

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 2019
UNAUDITED**



ACL CABLES PLC (PQ 102)

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2019	2018	2019	2018
Revenue	5,097,807	5,070,289	9,851,336	8,602,946
Cost of sales	(4,227,272)	(4,388,309)	(8,259,846)	(7,419,879)
Gross profit	870,535	681,980	1,591,490	1,183,067
Other income	5,516	514	13,239	9,664
Distribution costs	(257,297)	(233,912)	(501,713)	(435,570)
Administrative costs	(130,393)	(128,603)	(249,357)	(243,285)
Operating profit	488,361	319,979	853,659	513,876
Finance costs - net	(104,788)	(179,185)	(280,235)	(267,200)
Share of (loss)/profit of investments accounted for using the equity method	12,117	14,540	(1,573)	34,940
Profit before income tax	395,690	155,333	571,851	281,616
Income tax expenses	(109,912)	(52,331)	(168,435)	(91,436)
Profit	285,779	103,003	403,417	190,180
Profit attributable to :				
- Owners of the parent	247,961	90,444	339,882	175,155
- Non-controlling interests	37,819	12,559	63,534	15,024
	285,779	103,003	403,417	190,180
Earnings per share (Rs.)	2.07	0.76	2.84	1.46

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

<i>For the period ended 30 September</i>	Quarter ended 30 September		Period ended 30 September	
	2019	2018	2019	2018
Revenue	2,876,712	2,474,442	5,579,256	4,811,611
Cost of sales	(2,523,290)	(2,252,780)	(4,918,306)	(4,386,922)
Gross profit	353,422	221,662	660,950	424,689
Other income	106,821	62,215	108,608	69,131
Distribution costs	(128,187)	(117,924)	(252,178)	(222,040)
Administrative costs	(51,797)	(58,450)	(101,415)	(104,927)
Operating profit	280,259	107,503	415,965	166,853
Finance costs - net	(60,002)	(14,113)	(139,969)	(38,208)
Profit before income tax	220,257	93,390	275,996	128,645
Income tax expenses	(34,276)	(7,860)	(49,194)	(22,644)
Profit	185,981	85,530	226,802	106,001
Earnings per share (Rs.)	1.55	0.71	1.89	0.88

ACL CABLES PLC
STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(all amounts in Sri Lanka Rupees thousands)

(A) Group

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2019	2018	2019	2018
Profit	285,779	103,003	403,417	190,180
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	1,937	(3,801)	(514)	(2,927)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	1,669
Other comprehensive income, net of tax	1,937	(3,801)	(514)	(1,258)
Total comprehensive income, net of tax	287,717	99,202	402,903	188,922
Total comprehensive income attributable to:				
- Owners of the parent	249,368	182,759	339,440	174,437
- Non-controlling interests	38,352	6,474	63,463	14,486
Total comprehensive income, net of tax	287,721	189,234	402,904	188,923

(B) COMPANY

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2019	2018	2019	2018
Profit	185,981	85,530	226,802	106,001
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	407	(1,183)	(310)	(1,381)
Other comprehensive income, net of tax	407	(1,183)	(310)	(1,381)
Total comprehensive income, net of tax	186,388	84,347	226,492	104,620

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 September 2019	31 March 2019	30 September 2019	31 March 2019
ASSETS				
Non-current assets				
Property, plant and equipment	4,437,500	4,491,089	1,989,836	2,043,234
Work in progress	27,102	73,701	2,782	2,782
Investment property	653,000	653,000	358,000	358,000
Intangible assets	6,724	7,050	730	1,057
Prepaid lease rentals	1,610	1,622	-	-
Investment in subsidiaries	-	-	668,248	668,248
Investment in equity accounted investee	254,219	255,792	345,093	345,093
Investment in Maldives	360,540	-	-	-
Available-for-sale Financial assets	373,183	373,695	10,403	10,713
Deferred income tax assets	1,957	1,957	-	-
	6,115,835	5,857,906	3,375,092	3,429,127
Current assets				
Inventories	5,676,176	5,679,097	2,398,152	2,871,272
Trade and other receivables	6,573,893	6,336,648	4,274,283	3,744,824
Prepaid lease rentals	22	22	-	-
Held-to-maturity financial assets	-	-	-	-
Cash and cash equivalents	2,264,095	3,015,111	938,437	922,269
	14,514,185	15,030,878	7,610,872	7,538,365
TOTAL ASSETS	20,630,020	20,888,784	10,985,964	10,967,492
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	2,274,026	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	4,331	4,774	571	881
Retained earnings	6,998,862	6,838,660	3,598,055	3,550,934
Equity attributable to owners of the parent	10,700,532	10,540,773	5,580,948	5,534,137
Non-controlling interests	1,323,526	1,284,316	-	-
Total equity	12,024,058	11,825,089	5,580,948	5,534,137
Non-current liabilities				
Defined benefit obligations	344,912	326,711	204,062	192,004
Deferred tax liability	514,723	514,705	291,770	291,769
Borrowings	253,025	267,156	8,711	12,356
	1,112,660	1,108,572	504,543	496,129
Current liabilities				
Trade and other payables	2,225,305	1,079,458	2,479,477	1,506,449
Current income tax liability	669,137	657,741	275,357	282,370
Borrowings	4,052,868	5,064,905	1,724,798	2,369,304
Bank overdraft	545,992	1,153,019	420,841	779,103
	7,493,302	7,955,123	4,900,473	4,937,226
Total liabilities	8,605,962	9,063,695	5,405,016	5,433,355
Total equity and liabilities	20,630,020	20,888,784	10,985,964	10,967,492
Net asset value per share	89.33	88.00	46.59	46.20
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			42.50	43.90
Lowest price (Rs.)			30.00	32.00
Last traded price (Rs.)			38.10	32.30

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

Champika Coomasaru
Group Chief Financial Officer

U. G. Madanayake
Chairman
14 November 2019
Colombo

Suren Madanayake
Managing Director

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - GROUP

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 30 September

	2019			2019		Total	Non controlling interest	Total equity
	Attributable to owners of the company							
	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	-	-	-	-	339,882	339,882	63,534	403,416
Fair value adjustment for available-for-sale financial assets	-	-	-	(443)	-	(443)	(71)	(514)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(443)	339,882	339,439	63,463	402,902
Dividends	-	-	-	-	(179,681)	(179,681)	(24,252)	(203,933)
Balance at 30 September 2019	299,488	2,274,026	1,123,825	4,331	6,998,862	10,700,532	1,323,527	12,024,058

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	11,573,679
Net profit	-	-	-	-	175,155	175,155	15,024	190,179
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,389)	-	(2,389)	(538)	(2,927)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	1,669	1,669	-	1,669
Total comprehensive income	-	-	-	(2,389)	176,824	174,435	14,486	188,921
Balance at 30 September 2018	299,488	2,277,717	1,123,825	5,617	6,796,394	10,503,041	1,259,561	11,762,600
Balance at 1 October 2018	299,488	2,277,717	1,123,825	5,617	6,796,394	10,503,041	1,259,561	11,762,600
Net profit	-	-	-	-	384,590	384,590	49,490	434,080
Adjustment on initial application on SLFRS 0!	-	-	-	-	(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	-	-	-	(843)	-	(843)	(148)	(991)
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	-	-	-	-	(87)	(87)	-	(87)
Impact on transfer of NCI balance to retained earnings of equity investee	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(843)	218,256	217,413	49,342	266,755
Transfer from revaluation reserve	-	(3,691)	-	-	3,691	-	-	-
Deferred tax on transfer from revaluation reserve	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(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 30 September

	2019 Stated capital	2019 Capital reserves	General reserve	2019 for sale reserve	Retained profit	Total
Balance at 1 April 2019	299,488	1,002,568	680,266	881	3,550,934	5,534,137
Net profit	-	-	-	-	226,802	226,802
Fair value adjustment for available-for-sale financial assets	-	-	-	(310)	-	(310)
Total comprehensive income	-	-	-	(310)	226,802	226,492
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2019	299,488	1,002,568	680,266	571	3,598,055	5,580,948
No of shares as at 30 September 2019	119,787,360					

For the year ended 31 March 2019

	2019 Stated capital	2019 Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2018	299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Net profit	-	-	-	-	106,001	106,001
Fair value adjustment for available-for-sale financial assets	-	-	-	(1,381)	-	(1,381)
Total comprehensive income	-	-	-	(1,381)	106,001	104,620
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2018	299,488	1,002,568	680,266	1,447	3,320,491	5,304,260
Balance at 1 October 2018	299,488	1,002,568	680,266	1,447	3,320,491	5,304,260
Net profit	-	-	-	-	241,107	241,107
Adjustment on initial application on SLFRS 09	-	-	-	-	(26,343)	(26,343)
Tax effect arising on initial application of SLFRS	-	-	-	-	7,376	7,376
Fair value adjustment for available-for-sale financial assets	-	-	-	(566)	-	(566)
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	-	-	-	(566)	230,442	229,876
Balance at 31 March 2019	299,488	1,002,568	680,266	881	3,550,934	5,534,137
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 30 September

	GROUP		COMPANY	
	2019	2018	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	571,851	281,616	275,996	128,645
Adjustments for:				
Depreciation of property, plant and equipment	150,969	110,394	65,311	48,512
share of profit from equity accounted investee (net of tax)	1,573	(34,940)	-	-
Dividend income	(150)	(694)	(104,925)	(67,234)
Interest expense/(income)	104,788	179,185	139,969	38,208
Exchange gain on investment in Sri Lanka development bonds	-	(4,830)	-	(4,830)
Amortization of leasehold properties	12	12	-	-
Defined benefit obligations	28,013	28,236	16,274	16,152
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	2,921	51,641	473,120	87,373
Receivables and prepayments	(237,245)	(118,006)	(529,459)	(628,365)
Increase/(Decrease) in;				
Trade and other payables	1,145,847	260,356	973,028	1,070,316
Cash generated from/ (used in) operations	1,768,579	752,970	1,309,314	688,777
Interest received/(paid)	(104,788)	(179,185)	(139,969)	(38,208)
Defined benefit obligations paid	(9,812)	(5,806)	(4,215)	(4,662)
Income tax paid less refund received	(140,638)	(158,190)	(56,206)	(38,278)
WHT on dividend paid by subsidiary to non-controlling interests	(16,384)	(10,084)	-	-
Net cash (used in)/from operating activities	1,496,957	399,705	1,108,924	607,629
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(50,455)	(290,230)	(11,587)	(255,742)
Dividend received	150	694	104,925	67,234
Investment in Maldives	(360,540)	-	-	-
Cash proceeds from held-to-maturity investments	-	471,630	-	471,630
Net cash from/(used in) investing activities	(410,845)	182,094	93,339	283,121
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(1,012,037)	(1,079,911)	(644,506)	(681,429)
Long term borrowings net of payments	(14,131)	56,669	(3,645)	58,333
Dividends paid	(179,681)	(179,681)	(179,681)	(179,681)
Dividends paid by subsidiaries to non-controlling interests	(24,252)	(24,588)	-	-
Net cash generated from/ (used in) financing activities	(1,230,101)	(1,227,511)	(827,832)	(802,777)
Net increase/(decrease) in cash and cash equivalents	(143,989)	(645,712)	374,430	87,973
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	1,718,103	599,797	517,596	(291,260)

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 30 September</i>	Manufacturing cables 2019	Manufacturing PVC compound 2019	Others 2019	Total 2019	Total 2018
Revenue					
Total revenue	10,077,244	797,849	2,339,009	13,214,102	11,473,181
Inter-segment sales	(288,435)	(736,235)	(2,338,096)	(3,362,766)	(2,870,235)
External sales	9,788,809	61,614	913	9,851,336	8,602,946
Results					
Profit/(loss) before other income and finance cost	577,916	108,694	153,810	840,420	504,212
Other income	11,285	554	1,400	13,239	9,664
Finance (cost)/income	(178,634)	(6,990)	(94,611)	(280,235)	(267,200)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	(1,573)	(1,573)	34,940
Taxation	(134,420)	(24,206)	(9,809)	(168,435)	(91,436)
Profit/(loss) after taxation	276,147	78,052	49,217	403,417	190,180
Capital expenditure					
Segment capital expenditure	30,263	-	20,193	50,455	290,230
Total capital expenditure				50,455	290,230
Depreciation and amortisation					
Segment depreciation	104,652	7,560	38,757	150,969	110,394
Total depreciation and amortisation				150,969	110,394

<i>For the period ended 30 September</i>	Manufacturing cables 2019	Manufacturing PVC compound 2019	Others 2019	Total 2019	Total 31 March 2019
Assets					
Segment assets	14,603,747	1,450,032	3,836,811	19,890,590	20,297,621
Unallocated corporate assets				739,430	591,163
Total assets				20,630,020	20,888,784
Liabilities					
Segment liabilities	5,905,367	194,537	2,502,721	8,602,625	9,059,547
Unallocated corporate liabilities				3,337	4,148
Total liabilities				8,605,962	9,063,695

(b) Geographical segment information - revenue

<i>For the period ended 30 September</i>	Group		Company	
	2019	2018	2019	2018
Local sales	8,171,703	7,113,690	4,669,244	3,970,334
Export sales	1,679,633	1,489,256	910,012	841,277
	9,851,336	8,602,946	5,579,256	4,811,611

- 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 2019 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 30 September 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 SEB AB-Tundra Frontier Opportunities Fund	6,044,156	5.05%
4 Employees Provident Fund	5,907,432	4.93%
5 Employees Trust Fund Board	4,427,057	3.70%
6 Mrs. N.C. Madanayake	2,064,200	1.72%
7 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 Bank Of Ceylon No. 1 Account	1,105,246	0.92%
11 Perera R.D.M.	701,864	0.59%
12 Selliah A & Selliah S	700,000	0.58%
13 Sri Lanka Insurance Corporation LTD-Life Fund	675,647	0.56%
14 Arunodhaya (Private) Limited	500,000	0.42%
15 Arunodhaya Industries (Private) Limited	500,000	0.42%
16 Arunodhaya Investments (Private) Limited	500,000	0.42%
17 Andysel Private Limited	400,000	0.33%
18 Kailasapillai A	400,000	0.33%
19 HATTON NATIONAL BANK PLC- ASTRUE ALPHA FUND	386,000	0.32%
20 Weerasinghe A.S.	360,144	0.30%
	101,826,810	85.01%

Share holding of directors as at 30 September 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 30 September 2019	44,723,936	37.34%
Total No of Shares as at 30 September 2019	119,787,360	100.00%

No of public share holders as at 30 September 2019

2,774

The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market capitalization as of 30.09.2019 was Rs.1,703,981,962/-