff of the Head Office and staff from factories located in Ja-Ela, Piliyandala, Kelaniya, Ekala, Horana and Rathmalana participated in this event. Commenting on the event, the Blood Bank of Colombo General Hospital stated that the event was a well-organized activity and of immense success, which contributed to a precious social need.

A special program was initiated this year by saving a cattle for slaughter. This was actioned out on a concept by employees. As a company that respect animal care and protection this activity took place for the first time with vision to continue and develop during coming years ahead.

AWARDS & CERTIFICATIONS

1 2 3 4

1. Crystal Award 2009

   Award for the Winner of the Gold Awards over three Consecutive Years by the Ceylon National Chamber of Industries.

2. Asia Pacific Quality Award 2008

   Won the highest award, beating participants from 46 countries, and ACL recognised as a world-class Company.

3. National Productivity Awards

   1st Place 2007 organised by the National Productivity Secretariat.

4. National Quality Award Winner 2007

5. Global Commerce Excellence Awards 2014

6. B2B Brand of the year at SLIM Brand Excellence 2015

7. Master Brand Status 2017

8. B2B Brand of the year - Silver Award at SLIM Brand Excellence 2018

5

6

7

8

Certification	Description
ISO 9001 : 2015	Quality Management System
ISO 14001 : 2015	Environment Management System
SLS 733	"ACL" Brand PVC Insulated And PVC Sheathed Cables
SLS 1504 -2-11	"ACL" Brand Flexible Cables With Thermoplastic PVC Insulation
SLS 1504 -2-31	"ACL" Brand Single Core Non-sheathed Cables With Thermoplastic PVC Insulation
SLS 1186	"ACL" Brand Armored Electric Cables having Thermosetting XLPE insulation
SLS 750-1	"ACL" Brand All Aluminium Stranded Conductors
Credit Rating [A+]	Obtained the issuer Rating of [SL] A+ (Stable) from ICRA Lanka Limited.

GROUP STRUCTURE

Description / Company	ACL Cables PLC	Kelani Cables PLC	ACL Plastics PLC	Ceylon Bulbs & Electricals Ltd	Lanka Olex Cables (Pvt) Ltd
Registration Number	PQ 102	PQ 117	PQ 87	PB 1283	PV 20493
Date of Incorporation	10.03.1962	18.12.1972	17.07.1991	16.10.1957	22.02.1993
Corporate Status	Public Limited Company	Public Limited Company	Public Limited Company	Limited Company	Private Limited Company
ACL Cables PLC's Effective Shareholding in the Company	Parent Company	79.30%	65.20%	95.30%	100%
Directors	U. G. Madanayake - Chairman	U. G. Madanayake - Chairman	U.G.Madanayake - Chairman	U.G.Madanayake - Director	U.G.Madanayake - Chairman
	Suren Madanayake - Managing Director	Suren Madanayake - Deputy Chairman	Suren Madanayake - Managing Director	Suren Madanayake - Director	Suren Madanayake - Managing Director
	Mrs. N. C. Madanayake - Director	Mrs. N. C. Madanayake - Director	Mrs. N. C. Madanayake - Director	Mrs. N. C. Madanayake - Director	Mrs. N. C. Madanayake - Director
	Ajit Jayaratne - Director	Dr. C. T. S. B. Perera - Director	Das Miriyagalle - Director		
	Hemaka Amarasuriya - Director	Dr. L. J. R. Cabral - Director	Dr. Kamal Weerapperuma - Director		
	Daya Wahalatantiri - Director	"Mr. M. Saranapala -Director"			
	Rajiv Casie Chitty - Director				
	Dr Sivakumar Selliah - Director				
Principal Activity	Manufacturing and Selling of Power Cables & Conductors, Armored Cables, Aerial Bundled Cables, Control Cables, Telephone Cables & Auto Cables	Manufacturing and selling of Power Cables, Telecommunication Cables & Enameled Winding Wires	Manufacturing Cable grade PVC Compound	Dormant	Investing Company
Auditors	PricewaterhouseCoopers, Chartered Accountants	"KPMG Chartered Accountants "	PricewaterhouseCoopers, Chartered Accountants	A. I. Macan Marker & Co. Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants
Secretaries	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd
Total Number of Employees as at 31st March 2019	603	528	57	None	None

ACL Kelani Magnet Wire (Pvt) Ltd	ACL Polymers (Pvt) Ltd	ACL Metals & Alloys (Pvt) Ltd	Ceylon Copper (Pvt) Ltd	ACL Electric (Pvt) Ltd	RESUS Energy PLC
PV 11996	PV 3371	PV 3811	PV 79466	PV 89241	PV 415 PB PQ
29.06.2000	06.09.2005	05.09.2005	17.06.2011	08.11.2012	11.06.2003
Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Public Limited Company
93.79%	65.20%	100%	100%	100%	32.53%
U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	Suren Madanayake - Chairman
Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Krishantha Nanayakkara - Director
Mrs. Maya Weerapura - Director					Vajira Kulatilaka - Director
					U. G. Madanayake - Director
					Isuru Somaratne - Director
					Professor M K Ranasinghe - Director
					U P Egalahewa PC - Director
					C.D. Coomasaru - Alternate Director
Manufacturing and export of Enameled Winding Wires	Manufacturing of PVC compounds	Manufacturing and Selling Aluminium rods, Alloys of Aluminium and Other Metals	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market	Manufacturing of electrical accessories	Power & energy Generation
PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	Ernst & Young, Chartered Accountants
Corporate Affairs (Pvt) Ltd	Management Applications (Pvt) Ltd	Management Applications (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Nexia Corporate Consultants (Pvt) Ltd
None	None	25	23	102	92

RISK MANAGEMENT

ACL Cables PLC has given due consideration to its risk management process in order to progress towards achieving its goals and objectives. Risk management at ACL is grouped under two major two forms of risks, namely Financial and Business. It is regularly reviewed to ensure related risks are minimized where complete elimination is not possible.

Also, each risk exposure categorized as high, moderate or low based on its level of significance to the entity and mitigating actions are taken accordingly.

Risk Exposure	Company Objectives	Company Initiatives
Financial Risk Management		
1. Liquidity & Cash Management Risk Rating – Moderate	▪ To maintain liquidity position.	▪ This is achieved by regular follow up of trade debts, planning production and utilization of short term borrowing facilities. ▪ Company has sufficient assets to offer as collateral for future funding requirements. ▪ Obtained funding facilities to adequately manage liquidity position through several financial institutions.
2. Interest Rate Risk Risk Rating – High	▪ To minimise adverse effects of interest volatility.	▪ Negotiate with banks to obtain the best possible interest rate for Groups' borrowings and investments. ▪ Negotiate and take supplier credit to mitigate the high cost and to avoid adverse fluctuations in local interest rates.
3. Currency Risk Risk Rating – High	▪ To minimise exposure of fluctuations in foreign currency rates of foreign currency receipts and payments.	▪ Use export proceeds to settle import payments wherever possible.
Business Risk Management		
1. Credit Risk Risk Rating – Moderate	▪ To minimise risk associated with debtors defaults.	▪ Export sales are done on letters of credit and advance TT remittances as much as possible. ▪ Obtain bank guarantees as collateral from local distributors. ▪ Demarcate the areas of operations in local market and monitor the exposure levels of distributors regularly. ▪ Appoint new distributors to reduce the exposure. ▪ Disallowing credit sales for new customers initially. ▪ Follow an assessment procedure to ensure credit worthiness of customers. ▪ Maintain a comprehensive policy to review and provide for doubtful debts adequately.

Risk Exposure	Company Objectives	Company Initiatives
2. Asset Risk Risk Rating – Low	▪ To minimise losses caused by machine breakdown and damages from fire or theft.	▪ Obtain comprehensive insurance covers for plant and machinery. ▪ Carry out planned preventive maintenance programs.
3. Internal Controls Risk Rating – Low	▪ To maintain a sound system of internal controls to safeguard Company assets.	▪ Carry out continuous internal audits by an independent firm.
4. Human Resources Risk Rating – Low	▪ To reduce labour turnover. ▪ To ensure smooth flow of operations without interruptions. ▪ To ensure adaptability through training and adopting best practices.	▪ Maintain an employee evaluation scheme to reward them. ▪ Maintain healthy and cordial relationship with employees at all levels through joint consultative committees. ▪ Provide essential employee benefits through the Welfare Society. ▪ Provide specific and general training wherever necessary.
5. Technological and Quality Related Risk Risk Rating – Low	▪ To keep pace with current technological developments and quality standards to avoid obsolescence. ▪ To minimise production of stocks that do not meet the standards.	▪ Develop a long term plan to replace existing machines with technologically advanced machines. ▪ Obtain certifications from relevant authorities and ensure products comply with most of the local and international standards. ▪ Ensure that, the equipment required to test products quality is in place.
6. Inventory Management Risk Risk Rating – Low	▪ To reduce stock out situations. ▪ To reduce the accumulation of slow moving stocks. ▪ To minimise the losses on obsolete stocks. ▪ To minimise risk of sub-standard material being received. ▪ To minimise inventory days.	▪ Plan for monthly productions based on budgets and sales forecast at production planning meetings held monthly. ▪ Carry out sales promotions to reduce slow moving stocks. ▪ Adopt quality standards at different level to verify the quality and ensure this until the product is delivered. ▪ Stocks that are not up to standard are separated and disposed as scrap. ▪ Continuous stock verification systems to identify non-moving stocks. ▪ Regularly monitor inventory days. ▪ Review periodically and provide adequately for slow moving stocks.

RISK MANAGEMENT

Risk Exposure	Company Objectives	Company Initiatives
7. Risk of Competition Risk Rating – Moderate	▪ To avoid losses of market share from imported low quality products.	▪ Ensure prevailing quality standards are met. ▪ Strengthen 'ACL' brand through planned annual advertising and promotional campaigns. ▪ Maintain product availability in all parts of the country, with higher penetration.
8. Investment in Capital Risk Rating – Moderate	▪ To reduce the risk of loss in present and future investments.	▪ Investments in assets are properly planned and made on timely basis. ▪ Reduce the idle assets as far as possible.
9. Information Systems Risk Rating – Low	▪ To minimise possible risks associated with data security, hardware, software and communication systems.	▪ Regular data backups and stored in external locations. ▪ Mirroring of hard disks with critical data. ▪ Vendor agreements for support services and maintenance. ▪ Regular upgrading of virus scanners, firewalls and software.
10. Environmental Issues Risk Rating – Low	▪ To minimise adverse impact of operations to the environment.	▪ Comply with the standards set by relevant authorities and ensure compliance.
11. Legal and Regulatory Issues Risk Rating – Low	▪ To minimise possible losses arising from non-compliance with statutory and regulatory requirements. ▪ To minimise or take counter measures to reduce the impact arising from changes to regulatory issues.	▪ Comply with the requirements of statutory and regulatory bodies. ▪ Obtain advice from the Employers' Federation of Ceylon when necessary.

CORPORATE GOVERNANCE

ACL Cables PLC is committed to best practices in the area of Corporate Governance. Corporate Governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders. Good governance facilitates effective management and control of the business, while maintaining a high level of business ethics and optimizing the value for all stakeholders. Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a culture of a healthy Board of Directors which safeguards policies and processes. Further, an important element of Corporate Governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the dilemma of principal-agent.

The Corporate Governance Report, together with the Audit Committee Report and the Directors Remuneration Report, provides a description of the manner and extent to which ACL Cables PLC complies with the code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

The Board of Directors

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met. Specific responsibilities reserved to the Board include:

- To enhance shareholder value.
- Reviewing of corporate objectives, budgets and forecasts.
- Reviewing of operational and functional performance.
- Approving capital investments.
- Ensuring the implementation of an effective internal control system.
- Ensuring compliance with highest ethical and legal standards.
- Approval of the Annual and Interim Financial Statements prior to publication.
- Recommending Dividends for approval by the shareholders.

The Board comprises of Eight Directors of whom five are Non-Executive Directors. The names and profiles of the Directors are given on pages 16 to 19 of this report. The Board recognizes the need for a clear division of responsibilities in running the Company's business. Accordingly, the positions of Chairman and Managing Director have been separated.

The Board Balance

The composition of the Executive and Non-Executive Directors in the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The Board consists of five Non-Executive Directors and four of them are Independent Non-Executive Directors. The Board has determined that the four independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.

Directors' Attendance Record

The attendance of Directors at relevant meetings of the Board and of the Audit and Remuneration Committees held during 2018/2019 was as follows.

Name of Director	Board (Meetings 12)	Audit Committee (meetings 4)	Remuneration Committee (meeting 1)	Related party Transactions Review Committee (meetings 4)
Executive Directors				
Mr. U. G. Madanayake – Chairman	11			
Mr. Suren Madanayake – Managing Director	12			
Mr. Daya Wahalatantiri – Director Export	11			
Non-Executive Directors				
Mrs. N. C. Madanayake	08			
Independent Non-Executive Directors				
Mr. Ajit Jayaratne	12	04	01	04
Mr. Hemaka Amarasuriya	09			
Mr. Rajiv Casie Chitty	12	04	01	04
Dr. Sivakumar Selliah	11			

Dedication of Adequate Time and Effort

Every Director dedicates adequate time and effort for events of the Board and the Company. Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.

In addition, the Executive Directors of the Board have regular meetings with the Management when required.

Training for the Directors

Every Director receives appropriate training on the first occasion that he or she is appointed to the Board of the Company and subsequently as necessary. The policy on Directors training is, to provide adequate opportunities for continuous development subject to requirements and relevance for each Director.

Re- Election of Directors

All Directors are required to submit themselves for re-election at regular intervals and at least every three years. According to the Articles of Association, Directors Mr. Hemaka Amarasuriya,and Mr.Rajive Casie Chitty retire by rotation and are required to stand for re-election by shareholders at the Annual General Meeting.

Availability of a Nomination Committee

A Nomination Committee should be established to make recommendations to the Board on all new Board appointments. In the absence of a Nomination Committee, the Board as a whole should annually assess the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.

The Company has not formed a specified Nomination Committee. However, performance of the Board and its composition are being evaluated annually.

Accountability and Audit

The Board presents a balanced and understandable assessment of the Company's position and prospectus.

The Quarterly and Annual Financial statements, prepared and presented in conformity with Sri Lanka Accounting Standards, comply with the requirements of the Companies Act No. 07 of 2007.

The Report of the Directors is provided on pages 51 to 53 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 59 and 61 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 61 of this Annual Report.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Group's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are to be managed. In addition to a quarterly internal audit carried out by an external professional body, members of the Audit Committee are expected to report to the Board as & when necessary in occurrence of any material control issues, serious accidents or events that have had a major commercial impact, or any significant new risks which have been identified.

A summary of those risks which could have a material impact on the performance of the Group is given within the Risk Management section in the Annual Report. The objective of the Group's risk management process is to ensure sustainable development of ACL Cables PLC through the conduct of its business in a way which:

- Satisfies its customers,
- Develops environmentally friendly products,
- Provides a safe and healthy workplace,
- Protects against losses from unforeseen causes,
- Minimizes the cost and consumption of increasingly scarce resources,
- Prevents pollution and wastage,
- Maintain proper relationships with suppliers and contractors, and
- Maintains a positive relationship with the communities in which we do business.

The Group's systems and procedures are designed to identify, manage reduce and mitigate effects of the risk of failure where ever possible, in order to achieve business objectives. They are not designed to eliminate such risk, recognizing that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

Remuneration Committee

The Remuneration Committee consists exclusively of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee are listed each year in the Board's remuneration report to shareholders. The Remuneration Committee comprises of following two Independent Non-Executive Directors.

- Mr. Ajit Jayaratne – Chairman of the Committee
- Mr. Rajiv Casie Chitty

Further details of the Remuneration Committee are given in their report on page 56.

Audit Committee

The Audit Committee shall comprise of a minimum of two Independent Non-Executive Directors or of Non-Executive Directors, a majority of whom shall be independent, whichever is higher. One Non-Executive Director shall be appointed as Chairman of the committee by the Board of Directors.

The Audit Committee comprises of the following two Independent Non-Executive Directors.

- Mr. Ajit Jayaratne – Chairman of the Committee
- Mr. Rajiv Casie Chitty

Further details of the Audit Committee are given in their report on page 55.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) shall comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee by the Board of Directors.

The Related Party Transactions Review Committee comprises of the following two Independent Non-Executive Directors.

- Mr. Ajit Jayaratne – Chairman of the Committee
- Mr. Rajiv Casie Chitty

Further details of the Related Party Transactions Review Committee are given in their report on page 57 & 58.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for the Directors and members of the senior management.

The table below indicates the manner and extent to which ACL Cables PLC complies with the Code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

CORPORATE GOVERNANCE

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.1(a)	Non-Executive Directors (NED)	2 or 1/3 of the total number of Directors whichever is higher.	✓	Corporate Governance
7.10.2 (a)	Independent Directors (IDS)	2 or 1/3 of NEDs, whichever is higher, should be independent.	✓	Corporate Governance
7.10.2 (b)	Independent Declaration	Each NED should submit a declaration of independence.	✓	Corporate Governance
7.10.3 (a)	Disclosures Relating to Directors	▪ The Board shall annually determine the independence or non-independence of each NED. ▪ Names of IDs should be disclosed in the Annual Report (AR).	✓ ✓	Corporate Governance
7.10.3 (b)	Disclosures Relating to Directors	The basis for the Board's determination of independence, if criteria specified for independence is not met	✓	Corporate Governance
7.10.3 (c)	Disclosures Relating to Directors	A brief résumé of each Director should be included in the AR including the Director's areas of expertise.	✓	Board of Directors (profile) section in the Annual Report
7.10.3 (d)	Disclosures Relating to Directors	Provide a brief résumé of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the CSE.	✓	Corporate Governance
7.10.4 (a-h)	Criteria for Defining "Independence"	Requirements for meeting criteria.	✓	Corporate Governance
7.10.5	Remuneration Committee (RC)	A listed company shall have a RC.	✓	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee (RC)	▪ RC shall comprise of a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. ▪ A NED shall be appointed as the Chairman of the Committee.	✓ ✓	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of executive directors and CEO.	✓	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report Relating to Remuneration Committee (RC)	▪ Names of Directors comprising the RC. ▪ Statement of Remuneration Policy ▪ Aggregated remuneration paid to EDs and NEDs.	✓ ✓ ✓	Corporate Governance and Remuneration Committee Report

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Corporate Governance
7.10.6 (a)	Composition of Audit Committee (AC)	▪ AC shall comprise a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. ▪ A NED shall be appointed as the Chairman of the Committee. ▪ MD and Chief Financial Officer shall attend AC meetings. ▪ The Chairman of the AC or one member should be a member of a recognised professional accounting body.	✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6 (b)	Functions of Audit Committee (AC)	Overseeing of the – ▪ Preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards. ▪ Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. ▪ Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. ▪ Assessment of the independence and performance of the external auditors. ▪ Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditor.	✓ ✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6 (c)	Disclosure in Annual Report Relating to Audit Committee (AC)	▪ Names of Directors comprising the AC. ▪ The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination. ▪ The AR shall contain a Report of the AC setting out the manner of compliance with their functions.	✓ ✓ ✓	Audit Committee Report

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
9	Related Party Transactions Review Committee (RPTRC)	The Company shall have a RPTRC.	✓	Corporate Governance
9.2.1	Functions of Related Party Transactions Review Committee (RPTRC)	▪ Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee" (the Committee) as required in terms of the provisions set out in Appendix 9A of these Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.2.2	Composition of Related Party Transactions Review Committee (RPTRC)	▪ The Committee should comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee.	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.3.2D	Related Party Transactions	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	✓	Report Of the Directors

FINANCIAL STATEMENTS

Financial Information

FINANCIAL CALENDAR 2018/19

01st Quarter Interim Financial Statements (30th June 2018)	- -	14th August 2018 (Unaudited)
02nd Quarter Interim Financial Statements (30th September 2018)	- -	14th November 2018 (Unaudited)
03rd Quarter Interim Financial Statements (31st December 2018)	- -	14th February 2019 (Unaudited)
04th Quarter Interim Financial Statements (31st March 2019)	- -	28th May 2019 (Unaudited)
Annual Report 2018/19	-	30th July 2019
57th Annual General Meeting	-	27th August 2019
First Interim Dividends Paid (Rs. 1.50 per Share)	-	23rd July 2018

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their 57th Annual Report together with the Audited Statements of Financial Position, Statement of Profit or Loss and Consolidated Financial Statements of the Group for the year ended 31 March 2019.

Review of the Year

The Chairman's Message and Managing Director's Review set out the state of affairs and performance of the Company during the year.

Principal Activities of the Group

Description of the nature of the operations and principal activities of the Company and its subsidiaries are given on pages 38 to 39.

Future Developments

An overview of the future developments of the Company is given in Managing Director's Review on page 12.

Independent Auditor's Report

The Independent Auditors' Report on Financial Statements is given on page 59 in this Report.

Financial Statements

Financial Statements are prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on pages 62 to 129 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 54.

Directors

Directors of the Company are listed on pages 16 to 19 and their respective shareholdings are given below.

	Number of Shares as at 31.03.2019	% Holding as at 31.03.2019	Number of Shares as at 31.03.2018	% Holding as at 31.03.2018
U. G. Madanayake - Chairman	45,694,432	38.15	45,694,432	38.15
Suren Madanayake - Managing Director	26,604,792	22.21	26,604,792	22.21
Mrs. N. C. Madanayake	2,064,200	1.72	2,064,200	1.72
Dr. Sivakumar Selliah	700,000	0.58	700,000	0.58
A. M. S. De S. Jayaratne		-	-	-
Hemaka Amarasuriya	-	-	-	-
D. D. Wahalatantiri	-	-	-	-
P. S. R. Casie Chitty	-	-	-	-

Accounting policies and changes during the year

The Company and the Group prepared its financial statements in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). The significant accounting policies adopted in preparation of financial statements of the Company and the Group are given in pages 68 to 93.

The accounting policies adopted by the Group are consistent with those adopted in previous financial year.

Going Concern

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

Stated Capital

The Stated Capital of the Company as at 31 March 2019 was LKR 299 million and was unchanged during the year.

Events Occurring After the Balance Sheet Date

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 39 to the Financial Statements.

Statutory Payments

All known statutory payments have been made or provided for by the Company.

Interest Register

The Interest Register is maintained by the Company, as per the Companies Act No. 7 of 2007. All Directors have made declarations in accordance with the aforesaid Act. The Interest Register is available for inspection as required by the Companies Act.

Directors' Interest in Contracts

Directors' interests in contracts of the Company are disclosed in Note 38 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Retirement by Rotation

The Directors retiring by rotation in terms of Article 85 will be Mr. Hemaka Amarasuriya, Mr. Rajiv Casie Chitty , who being eligible are recommended for re-election.

Directors' Remuneration

Remuneration received by Directors is set out in Note 6 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on pages 43 to 45 under the Corporate Governance section of the Annual Report.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of LKR 1.50 per share was paid on 23 July 2018 to the holders of the Ordinary Shares for the financial year 2018/2019.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to LKR 438 million and LKR 561 million respectively, details of which are given in notes 12, 13 and 15 to the Financial Statements.

Property, Plant and Equipment

Details of property, plant and equipment are given in note 12(a) and note 12(b) to the Financial Statements. The Freehold properties (land and buildings) of the Group have been revalued based on independent professional valuations and written-up in the books of account to conform to market value of such properties. Further, details of such revaluations are given in Note 12 (c) and (d) to the financial statements.

Donations

Donations amounting to LKR 9 million (Group amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets and market price per share is given in the Information to Shareholders on page 131 of the Annual Report.

Shareholdings

As at 31 March 2019 there were 2,586 shareholders. The distribution is indicated on page 131 of the Annual Report. The twenty largest shareholders of the Company as at 31 March 2019, together with an analysis are given on page 132 of the Annual Report.

Related Party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard-LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. These disclosures also comply with the disclosure requirements of the section 9 of the listing rules. Those transactions disclosed by the Directors are given in Note 38 to the Financial Statements forming part of the Annual Report of the Board.

The directors confirm that section 9 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied by the Company and the Group with effect from 1st January 2016.

Related Party Transactions Review Committee report is set out on pages 57 to 58 in the Financial Statements.

Recurrent related party transactions,

The aggregate value of which exceeds 10% of the consolidated revenue are tabled below,

Name of the related party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Group Revenue	Terms and Conditions of the Related Party Transactions
Ceylon Copper (Private) Limited	Subsidiary	Purchase of goods	2,614 Million	14%	ordinary course of business

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2019 Audited Financial Statements, which required additional disclosures in the 2018/19 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

A detailed disclosure of related party transactions is given in Note 38 to the financial statements

Employment

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. There were no material issues pertaining to employees and industrial relations in the year under review

Environmental Protection

The Company has used its best endeavors to comply with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

Corporate Governance

In the management of the Company, the Directors have placed emphasis in conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced / improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on corporate governance is given on pages 43 to 48 of the Annual Report.

Compliance with Laws and Regulations

The Company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed Company.

Appointment of Auditors

The Company's auditors during the period under review were Messrs. PricewaterhouseCoopers, Chartered Accountants, who also were the auditors of certain subsidiaries of the Company.

Audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to LKR 0.7 million and LKR 2.1million respectively. Audit fees payable to other auditors of other subsidiaries by the Group amounted to LKR0.8 million.

Notice of Meeting

The 57th Annual General Meeting of the Company is convened on 27th August 2019, at 9.30 am, at the Auditorium of ACL Cables PLC, No.60, Rodney Street, Colombo – 08. The Notice of the 57th Annual General Meeting is on page 137 of the Annual Report.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30 July 2019

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Companies Act No.7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the financial statements and other statutory reports.

The Board accepts responsibility for the preparation and fair presentation of Financial Statements in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In discharging this responsibility, the Directors have instituted a system of internal financial controls and a system for monitoring its effectiveness. The system of controls provides reasonable and not absolute assurance of safeguarding the Company's assets, maintenance of proper accounting records and the reliability of financial information.

The financial statements presented in the Annual Report for the year ended 31st March 2019, have been prepared based on the new Sri Lanka Accounting Standards (SLFRSs/LKASs) which came into effect for the financial periods commencing after 1st January 2012. The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the financial statements.

The Board of Directors confirm that the Company's and the Group's Consolidated Statement of Financial Position as at 31st March 2019 and the Comprehensive Income Statement for the Company and the Group for the financial year ended 31st March 2019 reflect a true and fair view of the Company and the Group respectively.

Approval of Financial Statements

The Directors' Report and the Financial Statements of the Company and of the Group were approved by the Board of Directors on 30 July 2019.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30 July 2019

AUDIT COMMITTEE REPORT

The Audit Committee consists of the following two Independent Non-Executive Directors, biographical details of whom are set out within the 'Profiles of the Directors' section.

- Ajit Jayaratne – Chairman of the Committee
- Rajiv Casie Chitty

The above members have significant recent and relevant financial experience as required by the Code of Best Practice in Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Role

The primary role of the Audit Committee, which reports its findings to the Board of Directors, is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management systems. The Committee's responsibilities include monitoring and reviewing the following:

- The integrity of the Group's financial statements and the significant reporting judgments contained in them.
- The activities and effectiveness of the internal audit function.
- The effectiveness of the Group's internal control and risk management systems.
- The appropriateness of the Group's relationship with the external auditors, including auditor independence, fees and provision of non-audit services.
- The effectiveness of the external audit process and making recommendations to the Board of Directors on the appointment of the external auditors.

In the performance of its duties, the Committee has independent access to the services of Internal Audit and to the External Auditors, and may obtain outside professional advice as and when necessary. Comprehensive briefing papers are circulated to Committee members in advance of each meeting and made available to other Directors.

Meetings and Attendance

The Committee met on four occasions in 2018/2019 timed to coincide with the financial and reporting cycles of the Company. Members' attendance at these meetings is set out in the Corporate Governance Report. The Chairman, Managing Director and Group Financial Controller are invited to attend meetings whenever required.

Financial Reporting

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2018/2019 published Financial Statements. For quarterly statements, the Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Interim Financial Statements.

External Auditors

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policies on external audit. The policies, designed to maintain the objectivity and independence of the external auditors, regulate the appointment of former employees of the external audit firm to positions in the Group and set out the approach to be taken when using the external auditors for non-audit work.

As a general principle, the external auditors are excluded from consultancy work and cannot be engaged by ACL Cables PLC for other non-audit work unless there are compelling reasons to do so. Any proposal to use the external auditors for non-audit work must be submitted to the Managing Director, via the Group Financial Controller, for approval prior to appointment.

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Cables PLC, the re-appointment of Messrs. PricewaterhouseCoopers as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2018/2019 can be found in Note 6 to the financial statements.

The committee is independent from External Auditors and Internal Auditors of the company.

Internal Control System

In 2018/2019 the Committee reviewed the results of the audits undertaken by Internal Auditors, Messrs. Ernst & Young Advisory Services (Pvt) Ltd., and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made.

On behalf of the Committee

(Sgd.)
Ajit Jayaratne
Chairman of the Audit Committee

30 July 2019

REMUNERATION COMMITTEE REPORT

The Remuneration Committee comprises of the two Independent Non-Executive Directors, namely

- Ajit Jayaratne – Chairman of the Committee
- Rajiv Casie Chitty

The members of the Committee and the chairman of the Committee shall be appointed from time to time by a resolution of the Board, from amongst the Non-Executive Directors. The Remuneration Committee formally met once in the last financial year.

Role

The Remuneration Committee formulates the Group's policy for the remuneration of the Executive Directors of ACL Cables PLC. It reviews the policy annually and recommends any changes to the Board for formal approval.

The Remuneration Committee determines the Company's Remuneration Policy of Executive Directors, with regard to performance standard and existing industry practice. No Executive Director is involved in deciding his own remuneration package.

Activities

The Committee considered a range of issues including,

- A review of the Director's remuneration and severance policies
- Determining the fees of directors and
- A formal evaluation of its own performance.

Members' attendance at meetings of the Remuneration Committee in 2018/2019 is set out in the table in the Corporate Governance Report.

Executive Directors

ACL's remuneration policy for executive directors is designed to attract, retain and motivate them to ensure that the Group is managed successfully for the benefit of shareholders. To achieve this, a competitive package of incentives and rewards linked to performance is provided.

In setting remuneration levels, the Committee takes into consideration the remuneration practices found in other leading companies and also ensures that the remuneration arrangements for executive directors are in par with industry standards for executives throughout the Group.

In conclusion, my sincere thanks to Mr. Rajiv Casie Chitty, member of the committee for his valuable contribution to the work of the Committee.

On behalf of the Committee

(Sgd.)
Ajit Jayaratne
Chairman of the Remuneration Committee

30 July 2019

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Composition of the Committee

The Company established the Related Party Transactions Review Committee (RPTRC) on 29th February 2016 as a Board Sub-Committee. RPTRC comprises the following;

- Ajit Jayaratne –(Independent Non-Executive Director) Chairman
- Rajiv Casie Chitty- (Independent Non-Executive Director)

Objective

The Related Party Transactions Review Committee was formed to ensure that the Company complies with the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka with effect from 1st January 2016 which is part of the CSE Listing Rules.

The objective of these related party transaction rules is to ensure that the interests of shareholders as a whole are taken into account when entering into related party transactions by the Company.

The Committee specifies a process to capture related party transactions and to report to the Board of Directors of ACL Cables PLC as per the Code of Best Practices on Related Party Transactions.

Scope of the Committee

- The Committee reviews all proposed related party transactions in advance to ensure they are carried out on an arm's length basis.
- At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material change in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.
- The Committee reviews related party transactions based on rules stipulated in the Code (rules 28 – 33 in the appendix to the Code) and the need of special approval from shareholders and disclosure requirements for such transactions.
- The Committee intends to meet as and when a need arises. However, at least quarterly meetings are scheduled to review related party transactions of the Company. The minutes of all meetings are properly documented and communicated to the Board of Directors.
- The Company Secretary, Corporate Affairs (Pvt) Limited serves as the Secretary to the RPTRC.
- The Directors of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Role of the Committee

- Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.
- Review of related party transactions as required in terms of the provisions set out in Appendix 9A of CSE Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- The Committee shall update the Board of Directors on the related party transactions of the Company on a quarterly basis.
- Where necessary, the Committee shall request the Board of Directors to approve the subject related party transactions. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant related party transaction.
- If a Director has a material personal interest in a matter being considered at a Directors' meeting to approve a related party transaction, such Director may not be present while the matter is being considered at the meeting or may not vote on the matter.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules. Such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.
- Obtain 'competent independent advice' from independent professional experts with regard to the value of substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain shareholder approval.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

- Make appropriate disclosure on related party transactions in the Annual Report as required by CSE Listing Rules.
- Any concerned transactions, to be highlighted to the Board.

Committee Meetings

Four Committee meetings were held during the financial year 2018/2019. The Finance Division submitted a comprehensive report on related party transactions to the Committee.

Attendance of members of the Committee for the said meetings is provided on page 105.

Any concerns of the Committee will be reported to the Board of Directors on a continuous basis.

The Committee plans to meet at least quarterly, to monitor, review and report to the Board on matters pertaining to related party transactions.

Conclusion

The Committee confirms that all applicable rules in the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Group as at the date of this Report.

(Sgd.)
Ajit Jayaratne
Chairman-Related Party Transactions Review Committee

30 July 2019

INDEPENDENT AUDITOR'S REPORT

pwc

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of ACL Cables PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 March 2019, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- the statement of financial position as at 31 March 2019;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Valuation of investment property (Refer note 14 in the financial statements) The Company's investment property comprised land and buildings situated in Piliyandala, Kahatuduwa and Kalutara carried at fair value of Rs. 358 million as at 31 March 2019. The Group's investment property of Rs.653 million includes land in Ekala of the subsidiary company which is also fair valued as at 31 March 2019. The Group engaged an independent valuer to determine the fair value of its investment property as at 31 March 2019. The valuation of investment property is an area of significant judgment, and includes a number of assumptions, including market prices of comparable properties in close proximity after adjusting for differences in key attributes such as property size and the physical state of land and buildings.	Our audit approach mainly included substantive audit procedures, which covered the following: ▪ assessed the competence and independence of the external valuer; ▪ evaluated the completeness and accuracy of the contents of the confirmation provided by the independent external valuer which indicated that the investment property values as at 31 March 2019 had not significantly varied from the values determined as at 31 March 2018; ▪ evaluated the appropriateness and reasonableness of the fair value confirmed by the valuer. [i.e. price ranges at which nearby lands are transacted, consideration of other factors such as access to main roads, size of the land extent in one plot, physical state of the buildings, in-situ value per sq. ft.]; ▪ verified the land values considered by the valuer by corroborating to property market information, independently. Based on our work performed, we found that the fair values of investment property as at 31 March 2019 to be appropriate.

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Partners **D.T.S.H. Mudalige FCA, C.S. Manoharan FCA, S. Gajendran FCA, Ms. S. Hadgie FCA, N.R. Gunasekera FCA, Ms. S. Perera ACA, T.U. Jayasinghe FCA**

Key audit matter	How our audit addressed the Key audit matter
Assessment of net realisable value of slow moving inventory (Refer Note 20 in the financial statements) The Group and Company held inventory of Rs. 5.68 billion and Rs. 2.87 billion net of provision for obselete inventory, respectively as at 31 March 2019. As disclosed in the accounting policy note 2.16, inventories are held at the lower of cost and net realisable value. This area was significant to our audit because of the related subjectivity of the assessment process for determining net realisable value which is based on management's judgement of the recoverability of the cost of inventory.	Our audit approach included a combination of controls testing related to the inventory process and substantive audit procedures which covered the following; ▪ obtained an understanding and evaluated the management's controls in place to identify and recognise slow moving inventory; ▪ tested on a sample basis the reasonability of the net realisable value of slow moving inventory items by reference to recent selling prices and assessed whether it is necessary to write down any inventories to the net realisable value; ▪ tested controls over determining inventory unit cost in the inventory management system; ▪ assessed the reasonableness of management's assessment on the recoverability of the cost of inventory; ▪ physically inspected a sample of the slow moving inventory items in order to check whether there are any damaged or obsolete items; ▪ checked the mathematical accuracy of management's write down of inventory to its net realisable value and assessed the reasonability of management's justification to do so. Based on our work performed, we found management's assessment for arriving at the net realisable value of slow moving inventory to be appropriate.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report - 2018/19 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate/ consolidated financial statements, management is responsible for assessing the Company's/ Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's/ Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate/ consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company/ Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CHARTERED ACCOUNTANTS
CA Sri Lanka membership number [2857]
COLOMBO

30 July 2019

STATEMENT OF PROFIT OR LOSS

(all amounts in Sri Lanka Rupees thousands)

		Group 31 March		Company 31 March	
	Note	2019	2018	2019	2018
Revenue from contracts with customers	4	18,183,298	16,251,907	10,207,835	8,929,805
Cost of sales of goods	6	(15,417,890)	(13,620,691)	(9,236,040)	(7,865,346)
Gross profit		2,765,408	2,631,216	971,795	1,064,459
Reversal of impairment provision on subsidiary	17 (a)	-	-	92,005	-
Other income	5	99,906	115,694	148,407	266,550
Distribution costs	6	(942,175)	(856,325)	(434,137)	(355,893)
Administrative costs	6	(529,103)	(488,165)	(210,265)	(202,222)
Operating profit		1,394,036	1,402,420	567,805	772,894
Finance income		55,802	66,094	37,303	56,392
Finance costs		(628,282)	(447,998)	(165,705)	(246,906)
Finance costs - net	8	(572,480)	(381,904)	(128,402)	(190,514)
Share of net profit of investments accounted for using the equity method	18 (a)	52,957	36,733	-	-
Profit before income tax		874,513	1,057,249	439,403	582,380
Income tax expense	9	(250,254)	(294,513)	(92,295)	(103,936)
Profit for the year		624,259	762,736	347,108	478,444
Profit attributable to :					
- Owners of the company		559,745	697,281	347,108	478,444
- Non-controlling interests		64,514	65,455	-	-
		624,259	762,736	347,108	478,444
Earnings per share - basic/diluted	10	4.67	5.82	2.90	3.99
Dividend per share	11	1.50	1.50	1.50	1.50

The notes on pages 68 to 129 form an integral part of these financial statements.
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STATEMENT OF COMPREHENSIVE INCOME

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2019	2018	2019	2018
Profit for the year		624,259	762,736	347,108	478,444
Other comprehensive income;					
Subsequently re-classified to profit and loss					
Change in value of available for sale financial assets	19 (a)	-	1,106	-	1,532
Subsequently not re-classified to profit and loss					
Change in value of financial assets at fair value through OCI	19 (a)	(3,918)	-	(1,947)	-
Re-measurements of defined benefit obligations	27(c)	9,657	(19,948)	11,531	(17,176)
Share of other comprehensive income of					
Equity accounted investee, net of tax	18(a)	1,582	(3,549)	-	-
Tax impact on re-measurement of defined benefit obligation	28(a)	(2,704)	5,586	(3,229)	4,809
Gain on revaluation of land and building		-	899,892	-	367,818
Tax impact on gains on revaluation of land and buildings	28(a)	-	(336,801)	-	(160,832)
Impact on transfer of NCI balance to retained earnings of equity investee	18	-	(1,138)	-	-
Other comprehensive income for the year, net of tax		4,617	545,148	6,355	196,151
Total comprehensive income for the year, net of tax		628,876	1,307,885	353,464	674,595
Attributable to;					
- Owners of the company		565,048	1,174,118	353,464	674,595
- Non-controlling interests		63,828	133,767	-	-
Total comprehensive income for the year, net of tax		628,876	1,307,885	353,464	674,595

The notes on pages 68 to 129 form an integral part of these financial statements.
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STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2019	2018	2019	2018
ASSETS					
Non-current assets					
Property, plant and equipment	12	4,491,089	4,151,266	2,043,234	1,717,803
Capital work in progress	13	73,701	97,469	2,782	2,303
Investment property	14	653,000	638,000	358,000	358,000
Intangible assets	15	7,050	7,705	1,057	1,711
Prepaid lease rentals	16	1,622	1,644	-	-
Investment in subsidiaries	17	-	-	668,248	576,243
Investment in equity accounted investee	18	255,792	277,206	345,093	345,093
Financial assets at fair value through OCI/Available for sale	19	373,695	274,488	10,713	12,660
Deferred income tax assets	28	1,957	3,959	-	-
		5,857,906	5,451,737	3,429,127	3,013,813
Current assets					
Inventories	20	5,679,097	4,763,792	2,871,272	2,311,360
Trade and other receivables	21	6,336,648	6,350,481	3,744,824	3,924,446
Prepaid lease rentals	16	22	22	-	-
Held-to-maturity financial assets	22	-	466,800	-	466,800
Cash and cash equivalents	23	3,015,111	2,113,345	922,269	395,842
		15,030,878	13,694,440	7,538,365	7,098,448
Total assets		20,888,784	19,146,177	10,967,492	10,112,262
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	32	299,488	299,488	299,488	299,488
Capital reserve	33	2,274,026	2,277,718	1,002,568	1,002,568
General reserve	34	1,123,825	1,123,825	680,266	680,266
Fair value reserve of financial assets at FVOCI	35	4,774	8,006	881	2,828
Retained earnings		6,838,660	6,619,569	3,550,934	3,394,171
Equity attributable to owners of the Company		10,540,773	10,328,606	5,534,137	5,379,321
Non-controlling interests		1,284,316	1,245,074	-	-
Total equity		11,825,089	11,573,680	5,534,137	5,379,321
Non-current liabilities					
Defined benefit obligations	27	326,711	297,977	192,004	177,918
Deferred income tax liabilities	28	514,705	577,689	291,769	278,776
Borrowings	25	267,156	350,101	12,356	100,000
		1,108,572	1,225,767	496,129	556,694
Current liabilities					
Trade and other payables	24	1,079,458	2,805,971	1,506,449	2,048,750
Current income tax liabilities	26	657,741	809,069	282,370	403,403
Borrowings	25	6,217,924	2,731,690	3,148,407	1,724,094
		7,955,123	6,346,730	4,937,226	4,176,247
Total liabilities		9,063,695	7,572,497	5,433,355	4,732,941
Total equity and liabilities		20,888,784	19,146,177	10,967,492	10,112,262

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 7 of 2007.

Champika Coomasaru
Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue by the Board of Directors on 30 July 2019.

U.G.Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 68 to 129 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY - GROUP

(all amounts in Sri Lanka Rupees thousands)

		Attributable to owners of the parent							
	Note	Stated capital	Capital reserve	General reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total	Non-controlling interest	Total equity
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
Profit for the year		-	-	-	-	697,281	697,281	65,455	762,737
Fair value adjustment for available-for-sale financial assets	35	-	-	-	1,254	-	1,254	(148)	1,106
Re-measurements of defined employment benefit obligation	27(c)	-	-	-	-	(19,948)	(19,948)	-	(19,948)
Deferred tax on re-measurement of defined employment benefit obligation	28.1(a)	-	-	-	-	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	28.1(a)	-	(336,801)	-	-	-	(336,801)	-	(336,801)
Share of other comprehensive income of equity accounted investee, net of tax	18(b)	-	-	-	-	(3,549)	(3,549)	-	(3,549)
Impact on transfer of NCI balance to retained earning of equity investee	18					(1,138)	(1,138)	-	(1,138)
Total comprehensive income for the year		-	494,631	-	1,254	678,232	1,174,117	133,767	1,307,884
Transfer from revaluation reserve	33(a)	-	(10,420)	-	-	10,420	-	-	-
Deferred tax on transfer from revaluation reserve	28.1(a)	-	2,917	-	-	-	2,917	-	2,917
Dividends	11	-	-	-	-	(179,681)	(179,681)	(24,011)	(203,692)
Balance as at 31 March 2018		299,488	2,277,717	1,123,825	8,006	6,619,570	10,328,605	1,245,075	11,573,679
Balance at 1 April 2018		299,488	2,277,717	1,123,825	8,006	6,619,570	10,328,605	1,245,075	11,573,679
Adjustment on initial application of SLFRS 9		-	-	-	-	(240,556)	(240,556)	-	(240,556)
Tax effect arising on initial application of SLFRS 9		-	-	-	-	67,356	67,356	-	67,356
Profit for the year		-	-	-	-	559,745	559,745	64,514	624,259
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(3,232)	-	(3,232)	(686)	(3,918)
Re-measurements of defined employment benefit obligation	27(c)	-	-	-	-	9,657	9,657	-	9,657
Deferred tax on re-measurement of defined employment benefit obligation	28.1(a)	-	-	-	-	(2,704)	(2,704)	-	(2,704)
Share of other comprehensive income of equity accounted investee, net of tax	18(b)	-	-	-	-	1,582	1,582	-	1,582
Total comprehensive income for the year		-	-	-	(3,232)	395,080	391,848	63,828	455,676
Transfer from revaluation reserve net of tax	33(a)	-	(3,691)	-	-	3,691	-	-	-
Dividends	11	-	-	-	-	(179,681)	(179,681)	(24,587)	(204,268)
Balance as at 31 March 2019		299,488	2,274,026	1,123,825	4,774	6,838,660	10,713,973	1,284,316	11,825,089

The notes on pages 68 to 129 form an integral part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY - COMPANY

(all amounts in Sri Lanka Rupees thousands)

	Note	Stated capital	Capital reserve	General reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
Balance at 1 April 2017		299,488	795,582	680,266	1,296	3,107,775	4,884,407
Profit for the year		-	-	-	-	478,444	478,444
Fair value adjustment for available-for-sale financial assets	35	-	-	-	1,532	-	1,532
Re-measurements of defined employment benefit obligation	27(c)	-	-	-	-	(17,176)	(17,176)
Deferred tax on re-measurement of defined employment benefit obligation	28.1(a)	-	-	-	-	4,809	4,809
Gain on revaluation of land and building			367,818				367,818
Deferred tax on revaluation surplus	28.1(a)	-	(160,832)	-	-	-	(160,832)
Total comprehensive income for the year		-	206,986	-	1,532	466,077	674,595
Dividends	11	-	-	-	-	(179,681)	(179,681)
Balance as at 31 March 2018		299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Balance at 1 April 2018		299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Adjustment on initial application of SLFRS 9		-	-	-	-	(26,343)	(26,343)
Tax effect arising on initial application of SLFRS 9		-	-	-	-	7,376	7,376
Profit for the year		-	-	-	-	347,108	347,108
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(1,947)	-	(1,947)
Re-measurements of defined employment benefit obligation	27(c)	-	-	-	-	11,531	11,531
Deferred tax on re-measurement of defined employment benefit obligation	28.1(a)	-	-	-	-	(3,229)	(3,229)
Total comprehensive income for the year		-	-	-	(1,947)	336,444	334,497
Dividends	11	-	-	-	-	(179,681)	(179,681)
Balance as at 31 March 2019		299,488	1,002,568	680,266	881	3,550,934	5,534,137

The notes on pages 68 to 129 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2019	2018	2019	2018
Cash flows from operating activities					
Cash (used in) / generated from operations	36	(1,178,531)	1,047,594	(468,208)	575,951
Interest paid	8	(628,282)	(447,998)	(165,705)	(246,906)
Defined benefit obligations paid	27	(16,653)	(13,610)	(9,255)	(6,309)
Income tax paid less refund received		(397,914)	(350,420)	(196,188)	(165,987)
Net cash (used in) / generated from operating activities		(2,221,380)	235,566	(839,356)	156,749
Cash flows from investing activities					
Interest received	8	55,802	66,094	37,303	56,392
Purchase of property, plant and equipment	12	(526,812)	(109,270)	(438,133)	(56,770)
Purchase of intangible assets	15	-	(983)	-	(983)
Cost incurred on capital work in progress	13	(34,183)	(82,448)	(479)	(1,650)
Dividend received	5	3,387	1,647	143,304	188,594
Investments in financial assets at FVOCI	19	(103,125)	(239,171)	-	-
Investments in equity account investee		-	(11,639)	-	(11,639)
Investment in held-to-maturity financial assets	22	-	(457,020)	-	(457,020)
Cash proceeds from held-to-maturity financial assets	22	466,800	402,752	466,800	238,608
Proceeds from disposal of property, plant and equipment		62,256	-	-	-
Net cash generated from / (used in) investing activities		(75,875)	(430,038)	208,795	(44,468)
Cash flows from financing activities					
Long-term borrowings net of payments	25	(82,945)	142,260	(87,644)	(100,000)
Short-term borrowings net of payments	25	3,201,051	308,720	1,420,285	(199,296)
Dividend paid by the Company	11	(179,681)	(179,681)	(179,681)	(179,681)
Dividend paid by subsidiary to non-controlling interests		(24,587)	(24,011)	-	-
Net cash generated from / (used in) financing activities		2,913,838	247,288	1,152,960	(478,977)
Net increase in cash and cash equivalents		616,583	52,817	522,399	(366,696)
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	23	1,862,092	1,245,509	143,166	(379,233)

The notes on pages 68 to 129 form an integral part of these financial statements.
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NOTES TO THE FINANCIAL STATEMENTS

1 General Information

General Information of the Company;

ACL Cables PLC is a public limited liability company registered under the Companies Act, No. 7 of 2007. ACL Cables PLC was incorporated on 1 March 1962 under the Companies Ordinance No. 51 of 1938 as Associated Cables Ltd and on 8 January 1991 the name was changed to ACL Cables Limited. At present, ACL Cables PLC is a Public Limited Liability Company listed on the Colombo Stock Exchange and domiciled in Sri Lanka. The registered office and the principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

1.1 Principal Activities and Nature of Operations

The principal activities of ACL Cables PLC are manufacturing cables and conductors.

General Information of the entities in the Group;

Company	Date of Incorporation	Principal Activity
Kelani Cables PLC	18.12.1972	Manufacturing and selling of Power Cables, Telecommunication Cables and Enameled Winding Wires
ACL Plastics PLC	17.07.1991	Manufacturing Cable grade PVC Compound
Ceylon Bulbs & Electricals Ltd	16.10.1957	Dormant
Lanka Olex Cables (Pvt) Ltd	22.02.1993	Investing Company
ACL Kelani Magnet Wire (Pvt) Ltd	29.06.2000	Manufacturing and export of enameled winding wires
ACL Polymers (Pvt) Ltd	06.09.2005	Manufacturing of PVC compounds
ACL Metals & Alloys (Pvt) Ltd	05.09.2005	Manufacturing and Selling Aluminium rods, Alloys of Aluminium and Other Metals
Ceylon Copper (Pvt) Ltd	17.06.2011	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market
ACL Electric (Pvt) Ltd	08.11.2012	Manufacturing of electrical accessories
RESUS Energy PLC	11.06.2003	Power and energy Generation

1.2 Approval of Financial Statements by the Board of Directors

The Company's and the Group's financial statements were authorised for issue by the Board of Directors on 30 July 2019.

2 Basis of preparation and summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (SLFRSs), Sri Lanka Accounting Standards (LKASs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC). These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value and revaluation of Property, plant and equipment and Investment property. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 2.5 to the financial statements.

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Group's financial statements have been adopted by the Group (a) new standards and amendments that are effective for the first time for periods commencing on or after 01 January 2018 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 01 January 2019.

(a) New standards and amendments applicable from 01 January 2018

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- SLFRS 9 Financial Instruments
- SLFRS 15 Revenue from Contracts with Customers
- Amendments to SLFRS 15, Revenue from contracts with customers

(i) SLFRS 9 Financial Instruments and associated amendments to various other standards

SLFRS 9 replaces the multiple classification and measurement models in LKAS 39 Financial instruments: Recognition and measurement with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option entities will need to recognise the part of the fair value change that is due to changes in the their own credit risk in other comprehensive income rather than profit or loss.

The new hedge accounting rules align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

Further changes introduced to the classification and measurement rules and also introduced a new impairment model to SLFRS 9. The changes introduce:

i. a third measurement category (FVOCI) for certain financial assets that are debt instruments
ii. a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

The standard is effective for the annual periods beginning on or after 1 January 2018.

The company has applied SLFRS 9 retrospectively, but has elected not to restate comparative information based on the transitional provisions available in SLFRS 9. In the first year of SLFRS 9 implementation, the accounting policy relevant to the comparative information on financial instruments is reported under LKAS 39. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

(ii) SLFRS 15 Revenue from contracts with customers and associated amendments to various other standards

SLFRS 15 will replace LKAS 18 which covers contracts for goods and services and LKAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

i. identify contracts with customers
ii. identify the separate performance obligation
iii. determine the transaction price of the contract

iv. allocate the transaction price to each of the separate performance obligations, and

v. recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

i. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

ii. Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal.

iii. The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.

iv. There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.

v. There are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

This standard is effective for the annual periods beginning on or after 01 January 2018.

There was no material impact on transition to SLFRS 15 on retained earnings and reserves as at 01st April 2018.

(iii) Amendments to SLFRS 15, 'Revenue from contracts with customers'

These amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation permitted).

This standard and the amendment is effective for the annual periods beginning on or after 1 January 2018.

(b) New standards and amendments but not adopted in 2018

The following standards and interpretations had been issued but not mandatory for annual reporting periods beginning on or after 01 January 2019.

(i) SLFRS 16 Leases

SLFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under SLFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The standard is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted if SLFRS 15, 'Revenue from Contracts with Customers', is also applied.

The Company does not expect significant impact on its financial statements resulting from the application of the above standard.

(ii) Amendments to LKAS 28, 'Investments in associates and joint ventures', Long-term Interests in Associates and Joint Ventures

These amendments clarify that companies account for long-term interests in an associate or joint venture to which the equity method is not applied using SLFRS 9.

This amendment is effective for the annual periods beginning on or after 1 January 2019.

(iii) Amendments to SLFRS 9 Financial Instruments - Prepayment Features with Negative Compensation

This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from LKAS 39.

This amendment is effective for annual periods beginning on or after 1 January 2019.

(iv) IFRIC 23, 'Uncertainty over income tax treatments'

This IFRIC clarifies how the recognition and measurement requirements of LKAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

This amendment is effective for the annual periods beginning on or after 1 January 2019.

(v) Annual improvements 2015–2017

These amendments includes minor changes to the following standards:

i. SLFRS 3, 'Business combinations', – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
ii. SLFRS 11, 'Joint arrangements', – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
iii. LKAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
iv. LKAS 23, 'Borrowing costs' – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

These amendments are effective for the annual periods beginning on or after 1 January 2019.

(vi) Amendments to LKAS 19, 'Employee benefits' on plan amendment, curtailment or settlement

These amendments require an entity to:

i. use updated assumptions to determine current service cost and net interest for the reminder of the period after a plan amendment, curtailment or settlement; and
ii. recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

This amendment is effective for the annual periods beginning on or after 1 January 2019.

(vii) Amendments to SLFRS 3 – definition of a business

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.

This amendment is effective for the annual periods beginning on or after 1 January 2020.

(viii) Amendments to LKAS 1 and LKAS 8 on the definition of material

These amendments to LKAS 1, 'Presentation of financial statements', and LKAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other SLFRSs:

i. use a consistent definition of materiality throughout SLFRSs and the Conceptual Framework for Financial Reporting;
ii. clarify the explanation of the definition of material; and

iii. incorporate some of the guidance in LKAS 1 about immaterial information.

These amendments are effective for the annual periods beginning on or after 1 January 2020.

a) New standards, amendments and interpretations adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies described in Note 2.2.2.

2.2.2 New Standards effective from 01st Jan 2018.

The company adopted SLFRS 9 and SLFRS 15 with effect from 1st April 2018.

(a) Adoption of SLFRS 9 - Financial Instruments

The Sri Lanka Accounting Standard – SLFRS 9 on "Financial Instruments", which replaces the existing guidance on LKAS 39 on "Financial Instruments: Recognition and Measurement" has become effective for annual reporting periods beginning on or after January 01, 2018 bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied SLFRS 9 retrospectively, but has elected not to restate comparative information based on the transitional provisions available in SLFRS 9. In the first year of SLFRS 9 implementation, the accounting policy relevant to the comparative information on financial instruments is reported under LKAS 39. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

Classification and measurement of financial instruments

The Financial Assets categorised as Available -for -Sale Investments under LKAS 39 is now reclassified under Equity Investments at Fair Value through Other Comprehensive Income (FVOCI) under SLFRS 9. The Company intends to hold such financial assets for the foreseeable future and which the Company has irrevocably elected to classify as such at or transition to SLFRS 9. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

(b) SLFRS 15 - Revenue from Contracts with Customers

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

This standard is effective for the annual periods beginning on or after 01 January 2018. SLFRS 15 does not have an impact on Company's Financial Statements.

c) Standards, Amendments and Interpretations issued but not yet effective

The following new accounting standards, amendments and interpretations that are issued, but not yet effective up to the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these new accounting standards, amendments and interpretations, if applicable, when they become effective.

SLFRS 16 - Leases

SLFRS 16 introduce a single, onbalance lease sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify lease as finance or operating leases. SLFRS 16 replaces existing leases guidance including LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Leases, SIC-15 Operating Lease Incentive and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a lease.

The standard is effective for annual period beginning on or after 1 January 2019.

The Company does not expect significant impact on its financial statements resulting from the application of the above standards, amendments and interpretations.

2.2 Consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard - SLFRS 10 on " Consolidated Financial Statements". Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to minority shareholders with non - controlling interest.

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Non - Controlling Interest (NCI)

Non - Controlling Interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Statement of Profit or loss and Statement of Comprehensive income and as a component of equity in the Consolidated Statement of financial position, separately from equity attributable to the shareholders of the parent.

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Associates

Associates are companies, partnerships or other entities in which the Group exercises significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is power to participate in financial and operating policy decisions of the associates, but not power to exercise control or jointly control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the post-acquisition results and changes of the associate's reserves in the consolidated statement of profit or loss after the date of acquisition and net off with any accumulated impairment loss, if any. The Group's investment in associates includes goodwill identified on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Profits and losses resulting from transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Equity accounting is discontinued when the Group ceases to have significant influence over the associates. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income in the consolidated statement of comprehensive income is reclassified to profit or loss in the consolidated statement of comprehensive income where appropriate. The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not re-measured. Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of comprehensive income. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the difference in the consolidated statement of profit or loss.

2.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('The functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'Finance income or cost'.

2.4 Statement of compliance

The Consolidated Financial Statements of the Group and Separate Financial Statements of the Company comprise of the Statement of financial position, Statement of profit or loss, Statement of Comprehensive income, Statement of changes in equity, Statement of cashflows and notes thereto have been prepared in accordance with Sri Lanka

Accounting Standards, promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of the Companies Act, No.07 of 2007 and the listing rules of the CSE.

2.5 Significant accounting judgements, estimates and Assumptions

The Group's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with SLFRS are best estimates undertaken in accordance with the applicable standards.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

(a) Impairment of assets

(Policy applicable from 01 April 2018)

The Group recognises loss allowances for ECLSs on financial assets measured at amortised cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

The Group determines that financial assets at FVOCI investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the volatility in share price. In addition, objective evidence of impairment may be deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

Had all the declines in fair value below cost been considered significant or prolonged, the Group would have recognised an additional loss in its financial statements.

(b) Fair value of financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

(c) Fair value of property, plant and equipment

The Group revalues its land and buildings which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(e) Income tax

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes.

(f) Useful life-time of the property, plant and equipment

The Group reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Judgement of the management estimates these values, rates, methods and hence they are subject to uncertainty.

(g) Useful life-time of the intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included under intangible assets. Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and carried at less than costs less accumulated impairment losses.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 4 years.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 2 years.

(h) Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, etc. All assumptions are reviewed at each reporting date.

2.6 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for its intended use or sale, are capitalized as part of the respective assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.7 Taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations.

2.8 Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority.

2.9 Financial Instruments - Recognition and Subsequent Measurement (Upto 31/03/2018)

In accordance with LKAS 39, all financial assets and liabilities – including derivative financial instruments at Fair value through profit and loss – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.9.1 Financial assets

The Group allocates financial assets to the following LKAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

(a) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(i) those that the Group intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

(ii) those that the Group upon initial recognition designates as available- for- sale; or

(iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Trade and other receivables are initially recognised at fair value. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of trade and other receivables and recognised in the income statement.

(b) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

(i) those that the Group upon initial recognition designates as at fair value through profit or loss;

(ii) those that the Group designates as available for sale; and

(iii) those that meet the definition of trade and other receivables.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in the statement of comprehensive income statement and reported as 'Interest and similar income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the statement of comprehensive income statement as 'Net gains/(losses) on investment securities'.

(c) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, or equity prices or that are not classified as loans and receivables, held-to- maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initial recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised as a part of equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the statement of comprehensive income is recognised in the statement of comprehensive income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the statement of comprehensive income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income in 'Dividend income' when the Group's right to receive payment is established.

2.9.2 Re-classification of financial assets

The Group may reclassify financial assets within the framework of LKAS 39 at the election of management.

i. Reclassify Fair Value Through Profit & Loss (FVTP&L) financial assets other than those designated as FVTP&L upon initial recognition, only in limited circumstances as per para 50B or 50D of LKAS 39 out of the FVTP&L category and into the available for sale, loans and receivable or held to maturity.

ii. As per para 50E of LKAS 39, a financial asset classified as available for sale may be reclassified out of the available for sale category to loans and receivable if the entity has the intention and ability to hold the financial asset for the foreseeable future.

2.9.3 Financial liabilities

The Group's holding in financial liabilities is at amortised cost. Financial liabilities are derecognised when extinguished.

(a) Other liabilities measured at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are loans from banks, debt securities in issue for which the fair value option is not applied.

(b) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

2.9.4 De-recognition of financial assets

Financial assets are de-recognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished.

2.9.5 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

(b) Write off of trade and other receivables

The Group writesoff certain trade and other receivables when they are determined to be uncollectible.

(c) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement is removed from other comprehensive income and recognised in arriving at the net income for the period. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairments are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

2.9.6 Financial Instruments - Initial Recognition and Subsequent Measurement (From 01/04/2018)

Financial Assets - Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are broadly categorised as financial assets at amortised cost, fair value through profit or loss and financial assets at fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, the date that Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, short term deposits and fair value through other comprehensive income (FVOCI) financial assets.

2.9.7 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows;

(a) Debt Instruments at Amortized cost

The Company measures financial assets at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recongised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes bank balances and short term deposits under current financial assets.

(b) Financial Assets classified under Fair Value through Other Comprehensive Income

The Financial Assets categorised as Available for Sale investments under LKAS 39 is now reclassified under Equity Investments at Fair Value through OCI (FVOCI) under SLFRS 9 after assessing the business model that applies to the financial assets held by the Company. This category only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognised to profit or loss.

2.9.8 De - recognition

A financial asset is de - recognised when;

- The rights to receive cash flows from the asset have expired
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ' pass - through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered in to a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

2.9.9 Impairment of Financial Assets

SLFRS 9 establishes a new model for impairment which is a forward - looking expected credit loss model.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The guiding principle of the Expected Credit Loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

2.9.10 Financial Assets categorized as Fair Value through OCI

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined based on income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

2.9.11 Financial Liabilities - Initial Recognition and Measurement

Financial liabilities within the scope of SLFRS 9 remains broadly the same as LKAS 39, are classified as financial liabilities at fair value through profit or loss, or at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables.

2.9.12 Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification as follows;

Other Payables

Liabilities are recognised for amounts to be paid in the future for assets or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

2.9.13 De - recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

2.9.14 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.9.15 Reclassifications of financial instruments on adoption of SLFRS 9

On the date of initial application, 01 April 2018, the financial instruments of the group were as follows, with any reclassifications noted (Refer 2.9).

2018	Group			
Assets	As reported 01 April 18	SLFRS 9 Adjustment	Adjusted balance	Difference
Non-current assets				
Property, plant and equipment	4,151,266	-	4,151,266	-
Work in progress	97,469	-	97,469	-
Investment property	638,000	-	638,000	-
Intangible assets	7,704	-	7,704	-
Prepaid lease rentals	1,644	-	1,644	-
Investment in subsidiaries	-	-	-	-
Investment in equity accounted investee	277,206	-	277,206	-
Available for sale financial assets	274,488	(274,488)	-	(274,488)
Financial assets at fair value through OCI	-	274,488	274,488	274,488
Deferred income tax assets	3,959	-	3,959	-
	5,451,736		5,451,736	
Current assets				
Inventories	4,763,792	-	4,763,792	-
Trade and other receivables	6,350,481	(240,556)	6,109,926	(240,556)
Prepaid lease rentals	22	-	22	-
Held-to-maturity financial assets	466,800	-	466,800	-
Cash and cash equivalents	2,113,345	-	2,113,345	-
	13,694,440	(240,556)	13,453,885	(240,556)
Equity and liabilities				
Equity				
Stated capital	299,488	-	299,488	-
Capital reserve	2,273,159	-	2,273,159	-
General reserve	1,123,825	-	1,123,825	-
Available-for-sale reserve	4,774	(4,774)	-	(4,774)
Fair value reserve of financial assets at FVOCI	-	4,774	4,774	4,774
Retained earnings	6,858,632	(173,200)	6,685,432	(173,200)
Non-controlling interests	1,284,323	-	1,284,323	-
	11,844,200	(173,200)	11,671,001	(173,200)
Non-current liabilities				
Defined benefit obligations	326,711	-	326,711	-
Deferred income tax liabilities	522,080	(67,356)	454,724	(67,356)
Borrowings	267,156	-	267,156	-
	1,115,947	(67,356)	1,048,591	(67,356)
Current liabilities				
Trade and other payables	1,520,269	-	1,520,269	-
Current income tax liabilities	657,604	-	657,604	-
Borrowings	5,848,430	-	5,848,430	-
	8,026,303	-	8,026,303	-

2018	Company			
Assets	As reported 01 April 18	SLFRS 9 Adjustment	Adjusted balance	Difference
Non-current assets				
Property, plant and equipment	1,717,804	-	1,717,804	-
Work in progress	2,303	-	2,303	-
Investment property	358,000	-	358,000	-
Intangible assets	1,711	-	1,711	-
Prepaid lease rentals	-	-	-	-
Investment in subsidiaries	576,243	-	576,243	-
Investment in equity accounted investee	345,093	-	345,093	-
Available for sale financial assets	12,660	(12,660)	-	(12,660)
Financial assets at fair value through OCI	-	12,660	12,660	12,660
Deferred income tax assets	-	-	-	-
	3,013,814	-	3,013,814	-
Current assets				
Inventories	2,311,360	-	2,311,360	-
Trade and other receivables	3,924,446	(26,343)	3,898,103	(26,343)
Prepaid lease rentals	-	-	-	-
Held-to-maturity financial assets	466,800	-	466,800	-
Cash and cash equivalents	395,842	-	395,842	-
	7,098,448	(26,343)	7,072,104	(26,343)
Equity and liabilities				
Equity				
Stated capital	299,488	-	299,488	-
Capital reserve	1,002,568	-	1,002,568	-
General reserve	680,266	-	680,266	-
Available-for-sale reserve	2,828	(2,828)	-	(2,828)
Fair value reserve of financial assets at FVOCI	-	2,828	2,828	2,828
Retained earnings	3,394,171	(18,967)	3,375,204	(18,967)
	5,379,322	(18,967)	5,360,354	(18,967)
Non-current liabilities				
Defined benefit obligations	177,918	-	177,918	-
Deferred income tax liabilities	278,776	(7,376)	271,400	(7,376)
Borrowings	100,000	-	100,000	-
	556,694	(7,376)	549,318	(7,376)
Current liabilities				
Trade and other payables	1,506,450	-	1,506,450	-
Current income tax liabilities	282,370	-	282,370	-
Borrowings	3,148,407	-	3,148,407	-
	4,937,227	-	4,937,227	-

2.10 Property, plant and equipment

Property, plant and equipment of the Company includes both owned assets and leased hold assets;

2.10.1 Initial recognition

(a) Owned assets

Property, plant & equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 on property, plant and equipment. Initially property, plant and equipment are measured at cost excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Where an item of property, plant & equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant & equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will now to the group and the cost opt the item can be measured reliably. The carrying amount of any component accounted to as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Gains and losses on disposals are determined by comparing proceeds with carving amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(b) Leased assets

Property, plant & equipment on finance leases, which effectively transfer to the Group substantially all of the risk and benefits incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased property, plant & equipment, or if lower, at the present value of the minimum lease payments. Capitalised leased assets are disclosed as property, plant and equipment and depreciated consistently with that of owned assets. The corresponding principal amount payable to the lessor together with the interest payable over the period of the lease is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

2.10.2 Subsequent measurement

Expenditure incurred to replace a component of an item of property, plant and equipment is accounted for separately, including major inception & overhaul expenditure and capitalized only when it increases the future economic benefits embodied in the item of property, plant & equipment. All other expenditure is recognized in the statement of profit or loss as an expense incurred.

Depreciation is calculated on a straight line basis over the useful lives of the assets using the following rates.

Asset	Years
Factory buildings	25 - 40
Plant, machinery and accessories	8 - 45
Factory equipment	8 - 10
Electrical fittings	8 - 10
Furniture, fixtures and fittings	4 - 10
Office equipment	4 - 10
Motor vehicles	4 - 5
Tools and implements	4 - 10

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted prospectively, if appropriate.

2.10.4 Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

2.10.5 Capital Work -in- Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work in progress. These are stated in the Statement of Financial Position at cost less any accumulated impairment losses. Capital work in Progress is transferred to the relevant asset when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. (i.e., available for use)

2.11 Intangible assets

Basis of Recognition

An intangible asset is recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included under intangible assets. Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and carried at less than costs less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Negative goodwill arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Negative goodwill is recognized immediately in the statement of profit or loss.

Goodwill is allocated to 'Cash-Generating Units' (CGU) for the purpose of impairment testing. Each CGU or a group of CGUs represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which are expected to benefit from the synergies of the combination.

(b) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 4 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These directly attributable costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 2 years.

Costs relating to development of software are carried in capital work in progress until the software is available for use.

Other development expenditures that do not meet the relevant criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.12 Investment properties

Properties held to earn rental income or properties held for capital appreciation or both and not occupied substantially for the supply of goods or services or in administration, and not intended for sale in the ordinary course of business have been classified as investment property. Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair value, which reflects market conditions as at balance sheet date.

Gains or losses arising from changes in fair value are included in the statement of profit or loss in the year in which they arise.

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the statement of profit or loss in the year of retirement or disposal.

Where the Group occupies a significant portion of the investment property, such investment properties are treated as property, plant and equipment in the financial statements and accounted for as per LKAS - 16, Property, plant and equipment.

2.13 Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Previously recognised impairment losses, are reversed only if there has been an increase in the recoverable amount of the asset. Such increase is recognised to the extent of the carrying amount had no impairment losses been recognised previously.

For goodwill, recoverable amount is estimated at each balance sheet date or as and when an indication of impairment is identified.

Impairment losses are recognised in respect of subsidiaries acquired, are allocated first to reduce the carrying amount of any goodwill allocated to the entity and then to reduce the carrying amount of the other assets in the entity on a pro rata basis. Impairment losses are recognised in the statement of profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks other short term highly liquid investments with original maturities of three months or less. For the purpose of cash flow statement, cash and cash equivalents includes, cash in hand and investments with original maturities of three months or less net of outstanding bank overdrafts.

2.15 Investments in subsidiaries in separate Financial statements

In the Company's financial statements, investments in subsidiaries have been accounted for at cost, net of any impairment losses which are charged to the statement of profit or loss. Income from these investments is recognised only to the extent of dividends received.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.17 Trade and other receivables

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

2.18 Interest bearing loans

Interest bearing loans are recognised initially at fair value, net of transaction costs incurred. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

2.19 Trade and other payables

Liabilities classified as trade and other payables in the balance sheet are those which fall due for payment on demand or within one year from the balance sheet date. Items classified as non-current liabilities are those which fall due for payment beyond a period of one year from the balance sheet date.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognised as an interest expense.

2.21 Defined benefit plans - gratuity

All the employees of the Group are eligible for gratuity under the Gratuity Act No. 12 of 1983. The Group measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit Method. The actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Accordingly, the employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial & Management Consultants (Pvt) Ltd.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to comprehensive income in the year in which they arise.

Past service costs are recognised immediately in income, unless the change to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortised on straight line basis over the vesting period. The liability is not externally funded.

2.22 Defined contribution plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contribution and Employees Trust Fund contribution in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.23 Provisions, Contingent assets and Contingent liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

2.24 Revenue recognition

(Policy applicable from 01st April 2018)

"Revenue from contracts with customers" , establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales Taxes) and variable consideration (e.g. discounts and rebates).

(Policy applicable before 01st April 2018)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The following specific criteria are used for recognition of revenue. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer with the Group retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor an effective control over the goods sold.

2.25 Other Income

Interest income is recognised on an accrual basis. Dividend income is recognised when the shareholder's right to receive the payment is established.

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in the statement of profit or loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses. Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

Other income is recognised on an accrual basis.

2.26 Expenditure recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss.

2.27 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.28 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

2.29 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business / industry segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The segment information has been prepared in accordance with the accounting policies adopted for preparing and presenting the financial statements.

2.30 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

2.31 Statement of cash flows

The statement of cash flows is prepared using the indirect method as stipulated in LKAS 7 Statement of Cash Flows. Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, balances at banks, short term deposits with a maturity of three months or less net of outstanding bank overdrafts, if any.

2.32 Directors' responsibilities statement

Directors acknowledge the responsibilities for the true and fair presentation of the financial statements in accordance with the books of accounts and the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007.

2.33 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.34 Materiality and Aggregation

Each material class of similar items is presented separately. Items of dissimilar nature of function are presented Separately unless they are immaterial.

3 Financial risk management

3.1 Financial risk factors

The Board of Directors of the Company regularly reviews its exposure to various kinds of risk factors with the ultimate objective to deliver superior shareholder value between risk and return. The Board oversees market risk, operational risk, credit risk and liquidity risk giving special consideration in broader aspects to the Company's exposure to interest rate fluctuations and exchange rate fluctuations in the market. Based on the economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

The Company's principal financial liabilities comprise short term borrowings, trade and other payables and bank overdrafts. The main purpose of these financial liabilities is to raise finances for the Company's operations. The Company has various financial assets such as trade and other receivables, other investments, loans and cash balances, which arise directly and indirectly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's profit or equity. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

(i) Foreign exchange risk

The Company is exposed to currency risk on goods sold and raw materials imported that are denominated in currencies other than Sri Lankan rupees (LKR). The Company manages its currency risk by a natural hedging mechanism to a certain extent by matching currency outflows for repayments on raw material imported with currency inflows for goods sold in foreign currencies.

Group	31 March			
	2019		2018	
	USD	LKR	USD	LKR
Trade receivables	3,754	668,175	4,929	749,060
Trade payables	559	99,539	(8,907)	(1,353,757)
Cash in bank	10,266	1,827,379	9,851	1,497,132

Company	31 March			
	2019		2018	
	USD	LKR	USD	LKR
Trade receivables	2,592	461,452	104	16,182
Trade payables	1,018	181,225	(2,470)	(384,332)
Cash in bank	3,898	693,915	3,835	596,726

Amounts recognised in profit or loss and other comprehensive income.

During the year, the following foreign-exchange related amounts were recognised in statement of profit or loss and other comprehensive income:

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Amounts recognised in profit or loss				
Foreign exchange gain included in finance cost	(25,934)	(69,863)	(21,371)	(19,699)
Foreign exchange loss included in finance cost	154,355	48,035	27,945	-
Total net foreign exchange (losses)/gains recognised in profit before income tax for the period	128,421	(21,828)	6,573	(19,699)

As shown in the table above, the company is primarily exposed to changes in US/(presentation currency units) exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar denominated financial instruments arises from foreign forward exchange contracts designated as cash flow hedges.

Group	Impact on post tax profit 2019	2018
US exchange rate – change by 10%	259,509	(61,034)

Company	Impact on post tax profit 2019	2018
US exchange rate – change by 10%	133,642	22,858

(ii) Interest rate risk

Interest rate risk mainly arises as a result of the Group having interest sensitive assets and liabilities, which are directly, impacted by changes in the interest rates. The Group's borrowings and investments are maintained in a mix of fixed and variable interest rate instruments and periodical maturity gap analysis is carried out to take timely action and to mitigate possible adverse impact due to volatility of the interest rates.

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings.

Group	Impact on profit 2019	2018
Interest rates – increase by 1%	(4,739)	(4,155)
Interest rates – decrease by 1%	4,739	4,155

Company	Impact on post tax profit 2019	2018
Interest rates – increase by 1%	(1,378)	(2,469)
Interest rates – decrease by 1%	1,378	2,469

(iii) Price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

(iv) Credit risk

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increase shown.

Group	Change in equity price	Effect on profit	Effect on equity
31 March 2019	10%	-	37,370
31 March 2018	10%	-	27,449

Company	Change in equity price	Effect on profit	Effect on equity
31 March 2019	10%	-	1,071
31 March 2018	10%	-	1,266

The Company also has unquoted investments carried at cost where the impact of changes in equity prices will only be reflected when the investment is sold or deemed to be impaired, when the statement of profit or loss will be impacted.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and is to maintain a balance between continuity of funding and flexibility through the use of borrowings and bank overdrafts.

The table below summarises the maturity profiles of the Group's financial liabilities based on contractual undiscounted payments.

Analysis of financial assets and liabilities by remaining contractual maturities

Group At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade & other payables					
(excluding statutory liabilities)	1,008,151	-	-	-	1,008,151
Borrowings	5,064,905	267,156	-	-	5,332,060
Bank overdrafts	1,153,019	-	-	-	1,153,019
Total financial liabilities	7,226,075	267,156	-	-	7,493,231

Company	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade & other payables					
(excluding statutory liabilities)	1,497,865	-	-	-	1,497,865
Borrowings	2,369,304	12,356	-	-	2,381,660
Bank overdrafts	779,103	-	-	-	779,103
Total financial liabilities	4,646,272	12,356	-	-	4,658,628

3.2 Capital risk management

Capital comprises of equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2019.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings.

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Total borrowings (Note 25)	6,485,080	3,081,791	3,160,763	1,824,094
Less : Cash and				
cash equivalents (Note 23)	(3,015,111)	(2,113,345)	(922,269)	(395,842)
Net debt	3,469,969	968,446	2,238,494	1,428,252
Total equity	11,825,089	11,573,680	5,534,137	5,379,321
Total capital	15,295,058	12,542,126	7,772,631	6,807,573
Gearing ratio	22.69%	7.72%	28.80%	20.98%

The increase in the gearing ratio during the year 2019 resulted primarily from the decrease of the profit and increase of borrowings during the year.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value.

	Group				Company			
As at 31 March 2019	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Financial assets at fair value through OCI (Note 19)	373,695	-	-	373,695	10,713	-	-	10,713
Investment property (Note 14)	-	653,000	-	653,000	-	358,000	-	358,000
	373,695	653,000	-	1,026,695	10,713	358,000	-	368,713
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

	Group				Company			
As at 31 March 2018	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Available-for-sale financial assets	274,488	-	-	274,488	12,660	-	-	12,660
Held-to-maturity financial assets	466,800	-	-	466,800	466,800	-	-	466,800
Investment property	-	638,000	-	638,000	-	358,000	-	358,000
	741,288	638,000	-	1,379,288	479,460	358,000	-	837,460
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The carrying amounts of the above assets are considered to be the same as their fair value.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity instruments classified as trading securities or financial assets at FVOCI.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

(c) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 Revenue from contracts with customers

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Geographical segment turnover				
Local	15,129,786	13,981,622	8,541,049	7,848,800
Export	3,053,512	2,270,285	1,666,786	1,081,005
Net revenue	18,183,298	16,251,907	10,207,835	8,929,805

5 Other income

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Dividend income	3,387	1,647	143,304	188,594
Profit on disposal of property, plant and equipment	61,267	-	-	-
Retirement obligation provision reversal	3,255	-	-	-
Gain from revaluation of investment property	15,000	99,250	-	73,000
Sundry income	16,997	14,797	5,103	4,956
	99,906	115,694	148,407	266,550

6 Expenses by nature

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Directors emoluments	75,175	68,785	57,275	51,635
Auditors remuneration	2,846	2,950	710	649
Legal fees	3,383	1,710	3,150	1,710
Depreciation on property, plant and Equipment (Note 12)	243,951	221,529	112,702	89,341
Amortization charge on intangible assets (Note 15)	654	2,416	654	2,416
Cost of raw material consumed	14,178,131	11,283,516	8,496,409	6,386,054
Repairs and maintenance	79,157	71,092	73,412	66,206
Donations	9,562	5,284	9,506	5,264
Amortisation of leasehold properties (Note 16)	22	22	-	-
Impairment of trade and other receivables [Note 21(a)]	52,694	35,575	35,693	15,633
Staff costs (Note 7)	1,444,665	1,406,681	673,301	664,775
Provision/(reversal) for impairment of inventories [Note 20(a)]	11,206	8,210	3,636	(1,875)
Other expenses	787,723	1,872,402	413,993	1,141,654
Total cost of sales, distribution costs and administrative costs	16,889,168	14,965,181	9,880,442	8,423,462
Classified as:				
Cost of sale of goods	15,417,890	13,620,691	9,236,040	7,865,346
Distribution costs	942,175	856,325	434,137	355,893
Administrative costs	529,103	488,165	210,265	202,222
Total	16,889,168	14,965,181	9,880,442	8,423,461

7 Staff costs

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Salaries, wages and related cost	1,287,039	1,258,790	589,288	587,994
Defined contribution plan	104,751	97,493	54,657	49,064
Defined benefit plan [Note 27(b)]	52,875	50,398	29,356	27,717
	1,444,665	1,406,681	673,301	664,775
Average number of employees during the year	1,331	1,572	603	692

8 Finance costs - net

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Finance income:				
Interest income	(29,868)	(46,395)	(15,932)	(36,693)
Exchange gain	(25,934)	(19,699)	(21,371)	(19,699)
Finance income	(55,802)	(66,094)	(37,303)	(56,392)
Finance costs:				
Interest on bank borrowings, concern loans and current accounts	473,927	415,507	137,760	246,906
Exchange loss	154,355	32,491	27,945	-
Finance costs:	628,282	447,998	165,705	246,906
Net finance costs	572,480	381,904	128,402	190,514

9 Income tax expenses

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Current tax (Note 26)	236,500	299,150	75,155	101,273
Deferred tax release (Note 28)	3,670	(22,046)	17,141	2,664
WHT on dividend paid by subsidiaries	10,084	17,409	-	-
	250,254	294,513	92,296	103,937

The tax on the Company's and Group's profit before tax differs from the theoretical amount that would arise using the effective tax rate applicable to profits of the Company and Group as follows :

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Profit before tax	874,513	1,057,249	439,403	582,381
Tax calculated at effective tax rate of 28%	244,864	305,129	123,033	163,067
Tax effect of income liable at concessionary rate	-	(13,986)	-	(6,937)
Tax effect of income not subject to tax	(82,489)	(40,617)	(65,887)	(76,119)
Tax effect of expenses not deductible	122,191	86,185	54,626	41,419
Tax effect of allowable deductions	(48,110)	(37,587)	(36,618)	(20,157)
Utilisation of previously unrecognised tax losses	44	26	-	-
WHT on dividend paid by subsidiaries	10,084	17,409	-	-
Deferred tax (reversal) / charge	3,670	(22,046)	17,141	2,664
Tax charge	250,254	294,513	92,296	103,937

10 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares as at end of the year.

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Net profit attributable to equity holders	559,745	697,281	347,108	478,445
Weighted average number of ordinary				
Shares in issue (Note 32)	119,787,360	119,787,360	119,787,360	119,787,360
Basic earnings per share (Rs.)	4.67	5.82	2.90	3.99

11 Dividend per share

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Dividends paid	179,681	179,681	179,681	179,681
Number of ordinary shares in issue (Note 32)	119,787,360	119,787,360	119,787,360	119,787,360
Dividend per share (Rs.)	1.50	1.50	1.50	1.50

12 Property, plant and equipment

(a) Group

	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2017						
Cost / valuation	2,758,745	1,899,174	143,336	125,566	196,989	5,123,810
Accumulated depreciation	(131,297)	(1,319,816)	(95,624)	(101,113)	(128,251)	(1,776,101)
Net book amount	2,627,448	579,358	47,712	24,453	68,738	3,347,709
Year ended 31 March 2018						
Opening net book amount	2,627,448	579,358	47,712	24,453	68,738	3,347,709
Additions	-	81,294	8,397	9,438	10,141	109,270
Revaluation surplus	899,892	-	-	-	-	899,892
Transfer from work in progress (Note 13)	878	15,779	-	-	-	16,657
Disposals / transfers						
- cost	(85,960)	(5,009)	-	-	-	(90,969)
- depreciation	85,960	4,276	-	-	-	90,236
Depreciation charge (Note 06)	(65,957)	(121,982)	(4,345)	(7,353)	(21,893)	(221,530)
Closing net book amount	3,462,261	553,716	51,764	26,538	56,986	4,151,266
At 31 March 2018						
Cost / valuation	3,573,555	1,991,238	151,733	135,004	207,130	6,058,660
Accumulated depreciation	(111,294)	(1,437,522)	(99,969)	(108,466)	(150,144)	(1,907,395)
Net book amount	3,462,261	553,716	51,764	26,538	56,986	4,151,266
Year ended 31 March 2019						
Opening net book amount	3,462,261	553,716	51,764	26,538	56,986	4,151,265
Additions	32,329	294,068	26,832	4,758	168,825	526,812
Transfer from work in progress (Note 13)	17,435	40,516	-	-	-	57,951
Disposals / transfers						
- cost	-	(96,129)	-	-	-	(96,129)
- depreciation	-	95,141	-	-	-	95,141
Depreciation charge (Note 06)	(65,574)	(136,029)	(4,811)	(6,794)	(30,742)	(243,951)
Closing net book amount	3,446,451	751,282	73,785	24,502	195,069	4,491,089
At 31 March 2019						
Cost / valuation	3,623,319	2,229,693	178,565	139,762	375,955	6,547,294
Accumulated depreciation	(176,868)	(1,478,411)	(104,780)	(115,260)	(180,886)	(2,056,205)
Net book amount	3,446,451	751,282	73,785	24,502	195,069	4,491,089

(b) Company	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2017						
Cost / valuation	1,103,983	934,023	13,669	70,191	58,839	2,180,705
Accumulated depreciation	(46,037)	(638,523)	(11,637)	(56,773)	(44,445)	(797,415)
Net book amount	1,057,946	295,500	2,032	13,418	14,394	1,383,290
Year ended 31 March 2018						
Revaluation surplus	367,818	-	-	-	-	367,818
Additions	-	40,708	-	8,346	7,716	56,770
Disposals / transfers						-
- cost	-	(5,009)	-	-	-	(5,009)
- depreciation	-	4,276	-	-	-	4,276
Depreciation charge (Note 06)	(23,019)	(55,197)	(630)	(5,071)	(5,425)	(89,342)
Closing net book amount	1,402,745	280,278	1,402	16,693	16,685	1,717,803
At 31 March 2018						
Cost / valuation	1,402,745	969,722	13,669	78,537	66,555	2,531,228
Accumulated depreciation	-	(689,444)	(12,267)	(61,844)	(49,870)	(813,425)
Net book amount	1,402,745	280,278	1,402	16,693	16,685	1,717,803
Year ended 31 March 2019						
Opening net book amount	1,402,745	280,278	1,402	16,693	16,685	1,717,803
Additions	15,610	287,879	12,356	3,358	118,930	438,133
Depreciation charge (Note 06)	(29,993)	(64,644)	(601)	(4,698)	(12,766)	(112,702)
Closing net book amount	1,388,362	503,514	13,157	15,353	122,849	2,043,234
At 31 March 2019						
Cost / valuation	1,418,355	1,257,601	26,025	81,895	185,485	2,969,361
Accumulated depreciation	(29,993)	(754,088)	(12,868)	(66,542)	(62,636)	(926,127)
Net book amount	1,388,362	503,514	13,157	15,353	122,849	2,043,234

(c) Property, plant and equipment includes assets at valuation as follows.

Assets	Valued on	Name of the valuer	Valued amount
Company			
Land	31 March 2018	Mr J M Senanayaka Bandara	652,910
Buildings	31 March 2018	Mr J M Senanayaka Bandara	749,835
Group			
Land			
ACL Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	652,910
Kelani Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	315,500
ACL Plastics PLC	31 March 2018	Mr J M Senanayaka Bandara	117,000
Ceylon Bulbs and Electricals Limited	31 March 2018	Mr J M Senanayaka Bandara	738,000
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	109,500
Ceylon Copper (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	45,090
ACL Electric (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	21,500
Buildings			
ACL Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	749,835
Kelani Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	243,919
ACL Plastics PLC	31 March 2018	Mr J M Senanayaka Bandara	114,000
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	160,500
ACL Metals & Alloys (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	106,200
Ceylon Copper (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	31,460
ACL Electric (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	54,500

The land and buildings were last revalued on 31 March 2018 by an Independent Professional Valuer Mr. Senanayake Bandara, a Fellow Member of the Institute of the Valuers of Sri Lanka.

(d) If revalued assets were stated on the historical cost basis, the amounts would be as follows:

	Valued on	Cost	31 March 2019 Accumulated depreciation	Net book value
Company				
Land	31 March 2018	250,972	-	250,972
Building	31 March 2018	207,024	120,499	86,525
Group				
Land				
ACL Cables PLC	31 March 2018	250,972	-	250,972
Kelani Cables PLC	31 March 2018	163,005	-	163,005
ACL Plastics PLC	31 March 2018	7,509	-	7,509
Ceylon Bulbs and Electricals Limited	31 March 2018	296	-	296
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	38,227	-	38,227
Ceylon Copper (Private) Limited	31 March 2018	25,199	-	25,199
ACL Electric (Private) Limited	31 March 2018	16,987	-	16,987
Buildings				
ACL Cables PLC	31 March 2018	214,800	140,185	74,615
Kelani Cables PLC	31 March 2018	72,671	55,856	16,815
ACL Plastics PLC	31 March 2018	41,084	33,922	7,162
Ceylon Bulbs and Electricals Limited	31 March 2018	1,625	1,625	-
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	57,518	31,665	25,853
ACL Metals & Alloys (Private) Limited	31 March 2018	34,141	16,473	17,668
Ceylon Copper (Private) Limited	31 March 2018	15,860	5,059	10,801
ACL Electric (Private) Limited	31 March 2018	43,238	10,025	33,213

(e) The initial cost of fully depreciated property, plant and equipment which are still in use at the balance sheet date are as follows;

	31 March 2019	31 March 2018
ACL Cables PLC	701,410	638,268
ACL Plastics PLC	71,464	56,247
ACL Polymers (Private) Limited	19,276	19,276
Kelani Cables PLC	272,916	259,372
Ceylon Bulbs & Electricals Limited	14,064	14,064
ACL Kelani Magnet Wire (Private) Limited	102,900	97,676
ACL Metals & Alloys (Private) Limited	18,535	18,535

(f) The Details of Property, Plant & Equipment of the Group which are Stated at Valuation are Indicated Below.

Company	Location	Extent of the Land	Method of valuation and significant unobservable inputs
ACL Cables PLC	ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	12A-0R-28.32P 223,094 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Part of ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha road, Batakettara, Piliyandala.	1A-2R-26.72P 17,842 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Postal No.376/4, (Close to ACL Cables Factory Premises) Welithotuwa Road, Off Madapatha Road	1A-1R-7.52P 13,060 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Postal No.376/4, (Close to ACL Cables Factory Premises) Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	2A-2R-28.27P	
	No.60, Rodney Street, Colombo 08	15,288 sq.ft	Depreciated cost replacement cost method
ACL Electric Pvt Ltd	Factory Premises of ACL Electric Pvt Ltd Padukka Road, Millawa, Moragahahena, Horana	1A-2R-1.6P 12,960 Sq.ft	Market Comparable method
Ceylon Copper Pvt Ltd	Ceylon Copper Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	3R 38.21P	Market Comparable method
ACL Metals and Alloys Pvt Ltd	ACL Metals and Alloys Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	-	Depreciated cost replacement cost method
Ceylon Bulbs and Electricals Limited	No.60, Rodney Street, Colombo 08	1A-2R-28.4P	Market Comparable method
ACL Kelani Magnet Pvt Ltd	No.241, Raja Mawatha, Ekala, Ja ela	3A-2R-5P 50,554 Sq.ft	Market Comparable method
ACL Plastics PLC	No 52, 52/1, ACL Plastics factory premises Temple Road, Ekala, Ja ela	3A -0R-34P 36,579 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Lot 10, Part of Straatenwyk Estate, Suhada Mawatha, Off Samagi Mawatha, Ekala, Ja ela	0A-0R-20P	Market Comparable method
	Lot 1 - Part of OTS Idama, ACL Staff Quarters, Sand Piper Road, Nivasipura, Ekala - Kurunduwatta Kotugoda, Jaela	0A-0R-10.19P 1,690 Sq.ft	Market Comparable method Depreciated cost replacement cost method
Kelani Cables PLC	Wewelduwa, Kelaniya	1041.5 Perches 107,108 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Land and building situated at Mahena Road, Siyamblape South, SiyamblapeWewelduwa, Kelaniya	172.8 Perches 32,398 Sq.ft	Market Comparable method Depreciated cost replacement cost method

Effective date of valuation	Range of estimates for unobservable inputs	Significant unobservable valuation inputs (ranges of each)	Sensitivity of fair value measurement to inputs
31-Mar-18	285,000 Per Perch 2,000 per sq.ft	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	290,000 Per Perch 2,500 per sq.ft	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18			
	315,000 Per Perch 3,750 per sq.ft	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
	290,000 Per Perch	Land - Price per perch	
31-Mar-18	6,000 per sq.ft	Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	14,250,000 Per acre 3,600 per sq.ft	Land - Price per acre	Positively correlated sensitivity
31-Mar-18	285,000 Per Perch	Land - Price per perch	Positively correlated sensitivity
31-Mar-18		Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	2,750,000 Per Perch	Land - Price per perch	Positively correlated sensitivity
31-Mar-18	31,000,000 Per Acre 3,000 per sq.ft	Land - Price per acre	Positively correlated sensitivity
31-Mar-18	32,500,000 Per Acre 2,500 per sq.ft	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	375,000 Per Perch	Land - Price per perch	Positively correlated sensitivity
31-Mar-18	425,000 Per Perch 5,000 per Sq.ft	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	281,325 Per Perch 1,662 per Sq.ft	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	130,208 Per Perch	Land - Price per acre	Positively correlated sensitivity
	2,034 per Sq.ft	Building - Price per Sq.ft	

13 Capital work in progress

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	97,469	31,678	2,303	653
Cost incurred during the year	34,183	82,448	479	1,650
Amount transferred to property, plant and equipment (Note 12)	(57,951)	(16,657)	-	-
Balance at the end of the year	73,701	97,469	2,782	2,303

14 Investment property

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	638,000	538,750	358,000	285,000
Revaluation surplus	15,000	99,250	-	73,000
Balance at the end of the year	653,000	638,000	358,000	358,000

(a) Details of land and buildings under investment property

Location	Extent	Carrying value
Kahathuduwa	13A. 0R. 2.5P	85,000
Piliyandala	1A. 0R. 32.8P	67,500
Piliyandala	0A. 0R. 17P	9,000
Piliyandala	2A. 2R. 28.27P	127,000
Kalutara	2A. 3R. 1P	69,500
Total of the Company		358,000
Ekala	13A. 0R. 2P	295,000
Total of the Group		653,000

Buildings under investment property is only in relation to the property in Kalutara.

(b) Amounts recognised in the statement of profit or loss for investment properties.

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Rent income	3,034	3,120	3,034	3,120
Fair value gain recognised in other income	15,000	99,250	-	73,000

(c) Market Value

Investment properties of the Group are accounted for on the revaluation value model. The value has been determined on fair value basis using market evidence. The last Valuation of the Company was carried out by an independent professional Valuer Mr. Senanayake Bandara ,a Fellow Member of the Institute of Valuers of Sri Lanka, as at 31 March 2018 and Kelani Cables PLC as at 31 March 2019.

The independent professional valuer has confirmed that the investment property value as at 31 March 2019 had not significantly varied from the values determined as at 31 March 2018.

(d) Kelani Cables PLC Fair valuation method used in 2019

Measurement of fair value method considers the selling price of a similar property within a reasonably resent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process, outlier transactions, indicative of particularly motivated byers or sellers are too compensated for since the price may not adequately reflect the fair market value.

Method of valuation and significant unobservable inputs	Range of estimates for unobservable inputs	Carrying Value before Revaluation of Land	Revalued amount of land	Revaluation gain recognized on land	Significant unobservable valuation inputs (ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
Investment method	Rs.22,750/- per acre	280,000	295,000	15,000	Price per perch for land	Estimated fair value would increase (decrease) of; Price per Perch of land (decreases)

15 Intangible assets

(a) Group

Cost	31 March 2019 Goodwill	Computer software	Total	31 March 2018 Goodwill	Computer software	Total
Balance at the beginning of the year	38,944	38,040	76,984	38,944	37,057	76,002
Additions	-	-	-	-	983	983
Balance at the end of the year	38,944	38,040	76,984	38,944	38,040	76,985
Accumulated amortisation						
Balance at the beginning of the year	32,951	36,329	69,280	32,951	33,913	66,864
Amortization charge	-	654	654	-	2,416	2,416
Balance at the end of the year	32,951	36,983	69,934	32,951	36,329	69,280
Net book amount	5,993	1,057	7,050	5,993	1,711	7,705

(b) Company

Cost	31 March 2019 Goodwill	Computer software	Total	31 March 2018 Goodwill	Computer software	Total
Balance at the beginning of the year	-	32,217	32,217	-	31,234	31,234
Additions	-	-	-	-	983	983
Balance at the end of the year	-	32,217	32,217	-	32,217	32,217
Accumulated amortisation						
Balance at the beginning of the year	-	30,506	30,506	-	28,090	28,090
Amortization charge	-	654	654	-	2,416	2,416
Balance at the end of the year	-	31,160	31,160	-	30,506	30,506
Net book amount	-	1,057	1,057	-	1,711	1,711

Goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Goodwill on consolidation
1994/95	ACL Plastics PLC	6,090
1995/96	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	26,035
1997/98	Ceylon Bulbs and Electricals Limited	459
2004/05	ACL Kelani Magnet Wire (Private) Limited	917
2006/07	Ceylon Bulbs and Electricals Limited	5,441
2007/08	Ceylon Bulbs and Electricals Limited	2

Goodwill arising from business combinations after 1 June 2005, is no longer amortised but tested for impairment annually as per SLFRS 3.

Gain on bargain purchase arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Goodwill on consolidation
1998/99	ACL Plastics PLC	5,127
1999/00	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	17,502
1999/00	Ceylon Bulbs and Electricals Limited	2
2009/10	Ceylon Bulbs and Electricals Limited	6,265

Negative goodwill arising from business combinations after 1 June 2005, is no longer amortised but charged to statement of profit or loss fully in the year of acquisition.

16 Prepaid lease rentals

	Group 31 March	
	2019	2018
Balance at the beginning of the year	1,666	1,688
Amortisation during the year	(22)	(22)
Balance at the end of the year	1,644	1,666
Amount to be amortised within one year	22	22
Amount to be amortised after one year	1,622	1,644
Balance at the end of the year	1,644	1,666

Property on operating lease:	Victoria Golf Course and Country Resort in Kandy
Land extent:	R 01 - P9
Lease period:	92 years from 24 March 2002
Lease rentals:	
from 2002 to 2011	Rs 21,935 per annum
from 2012 to 2094	Rs 22,203 per annum

17 Investment in subsidiaries

Company	31 March 2019 Number of shares	Cost	Market value	31 March 2018 Number of shares	Cost	Market value
Quoted						
ACL Plastics PLC	2,746,969	33,300	216,461	2,746,969	33,300	302,441
Kelani Cables PLC	933,756	10,753	62,935	933,756	10,753	86,839
Total investment in quoted companies		44,053	279,396		44,053	389,280
Unquoted						
Ceylon Bulbs and Electricals Limited	1,051,345	58,515		1,051,345	58,515	
Lanka Olex Cables (Private) Limited						
"A" Class ordinary shares	99			99		
"B" Class ordinary shares	3,065,610	291,180		3,065,610	291,180	
Preference shares	161,818			161,818		
ACL Kelani Magnet Wire (Private) Limited	11,950,000	119,500		11,950,000	119,500	
ACL Metals and Alloys (Private) Limited	2,500,000	25,000		2,500,000	25,000	
Ceylon Copper (Private) Limited	3,000,001	30,000		3,000,001	30,000	
ACL Electric (Private) Limited	10,000,001	100,000		10,000,001	100,000	
Total investment in unquoted companies		624,195			624,195	
Provision for impairment [17(a)]		-			(92,005)	
Total investment in unquoted companies		624,195			532,190	
Total cost of investments in subsidiaries		668,248			576,243	

ACL Cables PLC acquired a controlling interest in Lanka Olex Cables (Private) Limited in October 1999. Kelani Cables PLC is a subsidiary of Lanka Olex Cables (Private) Limited.

In the Company's financial statements, investments in subsidiaries have been accounted for at cost.

(a) Provision for impairment for investment

Group	Company 31 March 2019	2018
Balance as at 1 April	92,005	92,005
Reversal of provision	(92,005)	-
Balance as at 31 March	-	92,005

This provision has been previously recorded against the investment in Kelani Magnet Wire (Private) Limited.

18 Investment in equity accounted investee

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Investment in equity accounted investee (at cost)	277,206	275,286	345,093	333,454
Share of profit [Note 18(b)]	52,957	36,733	-	-
Share of other comprehensive income [Note 18(b)]	1,582	(3,549)	-	-
Investment during the year	-	11,639	-	11,639
Share of dividend paid	(75,954)	(37,031)	-	-
Impact on NCI change	-	(1,138)	-	-
Impact on change of ownership	-	(4,734)	-	-
Carrying amount of interest in associates	255,792	277,206	345,093	345,093

Resus Energy PLC, an equity accounted investee of ACL Cables PLC re-purchased 24,687,204 ordinary shares held by ACL Cables PLC on 14 August 2015 at a price of LKR 24 per ordinary share on the basis of four ordinary shares for every seven ordinary shares held in Resus Energy PLC. Total proceeds received and the profit on share re-purchase were LKR 592 million and LKR 148 million respectively. Further, company invested Rs.11.6 Mn to purchase 476,237 shares during the year. At the end of the year Company hold 32.53% share of Resus Energy PLC.

(a) Total comprehensive income from equity accounted investee

	Resus Energy PLC 31 March	
	2019	2018
Share of profit	52,957	36,733
Amount recognised in the statement of profit or loss	52,957	36,733
Other comprehensive income / (expense) for the year, net of tax	1,582	(3,549)
Total comprehensive income for the year	54,539	33,184

(b) Summarised financial information of equity accounted investee

	Resus Energy PLC 31 March	
	2019	2018
Summarised financial information of equity accounted investee		
Revenue and loss		
Revenue	521,062	408,644
Profit	162,846	116,166
Assets and liabilities		
Total assets	2,979,687	2,487,198
Total liabilities	2,193,118	(1,634,779)
Non-controlling interest	-	-
Net assets	5,172,805	852,419
Cash flow details		
Net cash flows from operating activities	251,703	238,303
Net cash flows from investing activities	(496,289)	(278,670)
Net cash flows from financing activities	17,203	105,705
Net cash decrease/increase in cash and cash equivalents	(227,383)	65,338

19 Financial assets at fair value through OCI / available for sale assets

(a) Movement of financial assets at fair value through OCI / available for sale assets

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	274,488	34,211	12,660	11,128
Fair value adjustment	(3,918)	1,106	(1,947)	1,532
Cost of share purchased	103,125	239,171	-	-
	373,695	274,488	10,713	12,660

(b) Company

	31 March 2019			31 March 2018		
Company	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Banking finance and insurance						
Merchant Bank of Sri Lanka PLC	18,379	1,546	191	18,379	1,546	239
Nations Trust Bank PLC	19,321	450	1,737	18,432	450	1,487
Telecommunication						
Dialog Axiata PLC	390,000	4,143	3,549	390,000	4,143	5,382
Diversified holdings						
John Keells Holdings PLC	25,856	1,430	4,034	25,856	1,430	4,127
Ambeon Holding PLC	130,700	13,250	1,202	130,700	13,250	1,425
Total cost of investments by the Company		20,819	10,713		20,819	12,660

(c) Investments by subsidiary companies

	31 March 2019			31 March 2018		
Company	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Banking finance and insurance						
Nations Trust Bank PLC	26,826	512	2,412	25,592	512	2,065
DFCC Bank	13	2	1	13	2	1
People's Insurance PLC	585,500	8,782	11,534	585,500	8,782	12,588
Plantation						
Maskeliya Plantations PLC	8,200	375	89	8,200	375	157
Kotagala Plantations PLC	45,000	477	315	10,000	477	237
Ethimale Plantations PVT Ltd	536,827	342,096	342,096	375,000	238,971	238,971
Diversified holdings						
Hayleys PLC	38,907	2,953	6,536	38,907	2,953	7,809
Total cost of investments by subsidiaries		355,197	362,983		252,072	261,828
Total cost of investments by Group		376,016	373,696		272,891	274,488

(d) Financial assets at fair value through OCI / Available for sale include the ordinary share investments.

20 Inventories

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Raw materials	1,703,799	1,204,770	575,320	392,757
Work-in-progress	934,389	836,256	590,126	546,844
Finished goods	2,641,599	2,568,497	1,526,998	1,329,355
Goods in transit	352,487	93,858	124,943	-
Other stocks	247,211	249,593	124,471	109,354
	5,879,485	4,952,974	2,941,858	2,378,310
Provision for obsolete stock [20(a)]	(200,388)	(189,182)	(70,586)	(66,950)
Net book amount	5,679,097	4,763,792	2,871,272	2,311,360

(a) Provision for obsolete stock

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Balance at the beginning of the year	189,182	180,972	66,950	68,825
Provision/(reversal) for the year	11,206	8,210	3,636	(1,875)
Balance at the end of the year	200,388	189,182	70,586	66,950

21 Trade and other receivables

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Trade receivables	5,200,812	5,347,382	2,881,988	3,027,449
Provision for impairment of trade and other receivables [Note 21(a)]	(535,800)	(244,745)	(196,926)	(134,890)
Trade receivables - net	4,665,012	5,102,637	2,685,061	2,892,559
Receivable from related companies [Note 38.13(b)]	-	-	77,278	261,988
Loan given to related companies [Note 38.13(c)]	-	-	32,075	32,075
Advance and prepayments	96,115	70,704	15,083	14,601
Other receivables	1,575,521	1,177,140	935,327	723,224
	6,336,648	6,350,481	3,744,824	3,924,447

Value of book debts of ACL Cables PLC has been pledged as security for bank facilities obtained.

(a) Impairment of trade and other receivables

	Group 31 March 2019	Group 31 March 2018	Company 31 March 2019	Company 31 March 2018
Balance at the beginning of the year	244,746	210,085	134,890	119,302
Provision for the year	52,694	35,575	35,693	15,633
Impact on adoption of SLFRS 9	240,556	-	26,343	-
Recovery of written off debtors	(123)	(45)	-	(45)
Debtors written off	(2,073)	(870)	-	-
Balance at the end of the year	535,800	244,745	196,926	134,890

(b) Trade receivables, receivables from related parties, loans to related parties, advance and prepayments and other receivables by credit quality:

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Neither past due nor impaired	6,109,298	5,597,458	3,310,707	3,459,479
Past due but not impaired	763,150	997,768	631,044	599,857
Impaired	(535,800)	(244,745)	(196,926)	(134,889)
	6,336,648	6,350,481	3,744,824	3,924,447

Past due but not impaired

Debtors with a carrying amount of LKR 763 million (2017/2018 - LKR 998 million) and LKR 631 million (2017/2018 - LKR 600 million), which are past due for the Group and the Company respectively at the end of the reporting period but which the Company has not impaired as there has not been a significant change in credit quality and the Directors of the Company believe that overdue amounts are fully recoverable.

Impaired

The trade receivables impaired were LKR 536 million (2017/2018 - LKR 245 million) and LKR 197 million (2017/2018 - LKR 134 million) for the Group and the Company respectively at the end of the reporting period.

22 Held-to-maturity financial assets

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	466,800	402,752	466,800	238,608
Investment in held-to-maturity financial assets / financial assets at amortised cost	-	457,020	-	457,020
Cash proceeds from held-to-maturity financial assets / financial assets at amortised cost	(466,800)	(402,752)	(466,800)	(238,608)
Exchange gain on revaluation	-	9,780	-	9,780
Balance at the end of the year	-	466,800	-	466,800

(a) Details of the investment in Sri Lanka Development Bonds:

Investment	Maturity date	Interest rate	Value (USD)
Sri Lanka Development Bonds	30.04.2018	LIBOR+2.262% p.a	1,000,000
Sri Lanka Development Bonds	30.04.2018	LIBOR+2.262% p.a	1,000,000
Sri Lanka Development Bonds	30.04.2018	LIBOR+2.262% p.a	1,000,000
Total of the Group and Company			3,000,000

23 Cash and cash equivalents

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Cash at bank	3,009,930	2,103,110	921,900	395,473
Cash in hand	5,181	10,235	369	369
	3,015,111	2,113,345	922,269	395,842

For the purposes of the statements of cash flows, the year end cash and cash equivalents comprise the following:

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Cash at bank and in hand	3,015,111	2,113,345	922,269	395,842
Bank overdraft (Note 25)	(1,153,019)	(867,836)	(779,103)	(775,075)
	1,862,092	1,245,509	143,166	(379,233)

24 Trade and other payables

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Trade payables	526,608	2,363,783	124,287	393,061
Payables to related parties [Note 38.13 (a)]	49,425	22,586	1,249,667	1,527,256
Loans from related parties [Note 38.13 (d)]	-	-	25,594	25,594
Accrued expenses and other payable	503,425	419,602	106,900	102,839
	1,079,458	2,805,971	1,506,449	2,048,750

25 Borrowings

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Long term borrowings				
Amount payable after one year	267,156	350,101	12,356	100,000
	267,156	350,101	12,356	100,000
Short term borrowings				
Amount payable within one year	5,064,905	1,863,854	2,369,304	949,019
Bank overdraft	1,153,019	867,836	779,103	775,075
	6,217,924	2,731,690	3,148,407	1,724,094
Total borrowings	6,485,080	3,081,791	3,160,763	1,824,094

(a) Analysed by lenders

Lender	Interest Rate	Group 31 March 2019	2018	Security	Amount Rs. (Mn)
State Bank of India	Linked to AWPLR	-	100,000	Land	738
Bank of Ceylon	Linked to AWPLR	239,000	239,000	Board Resolution	-
National Development Bank	9.08%	28,156	11,101	No assets pledged	-
Total long-term borrowings		267,156	350,101		
Standard Chartered Bank	Linked to AWPLR	3,028,691	2,118,292	Stocks and Book Debts	250
				Lien over call account funds	USD 600,000 AUD 515,000
Hatton National Bank PLC	Linked to AWPLR	1,551,138	474,168	Demand promissory note	1,200
Nations Trust Bank PLC	Linked to AWPLR	175,998	36,110	Stocks and Book Debts	-
Honkong Shanghai Banking Corporation	Linked to AWPLR	209,077	-	No assets pledged	-
National Development Bank	Linked to AWPLR	-	3,120.00	No assets pledged	-
State Bank of India	Linked to AWPLR	100,000	100,000	Land	738
Total short-term borrowings		5,064,904	2,731,690		
Total borrowings		5,332,060	3,081,791		

Lender	Interest Rate	Company 31 March 2019	2018	Security	Amount Rs. (Mn)
State Bank of India	Linked to AWPLR	-	100,000	Land	738
National Development Bank	9.08%	12,356	-	No assets pledged	-
Total long-term borrowings		12,356	100,000		
Standard Chartered Bank	Linked to AWPLR	1,387,556	1,423,147	Stocks and Book Debts	250
				Lien over call account funds	USD 600,000 AUD 515,000
Hatton National Bank PLC	Linked to AWPLR	705,750	164,838	Demand promissory note	1,200
Nations Trust Bank PLC	Linked to AWPLR	175,998	36,110	Stocks and Book Debts	-
National Development Bank	Linked to AWPLR	100,000	100,000	No assets pledged	-
State Bank of India	Linked to AWPLR	2,369,304	1,724,095	Land	738
Total short-term borrowings		2,381,660	1,824,095		
Total borrowings		5,332,060	3,081,791		

26 Current income tax liabilities

	Group 31 March 2019	2018	Company 31 March 2019	2018
Balance at the beginning of the year	809,069	842,931	403,403	468,118
Provision for the current year (Note 9)	236,502	299,150	75,155	101,272
Payments made during the year	(387,830)	(333,012)	(196,188)	(165,987)
Balance at the end of the year	657,741	809,069	282,370	403,403

27 Defined benefit obligations

(a) The amounts recognised in the balance sheet are determined as follows:

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	297,977	241,241	177,918	139,334
Transfer in from Kelani Magnet Pvt Ltd	7,619	-	5,516	-
Current service cost	22,801	22,966	10,675	10,300
Interest cost	30,074	27,432	18,681	17,417
Actuarial (gain)/loss during the year	(9,657)	19,948	(11,531)	17,176
	348,814	311,587	201,259	184,227
Defined benefit obligation write off	(5,450)	-	-	-
Benefits paid	(16,653)	(13,610)	(9,255)	(6,309)
Balance at the end of the year	326,711	297,977	192,004	177,918

(b) The amounts recognised in the statement of profit or loss are as follows:

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Current service cost	22,801	22,966	10,675	10,300
Interest cost	30,074	27,432	18,681	17,417
Recognised in statement of profit or loss	52,875	50,398	29,356	27,717

(c) The amounts recognised in the statement of comprehensive income are as follows:

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Actuarial (gain)/loss	(9,657)	19,948	(11,531)	17,176
Recognised in statement of comprehensive income	(9,657)	19,948	(11,531)	17,176

The Company maintains an unfunded defined benefit plan providing for gratuity benefits to employees expressed in terms of final monthly salary and number of years of service.

As at 31 March 2019, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm, Actuarial & Management Consultants (Private) Limited.

(d) The key assumptions used by the actuary include the following :

	Group / Company	
	31 March	
	2019	2018
Rate of discount	11.5%	10.5%
Salary increment rate	10.0%	10.0%
Retirement age	55 years	55 years

Sensitivity analysis :

The following table demonstrates the sensitivity to reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

(e) The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligation for the year.

		2019			
		Group		Company	
	Change	Financial position-liability	Comprehensive income-(charge) / credit for the year	Financial position-liability	Comprehensive income-(charge) / credit for the year
Discount rate	+1	(17,865)	17,865	(10,658)	10,658
	-1	19,981	(19,981)	11,931	(11,931)
Future salary increases	+1	20,781	(20,781)	12,183	(12,183)
Defined benefit obligations paid	-1	(18,879)	18,879	(11,052)	11,052

		2018			
		Group		Company	
	Change	Financial position-liability	Comprehensive income-(charge) / credit for the year	Financial position-liability	Comprehensive income-(charge) / credit for the year
Discount rate	+1	(17,604)	17,604	(10,710)	10,710
	-1	19,783	(19,783)	12,044	(12,044)
Future salary increases	+1	20,383	(20,383)	12,151	(12,151)
Defined benefit obligations paid	-1	(18,439)	18,439	(10,986)	10,986

(f) The group has agreed that it will aim to eliminate the pension plan deficit over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 22% EPF and 3% ETF. The next valuation is due to be completed as at 31 March 2020. The group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The expected maturity analysis of undiscounted post-employment benefits is as follows:

Group	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligation	51,951	42,990	96,460	137,226	328,626
Total	51,951	42,990	96,460	137,226	328,626
31 March 2018					
Defined benefit obligation	40,673	45,406	78,811	133,009	297,899
Total	40,673	45,406	78,811	133,009	297,899

Company	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligation	31,815	19,584	58,578	82,027	192,003
Total	31,815	19,584	58,578	82,027	192,003
31 March 2018					
Defined benefit obligation	26,794	21,474	47,546	82,104	177,918
Total	26,794	21,474	47,546	82,104	177,918

28 Deferred income tax

28.1 Deferred income tax liability

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 28%.

(a) Movement in deferred income tax liability

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	577,689	269,252	278,776	120,089
Reversal of temporary differences recognised in statement of profit or loss	1,668	(19,861)	17,141	2,664
Impact on adoption of SLFRS 9	(67,356)	-	(7,376)	-
Origination of temporary differences recognised in Other Comprehensive Income	2,704	(5,586)	3,229	(4,809)
Effect on surplus on revaluation of buildings	-	336,801	-	160,832
Deferred tax on amount transferred from retained earnings	-	(2,917)	-	-
Balance at the end of the year	514,705	577,689	291,769	278,776

(b) Composition of deferred income tax liabilities

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Property, plant and equipment	787,667	742,230	439,387	385,108
Defined benefit obligations	(87,640)	(80,957)	(53,761)	(49,817)
Provision for impairment of inventories	(31,389)	(22,153)	(31,341)	(18,746)
Provision for impairment of trade receivables	(128,122)	(37,769)	(62,516)	(37,769)
Provision for payment in lieu of				
Employee share issue scheme	(298)	(306)	-	-
Tax losses carried forward	(25,513)	(23,355)	-	-
	514,705	577,689	291,769	278,776

28.2 Deferred income tax asset

(a) Movement in deferred income tax asset

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	(3,960)	(1,774)	-	-
Origination/(reversal) of temporary differences recognised in statement of profit or loss	2,003	(2,185)	-	-
Balance at the end of the year	(1,957)	(3,959)	-	-

(b) Composition of deferred income tax asset

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Defined benefit obligations	-	(614)	-	-
Tax losses carried forward	(1,957)	(3,345)	-	-
	(1,957)	(3,959)	-	-

Deferred tax related to fair value re-measurement of financial assets at fair value through OCI / available-for-sale investments which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated statement of profit or loss with the deferred gain or loss.

29 Financial instruments by category

(a) Financial instruments

Group	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2019			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	373,695	373,695
Trade and other receivables (excluding pre-payments)	6,186,908	-	6,186,908
Cash and bank balances (Note 23)	3,015,111	-	3,015,111
	9,202,019	373,695	9,575,714

	Other financial liabilities	Total
31 March 2019		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	1,008,151	1,008,151
Other borrowed funds (Note 25)	6,485,079	6,485,079
	7,493,231	7,493,231

Company	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2019			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	10,713	10,713
Trade and other receivables (excluding pre-payments)	3,729,741	-	3,729,741
Cash and bank balances (Note 23)	922,269	-	922,269
	4,652,010	10,713	4,662,723

	Other financial liabilities	Total
31 March 2019		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	1,497,865	1,497,865
Other borrowed funds (Note 25)	3,160,763	3,160,763
	4,658,628	4,658,628

Group	Loans and receivables	AFS reserve	Held to maturity investments	Total
31 March 2018				
Assets as per the statement of financial position				
Held-to-maturity financial assets	-	-	466,800	466,800
Available-for-sale financial assets	-	274,488	-	274,488
Trade and other receivables (excluding pre-payments)	6,279,777	-	-	6,279,777
Cash and bank balances (Note 23)	2,113,345	-	-	2,113,345
	8,393,122	274,488	466,800	9,134,410

	Other financial liabilities	Total
31 March 2018		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	2,788,289	2,788,289
Other borrowed funds (Note 25)	3,081,791	3,081,791
	5,870,080	5,870,080

Company	Loans and receivables	AFS reserve	Held to maturity investments	Total
31 March 2018				
Assets as per the statement of financial position				
Held-to-maturity financial assets	-	-	466,800	466,800
Available-for-sale financial assets	-	12,660	-	12,660
Trade and other receivables (excluding pre-payments)	3,909,846	-	-	3,909,846
Cash and bank balances (Note 23)	395,842	-	-	395,842
	4,305,688	12,660	466,800	4,785,148

	Other financial liabilities	Total
31 March 2018		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	2,040,166	2,040,166
Other borrowed funds (Note 25)	1,824,094	1,824,094
	3,864,260	3,864,260

(b) Credit quality by class of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Company	Group				Company			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
31 March 2019								
Financial assets at fair value through OCI	373,695	-	-	373,695	10,713	-	-	10,713
Trade and other receivables (excluding pre-payments)	5,959,558	763,150	535,800	6,722,708	3,295,624	631,044	196,926	3,926,667
Cash and bank balances	3,015,111	-	-	3,015,111	922,269	-	-	922,269
	9,348,364	763,150	535,800	10,111,514	4,228,606	631,044	196,926	4,859,649

Cash at bank and short-term bank deposits

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
AAA(lka)'	1,224,357	1,365,044	281,571	308,950
AA+(lka)'	538,374	9,470	534,207	6,470
AA(lka)'	10,258	1,561	2,860	1,561
A+(lka)'	4,220	5,535	3,399	4,489
A(lka)'	14,725	9,697	9,495	8,748
AA-(lka)'	1,217,424	711,389	89,798	64,841
BBB-'	571	414	571	414
Total	3,009,929	2,103,110	921,901	395,473

30 Contingent Liabilities

Company

(a) The Department of Inland Revenue raised assessments on income tax for the year of assessments 2006/2007,2007/2008, 2008/2009 ,2011/2012, 2012/2013, 2013/2014 and 2014/2015 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted appeals against the said assessments within the stipulated time frame in accordance with the Inland Revenue Act. The matters pertaining to the year of assessments 2006/2007, 2007/2008 and 2008/2009 are referred to the Court of Appeal for their opinion. The year of assessment 2011/2012 is pending before the Tax Appeal Commission for their determination. Management of the Company is of the view that no liability would arise since the Company is entitled for the Income Tax exempt under section 17 of the Inland Revenue Act No. 10 of 2006.

(b) The Company has issued corporate guarantees to secure the banking facilities obtained by the following Companies from Standard Chartered Bank.

- ACL Kelani Magnet Wire (Private) Limited amounting to USD 165,000 or equivalent in LKR
- ACL Metals and Alloys (Private) Limited amounting LKR. 1,500 million
- ACL Electric (Private) Limited amounting to LKR 300 million
- Ceylon Copper (Private) Limited amounting to LKR 1,500 million

(c) Bank guarantees amounting to LKR 534 million have been given to the suppliers as at 31 March 2019.

Group

(a) ACL Metals and Alloys (Private) Limited

The Department of Inland Revenue raised assessments on income tax for the year of assessments 2007/2008, 2010/2011,2011/2012,2012/2013 and 2013/2014 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted appeals against the said assessments within the stipulated time frame in accordance with the Inland Revenue Act. The matters pertaining to the year of assessments 2007/2008 and 2010/2011 are referred to the Court of Appeal for their opinion. The year of assessments 2011/2012 and 2012/2013 are pending before the Tax Appeal Commission for their determination. Management of the Company is of the view that no liability would arise since the Company is entitled for the income tax exemption under section 17 of the Inland Revenue Act No. 10 of 2006.

Bank guarantees amounting to LKR 40 million have been given to suppliers as at 31 March 2019.

(b) ACL Polymers (Pvt) Ltd

The Department of Inland Revenue raised an assessment on income tax for the year of assessment 2007/2008 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted an appeal against the said assessment within the stipulated time frame in accordance with the Inland Revenue Act. The matter is referred to the Court of Appeal for their opinion. Management of the Company is of the view that no liability would arise since the Company is entitled for the Income Tax exempt under section 17 of the Inland Revenue Act No. 10 of 2006.

(c) Kelani Cables PLC

Bank guarantees amounting to LKR 179 million have been given to third parties as at 31 March 2019.

(d) ACL Kelani Magnet Wire (Private) Limited

Bank guarantees amounting to LKR 20 million have been given to the suppliers as at 31 March 2019.

(e) ACL Plastics PLC

Bank guarantees amounting to LKR 15 million have been given to the suppliers as at 31 March 2019.

31 Commitments

Financial commitments

Company

The Company has a commitment on Letter of Credits amounting to LKR 235 million as at 31 March 2019.

There were no other material commitments outstanding as at 31 March 2019.

Group

(a) Kelani Cables PLC

Kelani Cables PLC has a commitment on Letter of Credits amounting to LKR 325 million as at 31 March 2019.

(b) ACL Plastics PLC

ACL Plastics PL has a commitment on Letter of Credits amounting to LKR 15 million as at 31 March 2019.

(c) Ceylon Copper (Private) Limited

Ceylon Copper (Private) Limited has a commitment on Letter of Credits amounting to LKR 327 million as at 31 March 2019.

(d) ACL Metals and Alloys (Private) Limited

ACL Metals and Alloys (Private) Limited has a commitment on Letter of Credits amounting to LKR 190 million as at 31 March 2019.

(e) ACL Electric (Private) Limited

ACL Electric (Private) Limited has a commitment on Letter of Credits amounting to LKR 47 million as at 31 March 2019.

Capital commitments

Company

There were no material capital commitments outstanding at the balance sheet date.

32 Stated capital

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Number of ordinary shares issued and fully paid				
Balance at the end of the year	119,787,360	119,787,360	119,787,360	119,787,360
Stated capital				
Balance at the beginning of the year	299,488	299,488	299,488	299,488
Balance at the end of the year	299,488	299,488	299,488	299,488

33 Capital reserve

(a) Capital reserve comprises profit on sale of property, plant and equipment and investments, Capital Redemption Reserve Fund (CRRF) created consequent to redemption of shares and revaluation surplus arising from net surplus on revaluation of property plant and equipment in 2019.

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	2,277,718	1,790,589	1,002,568	795,582
Revaluation surplus	-	831,432	-	367,818
Deferred tax on revaluation surplus	-	(336,800)	-	(160,832)
Transfer to retained earnings from revaluation reserve	(3,691)	(10,420)	-	-
Deferred tax on transfer	-	2,917	-	-
Balance at the end of the year	2,274,027	2,277,718	1,002,568	1,002,568

(b) Group capital reserve as at balance sheet date consists of the following;

	Group 31 March	
	2019	2018
Capital redemption reserve fund	4,435	4,435
Surplus on revaluation of property, plant and equipment	2,269,592	2,273,283
	2,274,027	2,277,718

34 General reserve

General reserve consists of such amounts that have been from time to time transferred from retained earnings as resolved at General Meetings of the Company/Group for general applications.

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	1,123,825	1,123,825	680,266	680,266
Balance at the end of the year	1,123,825	1,123,825	680,266	680,266

35 Fair value reserve of financial assets at FVOCI

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Balance at the beginning of the year	8,006	6,752	2,828	1,296
Fair value adjustment for financial assets at fair value through OCI	(3,232)	1,254	(1,947)	1,532
Balance at the end of the year	4,774	8,006	881	2,828

36 Cash flow information

(a) Cash generated from operations

Reconciliation of profit / (loss) before tax to cash generated from / (used in) operations:

	Group		Company	
	31 March		31 March	
	2019	2018	2019	2018
Profit before tax	874,513	1,057,249	439,403	582,381
Adjustments for:				
Depreciation of property, plant and equipments (Note 12)	243,951	221,529	112,702	89,341
Amortization of intangible assets (Note 15)	654	2,416	654	2,416
Share of profit from equity accounted investee, net of tax [Note 18(a)]	(52,957)	(36,733)	-	-
Cash dividend from equity investee	75,954	37,031	-	-
Loss arising on increasing equity accounted investee's holding [Note 18]	-	4,734		
Reversal of impairment of subsidiary	-	-	(92,005)	-
Dividend income (Note 5)	(3,387)	(1,647)	(143,304)	(188,594)
Defined benefit obligations reversal in other income (Note 5)	(3,255)	-	-	-
Interest expense (Note 8)	628,282	447,998	165,705	246,906
Interest income (Note 8)	(55,802)	(66,094)	(37,303)	(56,392)
Exchange gain on investment in held-to-maturity financial assets (Note 22)	-	(9,780)	-	(9,780)
Profit on disposal of property, plant and Equipment (Note 5)	(61,267)	-	-	-
Amortization of leasehold properties (Note 16)	22	22	-	-
Property, plant and equipment written-off (Note 12)	989	733	-	733
Gain on revaluation of investment property (Note 14)	(15,000)	(99,250)	-	(73,000)
Defined benefit obligations [Note 27(b)]	60,494	50,398	34,872	27,717
Defined benefit obligations transfers and write off[Note 27(b)]	(5,450)	-	-	-
Changes in working capital:				
Increase in inventories	(915,305)	(400,455)	(559,913)	(316,204)
Increase in receivables and prepayments	(170,829)	(1,016,311)	153,282	(840,513)
Increase in trade and other payables	(1,780,138)	855,754	(542,301)	1,110,940
Cash generated from operations	(1,178,531)	1,047,594	(468,208)	575,951

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Net debt				
Cash and cash equivalents	3,015,111	2,113,345	922,269	395,842
Borrowings – repayable within one year (including overdraft)	6,217,924	2,731,690	3,148,407	1,724,094
Borrowings – repayable after one year	267,156	350,101	12,356	100,000
Net debt	(3,469,969)	(968,446)	(2,238,494)	(1,428,252)
Cash and liquid investments	3,015,111	2,113,345	922,269	395,842
Gross debt – fixed interest rates	-	-	-	-
Gross debt – variable interest rates	6,485,079	3,081,791	3,160,763	1,824,094
Net debt	(3,469,969)	(968,446)	(2,238,494)	(1,428,252)

37 Segment information

(a) Business Segment information

	Manufacturing cables	Manufacturing PVC compound	Others		
	2019	2019	2019	2019	2018
Total revenue	18,883,551	1,487,779	6,066,082	26,437,411	22,769,683
Inter-segment sales	(813,890)	(1,376,422)	(6,063,802)	(8,254,113)	(6,517,776)
External sales	18,069,661	111,357	2,280	18,183,298	16,251,907
Results					
Profit before other income and finance cost	745,064	73,028	476,039	1,294,130	1,286,726
Other income	96,199	2,901	806	99,906	115,694
Finance cost	(233,308)	(18,568)	(320,604)	(572,480)	(381,904)
Share of profit of equity accounted investee and gain on bargain purchase (power and energy)	-	-	-	52,957	36,733
Taxation	(187,725)	(27,563)	(34,966)	(250,254)	(294,513)
Profit after taxation	420,230	29,798	121,275	624,259	762,736
Assets					
Segment assets	17,086,738	840,456	2,222,760	20,149,954	18,407,507
Unallocated corporate assets				738,830	738,669
Total assets				20,888,784	19,146,176
Liabilities					
Segment liabilities	6,859,129	137,749	2,063,480	9,060,358	7,568,908
Unallocated corporate liabilities				3,337	3,589
Total liabilities				9,063,695	7,572,497

	Manufacturing cables	Manufacturing PVC compound	Others		
	2019	2019	2019	2019	2018
Capital expenditure					
Segment capital expenditure	522,642	1,972	36,381	560,995	192,701
Total capital expenditure				560,995	192,701
Depreciation and amortisation					
Segment depreciation and amortisation	190,607	17,616	36,381	244,604	223,945
Total depreciation and amortisation				244,604	223,945

(b) Geographical segment information

Geographical segment turnover is given in Note 4.

38 Directors' interests in contracts and related party transactions

38.1 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of ACL Plastics PLC which is a 65.2% owned subsidiary of ACL Cables PLC.

38.2 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company are also the Directors of Lanka Olex Cables (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

38.3 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs.N.C.Madanayake who are Directors of the Company are also the Directors of Kelani Cables PLC which is a 79.2% owned subsidiary of ACL Cables PLC .

38.4 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Kelani Magnet Wire (Private) Limited which is a 93.79% owned subsidiary of ACL Cables PLC.

38.5 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

38.6 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Polymers (Private) Limited which is a 65.2% owned subsidiary of ACL Cables PLC.

38.7 Mr U.G. Madanayake, Mr. Suren Madanayake and Mrs N. C. Madanayake who are Directors of the Company are also the Directors of Ceylon Bulbs and Electricals Limited which is a 95.3% owned subsidiary of ACL Cables PLC.

38.8 Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Ceylon Copper (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

38.9 Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Electric (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

38.10 Mr. Suren Madanayake who is a Director of the Company is also a Director of S M Lighting (Private) Limited.

38.11 Mr. Suren Madanayake who is a Director of the Company is also a Director of Resus Energy PLC which is a 32.52% owned associate of ACL Cables PLC.

38.12 The Company had the following business transactions in the ordinary course of business during the year :

(a) Sales of goods and services (inclusive of taxes)

	Company 31 March 2019	2018
Kelani Cables PLC	296,945	628,677
ACL Metals and Alloys (Private) Limited	22,681	26,130
ACL Plastics PLC	180	79
ACL Kelani Magnet Wire (Private) Limited	2,530	971
Ceylon Copper (Private) Limited	106,272	77,671
ACL Electric (Private) Limited	325	302
	428,933	733,830

(b) Purchase of goods and services (inclusive of taxes)

	Company 31 March 2019	2018
ACL Kelani Magnet Wire (Private) Limited	179,650	20,036
ACL Plastics PLC	902,648	783,028
Kelani Cables PLC	278,897	206,446
Ceylon Bulbs and Electricals Limited	1,200	1,200
ACL Metals and Alloys (Private) Limited	1,925,521	1,219,267
Ceylon Copper (Private) Limited	3,067,947	2,336,861
ACL Electric (Private) Limited	384,018	351,644
	6,739,881	4,918,482

(c) Interest on loans from related party

	Company 31 March 2019	2018
ACL Plastics PLC	2,690	8,189
Kelani Cables PLC	-	3,460
ACL Polymers (Private) Limited	2,170	2,227
	4,860	13,876

(d) Interest on loans to related party

	Company 31 March 2019	2018
ACL Kelani Magnet Wire (Private) Limited	2,401	2,857
	2,401	2,857

(e) Dividends received from related party

	Company 31 March	
	2019	2018
ACL Metals and Alloys (Private) Limited	-	27,000
Kelani Cables PLC	2,811	2,941
Lanka Olex Cables (Private) Limited	49,188	51,963
ACL Plastics PLC	14,867	15,364
Ceylon Copper (Private) Limited	-	54,000
	66,866	151,268

(f) There were no dividend payments to related parties during the year ended 31 March 2019.

(g) Key management compensation

	Group 31 March		Company 31 March	
	2019	2018	2019	2018
Short-term benefits	75,175	68,785	57,275	51,635
	75,175	68,785	57,275	51,635

38.13 Balances arising from above related party transactions as at the balance sheet date are as follows;

(a) Payable to related parties

	Company 31 March	
	2019	2018
Kelani Cables PLC	79,422	61,944
ACL Metals and Alloys (Private) Limited	321,294	348,606
ACL Plastics PLC	311,936	188,186
Ceylon Copper (Private) Limited	515,307	916,729
ACL Electric (Private) Limited	21,708	11,791
	1,249,667	1,527,256

	Group 31 March	
	2019	2018
S M Lighting (Private) Limited	49,425	-
	49,425	-

(b) Receivable from related parties

	Company 31 March 2019	2018
Kelani Cables PLC	53,729	94,909
ACL Kelani Magnet Wire (Private) Limited	20,665	137,675
Ceylon Bulbs and Electricals Limited	2,881	3,263
ACL Metals and Alloys (Private) Limited	-	26,130
ACL Electric (Private) Limited	3	11
	77,278	261,988

(c) Receivable on loans

	Company 31 March 2019	2018
ACL Kelani Magnet Wire (Private) Limited	32,075	32,075
	32,075	32,075

(d) Payable on loans

	Company 31 March 2019	2018
ACL Polymers (Private) Limited	25,000	25,000
Lanka Olex Cables (Private) Limited	594	594
	25,594	25,594

There were no other related parties or related party transactions during the year ended 31 March 2019 other than those disclosed above.

38.14 Interest in related entities

(a) Material Subsidiaries

The group's principal subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. Sri Lanka is the country of incorporation or registration and is also their principal place of business.

Name of entity	Place of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		2019	2018	2019	2018
ACL Plastics PLC	Colombo	65.20%	65.20%	34.80%	34.80%
Kelani Cables PLC	Kelaniya	79.30%	79.30%	20.70%	20.70%
Ceylon Bulbs and Electricals Limited	Colombo	95.30%	95.30%	4.70%	4.70%
Lanka Olex Cables (Private) Limited	Colombo	100%	100%	-	-
ACL Kelani Magnet Wire (Private) Limited	Colombo	93.79%	93.79%	6.21%	6.21%
ACL Metals and Alloys (Private) Limited	Colombo	100%	100%	-	-
Ceylon Copper (Private) Limited	Colombo	100%	100%	-	-
ACL Electric (Private) Limited	Colombo	100%	100%	-	-

(b) Interest in associates

Set out below is the associate of the group as at 31 March 2019 which, in the opinion of the directors, are material to the group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the group. Sri Lanka is the country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of incor-poration	Ownership interest held by the Group		Carrying amount	
		2019	2018	2019	2018
RESUS Energy PLC	Colombo	32.53%	32.52%	255,792	277,206

38.15 All the transactions with related parties are carried out in the ordinary course of business, on an arms' length basis and charge interest at quarterly review Treasury Bill rate. These are to be settled on demand.

38.16 Going concern

'The Directors have made an assessment of the Company's and the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Group

ACL Polymers (Private) Limited

All employees of the company were transferred to ACL Plastics PLC, the parent company and principal activities ceased during the month of April 2018. The Company remains dormant as at the statement of financial position date pending liquidation subject to settlement of the appeal made on the assessment made by the Department of Inland Revenue as discussed in Note 20, Contingent Liabilities. Accordingly, these financial statements have been prepared on liquidation basis of accounting.

The directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 March 2019.

ACL Kelani Magnet Wire (Private) Limited

Pursuant to the Company's long term plan to merge with ACL Cables PLC, the ultimate parent company, and continue in operation as a department of the ultimate parent, all plant and machineries of the Company were sold and all employees of the Company transferred to ACL Cables PLC on 27 and 28 February 2019 respectively. Effective 28 February the Company ceased commercial operations and intends to sell the remaining assets to related Companies on demand. The directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 March 2019.

Consequent to cessation of operations, the Company which has accumulated losses of Rs. 113,029,944, have prepared financial statements for the year ended 31 March 2019 on a liquidation basis of accounting pending liquidation of the Company.

39 Events after the reporting period

Company

No circumstances have arisen since the balance sheet date other than above, which would require adjustments to, or disclosure in, the financial statements.

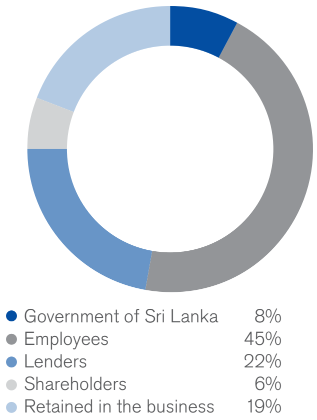
Group

No circumstances have arisen since the balance sheet date other than above, which would require adjustments to, or disclosure in, the financial statements.

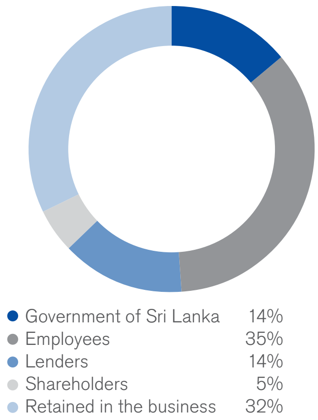
STATEMENT OF VALUE ADDED - GROUP

		2019 Rs. '000		2018 Rs. '000
Total revenue		18,183,298		16,251,907
Other operating & interest income		208,665		218,521
		18,391,963		16,470,428
Cost of material and services bought in		(15,200,552)		(13,336,971)
Total value added by the Group		3,191,411		3,133,457
Value added shared with				
Government of Sri Lanka	8%	250,254	14%	294,513
(Taxes)				
Employees	45%	1,444,665	35%	1,406,681
(Salaries and other costs)				
Lenders	22%	692,796	14%	513,453
(Interest on loan capital & minority interest)				
Shareholders	6%	179,681	5%	179,681
(Dividends)				
Retained in the business	19%	624,015	32%	739,129
(Depreciation & retained profits)				
	100%	3,191,411	100%	3,133,457

2019



2018



INFORMATION TO SHAREHOLDERS

(a) Distribution of shareholders as at 31 March 2019

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	1,528	452,177	0.38
1,001 to 10,000	751	2,873,703	2.40
10,001 to 100,000	253	7,686,225	6.42
100,001 to 1,000,000	43	11,043,136	9.22
Over 1,000,000	11	97,732,119	81.59
Total	2,586	119,787,360	100.00

(b) Analysis report of shareholders as at 31 March 2019

	Number of shares	% of holding
Institutional	32,251,045	26.92
Individuals	87,536,315	73.08
Total	119,787,360	100.00

(c) Market and other information.

	2019	2018
Company		
a) Earnings per share (LKR)	2.90	3.99
b) Dividends per share (LKR)	1.50	1.50
c) Net assets value per share (LKR)	46.20	44.91
d) Market value per share		
- Highest value (LKR)	43.90	64.90
- Lowest value (LKR)	32.00	41.00
- Value as at the end of financial year (LKR)	32.30	41.00
e) Number of trades	2,082	4,352
f) Total number of shares traded	8,112,892	8,573,083
g) Total turnover (LKR)	320,562,778	434,202,259
h) Percentage of shares held by the public	37.34%	37.34%
i) Number of public shareholders	2,582	2,584
j) Number of foreign shareholders	23	38
Consolidated		
a) Earnings per share (LKR)	4.67	5.81
b) Net assets value per share (LKR)	98.73	96.62

(d) Twenty largest share holders list as at

	Share Holder Name	31 March 2019		31 March 2018	
		No. Shares	%	No. Shares	%
1	Mr. U. G. Madanayake	45,694,432	38.15	45,694,432	38.15
2	Mr. Suren Madanayake	26,604,792	22.21	26,604,792	22.21
3	SEB AB-Tundra Frontier Opportunities Fund	6,044,156	5.05%	1,149,842	0.96
4	Employees Provident Fund	5,907,432	4.93	5,907,432	4.93
5	Employees Trust Fund Board	4,427,057	3.70	4,427,057	3.70
6	Mrs. N.C. Madanayake	2,064,200	1.72	2,064,200	1.72
7	Bnymsanv Re-Compass Asia Partners, L.P.	2,000,000	1.67	2,000,000	1.67
8	FAB Foods (Private) Ltd	1,535,040	1.28	1,535,040	1.28
9	Bank of Ceylon-No 2 A/C	1,320,800	1.10	1,320,800	1.10
10	AMALIYA PRIVATE LIMITED	1,128,964	0.94	-	-
11	Bank Of Ceylon No. 1 Account	1,005,246	0.84	1,005,246	0.84
12	Perera R.D.M.	701,864	0.59	701,864	0.59
13	Selliah A & Selliah S	700,000	0.58	700,000	0.58
14	Sir Cyril De Zoysa Trust	682,072	0.57	682,072	0.57
15	Sri Lanka Insurance Corporation LTD-Life Fund	675,647	0.56	675,647	0.56
16	Arunodhaya (Private) Limited	500,000	0.42	500,000	0.42
17	Arunodhaya Industries (Private) Limited	500,000	0.42	500,000	0.42
18	Arunodhaya Investments (Private) Limited	500,000	0.42	500,000	0.42
19	ANDYSEL PRIVATE LIMITED	400,000	0.33%	-	-
20	KAILASAPILLAI A.	400,000	0.33%	-	-

(e) Float adjusted market capitalization as at 31st March 2019 - Rs.1,444,583,133.00

DECADE AT A GLANCE - GROUP

Trading Results Year Ended	31 March 2019 LKR '000	31 March 2018 LKR '000	31 March 2017 LKR '000	31 March 2016 LKR '000	31 March 2015 LKR '000	31 March 2014 LKR '000	31 March 2013 LKR '000	31 March 2012 LKR '000	31 March 2011 LKR '000	31 March 2010 LKR '000
Turnover	18,183,298	16,251,907	14,669,735	12,811,224	14,427,236	11,446,862	11,326,520	10,306,180	9,569,771	7,242,947
Profit before tax	874,513	1,057,249	1,764,563	1,695,622	1,254,738	687,625	753,438	771,728	449,700	196,285
Taxation	(250,254)	(294,513)	(509,124)	(426,394)	(300,651)	(176,412)	(162,954)	(206,275)	(162,960)	(141,203)
Profit after tax	624,259	762,736	1,255,439	1,269,228	954,087	511,213	590,484	565,453	286,740	55,082

Balance Sheet As At	31 March 2019 LKR '000	31 March 2018 LKR '000	31 March 2017 LKR '000	31 March 2016 LKR '000	31 March 2015 LKR '000	31 March 2014 LKR '000	31 March 2013 LKR '000	31 March 2012 LKR '000	31 March 2011 LKR '000	31 March 2010 LKR '000
Stated capital	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488
Capital reserve	2,274,026	2,277,718	1,790,589	1,875,347	1,818,019	1,357,957	1,443,836	1,447,781	863,320	799,787
Revenue reserve	7,967,259	7,751,398	7,241,173	6,270,421	5,272,516	4,442,265	3,975,037	3,495,789	3,057,050	2,621,254
	10,540,773	10,328,603	9,331,250	8,445,256	7,390,023	6,099,710	5,718,361	5,243,059	4,219,858	3,720,529
Non-controlling interests	1,284,316	1,245,074	1,135,318	1,026,303	870,373	745,123	683,959	634,878	528,264	455,626
Non-current liabilities	1,108,572	1,225,767	718,334	1,377,423	1,786,010	516,034	513,383	584,100	585,687	573,934
	12,933,661	12,799,444	11,184,902	10,848,982	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809	4,750,089
Property, plant & equipment	4,491,089	4,151,266	3,347,709	3,466,497	3,531,614	2,949,216	3,104,485	3,019,097	2,242,226	1,854,665
Leasehold properties - pre-payments	1,622	1,644	1,666	1,688	1,710	1,732	1,754	1,776	1,798	1,820
Capital work in progress	73,701	97,469	31,678	32,853	64,127	49,764	37,952	58,475	133,226	102,235
Intangible assets	7,050	7,705	9,138	11,487	17,286	14,060	5,994	5,994	5,994	5,993
Investment property	653,000	638,000	538,750	516,000	493,000	317,000	130,000	130,000	125,000	120,000
Financial assets at fair value through OCI/Available for sale	373,695	274,488	34,211	31,629	30,145	25,832	26,925	28,097	43,561	23,398
Investment in equity accounted investee	255,792	277,206	275,286	301,503	823,749	-	-	-	-	
Deferred tax asset	1,957	3,959	1,774	-	-	-	-	-	-	-
Current assets	15,030,878	13,694,440	12,325,252	11,012,139	11,106,443	8,690,869	7,602,055	6,324,309	6,709,445	5,927,687
Current liabilities	(7,955,123)	(6,346,730)	(5,380,561)	(4,524,814)	(6,021,667)	(4,687,606)	(3,993,462)	(3,105,713)	(3,927,440)	(3,285,709)
Capital employed	12,933,661	12,799,446	11,184,903	10,848,982	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809	4,750,089
Ratios										
Gross profit margin	15.21%	16.19%	22.10%	23.86%	17.67%	16.81%	16.46%	16.61%	13.47%	15.80%
Net profit margin after tax	3.40%	4.69%	8.56%	9.91%	6.61%	4.47%	5.21%	5.49%	4.70%	2.71%
Sales growth	11.88%	10.79%	14.51%	-11.20%	26.04%	11.07%	9.90%	7.70%	32.13%	-7.60%
Profit growth	-17.28%	-40.08%	4.07%	35.14%	82.47%	-10.90%	-2.37%	71.61%	129.11%	21.61%
Current ratio	1.89	2.16	2.29	2.43	1.84	1.85	1.90	2.04	1.71	1.80
Net asset per share	98.73	96.63	87.39	79.08	123.39	101.84	95.48	87.54	70.45	62.00
Dividend per share	1.50	1.50	1.50	2.00	1.00	1.00	1.00	0.70	-	-
Earning per share	4.67	5.82	9.33	9.13	14.35	7.37	8.93	8.17	3.88	(0.08)
Market value per share	32.30	41.00	54.50	100.90	76.00	61.00	65.50	62.60	94.00	75.00
Price earning ratio	6.99	7.04	5.84	5.35	5.30	8.28	7.34	7.66	24.21	-
Dividend cover ratio	3.08	3.88	6.22	4.57	14.35	7.37	8.93	11.67	-	-
Dividend payout ratio	0.32	0.26	0.16	0.22	0.07	0.14	0.11	0.09	-	-

REAL ESTATE PORTFOLIO - GROUP

Name of the Owning Company and Location	Land (Acres) Freehold	Buildings (Sq. Ft)	No of Buildings	Net Book Value 2019 Rs. 000	Net Book Value 2018 Rs. '000
ACL Cables PLC					
Welithotuwa Road, Batakettara, Piliyandala	16.83	253,996	24	1,427,117	1,437,745
Sarabhoomi Housing Scheme, Batakettara, Piliyandala	0.11	1,107	1	8,925	9,000
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	-	67,500	67,500
AMW Premises, Nagoda, Kaluthara	2.76	-	-	69,500	69,500
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	-	85,000	85,000
60, Rodney Street, Colombo 08	-	15,288	12	88,320	92,000
	33.91	270,391	37	1,746,362	1,760,745
Kelani Cables PLC					
Wewelduwa, Kelaniya	6.51	97,345	3	462,659	471,009
Mahena Road, Siyambalape	1.08	32,398	1	91,590	88,410
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-		295,000	280,000
	20.59	129,743	4	849,249	839,419
ACL Plastics PLC					
Temple Road, Ekala, Ja-Ela	3.21	36,579	9	210,000	210,000
Niwasipura, Ekala, Ja-Ela	0.06	1,690	1	13,500	13,500
Suhada Mawatha (Off Samagi Mawatha)	0.13	-	-	7,500	7,500
	3.40	38,269	10	231,000	231,000
ACL Kelani Magnet Wire (Pvt) Ltd					
No.07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,554	7	263,922	270,000
Ceylon Bulbs & Electricals Ltd					
60, Rodney Street, Colombo 08	1.69	24,706	11	738,000	738,000
ACL Metals & Alloys (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	1	95,716	108,547
Ceylon Copper (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	1	75,425	76,550
ACL Electric (Pvt) Ltd					
Miriseatte Estate, Millewa, Moragahahena, Horana	1.51	12,960	1	95,836	76,000
Total value of land and buildings - (Note 12 and 14)	65.63	557,233	72	4,095,510	4,100,261

GLOSSARY OF FINANCIAL TERMS

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Available-for-Sale
Any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

AWDR
The Average Weighted Deposit Rate is calculated by the CentralBank monthly and bi annually based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basic Earnings Per Share
Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Borrowings
All interest bearing liabilities.

Capital Employed
Total equity, minority interest and interest bearing borrowings.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents
Liquid investments with original maturity period of three months or less.

Contingent Liability
A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within control of the enterprise.

Credit Rating
An evaluation of a corporate's ability to repair its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk
Risk that the counter party to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

Corporate Governance
The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of the entity, the supervision of executive action and accountability to owners and others.

Current Ratio
Current assets divided by current liabilities. A measure of liquidity.

Debt /Equity
Debt as a percentage of total equity less minority interest if any.

Deferred Taxation
The tax effect of temporary differences deferred to/from an other period, which would only qualify for inclusion on a tax return at a future date.

Dividends
Distribution of profits to holders of equity investment.

Dividend Cover
Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Yield
Dividend per share as a percentage of the market price. A measure of return on investment

Derivatives
Financial contracts whose values are derived from the values of underlying assets.

Earnings per Share
Earnings Per Ordinary Share (EPS) Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Effective Tax Rate
Income tax expenses divided by profit from ordinary activities before tax.

Equity
Shareholders' funds.

Fair Value
The amount at which an asset is exchanged or a liability settled,between knowledgeable and willing parties in an arm's length transaction.

GLOSSARY OF FINANCIAL TERMS

Fair Value Through Profit or Loss (FVPL)
Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset
Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favorable.

Financial Instruments
Any contract that gives rise to a financial assets of one entity and financial liability or equity instrument of another entity.

Financial Liability
A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with an other entity under conditions that are potentially unfavourable.

Gearing
Proportion of total interest bearing borrowings to capital employed.

Held-to-Maturity
A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

Impairment
Occurs when recoverable amount of an asset is less than its carrying amount.

Interest Cover
Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Liquidity Risk
The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Loans and receivables
A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Market Capitalization
Number of shares in issue multiplied by the market value of a share at the report date.

Market Risk
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Net Assets Per Share
Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Net Worth Total equity less minority interest if any.

Operating Profit
Profit before tax, share of profit of associates and net finance cost.

Price Earnings Ratio
Market price of a share divided by earnings per share as reported at that date.

Prudence Inclusion of a degree of caution in the exercise of judgment needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.

Related Parties who could control or significantly influence the financial and operating policies of the business.

Return on Equity
Profit before tax divided by total equity less minority interest if any.

Return on Total Assets
Profit before tax plus finance cost divided by total average assets.

Revenue Reserves
Reserves considered as being available for distribution and investments.

Segments
Constituent business units grouped in terms of similarity of operations.

Stated Capital
The total amount received by the Company or due and payable to the Company in respect of issue and calls of shares are referred to as stated capital.

Value Addition
The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of material and services bought in.

Working Capital
Capital required to finance day-to-day operations computed as the excess of current assets over current liabilities.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fifty Seventh Annual General Meeting of ACL Cables PLC will be held at the Auditorium of ACL Cables PLC, No. 60, Rodney Street, Colombo - 08, on Friday, 27th August 2019, at 9.30a.m. for the following purposes.

01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2019 with the report of the Auditors thereon.

02. (a) To re–elect Mr.Hemaka Amarasuriya who retires by rotation in terms of article No. 85 and being eligible for re-election in terms of Article No. 86 of Articles of Association of the Company.

(b) To re–elect Mr.Rajiv Casie Chitty who retires by rotation in terms of article No. 85 and being eligible for re-election in terms of Article No. 86 of Articles of Association of the Company.

03. To re–appoint Messrs. PricewaterhouseCoopers, as Auditors of the Company and authorize the Directors to determine their remuneration.

04. To consider and if thought fit to pass the following Ordinary Resolutions, of which special notice has been given by a Shareholder of the Company.

(a) " that Mr. U. G. Madanayake, who has passed the age of 70 years in May 2006, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(b) " that Mrs. N. C. Madanayake, who has passed the age of 70 years in August 2013, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to her"

(c) "that Mr. Ajit Jayaratne, who has passed the age of 70 years in April 2010, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(d) "that Mr. Hemaka Amarasuriya, who has passed the age of 70 years in November 2013, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(e) "that Mr. Daya Wahalatantiri, who has passed the age of 70 years in January 2019, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

05. To authorize the Directors to determine donations to charities.

BY ORDER OF THE BOARD

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30 July 2019

Note:

(a) FORM OF PROXY
A Shareholder is entitled to appoint a Proxy to attend and vote in his stead and a Form of Proxy is attached to this Report for that purpose. A Proxy need not be a Shareholder of the Company.

(b) ATTENDANCE SLIP
Shareholders are kindly requested to hand-over the duly perfected and signed Attendance Slip attached to this Report for that purpose, to the Registration Counter.

NOTES

FORM OF PROXY - ACL CABLES PLC

I/We ………………………………………………………………….of……………………………………………………………………..……
being a Shareholder/ Shareholders of the above Company hereby appoint ………………………………………………………..…….
or failing him/ her …………………………………………….of…………………………………..…………..…………..…………..……
as my/ our Proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 27th August 2019 at 9.30 a.m. and at any adjournment thereof.

	IN FAVOR	NOT IN FAVOR
01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2019 with the report of the Auditors thereon.		
02. (a) To re–elect as Director Mr. Hemaka Amarasuriya who retires by rotation		
(b) To re–elect as Director Mr.Rajiv Casie Chitty who retires by rotation		
03. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and authorize the Directors to determine their remuneration.		
04. (a) Ordinary Resolution (a) relating to the appointment of Mr. U. G. Madanayake		
(b) Ordinary Resolution (b) relating to the appointment of Mrs. N. C. Madanayake		
(c) Ordinary Resolution (c) relating to the appointment of Mr. Ajit Jayaratne		
(d) Ordinary Resolution (d) relating to the appointment of Mr. Hemaka Amarasuriya		
(d) Ordinary Resolution (d) relating to the appointment of Mr. Daya Wahalatantiri		
05. To authorize the Directors to determine donations to charities.		

Signed this ……………………………………………………… day of ………………………………………..2018

…………………………..
Signature

*instructions for filling Form of Proxy are given over-leaf.

……

ACL CABLES PLC – ATTENDANCE AT ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Fifty Seventh Annual General meeting of ACL CABLES PLC

01. Name of Share Holder
: …………………………………………………………………………………………………..
Name of Proxy (If Applicable)
: …………………………………………………………………………………………………..
02. Shareholder's NIC Number
: …………………………………………………………………………………………………..
Proxy's NIC Number (If Applicable)
: …………………………………………………………………………………………………..
03. Signature of Shareholder
: …………………………………………………………………………………………………..
Signature of Proxy (If Applicable)
: …………………………………………………………………………………………………..

Shareholders are kindly requested to bring this Attendance Slip with them when attending the Meeting and hand over same to the Registration Counter.

FORM OF PROXY - ACL CABLES PLC

INSTRUCTIONS FOR COMPLETION

1. The instrument appointing a Proxy shall in the case of an individual be signed by the appointer or by his Attorney and in the case of a Corporation be either under its Common Seal or signed by its Attorney or by an Officer on behalf of the Corporation.

2. A Proxy need not be a Shareholder of the Company.

3. The full name and address of the Proxy and the Shareholder appointing the Proxy should be entered legibly in the Form of Proxy.

4. The completed Form of Proxy should be deposited at No. 60, Rodney Street, Colombo 08, not less than 48 hours before the scheduled starting time of the Meeting.

CORPORATE INFORMATION

COMPANY NAME
ACL Cables PLC

REGISTRATION NUMBER
PQ 102

REGISTERED OFFICE
60, Rodney Street, Colombo 08

CONTACT DETAILS
Tel : +94 11 2697652
Fax : +94 11 2699503
E-mail : info@acl.lk
Website : www.acl.lk

BOARD OF DIRECTORS
U. G. Madanayake - Chairman
Suren Madanayake - Managing Director
Mrs. N. C. Madanayake
A. M. S. De S. Jayaratne
Hemaka Amarasuriya
D. D. Wahalatantiri
P. S. R. Casie Chitty
Sivakumar Selliah

GROUP CHIEF FINANCIAL OFFICER
Champika Coomasaru

SECRETARIES
Messrs. Corporate Affairs (Private) Limited
68/1, Dawson Street, Colombo 02

AUDITORS
Messrs. PricewaterhouseCoopers
Chartered Accountants
100, Braybrooke Place, Colombo 02

BANKERS
Standard Chartered Bank
Hatton National Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Sampath Bank PLC
Commercial Bank of Ceylon PLC
People's Bank
Hongkong & Shanghai Banking Corporation
Seylan Bank PLC
State Bank of India

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