

**INTERIM FINANCIAL STATEMENTS
FOR SIX MONTHS ENDED 30 SEPTEMBER 2020
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		Period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
Revenue	6,104,925	5,097,807	9,540,038	9,851,336
Cost of sales	(4,989,740)	(4,227,272)	(7,920,706)	(8,259,846)
Gross profit	1,115,185	870,535	1,619,332	1,591,490
Other income	35,638	5,516	42,510	13,239
Distribution costs	(279,341)	(257,297)	(443,161)	(501,713)
Administrative costs	(200,083)	(130,393)	(389,724)	(249,357)
Operating profit	671,399	488,361	828,957	853,659
Finance costs - net	(115,417)	(104,788)	(271,378)	(280,235)
Share of (loss)/profit of investments accounted for using the equity method	33,998	12,117	37,670	(1,573)
Profit before income tax	589,980	395,690	595,249	571,851
Income tax expenses	(88,992)	(109,912)	(113,727)	(168,435)
Profit	500,988	285,778	481,522	403,417
Profit attributable to :				
- Owners of the parent	450,432	247,961	414,562	339,882
- Non-controlling interests	50,557	37,819	66,959	63,534
	500,988	285,780	481,522	403,417
Earnings per share (Rs.)	3.76	2.07	3.46	2.84

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	
	2020	2019	2020	2019
Revenue	3,403,825	2,876,712	5,357,747	5,579,256
Cost of sales	(2,950,544)	(2,523,290)	(4,697,552)	(4,918,306)
Gross profit	453,281	353,422	660,195	660,950
Other income	193,634	106,821	193,542	108,608
Distribution costs	(167,111)	(128,187)	(244,161)	(252,178)
Administrative costs	(52,212)	(51,797)	(100,067)	(101,415)
Operating profit	427,592	280,259	509,509	415,965
Finance costs - net	(69,525)	(60,002)	(118,210)	(139,969)
Profit before income tax	358,067	220,257	391,299	275,996
Income tax expenses	(36,832)	(34,276)	(50,383)	(49,194)
Profit	321,235	185,981	340,916	226,802
Earnings per share (Rs.)	2.68	1.55	2.85	1.89

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	
	2020	2019	2020	2019
Profit	500,988	285,779	481,522	403,417
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	9,947	1,937	13,713	(514)
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-
Other comprehensive income, net of tax	9,947	1,937	13,713	(514)
Total comprehensive income, net of tax	510,936	287,717	495,235	402,903
Total comprehensive income attributable to:				
- Owners of the parent	457,232	249,365	424,524	339,440
- Non-controlling interests	53,704	38,352	70,712	63,463
Total comprehensive income, net of tax	510,936	287,717	495,236	402,903

(B) COMPANY

For the period ended 30 September

	Quarter ended 30 September		Period ended 30 September	
	2020	2019	2020	2019
Profit	321,235	185,981	340,916	226,802
Other comprehensive income/(expenses)				
Net change in fair value of available-for-sale financial assets	2,929	407	2,929	(310)
Other comprehensive income, net of tax	2,929	407	2,929	(310)
Total comprehensive income, net of tax	324,164	186,388	343,845	226,492

(all amounts in Sri Lanka Rupees thousands)

As at	Group		Company	
	30 September 2020	31 March 2020	30 September 2020	31 March 2020
ASSETS				
Non-current assets				
Property, plant and equipment	4,752,877	4,761,445	1,863,444	1,927,055
Work in progress	35,617	32,517	11,297	7,466
Investment property	782,000	782,000	476,000	476,000
Intangible assets	69,242	88,813	958	958
Prepaid lease rentals	40,224	40,520	12,769	12,769
Investment in subsidiaries	-	-	1,047,644	1,067,218
Investment in equity accounted investee	350,544	312,874	345,093	345,093
Available-for-sale Financial assets	403,359	367,570	11,610	8,681
	6,433,863	6,385,739	3,768,815	3,845,240
Current assets				
Inventories	5,319,061	6,420,790	2,594,739	3,043,758
Trade and other receivables	8,145,970	8,413,049	4,863,792	4,528,648
Cash and cash equivalents	1,934,595	2,261,756	997,040	955,817
	15,399,625	17,095,595	8,455,571	8,528,223
TOTAL ASSETS	21,833,488	23,481,334	12,224,386	12,373,463
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	299,488	299,488	299,488	299,488
Capital reserve	2,270,744	2,270,744	1,002,568	1,002,568
General reserve	1,123,825	1,123,825	680,266	680,266
Available-for-sale Reserve	10,034	73	1,778	(1,151)
Retained earnings	7,778,033	7,543,150	3,867,206	3,705,978
Equity attributable to owners of the parent	11,482,124	11,237,280	5,851,306	5,687,149
Non-controlling interests	1,737,790	1,696,178	-	-
Total equity	13,219,914	12,933,458	5,851,306	5,687,149
Non-current liabilities				
Defined benefit obligations	407,276	387,618	237,063	229,880
Deferred tax liability	485,470	485,457	286,292	286,292
Lease liability	36,189	36,189	13,482	13,482
Borrowings	1,096,877	1,130,445	811,491	882,681
	2,025,813	2,039,709	1,348,328	1,412,335
Current liabilities				
Trade and other payables	3,039,920	2,747,678	3,688,274	3,637,760
Current income tax liability	559,075	569,748	234,041	219,721
Borrowings	2,737,095	4,261,855	1,016,252	775,328
Bank overdraft	251,670	928,888	86,185	641,169
	6,587,761	8,508,169	5,024,752	5,273,978
Total liabilities	8,613,573	10,547,876	6,373,080	6,686,313
Total equity and liabilities	21,833,488	23,481,334	12,224,386	12,373,463
Net asset value per share	95.85	93.81	48.85	47.48
Highest and Lowest Market Price recorded during the quarter;				
Highest price (Rs.)			54.50	60.00
Lowest price (Rs.)			36.00	26.20
Last traded price (Rs.)			51.20	31.10

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
13 November 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 30 September

	Attributable to owners of the company					Total	Non controlling interest	Total equity
	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit			
Balance at 1 April 2020	299,488	2,270,744	1,123,825	73	7,543,151	11,237,281	1,696,178	12,933,459
Net profit	-	-	-	-	414,562	414,562	66,959	481,521
Fair value adjustment for available-for-sale financial assets	-	-	-	9,960	-	9,960	3,753	13,713
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	9,960	414,562	424,523	70,712	495,234
Dividends	-	-	-	-	(179,681)	(179,681)	(29,099)	(208,780)
Balance at 30 September 2020	299,488	2,270,744	1,123,825	10,033	7,778,033	11,482,124	1,737,791	13,219,914

For the year ended 31 March 2020

	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	-	-	-	-	339,882	339,882	63,534	403,416
Fair value adjustment for available-for-sale financial assets	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	339,882	339,882	63,534	403,416
Balance at 30 September 2019	299,488	2,274,026	1,123,825	4,774	7,178,542	10,880,655	1,347,850	12,228,505
Balance at 1 October 2019	299,488	2,274,026	1,123,825	4,774	7,178,542	10,880,655	1,347,850	12,228,505
Net profit	-	-	-	-	551,602	551,602	69,225	620,827
Fair value adjustment for available-for-sale financial assets	-	-	-	(4,701)	-	(4,701)	(1,425)	(6,126)
Re-measurements of post employment benefit obligation	-	-	-	-	(14,891)	(14,891)	-	(14,891)
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	4,515	4,515	-	4,515
Gain on revaluation of Land and Building	-	-	-	-	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-	-	-	-	-
Share of other comprehensive income of equity accounted investee, net of tax	-	-	-	-	(218)	(218)	-	(218)
Impact on transfer of NCI balance to retained earnings of equity investee	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(4,701)	541,008	536,307	67,800	604,107
Transfer from revaluation reserve	-	(3,282)	-	-	3,282	-	-	-
Deferred tax on transfer from revaluation reserve	-	-	-	-	-	-	-	-
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	304,780	304,780
Dividends	-	-	-	-	(179,681)	(179,681)	(24,252)	(203,933)
Balance at 31 March 2020	299,488	2,270,744	1,123,825	73	7,543,151	11,237,281	1,696,178	12,933,459

ACL CABLES PLC
STATEMENT OF CHANGES IN EQUITY - COMPANY

Unaudited

(all amounts in Sri Lanka Rupees thousands)

For the period ended 30 September

	Stated capital	Capital reserves	General reserve	Available for sale reserve	Retained profit	Total
Balance at 1 April 2020	299,488	1,002,568	680,266	(1,151)	3,705,979	5,687,149
Net profit	-	-	-	-	340,916	340,916
Fair value adjustment for available-for-sale financial assets	-	-	-	2,929	-	2,929
Total comprehensive income	-	-	-	2,929	340,916	343,845
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2020	299,488	1,002,568	680,266	1,778	3,867,207	5,851,306
No of shares as at 30 September 2020	119,787,360					

For the year ended 31 March 2020

	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	3,550,934	5,534,137
Net profit	-	-	-	-	226,802	226,802
Fair value adjustment for available-for-sale financial assets	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	226,802	226,802
Dividends	-	-	-	-	(179,681)	(179,681)
Balance at 30 September 2019	299,488	1,002,568	680,266	881	3,598,055	5,581,258
Balance at 1 October 2019	299,488	1,002,568	680,266	881	3,598,055	5,581,258
Net profit	-	-	-	-	118,125	118,125
Fair value adjustment for available-for-sale financial assets	-	-	-	(2,032)	-	(2,032)
Re-measurements of post employment benefit obligation	-	-	-	-	(14,170)	(14,170)
Deferred tax on re-measurement of post employment benefit obligation	-	-	-	-	3,968	3,968
Gain on revaluation of Land and Building	-	-	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-	-	-
Total comprehensive income	-	-	-	(2,032)	107,923	105,891
Balance at 31 March 2020	299,488	1,002,568	680,266	(1,151)	3,705,979	5,687,149
No of shares as at 31 March 2020	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	
	2020	2019	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	595,249	571,851	391,299	275,996
Adjustments for:				
Depreciation of property, plant and equipment	149,876	150,969	68,679	65,311
share of profit from equity accounted investee (net of tax)	(37,670)	1,573	-	-
Dividend income	(302)	(150)	(175,884)	(104,925)
Interest expense/(income)	115,417	104,788	118,210	139,969
Exchange gain on investment in Sri Lanka development bonds	-	-	-	(4,830)
Amortization of leasehold properties	12	12	-	-
Defined benefit obligations	31,234	28,013	16,152	16,274
Changes in working capital:				
(Increase)/Decrease in;				
Inventories	1,101,729	2,921	449,019	473,120
Receivables and prepayments	267,079	(237,245)	(335,144)	(529,459)
Increase/(Decrease) in;				
Trade and other payables	292,242	1,145,847	50,514	973,028
Cash generated from/ (used in) operations	2,514,866	1,768,579	582,845	1,309,314
Interest received/(paid)	(115,417)	(104,788)	(118,210)	(139,969)
Defined benefit obligations paid	(11,576)	(9,812)	(8,969)	(4,215)
Income tax paid less refund received	(101,688)	(140,638)	(36,063)	(56,206)
WHT on dividend paid by subsidiary to non-controlling interests	(8,400)	(16,384)	-	-
Net cash (used in)/from operating activities	2,277,785	1,496,957	419,603	1,108,924
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(124,837)	(50,455)	(8,906)	(11,587)
Dividend received	302	150	175,884	104,925
Investment in Subsidiaries/ Maldives investment	-	(360,540)	19,574	-
Cash proceeds from held-to-maturity investments	-	-	-	-
Net cash from/(used in) investing activities	(124,535)	(410,845)	186,552	93,339
CASH FLOW FROM FINANCING ACTIVITIES				
Short term borrowings net of payments	(1,560,847)	(1,012,037)	240,924	(644,506)
Long term borrowings net of payments	(33,568)	(14,131)	(71,190)	(3,645)
Dividends paid	(179,681)	(179,681)	(179,681)	(179,681)
Dividends paid by subsidiaries to non-controlling interests	(29,099)	(24,252)	-	-
Net cash generated from/ (used in) financing activities	(1,803,194)	(1,230,101)	(9,947)	(827,832)
Net increase/(decrease) in cash and cash equivalents	350,057	(143,989)	596,207	374,430
Cash and cash equivalents at the beginning of the year	1,332,868	1,862,092	314,648	143,166
Cash and cash equivalents at the end of the year	1,682,925	1,718,103	910,855	517,596

(all amounts in Sri Lanka Rupees thousands)

1. Segment information

(a) Business segment information

<i>For the period ended 30 September</i>	Manufacturing cables 2020	Manufacturing PVC compound 2020	Others 2020	Total 2020	Total 2019
Revenue					
Total revenue	9,673,451	784,538	2,549,550	13,007,539	13,214,102
Inter-segment sales	(238,200)	(684,624)	(2,544,678)	(3,467,502)	(3,362,766)
External sales	9,435,251	99,914	4,873	9,540,038	9,851,336
Results					
Profit/(loss) before other income and finance cost	469,540	136,993	179,914	786,447	840,420
Other income	40,548	644	1,317	42,510	13,239
Finance (cost)/income	(174,452)	(1,110)	(95,817)	(271,378)	(280,235)
Share of profit of investments accounted for using the equity method (Power and energy)	-	-	37,670	37,670	(1,573)
Taxation	(78,844)	(18,037)	(16,846)	(113,727)	(168,435)
Profit/(loss) after taxation	256,794	118,490	106,239	481,522	403,417
Capital expenditure					
Segment capital expenditure	43,675	-	81,162	124,837	50,455
Total capital expenditure				124,837	50,455
Depreciation and amortisation					
Segment depreciation	88,821	8,178	52,877	149,876	150,969
Total depreciation and amortisation				149,876	150,969

<i>For the period ended 30 September</i>	Manufacturing cables 2020	Manufacturing PVC compound 2020	Others 2020	Total 2020	Total 31 March 2019
Assets					
Segment assets	16,282,812	1,586,646	3,224,600	21,094,058	22,741,904
Unallocated corporate assets				739,430	739,430
Total assets				21,833,488	23,481,334
Liabilities					
Segment liabilities	6,727,847	154,596	1,727,905	8,610,347	10,544,539
Unallocated corporate liabilities				3,226	3,337
Total liabilities				8,613,573	10,547,876

(b) Geographical segment information - revenue

<i>For the period ended 30 September</i>	Group		Company	
	2020	2019	2020	2019
Local sales	8,507,030	8,171,703	4,774,595	4,669,244
Export sales	1,033,008	1,679,633	583,152	910,012
	9,540,038	9,851,336	5,357,747	5,579,256

- 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 2020 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 2020.

ACL CABLES PLC
NON FINANCIAL INFORMATION

Twenty largest shareholders as at 30 September 2020

	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	Employees Trust Fund Board	4,592,361	3.83%
5	Mrs. N.C. Madanayake	2,064,200	1.72%
6	FAB Foods (Private) Ltd	1,535,040	1.28%
7	Sri Lanka Insurance Corporation LTD-Life Fund	1,384,977	1.16%
8	Bank of Ceylon-No 2 A/C	1,320,800	1.10%
9	DFCC Bank PLC - A/C No 02	750,000	0.63%
10	HATTON NATIONAL BANK PLC- ASTRUE ALPHA FUND	712,413	0.59%
11	Perera R.D.M.	701,864	0.59%
12	Selliah A & Selliah S	700,000	0.58%
13	Sir Cyril De Zoysa Trust	680,072	0.57%
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	SEYLAN BANK PLC/S.R. FERNANDO	429,205	0.35%
18	NATIONAL SAVINGS BANK	401,178	0.33%
19	Andysel Private Limited	400,000	0.33%
20	Kailasapillai A	400,000	0.33%
		95,778,766	79.96%

Share holding of directors as at 30 September 2020

	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	701,864	0.59%
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	73,701,088	61.53%

Shares held by public as at 30 September 2020

46,086,272 **38.47%**

Total No of Shares as at 30 September 2020

119,787,360 **100.00%**

No of public share holders as at 30 September 2020

2,843

The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5 and the Float Adjusted Market capitalization as of 30.09.2020 was Rs.2,359,617,126/-