

**INTERIM FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 31 DECEMBER 2019
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC**INCOME STATEMENT - GROUP***Unaudited*

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended		Period ended	
	31 December		31 December	
<i>For the period ended 31 December</i>	2019	2018	2019	2018
Revenue	5,077,938	4,733,297	14,929,274	13,336,243
Cost of Sales	(4,092,771)	(3,920,542)	(12,352,617)	(11,340,421)
Gross profit	985,168	812,755	2,576,658	1,995,822
Other income	27,080	1,918	40,319	11,582
Distribution costs	(260,872)	(258,998)	(762,585)	(694,568)
Administrative costs	(150,253)	(116,585)	(399,610)	(359,870)
Operating profit	601,123	439,090	1,454,782	952,966
Finance costs - net	(193,655)	(99,564)	(473,890)	(366,764)
Share of (loss)/profit of investments accounted for using the equity method	55,766	22,901	54,194	57,841
Profit before income tax	463,234	362,427	1,035,086	644,043
Income tax expenses	(91,083)	(86,590)	(259,518)	(178,026)
Profit	372,151	275,837	775,568	466,017
Profit attributable to :				
- Owners of the parent	328,524	247,121	668,405	422,275
- Non-controlling interests	43,628	28,717	107,162	43,741
	372,151	275,837	775,568	466,017
Earnings per share (Rs.)	2.74	2.06	5.58	3.53

ACL CABLES PLC
INCOME STATEMENT -COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

	Quarter ended		Period ended	
	31 December	31 December	31 December	31 December
<i>For the period ended 31 December</i>	2019	2018	2019	2018
Revenue	2,908,961	2,817,313	8,488,217	7,628,924
Cost of Sales	(2,565,089)	(2,492,700)	(7,483,395)	(6,879,622)
Gross profit	343,872	324,613	1,004,822	749,302
Other income	23,362	29,651	131,970	98,782
Distribution costs	(128,315)	(118,740)	(380,493)	(340,780)
Administrative costs	(56,687)	(49,752)	(158,102)	(154,679)
Operating profit	182,232	185,772	598,197	352,625
Finance costs - net	(68,218)	(6,122)	(208,187)	(44,330)
Profit before income tax	114,014	179,650	390,010	308,295
Income tax expenses	(31,331)	(42,760)	(80,525)	(65,404)
Profit	82,683	136,890	309,485	242,891
Earnings per share (Rs.)	0.69	1.14	2.58	2.03

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 31 December

	Quarter ended 31 December		Period ended 31 December	
	2019	2018	2019	2018
Profit	372,151	275,837	775,568	466,017
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	3,516	(235)	3,002	(3,162)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	1,669
Other comprehensive income, net of tax	3,516	(235)	3,002	(1,493)
Total comprehensive income, net of tax	375,668	275,603	778,570	464,524
Total comprehensive income attributable to:				
- Owners of the parent	331,561	246,989	670,999	421,424
- Non-controlling interests	304,307	28,615	367,770	43,101
Total comprehensive income, net of tax	635,868	275,604	1,038,770	464,525

(B) COMPANY

For the period ended 31 December

	Quarter ended 31 December		Period ended 31 December	
	2019	2018	2019	2018
Profit	82,683	136,890	309,485	242,891
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	2,136	61	1,826	(1,320)
Other comprehensive income, net of tax	2,136	61	1,826	(1,320)
Total comprehensive income, net of tax	84,819	136,951	311,311	241,571

ACL CABLES PLC
STATEMENT OF FINANCIAL POSITION

Unaudited

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	31 December 2019	31 March 2019	31 December 2019	31 March 2019
ASSETS				
Non-current assets				
Property, plant and equipment	4,824,608	4,491,089	1,965,226	2,043,234
Good Will	227,086	-	-	-
Work in progress	27,102	73,701	2,782	2,782
Investment property	653,000	653,000	358,000	358,000
Intangible assets	7,767	7,050	1,773	1,057
Prepaid lease rentals	1,604	1,622	-	-
Investment in subsidiaries	-	-	1,166,154	668,248
Investment in equity accounted investee	309,985	255,792	345,093	345,093
Available-for-sale Financial assets	737,239	373,695	12,539	10,713
Deferred income tax assets	1,956	1,957	-	-
	6,790,347	5,857,906	3,851,567	3,429,127
Current assets				
Inventories	6,366,352	5,679,097	2,876,148	2,871,272
Trade and other receivables	7,782,413	6,336,648	4,950,730	3,744,824
Prepaid lease rentals	22	22	-	-
Held-to-maturity financial assets	-	-	-	-
Cash and cash equivalents	2,005,470	3,015,111	965,524	922,269
	16,154,261	15,030,878	8,792,402	7,538,365
TOTAL ASSETS	22,944,608	20,888,784	12,643,969	10,967,492
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	2,274,027	2,274,026	1,002,568	1,002,568
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	7,368	4,774	2,707	881
Retained earnings	7,327,382	6,838,660	3,680,738	3,550,934
Equity attributable to owners of the parent	11,032,091	10,540,773	5,665,767	5,534,137
Non-controlling interests	1,627,833	1,284,316	-	-
Total equity	12,659,924	11,825,089	5,665,767	5,534,137
Non-current liabilities				
Defined benefit obligations	357,034	326,711	208,381	192,004
Deferred tax liability	541,470	514,705	291,770	291,769
Borrowings	1,210,036	267,156	933,093	12,356
	2,108,540	1,108,572	1,433,244	496,129
Current liabilities				
Trade and other payables	2,668,481	1,079,458	3,438,522	1,506,449
Current income tax liability	680,112	657,741	306,690	282,370
Borrowings	4,157,472	5,064,905	1,368,726	2,369,304
Bank overdraft	670,079	1,153,019	431,020	779,103
	8,176,144	7,955,123	5,544,958	4,937,226
Total liabilities	10,284,684	9,063,695	6,978,202	5,433,355
Total equity and liabilities	22,944,608	20,888,784	12,643,969	10,967,492
Net asset value per share	92.10	88.00	47.30	46.20
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			60.00	43.90
Lowest price (Rs.)			36.50	32.00
Last traded price (Rs.)			57.50	32.30

It is certified that these financial statements have been prepared in compliance with the requirements of Companies Act, No. 07 of 2007.

Sgd.
Champika Coomasaru
Group Chief Financial Officer

Sgd.
U. G. Madanayake
Chairman
14 February 2020
Colombo

Sgd.
Suren Madanayake
Managing Director

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2019	299,488	2,274,026	1,123,825	4,774	6,838,660	10,540,773	1,284,316	11,825,089
Net profit	-	-	-	-	668,405	668,405	107,162	775,567
NCI Generated Through New Investment	-	-	-	-	-	-	260,199	260,199
Fair value adjustment for available-for-sale financial assets	-	-	-	2,593	-	2,593	409	3,002
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	2,593	668,405	670,998	367,770	1,038,768
Dividends	-	-	-	-	(179,681)	(179,681)	(24,252)	(203,933)
Balance at 31 December 2019	299,488	2,274,026	1,123,825	7,367	7,327,385	11,032,091	1,627,834	12,659,925

For the year ended 31 March 2019

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2018	299,488	2,277,717	1,123,825	8,006	6,619,570	10,328,606	1,245,075	11,573,681
Net profit	-	-	-	-	175,155	175,155	43,741	218,896
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,424)	-	(2,424)	(515)	(2,939)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	2,109	2,109	-	2,109
Total comprehensive income	-	-	-	(2,424)	177,264	174,840	43,227	218,067
Balance at 31 December 2019	299,488	2,277,717	1,123,825	5,582	6,796,834	10,503,446	1,288,302	11,791,748
Balance at 1 January 2019	299,488	2,277,717	1,123,825	5,582	6,796,834	10,503,446	1,288,302	11,791,748
Net profit	-	-	-	-	384,590	384,590	20,773	405,363
Adjustment on initial application on SLFRS 09	-	-	-	-	(240,556)	(240,556)	-	(240,556)
Tax effect arising on initial application of SLF	-	-	-	-	67,356	67,356	-	67,356
Fair value adjustment for available-for-sale financial assets	-	-	-	(808)	-	(808)	(172)	(980)
Re-measurements of post employment benefit obligation	-	-	-	-	9,657	9,657	-	9,657
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(2,704)	(2,704)	-	(2,704)
Gain on revaluation of Land and Building	-	-	-	-	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(527)	(527)	-	(527)
Impact on transfer of NCI balance to retained earnings of equity investee	-	-	-	-	-	-	-	-
Sgd. Total comprehensive income	-	-	-	(808)	217,816	217,008	20,601	237,609
Transfer from revaluation reserve	-	(3,691)	-	-	3,691	-	-	-
Deferred tax on transfer from revaluation reserve	-	-	-	-	-	-	-	-
Sgd. Dividends	-	-	Sgd.	-	(179,681)	(179,681)	(24,587)	(204,268)
Balance at 31 March 2019	299,488	2,274,026	1,123,825	4,774	6,838,660	10,540,773	1,284,316	11,825,089

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2019	299,488	1,002,568	680,266	881	3,550,933	5,534,136
Net profit	-	-	-	-	309,485	309,485
Fair value adjustment for available-for-sale financial assets	-	-	-	1,826	-	1,826
Total comprehensive income	-	-	-	1,826	309,485	311,311
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2019	299,488	1,002,568	680,266	2,707	3,680,738	5,665,767
No of shares as at 31 December 2019	119,787,360					

For the year ended 31 March 2019

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2018	299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Net profit	-	-	-	-	242,891	242,891
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,460)	-	(1,460)
Total comprehensive income	-	-	-	(1,460)	242,891	241,431
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 31 December 2019	299,488	1,002,568	680,266	1,368	3,457,381	5,441,071
Balance at 1 January 2019	299,488	1,002,568	680,266	1,368	3,457,381	5,441,071
Net profit	-	-	-	-	104,217	104,217
Fair value adjustment for available-for-sale financial assets	-	-	-	(487)	-	(487)
Adjustment on initial application on SLFRS 09	-	-	-	-	(26,343)	(26,343)
Tax effect arising on initial application of SLFRS 09	-	-	-	-	7,376	7,376
Re-measurements of post employment benefit obligation	-	-	-	-	11,531	11,531
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	(3,229)	(3,229)
Gain on revaluation of Land and Building	-	-	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-	-	-
Total comprehensive income	-	-	-	(487)	93,552	93,065
Balance at 31 March 2019	299,488	1,002,568	680,266	881	3,550,933	5,534,136
No of shares as at 31 March 2019	119,787,360					

ACL CABLES PLC
STATEMENT OF CASH FLOW

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 31 December

	GROUP		COMPANY	
	2019	2018	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	1,035,086	644,043	390,010	308,295
Adjustments for:				
Depreciation of property, plant and equipment	200,397	169,584	98,412	75,512
share of profit from equity accounted investee (net of tax)	(54,194)	(57,841)	-	-
Dividend received from equity accounted investee	-	28,483	-	-
Dividend income	(175)	(746)	(104,925)	(95,773)
Interest expense/(income)	473,890	366,764	208,187	44,330
Exchange gain on investment in Sri Lanka development bonds	-	(4,830)	-	(4,830)
Amortization of leasehold properties	18	17	-	-
Defined benefit obligations	53,361	41,113	24,350	24,228
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	(687,255)	(584,051)	(4,876)	(77,919)
Receivables and prepayments	(1,445,765)	(1,332,429)	(1,205,906)	(700,534)
Increase/(Decrease) in;				
Trade and other payables	1,589,023	(282,940)	1,932,073	1,426,309
Cash generated from/ (used in) operations	1,164,386	(1,012,833)	1,337,325	999,618
Interest received/(paid)	(473,890)	(366,764)	(208,187)	(44,330)
Defined benefit obligations paid	(23,038)	(9,057)	(7,971)	(7,279)
Income tax paid less refund received	(193,322)	(176,282)	(56,206)	(44,369)
WHT on dividend paid by subsidiary to non-controlling interests	16,384	(10,084)	-	-
Net cash (used in)/from operating activities	490,520	(1,575,019)	1,064,961	903,640
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(488,034)	(339,033)	(21,118)	(271,702)
Investment in Available for sale financial assets	(360,540)	-	-	-
Investment in subsidiary	-	-	(497,906)	-
Dividend received	175	746	104,925	95,773
Cash proceeds from held-to-maturity investments	-	-	-	471,630
Net cash from/(used in) investing activities	(848,399)	(338,287)	(414,099)	295,700
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(907,433)	1,301,656	(1,000,578)	(248,849)
Long term borrowings net of payments	942,880	45,734	920,737	37,356
Dividends paid	(179,681)	(179,681)	(179,681)	(179,681)
Dividends paid by subsidiaries to non-controlling interests	(24,588)	(24,588)	-	-
Net cash generated from/ (used in) financing activities	(168,822)	1,143,121	(259,523)	(391,174)
Net increase/(decrease) in cash and cash equivalents	(526,701)	(770,192)	391,338	808,166
Cash and cash equivalents at the beginning of the year	1,862,092	1,245,509	143,166	(379,233)
Cash and cash equivalents at the end of the year	1,335,391	475,317	534,504	428,933

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

-	Manufacturing cables 2019	Manufacturing PVC compound 2019	Others 2019	Total 2019	Total 2018
<i>For the period ended 31 December</i>					
Revenue					
Total revenue	15,258,047	1,236,366	4,327,458	20,821,871	19,772,292
Inter-segment sales	(421,614)	(1,142,872)	(4,328,111)	(5,892,597)	(6,436,049)
External sales	14,836,433	93,494	(653)	14,929,274	13,336,243
Results					
Profit/(loss) before other income and finance cost	895,519	180,038	338,906	1,414,463	941,384
Other income	37,180	932	2,207	40,319	11,582
Finance (cost)/income	(272,391)	(5,906)	(195,593)	(473,890)	(366,764)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	54,194	54,194	57,841
Taxation	(203,426)	(36,328)	(19,764)	(259,518)	(178,026)
Profit/(loss) after taxation	456,882	138,736	179,950	775,568	466,017
Capital expenditure					
Segment capital expenditure	462,561	-	25,473	488,034	339,033
Total capital expenditure				488,034	339,033
Depreciation and amortisation					
Segment depreciation	163,420	11,405	25,572	200,397	169,584
Total depreciation and amortisation				200,397	169,584

	Manufacturing cables 2019	Manufacturing PVC compound 2019	Others 2019	Total 2019	Total 31 March 2018
<i>For the period ended 31 December</i>					
Assets					
Segment assets	16,292,932	1,476,702	4,435,245	22,204,879	20,149,216
Unallocated corporate assets				739,729	739,568
Total assets				22,944,608	20,888,784
Liabilities					
Segment liabilities	7,094,466	159,143	3,027,737	10,281,346	9,060,156
Unallocated corporate liabilities				3,338	3,539
Total liabilities				10,284,684	9,063,695

(b) Geographical segment information - revenue

	Group		Company	
	2019	2018	2019	2018
<i>For the period ended 31 December</i>				
Local sales	12,546,320	12,399,595	7,127,092	7,169,415
Export sales	2,382,954	936,648	1,361,125	459,509
	14,929,274	13,336,243	8,488,217	7,628,924

- 2.** The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2018 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.
- 3.** Where necessary, the presentation and classification of the financial statements of the previous period have been adjusted for better presentation and to be comparable with year end reporting.
- 4.** There were no liabilities for management fees or any other similar expenditures in the interim financial statements.
- 5.** There were no funds raised through an IPO/Rights/Debenture issues by the group of companies.
- 6.** There have been no other events subsequent to the balance sheet date, which require disclosures in the interim financial statements.
- 7.** There were no significant changes in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 March 2019.

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 31 December 2019

Shareholder Name	Number of shares	Holdings %
1 Mr. U. G. Madanayake	45,694,432	38.15%
2 Mr. Suren Madanayake	26,604,792	22.21%
3 Employees Provident Fund	5,907,432	4.93%
4 SEB AB-Tundra Frontier Opportunities Fund	5,544,156	4.63%
5 Employees Trust Fund Board	4,047,057	3.38%
6 Mrs. N.C. Madanayake	2,064,200	1.72%
7 Bnymsv Re-Compass Asia Partners,L.P.	2,000,000	1.67%
8 FAB Foods (Private) Ltd	1,535,040	1.28%
9 Bank of Ceylon-No 2 A/C	1,320,800	1.10%
10 Sri Lanka Insurance Corporation LTD-Life Fund	946,413	0.79%
11 Perera R.D.M.	701,864	0.59%
12 Selliah A & Selliah S	700,000	0.58%
13 Sir Cyril De Zoysa Trust	682,072	0.57%
14 HATTON NATIONAL BANK PLC- ASTRUE ALPHA FUND	671,200	0.56%
15 DFCC BANK PLC A/C NO.02	655,299	0.55%
16 Arunodhaya (Private) Limited	500,000	0.42%
17 Arunodhaya Industries (Private) Limited	500,000	0.42%
18 Arunodhaya Investments (Private) Limited	500,000	0.42%
19 Andysel Private Limited	400,000	0.33%
20 Kailasapillai A	400,000	0.33%
	101,374,757	84.63%

Share holding of directors as at 31 December 2019

Director Name	Number of shares	Holdings %
01. Mr. U. G. Madanayake - Chairman	45,694,432	38.15%
02. Mr. Suren Madanayake - Managing Director	26,604,792	22.21%
03. Mrs. N.C. Madanayake	2,064,200	1.72%
04. Dr.Sivakumar Selliah	700,000	0.58%
05. Mr. Ajit Jayaratne	-	-
06. Mr. Hemaka Amarasuriya	-	-
07. Mr. D.D. Wahalthanthri	-	-
08. Mr. Rajiv Casie Chitty	-	-
Total held by Directors	75,063,424	62.66%

Shares held by public as at 31 December 2019

44,723,936	37.34%
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Total No of Shares as at 31 December 2019

119,787,360	100.00%
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No of public share holders as at 31 December 2019

2,923

The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market capitalization as of 31.12.2019 was Rs.2,571,626,320/-