SIXTY YEARS OF STRONG CONNECTIONS

ACL CABLES

ANNUAL REPORT 2021 - 2022

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SIXTY YEARS OF STRONG CONNECTIONS

At ACL Cables, we dedicate ourselves to excellence, contributing immensely to powering the growth of our nation, especially when it's needed the most.

We constantly innovate and adapt our products, always staying one step ahead of our customers' needs. Being the largest cable manufacturer in Sri Lanka, we have established a wide presence both locally and overseas, extending our industry expertise to add value to all those we serve.

We continue to innovate and lead the field in the introduction of new products, modern technology and machinery, and continuously strive to be the most sought-after brand of cables in Sri Lanka. This perseverance is the reason why we have proudly given you six decades of strong connections

ABOUT US

OUR VISION

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

OUR 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

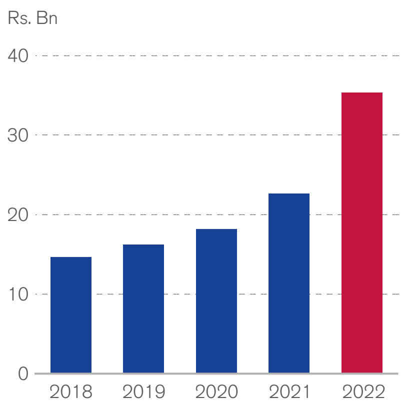
- We carry out our activities in an environment friendly manner, contributing towards a safer and healthier community.
- We maintain ethical standards.

GROUP FINANCIAL HIGHLIGHTS

	2022 LKR Million	2021 LKR Million
Operations		
Turnover	35,329	22,619
Gross Profit	7,932	3,840
Finance Income / (Cost)	237	(477)
Profit before Tax	6,237	1,942
Profit after Tax	5,114	1,754
Total Equity	20,141	15,280
Key Financial Indicators		
Gross Profit Margin	22.45%	16.98%
Net Profit Margin before Tax	17.65%	8.58%
Interest Cover (Times)	14.58	6.10
Return on Equity	25.39%	11.48%
Current Ratio (Times)	2.25	1.95

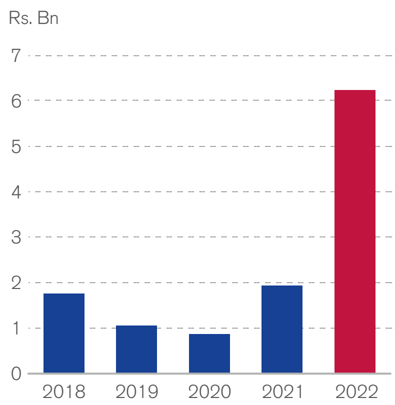
Revenue

for the year ended 31 March



Net Profit Before Tax

for the year ended 31 March



COMPANY NET REVENUE

LKR 19,532 Mn

PROFIT TO GROUP EQUITY HOLDERS

84%

GROUP NET REVENUE

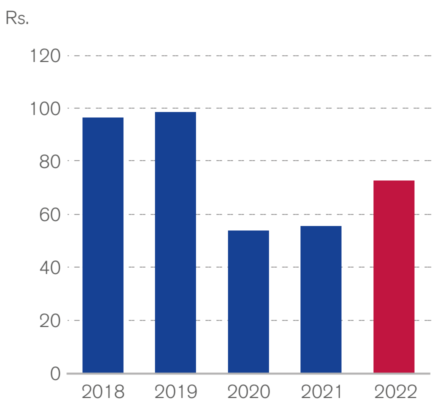
LKR 35,329 Mn

PROFIT TO GROUP EQUITY HOLDERS

LKR 4,305 Mn

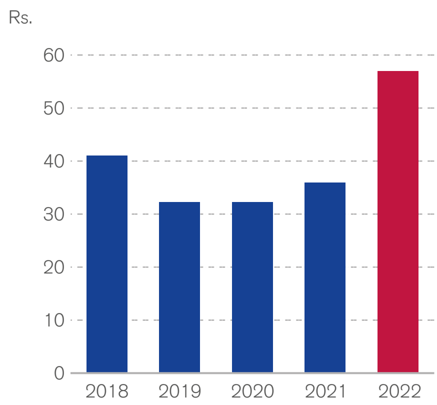
Net Assets per Share

as at 31 March



Market Value per Share

as at 31 March



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 Colombo Brokers Association.

1978
Facilities for drawing of Copper wires were added.

1980
The Company moved out of AMW Group. 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

Export of Cables commenced to Bangladesh and Maldives. Acquisition of Ceylon Bulbs & Electricals Ltd.

ACL Plastics Ltd become a public quoted Company.

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 Fireguard and other fire rated range of Products.

2007

Winning the Achievers Gold Award for Performance Excellence awarded by the 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 Organisation 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 this year 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 as 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 & 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.

2019

ACL Cables PLC Acquired 51% Stake of Cable Solutions Pvt Ltd.

2022

ICRA Lanka Limited has upgraded the Issuer rating of ACL Cables PLC ("ACL"/ "the Company") to [SL]AA- (pronounced S L Double A minus[1]) from [SL]A+; the Outlook remains Stable.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Domestic Economy

The Sri Lankan Economy witnessed a sharp recovery in 2021 following the pandemic induced contraction in 2020. As a result, the economy grew by 3.7% in 2021 (compared to 3.6% contraction in 2020) signaling a sharp recovery.

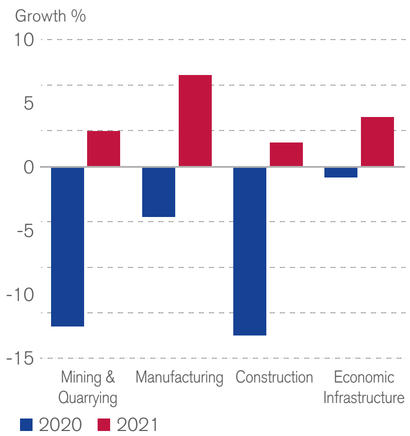
The overall size of the Sri Lankan economy grew to USD 84.8 Bn in 2021 from USD 81.0 Bn in 2020. Similarly, the GDP per capita reached USD 3,815 in 2021 from USD 3,695 in 2020.

The industrial sector expanded by 5.3% in 2021 from 6.9% contraction in 2020, indicating a sharp recovery whilst the Construction Sector has shown an incredible recovery by recording 1.9% growth in 2021 from a sharp contraction of 13.2% in 2020.

The accommodative policies and vaccination drive to prevent the outspread of the virus enabled the faster economic recovery in 2021 despite the multiple lockdowns imposed during the middle of the year.

The growth momentum was disrupted in the last quarter of the financial year due to foreign currency crisis driven power cuts and fuel shortages and resultant political and social unrest in the country. Further, the sharp depreciation in LKR towards the latter part of the financial year led to multiple implications to the business.

Annual Growth Rates: Sub Sectors of the Industry Sector

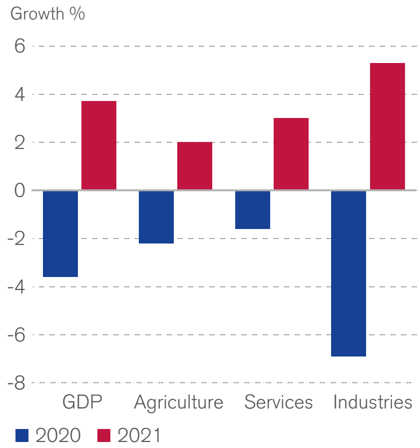


Source - Central Bank Annual Report 2021

2. Construction Sector

The construction sector recorded a marked turnaround by achieving 1.9% growth in 2021 compared to 13.2 % contraction in 2020. Similar growth was observed in the Manufacturing Sector that provides inputs to the construction sector by achieving 7.2% growth in 2021 compared to the contraction of 3.9% in 2020.

Annual Growth Rates of GDP and Sectors in 2021 vs 2022



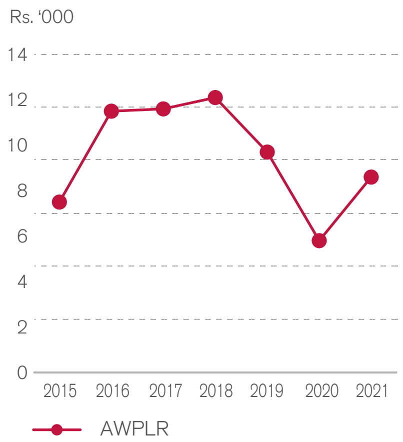
Source - Central Bank Annual Report 2021

3. Growth Drivers

Driven by the low interest rates, domestic credit to private sector increased by 100% in 2021 compared to 2020. Fueled by the low interest rates and access to domestic credit, a sharp increase has been witnessed in the construction sector. This has helped the manufacturing sector supplying to the construction industry to perform better in the financial year.

However, the difficulty of sourcing imported raw materials for the construction material has impacted the performance of the sector during the last quarter of the financial year.

AWPLR



Interest Rates	Domestic Credit	Consumption	Manufacturing and Construction Sector Growth
Market Interest Rates were maintained between 5%-8% throughout the financial year	Low interest rates and the increased lending to businesses led to 100 % increase in dometic credit	The low interest rate envoirnment coupled with increased domestic credit created a demand for product and services	The demand for housing and contruction led the growth in the Construction sector

4. Capabilities

ACL Cables PLC is a fully integrated Cable Manufacturer with a strong presence in every part of our value chain to deliver high quality products that satisfy the needs of the customers. The Group operates 7 manufacturing facilities with access to 1,831 dealers and 390 distributors.

Manufacturing Companies	Logistics	Distribution
ACL Cables PLC Kelani Cables PLC ACL Plastics PLC Ceylon Copper Pvt Ltd ACL Metals and Alloys Pvt Ltd ACL Electric Pvt Ltd Cable Solutions Pvt Ltd	Warehouses 16 Vehicle Fleet 168	Dealers 1,831 Distributors 390

5. Business Performance

ACL Cables has performed exceptionally well in FY 2021/22 with LKR 19.5 Bn turnover with a growth of 49% and Profit after tax of LKR 1.5 Bn with a growth of 163%. The key performance indicators are as follows.

- Gross profit improved by 86% to LKR 2.9 Bn despite the increase of global commodity prices throughout the year and the sharp devaluation of the Rupee at the end of the financial year.
- Operating Profit increased by 103% to LKR 2.1 Bn whilst operating margin increased to 11% from 8% last year.
- Profit Before Tax increased by 156% to LKR 1.9 Bn.

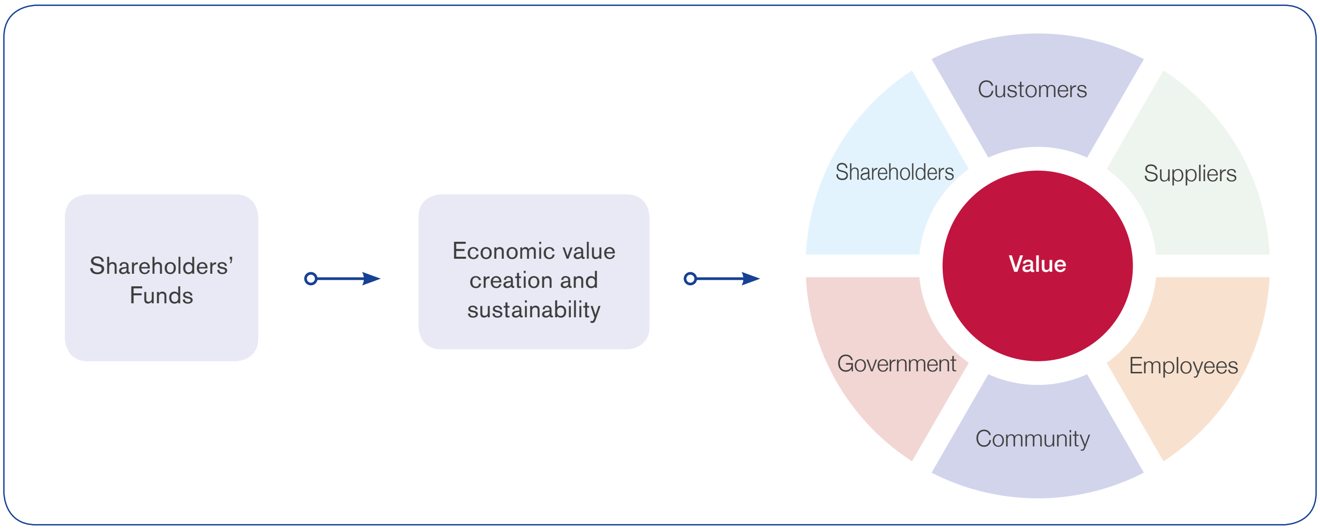
6. Impact of the Exchange rate on Pricing

The official exchange rate has been maintained relatively stable during financial year. However, there has been difficulties in opening LCs throughout the year. Further, there has been a sharp currency depreciation in March when CBSL allowed the currency to float thus making it difficult to price the product and services. The organisation has been monitoring the situation closely and was able to take multiple price increases to reduce the impact on the gross margins.

7. Future Outlook for 2022/23

The year 2022 has been an extraordinarily challenging year that has put to test our strong business progressions. We have always believed in the need to invest in technology and this vision has assisted us during these challenging years. We will continue to invest in high-tech, state-of-the-art facilities and resources.

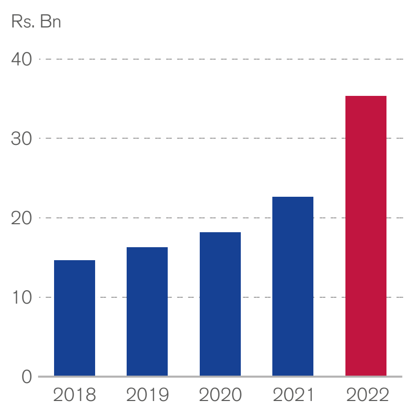
FINANCIAL CAPITAL



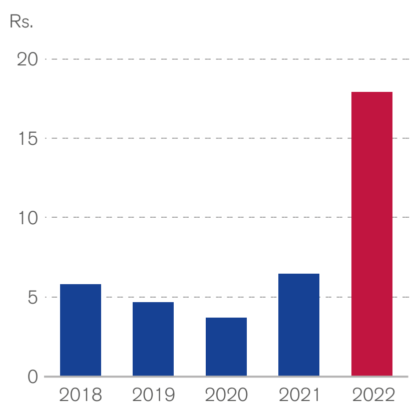
THE ACL GROUP DEMONSTRATED ITS COMPETENCY TO FACE CHALLENGES RESILIENTLY BY REPORTING A REVENUE OF LKR 35.3 BN. THE GROUP'S PROFIT AFTER TAX INCREASED TO LKR 5.1 BN WITH A GROWTH OF 192% COMPARED TO YEAR 2020/21.

GROUP EARNINGS	GROUP PAT	GROUP NET ASSETS
LKR 35,329 Mn	LKR 5,114 Mn	LKR 20,141 Mn

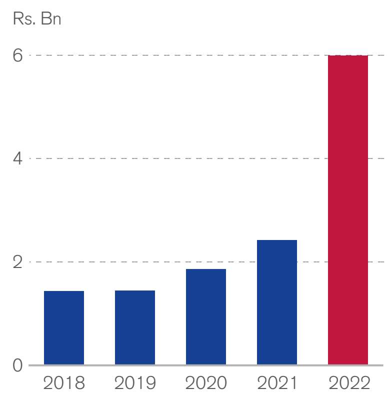
Revenue
for the year ended 31 March



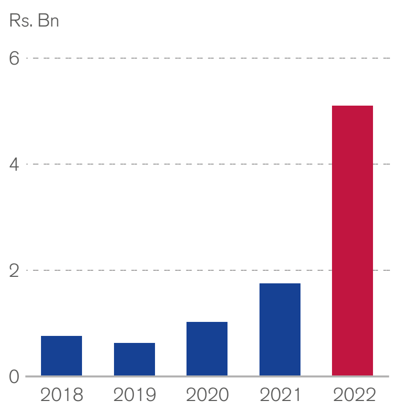
Earnings Per Share (EPS)



Earnings before Interest & Taxes (EBIT)



Profit after Tax (PAT)



FINANCIAL PERFORMANCE

In spite of the challenges due to the Covid 19 pandemic, the Group embarked on an uphill journey from the beginning of the financial year 2021/22. The Group delivered an exemplary financial performance to record its highest consolidated revenue in its history of 35.3 Bn with a revenue growth of 56 % to close the financial year.

The GP margin of the Group increased to 22% from previous year's 17%.

Profit before tax increased 221% in the financial year 2021/2022 recording a profit of Rs. 6,237 Mn compared with Rs. 1,941 Mn in the financial year 2020/2021.

FINANCIAL POSITION

Group's Total Assets increased by 24% to Rs. 33,620 Mn during the 2021/22 financial year.

The Group's total exposure to external borrowings is Rs. 6,365 Mn which reflects an increase of 65% compared with the last financial year.

The Group was able to maintain the gearing ratio at 32% during the current financial year.

Working capital increased to Rs. 14,061 Mn from Rs. 9,439 Mn. mainly due to the increase in the Trade Receivables and Inventories.

Company current ratio increased to 2.25 from 1.95 during the year.

Capital expenditure for the year was Rs. 511.5 Mn which was mainly funded by debt.

Profitability

	2021/22	2020/21	Change %
Revenue (Rs. Bn)	35.3	22.6	56%
Gross Profit (Rs. Bn)	7.9	3.8	107%
GP Margin	22%	17%	32%
Profit After tax (Rs. Bn)	5.1	1.7	191%
NP Margin	14%	8%	86%

Financial Stability

	2021/22	2020/21	Change %
Equity (Rs.Bn)	20.1	15.2	32%
Borrowings (Rs. Bn)	6.3	3.8	65%
Gearing	32%	25%	26%

Liquidity

	2021/22	2020/21	Change %
Current ratio	2.25	1.95	15%
Quick asset ratio	1.42	1.15	23%

HUMAN CAPITAL

ACL GROUP POSSES A HUMAN CAPITAL OF 1,634 EMPLOYEES DURING THE YEAR UNDER REVIEW. IT CONSISTS OF EXECUTIVE STAFF, PERMANENT STAFF AND CONTRACT STAFF. DURING THE YEAR, 135 NEW STAFF WERE RECRUITED AND 3,206 HOURS OF TRAINING WERE HELD TO ENHANCE OUR SERVICES TO THE CUSTOMER.

NO OF EMPLOYEES
1,634

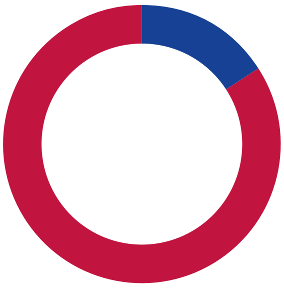
NEW HIRES
135

REMUNERATION
LKR 1,799 Mn

No of Employees

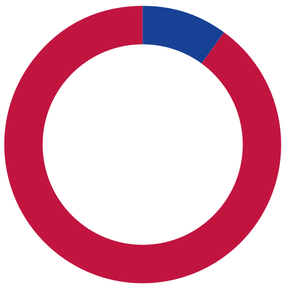
	2021/22	2020/21	2020/19	2019/18	2018/17
No of employees	1,634	1,805	1,705	1,430	1,581

Group Total Employees by Gender



Male	84%
Female	16%

Types of Employment Contracts



Permanent	90%
Contract	10%

NO OF PROMOTIONS
47

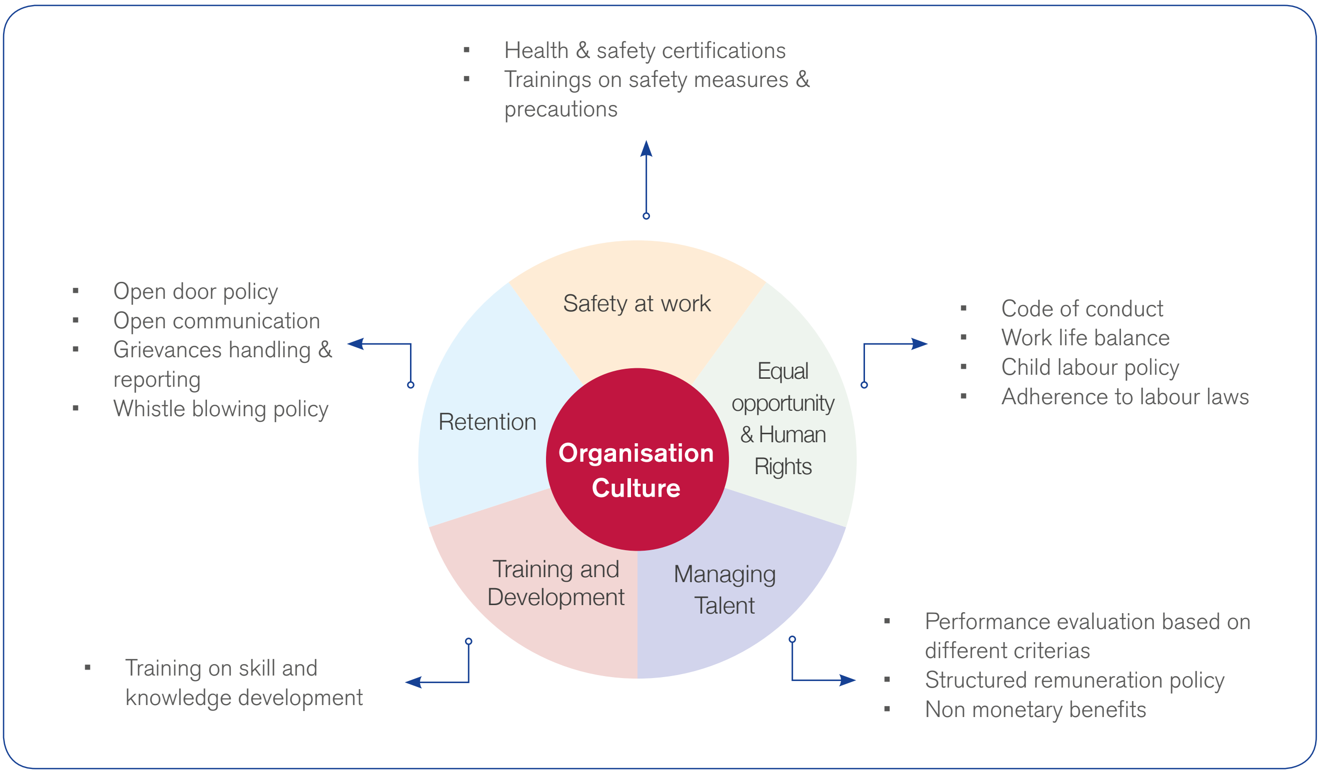
EMPLOYEE TURNOVER RATIO
9%

Age analysis

	Under 30 years	30 -50 years	Over 50 years	Total
No of employees 2021/22	623	804	207	1,634

OUR HUMAN CAPITAL STRATEGIES

Our work culture and the strategies are based on sound governance, work ethics and policies to ensure an encouraging working environment for our employees covering the following key areas:



Remunerations and Benefits

The Group remuneration and benefits for the year amounted to Rs. 1.7Bn compared to Rs. 1.5Bn in 2021.

Employee Remuneration and Benefits

	2021/22	2020/21	2019/20	2018/19
Salaries, wages and related costs	1,963	1,807	1,624	1,443

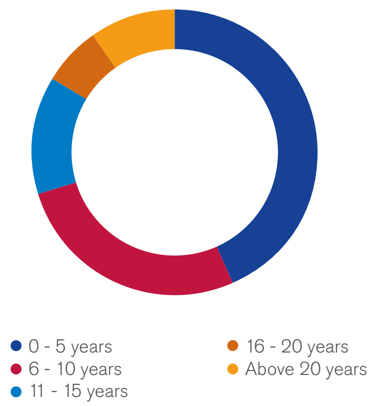
INTELLECTUAL CAPITAL

ACL GROUP PROVIDES A GREATER PROMINENCE TO INTELLECTUAL CAPITAL AS IT IS CONSIDERED AS A CRITICAL SUCCESS FACTOR IN THE PROCESS OF SUSTAINABLE VALUE CREATION. IT EMBRACES OUR BRAND VALUE, THE MANAGEMENT SYSTEMS, AND PROCESSES, AND THE TACIT KNOWLEDGE OF OUR EMPLOYEES. WE ALWAYS PROVIDE IMMENSE IMPORTANCE TO ENHANCE OUR INTELLECTUAL CAPITAL THROUGH CONTINUOUS INNOVATIONS, AND IMPROVEMENT OF KNOWLEDGE OF THE EMPLOYEES.

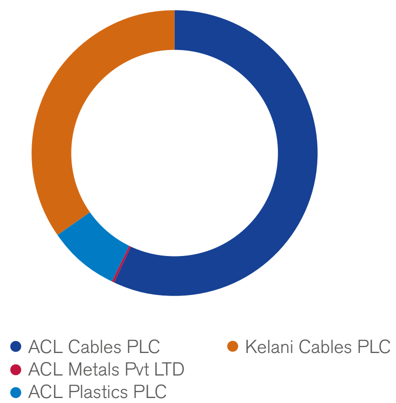
Knowledge, Skills and Experience

As an electric cable manufacturer, professional expertise is one of our key competencies of the products we provide to our customers. ACL's knowledge and expertise has been built and enhanced through years of experience operating in the manufacturing sector. Professional expertise ensures that we deliver high quality products consistently to the customers. We enhance our intellectual capital through continuous professional development and we have been successful in retaining the talents and expertise within our Group which drive the sustainable growth and success.

Staff by number of years in service



Staff with over 10 years of experince



Processes, Systems and Procedures

Our processes, systems and procedures are efficient and they define clear responsibilities of our team members to meet the business promises and to position ACL ahead of the competition. Our business operations are driven by the Project Management Systems, Financial Reporting processes, Risk mitigating and internal controls, Environment Management systems and systems and health and safety control systems. These processes, systems and procedures are designed and reviewed continuously in a comprehensive manner to ensure that the benchmarks and operational objectives are achieved and followed.

Quality Standards

ACL has been recognised over the years for its product quality, expertise, as reflected in the below certifications and accreditations;

- ISO Certificates
- National Quality award

Brand Value

As a pioneer in Sri Lanka's electric cable manufacturing sector, we have ensured to provide best quality products to our customers, which has earned ACL the trust and reputation of our valuable customers. The brand ACL ranked as the most valuable building material brand by LMD Brands Annual Ranking 2022 and our brand has been among the Top 50 most valuable consumer brands in Sri Lanka consecutively for past seven decades.

Culture

ACL has always maintained an open, cooperative, growth culture within our organisation which is comprehensive and nurturing. Our core values, objectives, business and work ethics, practices and procedures are directed by our organisation culture, which has a solid influence in every aspect of our business. We have encouraged a consistent open communication among our employees and other stakeholders through our open-door policy and customer suggestion handling. We also created a sense of community and a corporative culture within the organisation to encourage career progression by inspiring our employees to achieve their aspirations, by motivating and rewarding towards success.

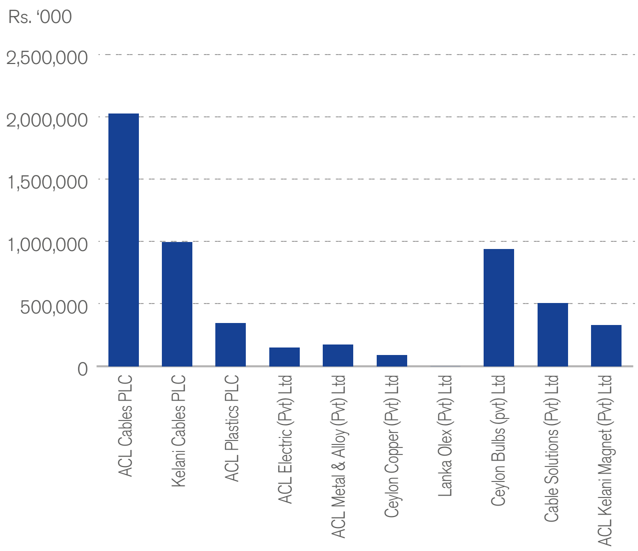
MANUFACTURED CAPITAL

MANUFACTURED CAPITAL IS A VITAL FACTOR OF THE GROUP'S SUSTAINABLE VALUE CREATION PROCESS. IT EMPOWERS AND ENSURE THAT THE PRODUCTS EMBEDDED WITH HIGH QUALITY ARE BEING MANUFACTURED AND DELIVERED TO OUR CUSTOMERS WHICH STRENGTHENS OUR BRAND.

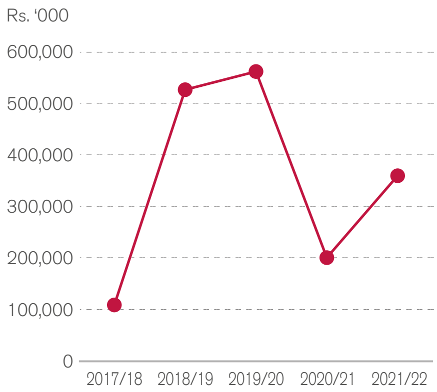
PPE
Rs. 5.4 Bn

CAPEX
Rs. 511.5 Mn

PPE by Company



Investment in PPE



CHAIRMAN'S MESSAGE

"ACL group revenue increased by 56% from Rs.22.6 billion in 2020/21 to Rs. 35.3 billion in 2021/22"

TURNOVER - GROUP
35,329 Rs. Mn

NET PROFIT - GROUP
5,114 Rs. Mn

It is my pleasure to welcome you for the 60th Annual General Meeting of ACL Cables PLC. I take this opportunity to present our annual report and audited financial statements for the year ended 2021/2022. As a group ACL experienced a highly successful year despite challenging macroeconomic activities and adverse economic impacts occurred during the financial year.

I am delighted to announce the phenomenal growth in our group's net profit and shareholder earning compared to the year before. The group turnover too increased significantly making it an immensely successful year for ACL group in its history of 60 years.

Economic Outlook

Sri Lanka experienced a commendable recovery in year 2021 economic activities, following the Covid-19 pandemic, which contracted the economy in 2020. The economic activities performed reasonably well up to the third quarter of the financial year. However, the unexpected socio-political unrest developed in the country during the latter part of the financial year led the local economy that was already in a fragile state, but eying itself for a recovery from its post pandemic challenges, to contract further and decelerate the economic activities.

The real sector GDP of the country recorded a growth of 3.7% growth compared to its contraction of 3.6% the year before. The GDP per capita too increased to USD 3,815 in 2021 from USD 3,695 in 2020.

The real sector GDP growth was vastly supported by all three sectors namely; agriculture, Industry and services, which posted a growth of 2.0%, 5.3% and 3.0% respectively compared to a contraction in all sectors of -2.2%, -6.9% and -1.6% respectively. The growth contribution posted from all the sub sectors of the industry sector, fishing sub sector, and servicing activities sub sector were significant for the overall GDP growth of the economy.

The growth recorded by the construction sub sector of 1.9% against its contraction of 13.2% in 2020 was a commendable performance. The favourable economic policies set for the construction industry with low interest rates, generated massive demand for real estate, housing and project construction activities. This lead to a significant boost in our group revenue and net profits since all of our companies within the group has been involved in the business of supplying building material for construction industry. I would also like to appreciate the government policy in supporting local businesses with the restriction of foreign supplies that encouraged increasing our sales in the local market avoiding cut throat price competition.

Electricity generation for the year grew by 6.4% compared to the year before. The growth in hydropower as a share of the total electricity generation grew by 34% compared to the 25% recorded the year before. The fuel oil based power generation reduced by 37%. This is a commendable insight with the government policy of promoting renewable resources in generating power, which reduces the dependency of fossil fuel.

Group Performance

The year ended on a high note, and exceptional performance for the total group.

ACL group revenue increased by 56% from Rs.22.6 billion in 2020/21

CHAIRMAN'S MESSAGE

to Rs. 35.3 billion in 2021/22 with a marginal decrease in our annual distribution cost. Further, the net financial costs for the group recorded a increase of 20% compared to last year.

The most remarkable and exceptional figures were recorded on the group's profit. ACL group posted a 191% year on year increase in its profit after tax, with Rs. 5.1 billion and Rs. 1.7 billion for the current financial year and the year before respectively. This marked a golden milestone in our history recording the highest growth and highest profit figures for the group in the history of ACL.

Challenges

The immediate future is looking tough and would be challenging to most individuals as well as the industries. The state of hyperinflation due to the depreciation in rupee and rise in raw material prices would tend to slow down all economic activities in the country and push individuals to spend on essential necessities. We as a group, having invested most of our businesses in the field of construction and manufacturing of building material would experience many hardships with the above situation.

Further, the outbreak of the Ukraine and Russian war would affect and disrupt the continuity of many vital industries such as food and energy locally, as well as globally. Hence, as an economy and a business, we need to assess the possible repercussions and make ourselves ready with contingency plans to operate the total system with minimum risk.

The increase in interest rates would reduce money circulation and slow down economic activities that would also adversely affect us as a group. Previous investments made on real estate, projects and home constructions would tend to reduce. Therefore, cautious planning and regular reviving in plans is essential to keep in par with our current financial performance.

Yet, amidst all challenges we would always need to keep manufacturing the best in quality products and continue an uninterrupted supply in all of our business activities to maintain our market position in all business segments we operate in.

New Developments

Though the economy is expected to experience stagnant economic activity during the months to come, as a group we would continuously keep investing in our R & D activities to keep ourselves in par with new trends and business scopes to invest in.

We would definitely work towards strengthening our current capacities and work towards new technology that can positively facilitate our supply chain activities to have an uninterrupted business process.

Further, with the growth in electricity generation and moves towards renewable power generation, we would strengthen our renewable energy capabilities through our subsidiary, Resus energy PLC.

Appreciations

I would like to thank all our retail, project and overseas customers, business partners and all other stakeholders for supporting and being with us throughout this journey of 60 years. It has been a great strength for our group to maintain our consistency and achieve what we have today. I also appreciate Ceylon Electricity Board (CEB), as our single largest customer for being a vital partner in our business.

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 for the immense value they provide us through advice and sharing expertise to guide us on the right direction.

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

U. G. Madanayake
Chairman

30th August 2022

MANAGING DIRECTOR'S REPORT

"ICRA Lanka Limited has upgraded the Issuer rating of ACL Cables PLC to [SL]AA - from [SL]A+"

TURNOVER - COMPANY
19,532 Rs. Mn

NET PROFIT - COMPANY
1,588 Rs. Mn

I am pleased to present you the Annual Report of ACL Cables PLC for the financial year 2021/22. It has been a fabulous year for our company. ACL Cables managed to record a 49% increase in our topline compared to the last year. We achieved a turnover of 19.5 billion in 2021/22, against 13.1 billion in 2020/21. I am immensely happy to announce we almost achieved the hurdle of 20 billion as an individual company, which is significant even amidst tight economic and business conditions. The Company recorded a staggering 163% increase in profit after tax. The profit for the period recorded as Rs.1.6 billion against Rs. 602 million the year before.

Favourable factors

Ceylon Electricity Board (CEB) remained our single largest customer, similar to the past with a year on year growth of 50%. Further, ACL switches and trading items posted significant growth compared with last year showing positive results on products we have brought to support our core business activity. The Export business posted an annual growth of 65% showing positive results of improvement.

The increase of raw material prices, i.e. Copper and Aluminum and depreciation of rupee against the USD compelled us to push the prices up. Such price revisions resulted an increased turnover to the Company. The same impacted favourably for our export business which is 15% of our business. Further, the aggregated demand for construction created more opportunities for penetration whilst generating positive business leads.

In spite of the growth in revenue our distribution and administration costs increased marginally reflecting the cost efficiency programs implemented throughout the organisation. Year on year financial costs were increased by 39%.

Further, ACL was valued as the most valuable building material brand in a study conducted by Brand Finance Lanka and LMD, with a brand value of 3.2 billion, a 17% increase then the year before and a brand rating of AA-.

ICRA Lanka Limited has upgraded the Issuer rating of ACL Cables PLC ("ACL"/ "the Company") to [SL]AA- (pronounced S L Double A minus[1]) from [SL]A+; the Outlook remains Stable.ICRA Lanka has taken a consolidated view of ACL Cables PLC and its subsidiaries as a whole, given the significant operational and financial linkages among them. The upgrade of the rating factors in the Group's strong financial position and its dominant market share of the local cable industry with strong brand equity.

Challenges as a business

The major challenge we experienced was the severe depreciation of the rupee against the US dollar towards the end of the financial year. It affected tremendously on the purchase of raw materials, which accounted for a considerable portion in the cost of sale. Similarly, rapid movements in the world Copper and Aluminum prices at London Metal Exchange (LME) was a challenging task to keep business running as usual. This made for multiple price revisions during the third and fourth quarters of the year in review.

Future Outlook

Measures to strengthen our distribution network further, would be the major task in hand during the challenging economic turmoil. Through such plans, we ensure

MANAGING DIRECTOR'S REPORT

improved market availability and on time demand fulfillment.

With the local economy is subjected to adverse macroeconomic conditions, we would focus to improve our penetration in the international market. Export numbers are expected to increase during the year due to better potential for business than the local market. This would help us gain more USD and thereby facilitate the same to import the raw material required for us to maintain a continues supply of our range of products. Hence, we strategize to move into new foreign markets within the South Asian region whilst increasing our penetration in current global markets we operate in.

ACL Cables has been the only company in the 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 the 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 continue our liaising with key government personnel and institutes to make them create a process to offer local standards and certification for fire retardant cables to grant approvals accordingly. This would give the consumer a genuine fire retardant cable with best standard.

Appreciations

I would like to take this opportunity and thank all business personnel and well-wishers who supported us tremendously in all business activities. It immensely helped us to escalate towards our numbers and end the year on a high note.

I also thank the Chairman and Board of Directors for extending their guidance and assistance in steering the Company forward.

My sincere gratitude also goes towards all suppliers, shareholders and all the other stakeholders who were with us and helped us in each and every activity.

Finally, many thanks to all employees for their dedication and effort made towards the Company to rise above expectations and achieve superior excellence.

Suren Madanayake
Managing Director

30th August 2022

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. Cable Solution 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, Cable Solution 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 - Non-Executive

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 - Independent Non-Executive

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 of the Institute of Chartered Accountants, England & Wales and also a Fellow 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 - Independent Non-Executive

Mr. Hemaka Amarasuriya is a Fellow 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 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 recognised 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 recognised 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. He also serves as the director of Cable Solution Pvt Ltd.

Mr. Rajiv Casie Chitty
Director - Independent
Non-Executive

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 the 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
(MBBS, M Phil)
Director - Independent
Non-Executive

Dr. Selliah holds an MBBS degree and a Master's Degree (M.Phil). He has over two decades of diverse experience in varied fields including Manufacturing, Healthcare, Insurance, Logistics, Packaging, Renewable Power , Plantation, Retail etc. He serves on the Boards of many Public listed and Private companies.

Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Private Ltd . He serves as a Director in the following Listed companies : Lanka Tiles PLC, Commercial Bank of Ceylon PLC, Lanka Walltiles PLC, ACL Cables PLC, HNB Assurance PLC, Softlogic Holdings PLC , Odel PLC and Swisstek (Ceylon) PLC. He is also the Chairman of JAT Holdings PLC. He has also served on many other Boards in the past.

Currently, he serves as a Member or Chairman of many Board sub committees such as : Human Resource and Remuneration Committee, Related party Transaction Committee, Audit Committee, Investment Committee, Strategic Planning Committee and Integrated Risk Management Committee..

Dr. Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty.

MANAGEMENT TEAM

Mahesh Amarasiri
Group Chief Financial Officer

Rohitha Amarasekara
General Manager Operation

Lakshman Bandaranayake
General Manager Marketing

Palitha Ethulgama
Deputy General Manager Project Sales

Senila Rupasingha
Deputy General Manager - Supply Chain

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

Chathuranga Sampath
Group Head of Risk & Control

Sampath Wijesundara
Chief Information Officer

R Nandakumara
Engineering Manager (Mechanical)

A G U K Abeynayake
Electrical Engineer

Indunil Perera
Security Manager

Saman Liyanage
Manager Operation

Sujeewa Sampath
Manager Finance & Operations

Yesitha Ranasinghe
Quality Assurance Manager

Sarath Padmadewa
Assistant Manager Human Resource

A D A Chinthaka
Factory Manager Copper Cable Plant

Arunajith Perera
Electrical Engineer Head of Technical Services and R&D

Deepthi Bandara
Head of Sales

Sarath Lokuhitige
Sales Manager Power and Energy Sector

Ishan Dabare
Head of Sales Institution Market

Ashoka Padmakumara
Sales Manager

Shavinda Senanayake
Brand Manager

Supun Sisihara
Manager Logistic

Amali Fonseka
Manager Credit Control

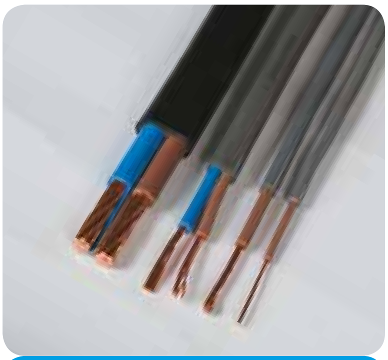
Darshana Senanayake
Finance Manager

PRODUCT PORTFOLIO

ACL Cables comply with most local and international test certificates including ISO 9002, ISO 9001-2000 and ISO 14001 Environmental Management System certificate.

CABLES

ACL Cables evolved as the No. 1 cable company in Sri Lanka since inception in 1962. During its 59 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 through advanced technology, quality control and continuous research and development, ACL Cables produces 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 and ISO 14001 Environmental Management System certificate.



House Wiring Cables

Earth Cables

Telecommunication Cables

Fire Resistance Circuit Integrity Power Cables

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

PRODUCT 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

Multi-Core Unarmored Cu Power Cables

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.

PRODUCT 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

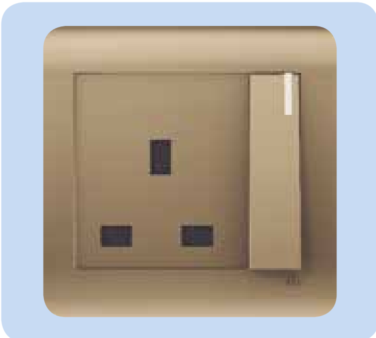
13A Switched Socket Outlet

13A Switched Socket Outlet with Neon

Telephone Socket Outlet

ACL ELEGANCE COLOUR RANGE

HD Black



HD Bronze

HD Gray

PRODUCT 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 (750hm, co-axial)

Light Dimmer (500W)


Double Pole (20A, AC 250V)


Data Socket


Ceiling Rose


Lamp Holder

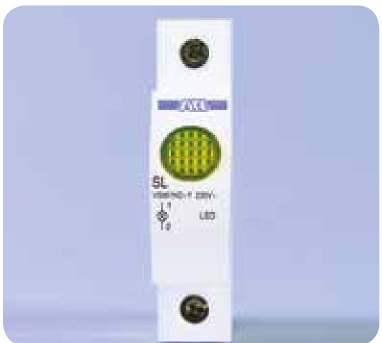

13A Plug Top


Led Indicating Light Green MCB Single Pole


Led Indicating Light Red MCB Single Pole


Led Indicating Light Blue MCB Single Pole


Circuit Breaker (MCB) Single Pole


Led Indicating Light Yellow MCB Single Pole


Main Switch (Isolator) Double Pole


Trip Switch (RCD) Double Pole

PRODUCT PORTFOLIO

Mercury Isolator

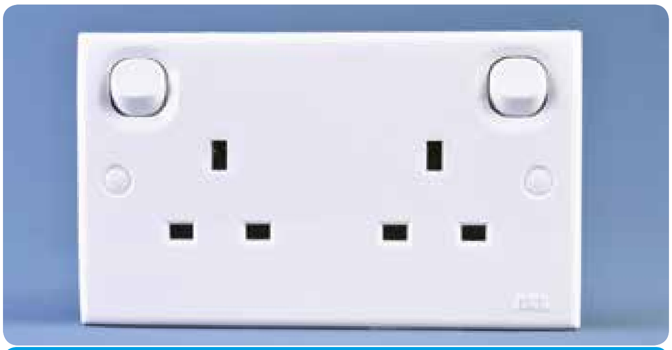
Mercury MCB

Mercury RCD


USB Charger 5V 2.5A

5 Step Fan Controller

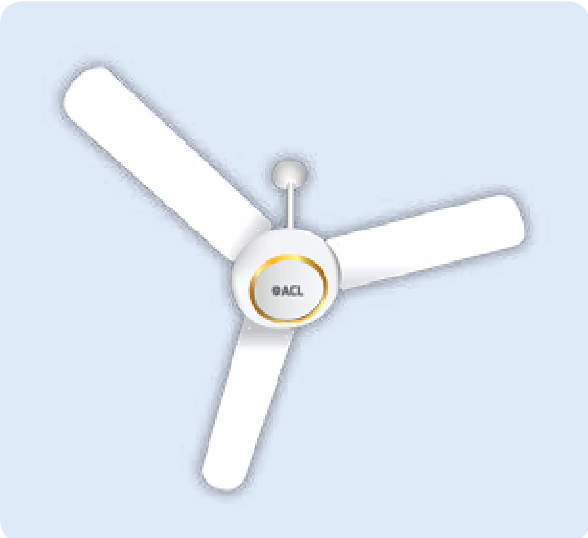

Bell For MCB


13A Twin Socket


Fan Speed Controller

CEILING FAN

ACL ceiling fans were introduced to local market with superior quality and 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. The blades that are designed with broader width, 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

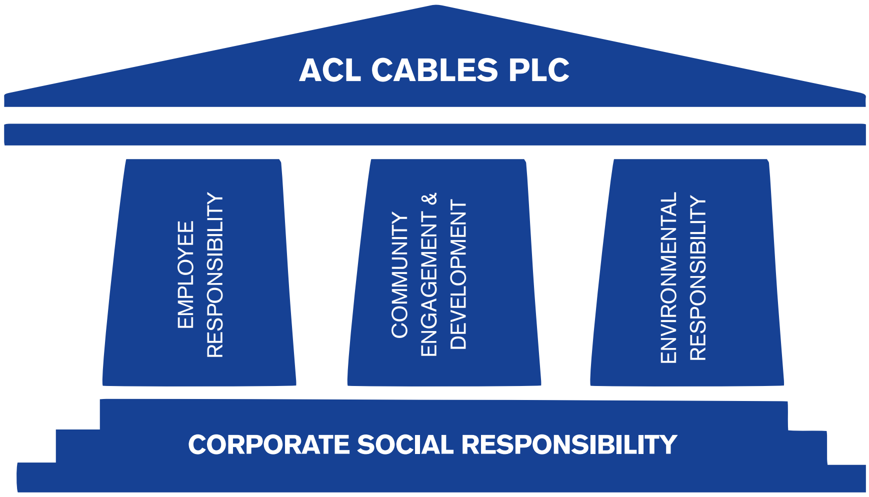
Metal Blade Fan

Aluminium Blade Fan

CORPORATE SOCIAL RESPONSIBILITY AT ACL CABLES

ACL Cables PLC has managed to take measures in creating an adequate platform for corporate social responsibility within its company. This has been put into practice by integrating people, social and environmental concerns attached to the business. CSR initiative is put into practice under three main categories.

The three pillar CSR model at ACL is as follows:



Environmental Responsibility

The most significant activity in environmental responsibility is the disposal of scrap stocks at our factories. The plastic scrap, which is not used for manufacturing of cables, is handed over for proper recycling under national standards. The same principle is applied to every industrial by-product and we make sure that we do not contaminate our environment with our industrial produce.

Further, we are the largest shareholder of a major hydro power company in Sri Lanka named Resus Energy PLC, contributing ourselves to become a 'Green Company' and the only one of this kind by a company operating in our industry.

Employee Responsibility

Employee responsibility is treated under the following criteria.

- A Safe and Healthy Work Environment: Considering the work tasks our employees undergo especially at our factories, we insure over 500 employees through a comprehensive corporate medical insurance scheme for all of them.

- As part of an informal gathering session, the welfare society of ACL head office conducted a special "Paduru Party" at the premises of head office.

- Reward employee retention: We encourage employee retention at our work place to ensure our trained staff is kept with us. As an honour and in recognition for such long standing employees, we reward employees who served ACL for over 25 years with a one pound gold coin presented by our Chairman and Managing Director.

CORPORATE SOCIAL RESPONSIBILITY AT ACL CABLES

ACL also has a special reward scheme for the children of our employees as well. This is in recognition for those who gained best results at their grade 5 scholarship, GCE Ordinary Level and GCE Advanced Level examinations. This special reward scheme is named “Nana thilina” and is conducted under full supervision and guidance of the human resource division at ACL.

Community engagement and development

The Electricians Loyalty Club at ACL facilitates the requirement of sharing up to date knowledge of the Company as well as the industry. A series of educational seminars for electricians and vocational training students at their respective centers were conducted for the purpose of improving their knowledge.

Furthermore, the loyalty club provides a personal accident insurance cover for all registered electricians. Considering the level of risk involved in their jobs, this insurance is provided to protect and as a scheme to secure their lives. This provides a life insurance cover of Rs. 1.2 million along with many more benefits for the goodwill of electricians.

"Then in 1963, I joined Associated Cables in Kalutara, a subsidiary of AMW, where I still work as its Public Relations Consultant. Late on, Upali Madanayake, who was then Managing Director of Associated Cables, took over the company and re-launched the brand as "ACL Cables". Though I was given the choice to choose either on of the companies, I decided to stick with the Madanayake family's ACL".

(Source: I am percy cricket crazy)

AWARDS & CERTIFICATIONS

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 in 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 - Gold**

7. **Master Brand Status 2017**

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

9. **Silver Award in the large Scale of the Manufacturing Sector - SD Excellence Award**

10. **Bronze Award in Manufacturing Large Metal Industry Category at National Cleaner Production Awards 2019**

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 [AA-]	Upgraded to [SL] AA- (Stable) from [SL] A+ (Stable)

GROUP STRUCTURE

Description / Company	ACL Cables PLC	Kelani Cables PLC	ACL Plastics PLC	Ceylon Bulbs & Electricals Ltd	Lanka Olex Cables (Pvt) Ltd	ACL Kelani Magnet Wire (Pvt) Ltd
Registration Number	PQ 102	PQ 117	PQ 87	PB 1283	PV 20493	PV 11996
Date of Incorporation	10.03.1962	18.12.1972	17.07.1991	16.10.1957	22.02.1993	29.06.2000
Corporate Status	Public Limited Company	Public Limited Company	Public Limited Company	Limited Company	Private Limited Company	Private Limited Company
ACL Cables PLC's Effective Shareholding in the Company	Parent Company	79.30%	65.20%	95.30%	100%	93.79%
Directors	U. G. Madanayake - Chairman	U. G. Madanayake - Chairman	U. G. Madanayake - Chairman	U. G. Madanayake - Director	U. G. Madanayake - Chairman	U. G. Madanayake - Director
	Suren Madanayake - Managing Director	Suren Madanayake - Deputy Chairman	Suren Madanayake - Managing Director	Suren Madanayake - Director	Suren Madanayake - Managing Director	Suren Madanayake - 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	Mrs. Maya Weerapura - Director
	Ajit Jayaratne - Director	Dr. Bandula Perera - Director	R. M. M. J. Ratnayake - Director			
	Hemaka Amarasuriya - Director	Mr. Deepal Sooriyaarachchi - 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	Dormant
Auditors	PricewaterhouseCoopers, Chartered Accountants	KPMG Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	A. I. Macan Marker & Co. Chartered Accountants	PricewaterhouseCoopers, 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	Corporate Affairs (Pvt) Ltd
Total Number of Employees as at 31st March 2022	701	528	48	None	None	None

	ACL Polymers (Pvt) Ltd	ACL Metals & Alloys (Pvt) Ltd	Ceylon Copper (Pvt) Ltd	ACL Electric (Pvt) Ltd	Cable Solutions (Pvt) Ltd	RESUS Energy PLC
	PV 3371	PV 3811	PV 79466	PV 89241	PV 63036	PV 415 PB PQ
	06.09.2005	05.09.2005	17.06.2011	08.11.2012	25.02.2008	11.06.2003
	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Public Limited Company
	65.20%	100%	100%	100%	51%	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
					Daya Wahalatantiri - Director	Ms D. C. Abeywardena - Director
					Chehan Prsanna Richard Perera - Director	U. G. Madanayake - Director
					Rune Nils Allan Flinth - Chairman	Professor M. K. Ranasinghe - Director
					Pawan Nand Tejwani - Director	U. P. Egalahewa PC - Director
					Mahesh Amarasiri - Alternative Director	Mahesh Amarasiri - Alternative Director
	Dormant	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	Manufacturing of electrical cables and accessories	Power & energy Generation
	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	BDO Partners	Ernst & Young, Chartered Accountants
	Management Applications (Pvt) Ltd	Management Applications (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Anton Fernando Associates	Nexia Corporate Consultants (Pvt) Ltd
	None	28	23	97	310	91

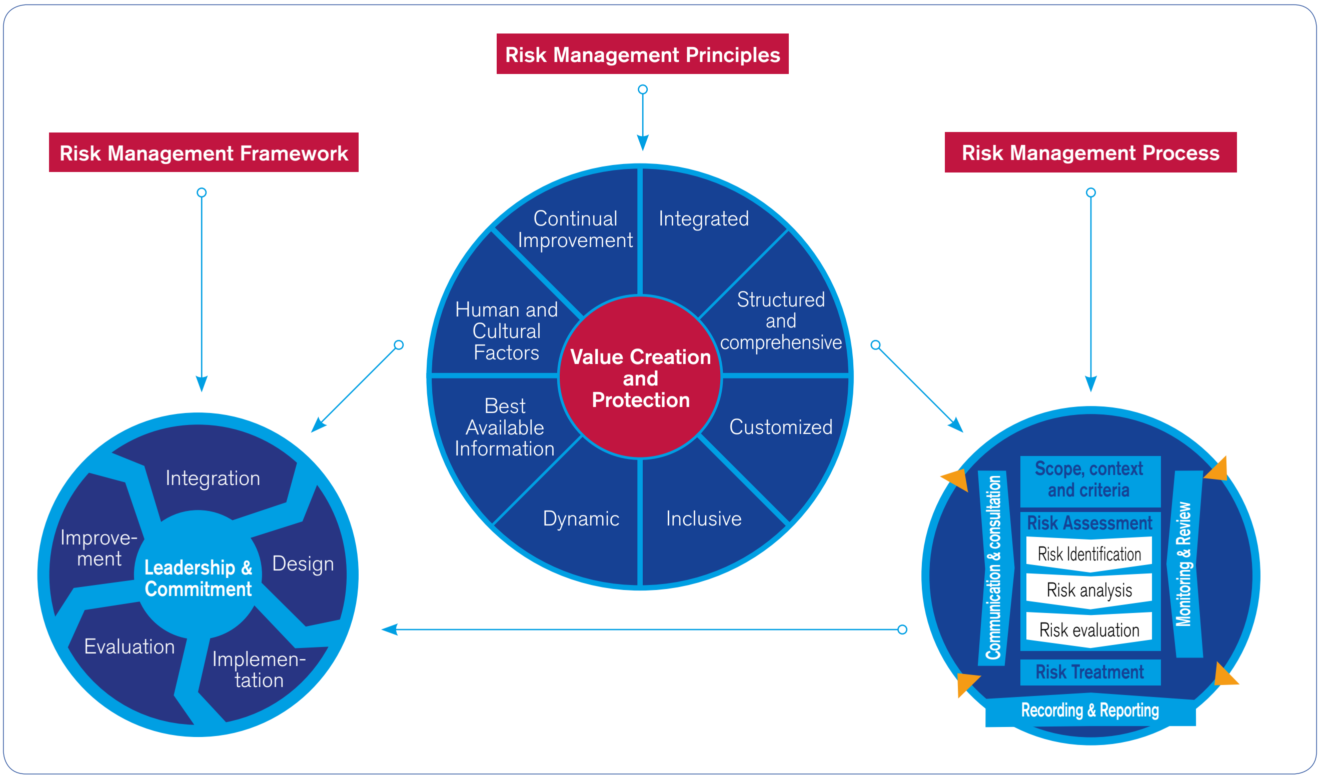
RISK MANAGEMENT

ACL Cables PLC has given due consideration to its risk identification, assessment and mitigating procedures in order to maintain sustainable growth while achieving corporate objectives. An effective risk management framework helps the Company in its attempts to achieve the optimum trade-off between risks and return. The Company is exposed to the broad array of risks which are based on the current external and internal factors.

As the market leader in the Sri Lankan cable industry, our success is our ability to identify and exploit the opportunities that exist in the market that we operate in. In doing this, we proceed with an embedded approach to risk management which puts risk and opportunity assessment in the decision-making process at each level.

Considering rapid changes in the market that we are operating in, the Company is keen on executing an Enterprise Risk Management that is in line with ISO 31000. This model delivers a structured governance system and provides a proper mechanism to identify risks promptly.

Principles, framework and risk management process from ISO 31000



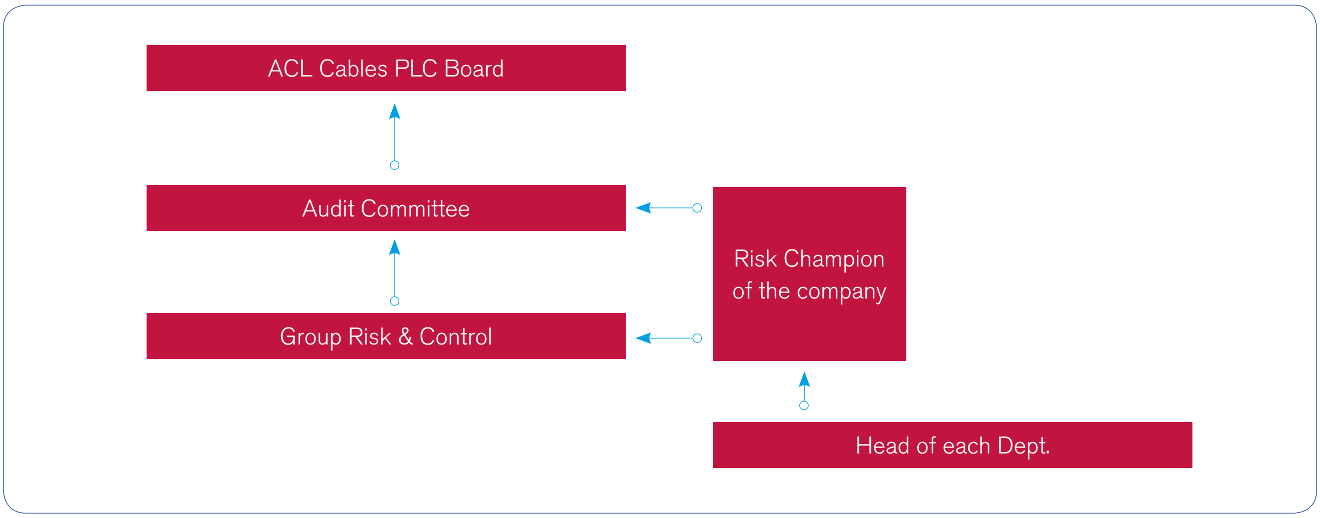
ISO 31000 states that the guidelines should be used by people who create and protect value in organisations by managing risks, making decisions, setting and achieving objectives and improving performance.

The ISO 31000 guidelines provide a statement of risk management principles. The eight principles are described below:

1. Customized framework and processes
2. Appropriate and timely involvement of stakeholders
3. Structured and comprehensive approach
4. Risk management is an integral part of all organisational activities
5. Risk management anticipates, detects, acknowledges and responds to changes
6. Risk management explicitly considers any limitations of available information.
7. Human and cultural factors influence all aspects of risk management.
8. Risk management is continually improved through learning and experience.

The first five principles provide guidance on how a risk management initiative should be designed, and principles six, seven and eight relate to the operation of the risk management initiative.

Risk Management Reporting structure of the ACL Cables PLC



Risk Evaluation and Mapping

Risk heat map is developed based on the assessment of the likelihood of occurrence and the potential impact of risks. Likelihood of occurrence is assessed on the basis of past experience and preventive actions in place. A ranking of Rare, Unlikely, Moderate, Likely and Almost Certain is assigned to all risks based on the likelihood of occurrence. The impact of the event is evaluated by determining the loss it would cause and the extent of the impact. After considering the above two factors, the impact is categorised as Insignificant, Minor, Moderate, Major and Extraordinary. Above risks and the proposed action plans are then reviewed at the Audit Committee meeting as a permanent agenda item in each meeting.

The Risk Matrix

Impact					
Extraordinary	M	S	S	H	H
Major	L	M	S	S	H
Moderate	L	M	M	S	S
Minor	L	L	M	M	M
Insignificant	L	L	L	L	L
	Rare	Unlikely	Moderate	Likely	Almost Certain

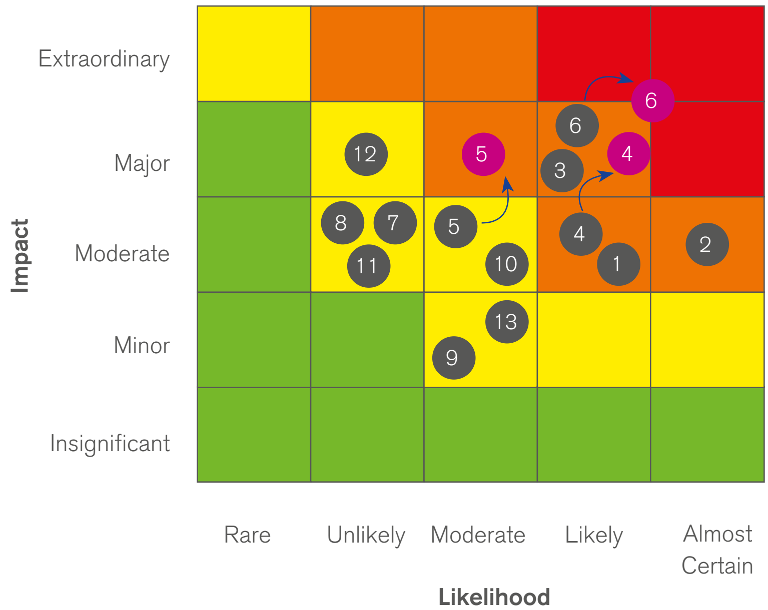
Likelihood

E - Extreme   H - High   S - Significant   M - Moderate   L - Low

RISK MANAGEMENT

Future outlook

ACL Cables PLC is effectively managing its risks and identifying emerging risks that could pose an impact to its business in the future. The Risk Heat Map below shows the key risk drivers that could affect the Company in FY2022/23 (over a one-year horizon) along the dimensions of probability and impact. The risk drivers are not to be seen in isolation as they may trigger or reinforce each other.



1. Liquidity Risk
2. Interest Rate Risk
3. Exchange Rate Risk
4. Credit Risk
5. Operational Risk
6. Country Risk
7. Human Resource Risk
8. Technological Risk
9. Health & Safety Risk
10. Market Risk
11. Information System Risk
12. Environmental Risk
13. Legal and Regulatory Compliance Risk

SNAPSHOT OF KEY RISKS AND MITIGATION STRATEGIES

Risk Exposure	Description	Risk Rating	Risk Mitigation actions
1.Liquidity Risk	Adverse impact on the liquidity position as a result of payment delays by debtors, long stock residence period and early payment for creditors.	High	▪ Obtain short-term funding facilities adequately to manage liquidity position through several financial institutions ▪ Conduct regular follow-ups on trade debts and continuous reviews on working capital management position of the business ▪ Maintaining sufficient assets to offer as collateral for future funding requirements ▪ Convert significant product components and customers to cash sales ▪ Significant reductions have been made in the credit period for customers who were approved for credit sales ▪ Establishment of a separate recovery team to expedite collection procedures of existing outstanding balances
2. Interest Rate Risk	Increases in market interest rates have an impact on the profitability by way of borrowing cost	High	▪ Actions have been taken to fix interest rates of all long-term borrowings ▪ Priority has been given to obtain short-term borrowings with floating interest rates for import requirements ▪ Managing gearing position of the business to minimise finance risks attached ▪ Constant negotiations with banks to obtain the best possible interest rate for groups' borrowings and investments. ▪ Interest rate sensitivity analysis is done regularly to measure the potential impacts of rate variations
3. Exchange Rate Risk	Potential losses as a result of adverse movement in the exchange rates and inadequate dollar reserves for company imports	High	▪ Strengthening company exports to enhance dollar earnings ▪ Managing existing dollar reserves effectively
4. Credit Risk	Potential losses arising due to customer defaults	High	▪ Ensuring compliance with group credit policy guidelines ▪ Managing credit risk of the business through the Credit Committee activities ▪ Mitigating risk of export sales through credit letters and advance TT remittances. ▪ Conversion of major products and customers for cash sales ▪ Proceeding credit sales only up to the bank guarantee provided by the direct dealers and distributors ▪ Significant reduction in credit period for customers who are entitle for credit sales ▪ Strengthen collection procedures through a dedicated credit management department which consists of collection officers ▪ Constant monitoring of credit exposure of the business through the audit committee

RISK MANAGEMENT

Risk Exposure	Description	Risk Rating	Risk Mitigation actions
5. Operational Risk	Potential losses due to inadequate internal controls, failures of internal processes, people and systems as a result of natural and human activities	Moderate	▪ Conduct Enterprise Risk Management and Internal Audit procedures across the group ▪ Conduct continuous control reviews on high-risk areas to assess the strength of the existing internal control system ▪ Continuous monitoring on regulatory compliance and other internal requirement through compliance dashboards ▪ Conducting system control reviews as per the annual internal audit plan ▪ Establish BCP (Business Continuity Planning) to ensure the smooth continuation of business operations while eliminating operational constraints due to prevailing economic crises.
6. Country Risk	Negative impact arising due to adverse economic factors such as Political, Economical, Social, Technological, Legal & Environmental	High	▪ Through analysis on PESTEL factors and continuous revisions in business planning to grab opportunities and minimise the impact of threats prevailing due to market conditions. ▪ Constant reviews of economic factors to minimise the impact of negative economic factors ▪ Mitigating impact through on effective insurance management.
7. Human Resources Risk	The negative impact on the business due to the loss of Key Executives and the inability to attract, develop and retain a skilled workforce.	Moderate	▪ Maintain an employee evaluation scheme to reward them. ▪ Maintain healthy and cordial relationships with employees at all levels through Joint Consultative Committees (JCC). ▪ Provide various employee benefits through the Welfare Society. ▪ Provide specific and general training wherever necessary.
8. Technological Risk	Probability of technological changes adversely affecting the Company's performance	Moderate	▪ Develop a long-term plan to replace existing critical machines with technologically advanced machines. ▪ Enhance production capacity with newly purchased machinery ▪ Obtain ISO certifications and accreditations from relevant authorities while ensuring the ability to meet local and international requirements with required technological enhancements
9. Health and safety Risk	The likelihood that an individual may be harmed or suffers adverse health effects if exposed to a hazard	Moderate	▪ Conducting health and safety assessments to evaluate the adequacy of existing safety measures maintained by the company ▪ Ensuring the effectiveness of health and safety measures through ISO and other certifications ▪ Ensuring compliance over Health guidelines issued by the Government

Risk Exposure	Description	Risk Rating	Risk Mitigation actions
10. Market Risk	Loss of market share or market leadership due to new entries and existing rivalry	Moderate	▪ Maintaining product leadership through continuous improvements in products quality ▪ Strengthening 'ACL' brand through various brand development activities ▪ Analysing market data for effective decisions with regard to the company products ▪ Close monitoring of competitor behaviour and timely decision marking to respond to market changes
11. Information Systems	Delays in decision-making due to inaccurate or non-availability of timely information from key computer systems	Moderate	▪ Enhancing system performance through continuous version upgrading ▪ Maintaining data backups to minimise data losses in case of an emergency ▪ Enhancing system security levels on a regular basis to minimise cyber security risk ▪ Maintaining vendor agreements for support services and system maintenance ▪ Maintain effectively and sound IT general control (ITGC) system across the company ▪ Revising IT policies and procedures with the aim of creating value for the business
12. Environmental Risk	Probability of negative outcomes, non-compliances and reputational risk occurring as a result of business operations causing damage to the environment	Moderate	▪ Compliance with ISO 14001 environmental management guidelines. ▪ Annual renewal of environmental protection license for each site which was issued by the Environmental Authority
13. Legal and Regulatory Compliance Risk	The potential negative impact on the business due to non-compliances with external regulatory requirements and internal policies & procedures	Moderate	▪ Maintaining compliance & legal Dash Board to ensure timely compliance over regulatory requirements ▪ Conduct compliance assessment across the group on a quarterly basis

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 optimising the value for all stakeholders.

Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a healthy Board culture which safeguards policies and processes. Further, an important element of Corporate Governance is to ensure the accountability of certain individuals in an organisation through mechanisms that try to reduce or eliminate the dilemma of principal-agent.

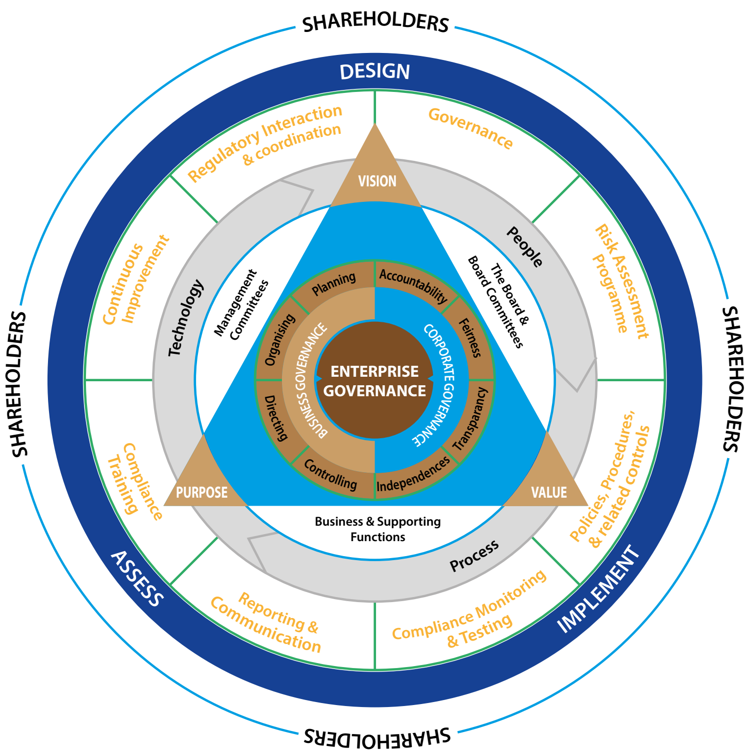
The Corporate Governance Report, together with the Audit Committee Report and the Directors' Remuneration Report, provides a description of the manner and extent to which ACL Cables PLC complies with the code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of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

Regulatory Benchmarks

Standard / Principle / Code	Adherence
The Companies Act No.7 of 2007 and regulations	Mandatory Provision - Fully Compliant
Listing Rules of the Colombo Stock Exchange (CSE)	
Security and Exchange Commission of Sri Lanka (SEC) Act No.19 of 2021 including directives and circulars	
Code of Best Practices on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka	
Code of Best Practice on Corporate Governance (2017) jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Voluntary provisions - Compliant except few provisions

ACL Enterprise Governance Framework

Enterprise governance as "the set of responsibilities and practices exercised by the Board and Executive Management with the goal of providing strategic direction, ensuring that objectives are achieved, ascertaining those risks are managed appropriately and verifying that the organisation's resources are used responsibly"



The Chairman's Role

The Chairman is responsible for preserving good Boardroom governance and encouraging positive contributions from both Executive and Non-Executive Directors for the effective discharge of the Board's responsibilities. The Chairman considers the view of all Directors on any matter put before the Board and ensures that the Board is in complete control of the affairs of the company.

The Chairman leads the Board, developing the Board forward agenda and preparing in detail for meetings to maximize the efficiency of Board output. His aim is that Board meetings should allow full and free discussion, taking account of the interest of the group's various stakeholders whilst promoting high standard corporate governance

The Chairman also encourage the expression of the broadest range of views, including those which may challenge the management. He seeks to foster an open and trusting relationship between Executive and Non-Executive Board members.

The main responsibilities of the Chairman are;

- Facilitate the effective contribution of Non-Executive Directors and the engagement between Executive and Non-Executive Directors.
- Ensure the regular flow of accurate and relevant management information to enable the Board to make sound decisions and monitor business performance.
- Ensure that an annual evaluation of the Board is conducted.
- Ensure that committee chairman conduct evaluations of their committees.
- Ensure effective communication with share holders so that the Board develops a clear understanding of their views.
- Ensure the effective functioning of all Board sub-committees. .

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 reviews 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 24 to 27 of this report. The Board recognises the need for a clear division of responsibilities in running the Company 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 and the code of best practices in corporate governance issues by the Institute of Chartered Accountants of Sri Lanka (ICASL). 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.

The periods of service of Mr. Ajith Jayarathna, Mr. Hemaka Amarasuriya and Mr. Rajive Casie Chitty as Board Members exceeded nine years. The Board is of the view that the periods of service of the aforesaid Independent Directors do not compromise their independence and objectivity in discharging their functions as Directors and, therefore, has determined that Mr. Ajith Jayarathna , Mr. Hemaka Amarasuriya and Mr. Rajive Casie Chitty are 'Independent' as per the Listing Rules.

Criteria for identify the independent of the Independence Non-Executive Directors

Criteria for defining independence	Status of conformity of INEDs
Shareholding carrying not less than 10 percent of voting rights.	None of the individual INEDs' shareholdings exceed 1 per cent.
Income/non-cash benefit equivalent to 20 percent of the Director's annual income.	INEDs' income/cash benefits are less than 20 per cent of an individual Director's annual income.
Employment at ACL and/or material business relationship with ACL.	None of the INEDs are employed or have been employed at ACL.
Close family member is a Director, CEO or a Key Management Personnel.	No family member of the INEDs is a Director or CEO of a related party company.
Served on the Board continuously for a period exceeding nine years from the date of the first appointment.	None of the INEDs are exceeding nine years except directors aforesaid under the board balance note.
Director of another company.	None of the INEDs are Directors of another related party company.

CORPORATE GOVERNANCE

Finance Acumen

The Board constitutes members specialised in a multitude disciplines and experience in Corporate Finance, Accounting, Management, Marketing, Economics, Law, Human Resource, Corporate Governance and Risk Management. Hence, they are able to provide constructive debate, scrutinise performance and help develop Board strategy with a global perspective and outlook.

Directors' Attendance Record

The attendance of Directors at relevant meetings of the Board and of the Audit and Remuneration Committees held during 2021/2022 was as follows.

Name of Director	Board (10 Meetings)	Audit Committee (4 meetings)	Remuneration Committee (2 meetings)	Related party Transactions Review Committee (4 meetings)
Executive Directors				
Mr. U. G. Madanayake – Chairman	10			
Mr. Suren Madanayake – Managing Director	10			
Mr. Daya Wahalatantiri – Executive Director	10			
Non-Executive Directors				
Mrs. N. C. Madanayake	09			
Independent Non-Executive Directors				
Mr. Ajit Jayaratne	09	04	02	04
Mr. Rajiv Casie Chitty	09	04	02	04
Mr. Hemaka Amarasuriya	10			
Dr. Sivakumar Selliah	10			

Dedication of Adequate Time and Effort

Every Director dedicates adequate time and effort to matters 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 Director's 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, Mr. Hemaka Amarasuriya and Mr. Rajiv Casie Chitty retire by rotation and are required to stand for re-election by shareholders at the Annual General Meeting.

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 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 Statutory 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 63 to 65 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 66 and 71 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 63 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 optimise 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 by the Group and for deciding how these are to be managed, as a next step of improving existing internal control system, Board granted its' approval to establish in house Risk and control department to conduct control reviews, internal audits and risk management activities across the group in an effective manner. Members of the Audit Committee are expected to report to the Board as necessary the 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 the 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,
- Minimises the cost and consumption of increasingly scarce resources,
- Prevents pollution and wastage,
- Maintains proper relationship 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 and where practicable, reduce and mitigate effects of the risk of failure to achieve business objectives. They are not designed to eliminate such risk, recognising 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 the shareholders. The Remuneration Committee comprises of the following two Independent Non-Executive Directors.

- Mr. Ajit Jayaratne – Chairman of the Committee (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the Committee (Independent Non-Executive Director)

Further details of the Remuneration Committee are given in their report on page 68.

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 (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the Committee (Independent Non-Executive Director)

Further details of the Audit Committee are given in their report on page 67.

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 (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the Committee (Independent Non-Executive Director)

Further details of the Related Party Transactions Review Committee are given in their report on page 69 & 70.

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 – Independence	The Board has determined that four (04) Non-Executive Directors satisfy the criteria for "Independence" set in the Listing Rules	✓	Directors' Profile
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.	✓	Directors' Profile
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.	✓	Not Applicable
7.10.4 (a-h)	Criteria for Defining "Independence"	Criteria for identify the Independent of INED in the Annual Report.	✓	Corporate Governance
7.10.5	Remuneration Committee (RC)	A listed company shall have a RC.	✓	Remuneration Committee Report
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.	✓	Remuneration Committee Report
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of executive directors and CEO.	✓	Remuneration Committee Report
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 Executive Directors (EDs) and NEDs.	✓	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Audit Committee Report

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
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
9	Related Party Transactions Review Committee (RPTRC)	The Company shall have a RPTRC.	✓	Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
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

Statement of Compliance to the Companies Act No. 7 of 2007

Sections	Compliance	Reference
168 (1) (a) The nature of the business of the Company or subsidiaries or classes of business in which it has an interest together with any change thereto	✓	Group Structures
168 (1) (b) Signed financial statements of the Group and the Company	✓	Audited Financial Statement
168 (1) (c) Auditors' Report on financial statements	✓	Independent Auditors' Report
168 (1) (d) Accounting policies and any changes thereto	✓	Notes to the Financial Statements
168 (1) (e) Particulars of the entries made in the Interests Register	✓	Report of Directors
168 (1) (f) Remuneration and other benefits paid to Directors of the Company	✓	Notes to the Financial Statements
168 (1) (g) Corporate donations made by the Company	✓	Notes to the Financial Statements
168 (1) (h) Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	✓	Group Structures
168 (1) (i) Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	✓	Notes to the Financial Statements
168 (1) (j) Auditors' relationship or any interest with the Company and its Subsidiaries	✓	Independent Auditors Reports
168 (1) (k) Acknowledgement of the contents of this Report and signatures on behalf of the Board	✓	Financial Statements / Annual Report of the Board of Directors
168 (2) Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	✓	Financial Statements / Annual Report of the Board of Directors

FINANCIAL STATEMENTS

Financial Information

FINANCIAL CALENDAR 2021/22

01st Quarter Interim Financial Statements	-	13th August 2021
(30th June 2021)	-	(Unaudited)
02nd Quarter Interim Financial Statements	-	25th October 2021
(30th September 2021)	-	(Unaudited)
03rd Quarter Interim Financial Statements	-	8th February 2022
(31st December 2021)	-	(Unaudited)
04th Quarter Interim Financial Statements	-	30 May 2022
(31st March 2022)	-	(Unaudited)
Annual Report 2021/22	-	31st August 2022
60th Annual General Meeting	-	28th September 2022
First Interim Dividends Paid (Rs. 1 per Share)	-	23 August 2021

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their 60th Annual Report together with the Audited Statements of Financial Position, Income Statements and Consolidated Financial Statements of the Group for the year ended 31 March 2022.

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 46 to 47.

Future Developments

An overview of the future developments of the Company is given in Managing Director's Review on page 21.

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 71 in this Report.

Financial Statements

The Financial Statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on pages 76 to 145 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 66.

Directors

Directors of the Company are listed on pages 24 to 27 and their respective shareholdings are given below.

	Number of Shares as at 31.03.2022	% Holding as at 31.03.2022	Number of Shares as at 31.03.2021	% Holding as at 31.03.2021
U. G. Madanayake - Chairman	91,388,864	38.15	91,388,864	38.15
Suren Madanayake - Managing Director	53,209,584	22.21	53,209,584	22.21
Mrs. N. C. Madanayake	4,128,400	1.72	4,128,400	1.72
Dr. Sivakumar Selliah	1.400,000	0.58	1,400,000	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 the financial statements in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). The significant accounting policies adopted in the preparation of the financial statements of the Company and the Group are given in pages 82 to 98.

The accounting policies adopted by the Group are consistent with those adopted in the 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 2022 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.

REPORT OF THE DIRECTORS

Directors' Retirement by Rotation

The Directors retiring by rotation in terms of Article 85 will be Mr. Hemaka Amasuriya and Mr. Rajiv casie chitty , who being eligible are recommended for re-election.

Directors' Remuneration

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

Directors Meetings

The details of Directors' meetings are set out on page 56 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 per share was paid on 23 August 2021 to the holders of the Ordinary Shares for the financial year 2021/2022.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to LKR 149 million and LKR 512 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 1.2 million 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 147 of the Annual Report.

Shareholdings

As at 31 March 2022 there were 6,805 shareholders. The distribution is indicated on page 147 of the Annual Report. The twenty largest shareholders of the Company as at 31 March 2022, together with an analysis are given on page 148 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 issues by the Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the Company and the Group with effect from 1st January 2016.

Related Party Transactions Review Committee report is set out on pages 69 to 70 in the Financial Statements.

Recurrent related party transactions,

There were no recurrent related party transactions which in aggregate value exceeds 10% of consolidated revenue.

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 2022 Audited Financial Statements, which required additional disclosures in the 2021/22 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 40 to 45 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 3.5 million respectively. Audit fees payable to other auditors of other subsidiaries by the Group amounted to LKR 1.1 million.

Notice of Meeting

The 60th Annual General Meeting of the Company is convened on 28 September 2022, at 9.30 am, in the way of virtual meeting. The Notice of the 60th Annual General Meeting is on page 153 of the Annual Report.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30th August 2022

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 of 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 2022, 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 Statements of Financial Position as at 31st March 2022 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2022 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 30th August 2022.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries
30th August 2022

AUDIT COMMITTEE REPORT

Role of the Audit Committee

The Audit Committee is a Sub Committee of the Board, to which it is accountable. The function of the Audit Committee is defined in the Terms of Reference (TOR) of the Audit Committee. Primarily it is to assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess the adequacy of the risk management framework of the Company, assess the independence and the performance of the Company's external audit function and internal audit functions, and review compliance of the Company with legal and regulatory requirements. 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 necessary.

Composition of the Audit Committee

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.

- Mr. Ajit Jayaratne – Chairman of the committee (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the audit committee (Independent Non-Executive Director)

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.

Meetings and Attendance

The Committee met on three occasions in 2021/2022 due to Covid-19 impact 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, Group Chief Financial Officer and Group Head of Risk & Control are invited to attend meetings as permanent invitees.

Financial Reporting

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2021/2022 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 Chief Financial Officer and Group Head of Risk & Control, 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 Chartered Accountants 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 2021/2022 can be found in Note 6 to the financial statements.

The Committee is independent from External Auditors and Internal Auditors of the Company and the Group.

Internal Control System

In 2021/2022 the Committee reviewed the effectiveness and efficiency of the Risk & Control team in term of internal audit, Risk management and other governance-related areas to assess the strength of the existing internal control and Risk management systems.

Whistleblowing

The company's whistleblowing policy was continued effectively while educating staff and encouraged them to resort to whistleblowing if they had reasonable grounds to believe that there were wrong doings or other improprieties. All appropriate procedures are in place to conduct independent investigations into incidents reported through this process or if identified through other means. Even anonymous complaints are investigated.

In addition, measures have been put in place to protect whistleblowers who act in good faith in the interest of the Company. The Company undertakes to maintain the utmost confidentiality of staff who raise concerns or make serious specific allegations of malpractices or unethical behavior. In this way, the Company aims to promote a healthy workplace that practices good governance from the lowest to the highest tiers.

On behalf of the Committee

(Sgd.)

Ajit Jayaratne
Chairman of the Audit Committee
30th August 2022

REMUNERATION COMMITTEE REPORT

Role of the Remuneration Committee

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

The Remuneration Committee determines the Company's Remuneration Policy of Executive Directors, considering company performance standards and industry practices. No Executive Director is involved in deciding his own remuneration package.

Composition of the Remuneration Committee

The Remuneration Committee comprises of the following Non-Executive Directors;

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

Members of the Committee and the chairman of the Committee are appointed through a Board resolution.

Meetings and Attendance

The Committee met on two occasions in the 2021/2022 financial year while complying with the SEC and CA Sri Lanka Corporate Governance Guidelines. Members attendance at these meeting is set out in Corporate Governance Report. The Committee plan to meet at least bi-annually to review and give required recommendations to the board on matters pertaining to remuneration of Directors and Key Executives of the company.

Functions of the Remuneration Committee

Functions performed by the committee for the last financial year includes;

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

Members' attendance at meetings of the Remuneration Committee in 2021/2022 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 to the benefit of shareholders. To achieve this, a competitive package of incentives and rewards linked to performance is provided. The committee in arriving at its decision considered the performance of the individual, comparisons with peer companies and group of companies and reports from specialise consultants.

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 compatible with those for executives throughout the Group.

CONCLUSION

The Committee is satisfied that it has performed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved for the year under review

On behalf of the Committee

(Sgd.)
Ajit Jayaratne
Chairman of the Remuneration Committee
30th August 2022

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Objective

The Related Party Transactions Review Committee (RPTRC) 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 above 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.

Composition of the Related Party Review Committee

The Company established the Related Party Transactions Review Committee on 29th February 2016 as a subcommittee of the ACL Cables PLC Board. RPTRC comprises the following members;

- Mr. Ajit Jayaratne – Chairman of the committee (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty - Member (Independent Non-Executive Director)

Scope of the Committee

- The Committee reviews in advance all proposed related party transactions 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 changes 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.
- Members 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 the substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain the 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 disclosures 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 2021/2022 to review information related to four quarters. The Finance Division submitted a comprehensive report on related party transactions to the Committee.

Attendance of the members of the Committee for the said meetings is provided on page 45.

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
30th August 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ACL Cables PLC

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 2022, 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 2022;
- 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 Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("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.

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Partners **D T S H Mudalige FCA, C S Manoharan FCA, Ms S Hadgie FCA, Ms S Perera ACA, N R Gunasekera FCA**
T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda FCA, Ms W D A S U Perera ACA, Ms L A C Tillekeratne ACA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ACL Cables PLC

Group and Company:

Key audit matter	How our audit addressed the Key audit matter
Valuation of investment property (Refer Notes 2.13 and 14 in the consolidated financial statements for disclosures of related accounting policy and balances) The Group's investment properties comprise land and buildings of the Company located in Piliyandala, Kahatuduwa and Kalutara, and land of the subsidiary company located at Ekala, carried at fair values of Rs. 539 million and Rs. 690 million respectively, as at 31 March 2022. The fair values of investment property are determined in accordance with the Group's valuation policy. This policy requires all investment properties to be valued by an independent valuation expert at least, annually. The Group and Company recorded gains on revaluation of Rs. 86 million and Rs. 45 million respectively on the changes in fair values of the investment properties for the year. The Group engaged an external valuer to determine the fair values of its investment properties as at 31 March 2022. The valuation of investment properties is an area requiring significant judgment using a number of assumptions, in the valuation methodology 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. We focused on this matter because of the: ▪ Investment property balances in the statements of financial position are significant; ▪ Quantum of fair value gains reported in the consolidated and separate financial statements are material ; and ▪ Inherently subjective nature of investment property valuation due to the use of estimates and judgments in the valuation methodology.	Our audit approach mainly included substantive audit procedures as follows: ▪ assessed the experience, qualifications and independence of the external valuer; ▪ checked the completeness and accuracy of the information provided to the valuer by management; ▪ assessed the reasonableness of the investment property values determined by the valuer by comparing them to publicly available information on the property market considering factors such as location, access to main roads, size of the land extent and physical state of the buildings; ▪ evaluated the appropriateness of the valuation methodology adopted with methods used in general practice in the industry and assessed the reasonableness of the key assumptions used by the valuer; ▪ checked the final valuation reports and agreed the fair values recorded including the fair value gain recognized in the Company's accounting records and separate/ consolidated financial statements; and ▪ checked the adequacy and appropriateness of management's disclosures on investment property valuation in the financial statements. Based on our work performed, we found that the significant judgements and assumptions used to determine the fair values of investment property as at 31 March 2022, to be appropriate.

Group and Company:

Key audit matter	How our audit addressed the Key audit matter
Assessment of net realisable value of slow-moving inventory (Refer Notes 2.17 and 20 in the consolidated financial statements for disclosures of related accounting policy and balance) The Group and Company held inventory balances of Rs. 9.3 billion and Rs. 4.1 billion respectively at net realisable value after considering the write down required for slow moving and obsolete inventory as at 31 March 2022. As per the Group's accounting policy, inventories are held at the lower of cost and net realisable value. Management determines the write down required for slow- moving and obsolete inventory by identifying such inventory items from examining inventory records for residence period (non-moving) and by physical inspection at periodic intervals. The future realisability of slow-moving and obsolete inventory is estimated with reference to inventory aging, physical condition and expected market values of such inventory. This area was significant to our audit because of the related subjectivity of the process for identification of slow moving and obsolete inventory and the determination of net realisable value which is based on management's judgement.	Our audit approach included a combination of testing controls related to the inventory process and substantive audit procedures as follows: ▪ obtained an understanding of the management's process in place to identify slow moving and obsolete inventory; ▪ for a sample of selected slow moving finished goods inventory items, determined the net realisable values by reference to recent selling prices compared with net realisable value as determined by the management; ▪ tested controls over determining inventory unit cost in the inventory management system; ▪ assessed the reasonableness of management's determination of the recoverable value of slow moving and obsolete inventory; ▪ physically inspected a sample of the slow-moving inventory items in order to check whether there are any damaged or obsolete items; and ▪ checked the mathematical accuracy of management's write down of inventory to its net realisable value. Based on our work performed, we found management's process for identifying slow-moving and obsolete inventory and determining the net realisable value of such inventory to be appropriate.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report - 2021/22 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 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 scepticism 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

30th August 2022

STATEMENT OF PROFIT OR LOSS

(all amounts in Sri Lanka Rupees thousands)

		Group 31 March		Company 31 March	
	Note	2022	2021	2022	2021
Revenue from contracts with customers	4	35,328,737	22,619,123	19,531,823	13,152,351
Cost of sales	6	(27,396,593)	(18,778,957)	(16,592,371)	(11,571,715)
Gross profit		7,932,143	3,840,166	2,939,452	1,580,636
Other income	5	165,954	424,842	216,537	226,948
Distribution costs	6	(1,122,160)	(1,166,237)	(563,332)	(470,016)
Administrative costs	6	(932,126)	(634,623)	(254,843)	(174,270)
Net impairment losses on financial assets	21 (a)	(197,402)	(152,415)	(230,955)	(125,000)
Operating profit		5,846,409	2,311,733	2,106,859	1,038,298
Finance income		921,896	92,030	252,993	19,601
Finance costs		(684,947)	(569,504)	(414,792)	(298,492)
Finance income/(costs - net)	8	236,950	(477,474)	(161,800)	(278,891)
Share of net profit of associates accounted for using the equity method	18 (a)	153,903	107,426	-	-
Profit before income tax		6,237,262	1,941,685	1,945,058	759,407
Income tax expense	9	(1,123,282)	(187,963)	(356,663)	(156,527)
Profit for the year		5,113,980	1,753,722	1,588,396	602,880
Profit attributable to :					
- Owners of the company		4,305,018	1,551,156	1,588,396	602,880
- Non-controlling interests		808,962	202,565	-	-
		5,113,980	1,753,722	1,588,396	602,880
Earnings per share - basic	10	17.97	6.47	6.63	2.52
Dividend per share	11	1.00	0.75	1.00	0.75

The notes on pages 82 to 145 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	
		2022	2021	2022	2021
Profit for the year		5,113,980	1,753,722	1,588,396	602,880
Other comprehensive income;					
Subsequently will not be re-classified to profit and loss					
Change in value of financial assets at fair value through other comprehensive income	19 (a)	7,069	30,238	1,357	3,647
Re-measurement of defined benefit obligations	26 (c)	128,506	1,972	67,132	30,638
Tax impact on re-measurement of defined benefit obligations	27(b) ii	(23,602)	67	(12,084)	(5,515)
Share of other comprehensive income of equity accounted investee, net of tax	18 (a)	461	(495)	-	-
Currency Translation difference		(90,455)	-	-	-
Adjustment through equity		(1,541)	-	-	-
Gain on revaluation of land and building	12	-	842,255	-	300,231
Tax impact on gains on revaluation of land and buildings	27 (b)	-	(139,324)	-	(54,041)
Tax impact on effect of change in tax rates	27 (b)	-	66,955	-	169,926
Other comprehensive income for the year, net of tax		20,440	801,670	56,405	444,886
Total comprehensive income for the year, net of tax		5,134,420	2,555,391	1,644,802	1,047,766
Attributable to;					
- Owners of the company		4,323,469	2,275,335	1,644,802	1,047,766
- Non-controlling interests		810,950	280,055	-	-
Total comprehensive income for the year, net of tax		5,134,420	2,555,391	1,644,802	1,047,766

The notes on pages 82 to 145 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 2022	Group 31 March 2021	Company 31 March 2022	Company 31 March 2021
ASSETS					
Non-current assets					
Property, plant and equipment	12	5,483,037	5,449,766	2,026,750	2,109,476
Capital work in progress	13	396,319	244,669	212,600	117,077
Investment properties	14	1,229,400	1,145,050	539,400	494,550
Intangible assets	15	68,281	75,965	-	859
Right-of-use assets	16	28,754	36,556	-	11,170
Investment in subsidiaries	17	-	-	1,047,644	1,047,644
Investments accounted for using the equity method	18	555,749	401,385	345,093	345,093
Financial assets at fair value through other comprehensive income	19	546,954	469,885	13,685	12,328
		8,308,495	7,823,276	4,185,173	4,138,197
Current assets					
Inventories	20	9,346,739	7,901,819	4,111,209	4,051,750
Trade and other receivables	21	8,366,612	8,964,810	5,294,273	4,979,388
Cash and cash equivalents	22	7,597,962	2,530,387	2,221,646	593,180
		25,311,313	19,397,016	11,627,128	9,624,318
Total assets		33,619,808	27,220,292	15,812,301	13,762,515
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	31	299,488	299,488	299,488	299,488
Capital reserve	32	2,968,432	2,968,657	1,418,683	1,418,683
General reserve	33	1,123,825	1,123,825	680,266	680,266
Fair value reserve of financial assets at FVOCI	34	26,138	21,057	3,853	2,496
Foreign currency translation reserve		(72,198)	-	-	-
Retained earnings		13,071,145	8,919,908	5,558,172	4,154,302
Equity attributable to owners of the Company		17,416,830	13,332,935	7,960,462	6,555,235
Non-controlling interests		2,724,218	1,947,135	-	-
Total equity		20,141,048	15,280,070	7,960,462	6,555,235
Non-current liabilities					
Defined benefit obligations	26	285,467	423,783	130,727	216,007
Deferred income tax liabilities	27	409,981	434,810	195,633	216,760
Borrowings	24	1,507,284	1,094,901	956,854	713,334
Lease liabilities	16	26,613	29,009	-	10,676
		2,229,345	1,982,503	1,283,215	1,156,777
Current liabilities					
Trade and other payables	23	5,085,122	6,551,484	2,771,985	4,560,293
Current income tax liabilities	25	1,299,597	646,403	451,336	257,069
Lease liabilities	16	6,981	5,475	-	1,080
Borrowings	24	4,857,716	2,754,357	3,345,304	1,232,061
		11,249,415	9,957,719	6,568,626	6,050,503
Total liabilities		13,478,760	11,940,222	7,851,840	7,207,280
Total equity and liabilities		33,619,808	27,220,292	15,812,301	13,762,515

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

Mahesh Amarasiri
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 30th August 2022.

U. G. Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 82 to 145 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)

	Note	Attributable to owners of the parent								
		Stated capital	Capital reserve	General reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
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
Profit for the year		-	-	-	-	-	1,551,156	1,551,156	202,565	1,753,722
Fair value adjustment for financial assets at fair value through OCI	34	-	-	-	20,984	-	-	20,984	9,254	30,238
Re-measurement of defined employment benefit obligations	26 (c)	-	-	-	-	-	1,972	1,972	-	1,972
Deferred tax on re-measurement of defined employment benefit obligations	27(b)	-	-	-	-	-	67	67	-	67
Gain on revaluation of land and building			774,020					774,020	68,236	842,255
Deferred tax on revaluation surplus	28.1(a)	-	(139,324)	-	-	-	-	(139,324)	-	(139,324)
Tax impact on effect of change in tax rates		-	66,955	-	-	-	-	66,955	-	66,955
Share of other comprehensive income of equity accounted investee, net of tax	18 (a)	-	-	-	-	-	(495)	(495)	-	(495)
Total comprehensive income for the year		-	701,651	-	20,984	-	1,552,701	2,275,335	280,055	2,555,390
Transfer from revaluation reserve net of tax	32 (a)	-	(3,738)	-	-	-	3,738	-	-	-
Dividends	11	-	-	-	-	-	(179,681)	(179,681)	(29,099)	(208,780)
Balance as at 31 March 2021		299,488	2,968,657	1,123,825	21,057	-	8,919,908	13,332,935	1,947,135	15,280,070
Balance at 1 April 2021		299,488	2,968,657	1,123,825	21,057	-	8,919,908	13,332,935	1,947,135	15,280,070
Profit for the year		-	-	-	-	-	4,305,018	4,305,018	808,962	5,113,980
Fair value adjustment for financial assets at fair value through OCI	34	-	-		5,081	-	-	5,081	1,988	7,069
Currency Translation difference						(72,198)	(18,257)	(90,455)	-	(90,455)
Re-measurement of defined employment benefit obligations	26 (c)	-	-	-	-	-	128,506	128,506	-	128,506
Deferred tax on re-measurement of defined employment benefit obligations	27(b)	-	-	-	-	-	(23,602)	(23,602)	-	(23,602)
Adjustment through equity		-	4,879	-	-	-	(6,420)	(1,541)	-	(1,541)
Share of other comprehensive income of equity accounted investee, net of tax	18 (a)	-	-	-	-	-	461	461	-	461
Total comprehensive income for the year		-	4,879	-	5,081	(72,198)	4,385,707	4,323,469	810,950	5,134,419
Transfer from revaluation reserve net of tax	32 (a)	-	(5,105)	-	-	-	5,105	-	-	-
Dividends	11	-	-	-	-	-	(239,575)	(239,575)	(33,867)	(273,441)
Balance as at 31 March 2022		299,488	2,968,432	1,123,825	26,138	(72,198)	13,071,145	17,416,830	2,724,218	20,141,048

The notes on pages 82 to 145 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 2020		299,488	1,002,568	680,266	(1,151)	3,705,979	5,687,150
Profit for the year		-	-	-	-	602,880	602,880
Fair value adjustment for financial assets at fair value through OCI	34	-	-	-	3,647	-	3,647
Re-measurement of defined employment benefit obligations	26 (c)	-	-	-	-	30,638	30,638
Deferred tax on re-measurement of defined employment benefit obligations	27(b)	-	-	-	-	(5,515)	(5,515)
Gain on revaluation of land and building		-	300,231	-	-	-	300,231
Tax impact on effect of change in tax rates		-	169,926	-	-	-	169,926
Deferred tax on revaluation surplus	28.1(a)	-	(54,041)	-	-	-	(54,041)
Total comprehensive income for the year		-	416,115	-	3,647	628,004	1,047,766
Dividends	11	-	-	-	-	(179,681)	(179,681)
Balance as at 31 March 2021		299,488	1,418,683	680,266	2,496	4,154,302	6,555,235
Balance at 1 April 2021		299,488	1,418,683	680,266	2,496	4,154,302	6,555,233
Profit for the year		-	-	-	-	1,588,396	1,588,396
Fair value adjustment for financial assets at fair value through OCI	34	-	-	-	1,357	-	1,357
Re-measurement of defined employment benefit obligations	26 (c)	-	-	-	-	67,132	67,132
Deferred tax on re-measurement of defined employment benefit obligations	27(b)	-	-	-	-	(12,084)	(12,084)
Deferred tax on Gain on revaluation of investment property	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,357	1,643,445	1,644,803
Dividends	11	-	-	-	-	(239,575)	(239,575)
Balance as at 31 March 2022		299,488	1,418,683	680,266	3,853	5,558,172	7,960,462

The notes on pages 82 to 145 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	
		2022	2021	2022	2021
Cash flows from operating activities					
Cash generated from / (used in) operations	36	3,706,615	4,162,644	(117,700)	464,581
Interest paid	8	(684,947)	(569,504)	(414,792)	(298,492)
Defined benefit obligations paid	26	(24,564)	(37,789)	(15,738)	(23,135)
Income tax paid less refund received		(502,409)	(224,921)	(195,607)	(78,342)
Net cash generated from operating activities		2,494,694	3,330,430	(743,837)	64,612
Cash flows from investing activities					
Interest received	8	921,896	92,030	252,993	19,601
Purchase of property, plant and equipment	12	(202,176)	(201,013)	(53,510)	(19,537)
Purchase of intangible assets	15	-	(6,928)	-	-
Cost incurred on capital work in progress	13	(309,370)	(212,610)	(95,523)	(109,611)
Dividend received	5	6,767	973	151,154	194,329
Investments in financial assets at fair value through OCI	19	(70,000)	(72,076)	-	-
Refund from / (Payment for) acquisition of subsidiary	17	-	19,574	-	19,574
Proceeds from disposal of property, plant and equipment	5	351	3,851	-	3,118
Net cash used in investing activities		347,468	(376,200)	255,113	107,474
Cash flows from financing activities					
Short term borrowings (Settlements/receipts)	24	412,382	(35,543)	243,520	(169,347)
Long term borrowings (Settlements/receipts)	24	1,896,729	(1,670,239)	1,969,654	455,210
Principal elements of lease payments	16	(1,229)	(4,891)	-	(1,260)
Dividend paid by the Company	11	(239,575)	(179,681)	(239,575)	(179,681)
Dividend paid by subsidiary to non-controlling interests		(33,867)	(29,099)	-	-
Net cash generated from / (used in) financing activities		2,034,441	(1,919,453)	1,973,599	104,922
Net increase / (decrease) in cash and cash equivalents		4,876,604	1,034,778	1,484,877	277,009
Cash and cash equivalents at the beginning of the year		2,367,646	1,332,868	591,657	314,648
Cash and cash equivalents at the end of the year	22	7,244,252	2,367,646	2,076,534	591,657

The notes on pages 82 to 145 form an integral part of these financial statements.
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

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. 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	Dormant
ACL Polymers (Pvt) Ltd	06.09.2005	Dormant
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 market
ACL Electric (Pvt) Ltd	08.11.2012	Manufacturing of electrical accessories
RESUS Energy PLC	11.06.2003	Power and energy generation
Cable Solutions (Pvt) Ltd	25.02.2008	Manufacturing of cables and accessories

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 30th August 2022.

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). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SORPs), Statements of Alternate Treatments (SOATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. 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 Land & Buildings and Investment properties. 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.

Impact of COVID-19

In determining the basis of preparing the financial statements for the year ended 31 March 2022, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Group Companies and the appropriateness of the use of the going concern basis.

In March 2022, the Group evaluated the resilience of its businesses considering cost management, profitability, liquidity, recovery of receivables, the ability to defer nonessential capital expenditure, debt repayment, cash reserves, availability of sources of financing facilities and the ability to continue providing services to ensure businesses continue as minimum disruption.

Having presented the outlook for each company in the group to the Board of ACL Cables PLC, the Directors are satisfied that the Company, its subsidiaries and the associate have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

In determining the above significant management judgements, estimates and assumptions the impact of the COVID 19 pandemic has been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

Amendments to the Sri Lanka Accounting Standards

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 April 2021 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 01 April 2022.

(a) New standards and amendments applicable from 01 January 2021

The group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2021:

i) Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient

ii) Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(i) Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

This amendment is effective for the annual periods beginning on or after 1 April 2021.

ii) IBOR Reform and its Effects on Financial Reporting—Phase 2: Amendments to IFRS 7, IFRS 4 and IFRS 16

The IASB has issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues arising during the reform of benchmark interest rates including the replacement of one benchmark rate with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments could affect companies in all industries. This publication provides guidance on how to apply the Phase 2 amendments to various contracts and hedge accounting relationships, including the interaction with the Phase 1 reliefs for hedge accounting.

This amendment is effective for the annual periods beginning on or after 1 January 2021.

(all amounts in Sri Lanka Rupees thousands)

(b) New standards and amendments but not adopted in 2022

The following standards and interpretations had been issued by IASB (not yet adopted by CA Sri Lanka except for SLFRS 17, Amendments to IAS 16, Amendments to IFRS 3, Amendments to IAS 37, Amendments to IFRS 9, Amendments to IFRS 1 and Amendments to IAS 41) but not mandatory for annual reporting periods ending 31 December 2021.

i) SLFRS 17, 'Insurance contracts'

SLFRS 17 was issued as replacement for SLFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:

a) discounted probability-weighted cash flows
b) an explicit risk adjustment, and
c) a contractual service margin (CSM)

representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under SLFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

This amendment is effective for the annual periods beginning on or after 1 January 2023.

ii) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. This amendment is not yet adopted in Sri Lanka.

iii) Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

iv) Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

v) Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

This amendment is effective for the annual periods beginning on or after 1 January 2022.

(vi) Annual Improvements to IFRS Standards 2018–2020

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.

These amendments are effective for the annual periods beginning on or after 1 January 2022 except for the amendment to IFRS 16.

(vii) Disclosure Initiative: Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments to IAS 1 will be effective for annual reporting periods beginning on or after 1 January 2023. This amendment is not yet adopted in Sri Lanka.

(viii) Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

IAS 12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023. This amendment is not yet adopted in Sri Lanka.

(ix) Definition of Accounting Estimates (Amendments to IAS 8)

The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual periods beginning on or after 1 January 2023. This amendment is not yet adopted in Sri Lanka.

(all amounts in Sri Lanka Rupees thousands)

(x) Initial Application of IFRS 17 and IFRS 9 Comparative Information (Amendment to IFRS 17)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

IFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after 1 January 2023. This amendment is not yet adopted in Sri Lanka.

These amendments will not have a material impact on the Financial Statements.

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 associates reserves in the consolidated statement of comprehensive income 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 comprehensive income.

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

(all amounts in Sri Lanka Rupees thousands)

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in 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.

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional 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'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(c) Foreign operations

The following subsidiary is using United States Dollar (USD) as its functional currency;

* Cable Solutions Private Limited

The Statement of Financial Position and Income Statement of above subsidiary which is deemed to be foreign operations are translated to Sri Lankan Rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period, respectively.

The Exchange rates applicable during the period were as follows:

	Reporting Date		Income statement	
	2022	2021	2022	2021
USD	298	199.09	205.22	188.81

The exchange differences arising on the translation are taken directly to other comprehensive income.

With the majority of transactions being done in USD, Cable Solutions Private Limited decided to change the reporting currency as USD.

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 Other 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.

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 financial assets

'The Group recognises loss allowances for ECLs 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.

(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.

(i) Fair value of investment property

'The fair value of investment properties are determined by using valuation techniques. Further details of judgments and assumptions are noted in note 14.

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 capitalised 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 - Initial Recognition and Subsequent Measurement

2.9.1 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.

2.9.2 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

Financial assets at fair value through other comprehensive income (FVOCI) 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.

2.9.3 De - recognition

A financial asset is de-recognised when;

- The rights to receive cash flows from the asset have expired

(all amounts in Sri Lanka Rupees thousands)

- 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.

2.9.4 Impairment of Financial Assets

SLFRS 9 establishes a 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.

2.9.5 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.

2.9.6 Financial Liabilities - Initial Recognition and Measurement

Financial liabilities 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.

2.9.7 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.

2.9.8 De - recognition

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

2.9.9 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.

2.10 Property, plant and equipment

Property, plant and equipment of the Company includes both owned assets and leased hold assets. Accounting policy for owned assets is detailed below and accounting policy for leased hold assets is detailed in Note 2.12.

2.10.1 Initial recognition

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 for 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.

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 capitalised only when it increases the future economic benefits embodied in the item of property, plant & equipment. All other expenditure is recognised 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.

2.10.3 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.

2.10.4 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 recognised 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 recognised 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 Leases

The Group's lease hold property includes land and buildings. Rental contract is typically made as per the initial rental or lease agreement, but may have extension options as described in 2.12 (ii) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and nonlease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(i) Variable lease payments

Some leases contain variable payments that are linked to the usage / performance of the leased asset. Such payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(ii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. If there is a significant event or significant change in circumstances within control, the Group reassesses whether it is reasonably certain to exercise the options.

2.13 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.

2.14 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

(all amounts in Sri Lanka Rupees thousands)

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.

2.15 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.

2.16 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.

2.17 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 inventories. 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.

2.18 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

2.20 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.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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..

2.22 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.

2.23 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.

2.24 Contingent assets and contingent liabilities

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

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

2.25 Revenue recognition

"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). Credit term provided for the customer is on average 30 days from the sale of goods.

2.26 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.

2.27 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.

2.28 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.

2.29 Comparatives

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

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 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.

2.35 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			
	2022		2021	
	USD	LKR	USD	LKR
Trade receivables	2,858	854,384	3,665	652,425
Trade payables	11,379	3,402,078	20,023	3,564,021
Cash in bank	24,926	7,452,515	9,418	1,676,376

Company	31 March			
	2022		2021	
	USD	LKR	USD	LKR
Trade receivables	1,471	439,685	1,635	290,955
Trade payables	4,862	1,453,546	11,880	2,114,691
Cash in bank	6,075	1,816,469	1,126	200,368

Impact of COVID-19

The Sri Lankan Rupee witnessed a sharp depreciation against the US Dollar in March 2022 on the back of economic turmoil in global, regional and local markets resulting from the COVID-19 pandemic. The Group companies exposed to foreign currency denominated payments are adversely impacted to undue fluctuations in exchange rates.

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:

(all amounts in Sri Lanka Rupees thousands)

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Amounts recognised in profit or loss				
Foreign exchange gain included in finance cost	(782,344)	(22,326)	(231,941)	-
Foreign exchange loss included in finance cost	205,517	153,309	143,472	121,488
Total net foreign exchange losses / (gains) recognised in profit before income tax for the period	(576,827)	130,983	(88,468)	121,488

As shown in the table above, the company is primarily exposed to changes in US dollar (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.

For the year ended 31st March	Increase/(decrease) in exchange rate USD	Group	Company
2022	+ 30%	1,471,446	240,782
	- 30%	(1,471,446)	(240,782)
2022	+ 20%	980,964	160,522
	- 20%	(980,964)	(160,522)
2021	+ 10%	140,204	184,261
2021	- 10%	(140,204)	(184,261)

(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.

Impact of COVID-19

In the second part of the fiscal year, the Central Bank of Sri Lanka (CBSL) tightened its monetary policy stance, which caused an increase in interest rates. Strong monetary policy actions have been taken by the CBSL following the end of the reporting period as a result of increased pressures on inflation brought on by a number of factors, including increases in the prices of commodities on the global market, the availability of food, and the sharp depreciation of the currency in March 2022. Such initiatives have significantly increased monetary policy rates and helped close the interest rate gap between the policy and market rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax.

For the year ended 31st March	Increase/(decrease) in interest rate	Group	Company
2022	+ 25%	(118,677)	(67,830)
	- 25%	118,677	67,830
2022	+ 20%	(94,942)	(54,264)
	- 20%	94,942	54,264
2021	+ 10%	(4,116)	(1,756)
2021	- 10%	4,116	1,756

(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.

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 2022	10%	-	54,695
31 March 2021	10%	-	46,988

Company	Change in equity price	Effect on profit	Effect on equity
31 March 2022	10%	-	1,368
31 March 2021	10%	-	1,233

The Group 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 income statement will be impacted.

(b) 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.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 March 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 March 2022 and 31 March 2021 was determined as follows for trade receivables.

(all amounts in Sri Lanka Rupees thousands)

Group

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	More than 360 days past due	Total
31 March 2022						
Expected loss rate	9.47%	8.17%	5.39%	22.04%	91.89%	
Trade receivables considered for collective provision	2,833,678	1,300,442	817,438	475,445	397,309	5,824,313
Loss Allowance	268,454	106,290	44,058	104,769	365,094	888,665
31 March 2021						
Expected loss rate	6.05%	4.93%	3.91%	13.62%	41.52%	
Trade receivables considered for collective provision	3,319,532	1,644,534	921,876	284,746	868,009	7,038,696
Loss Allowance	200,850	81,136	36,011	38,782	360,422	717,201

Company

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	More than 360 days past due	Total
31 March 2022						
Expected loss rate	3.02%	3.10%	3.44%	5.19%	20.84%	
Trade receivables considered for collective provision	2,092,769	723,645	590,414	308,628	191,588	3,856,957
Loss Allowance	249,658	90,407	35,864	41,254	144,930	562,113
31 March 2021						
Expected loss rate	8.01%	8.16%	8.57%	13.34%	17.73%	
Trade receivables considered for collective provision	2,327,842	833,639	181,706	189,114	591,465	4,123,766
Loss Allowance	186,430	67,986	15,572	25,236	105,018	400,242

The loss allowances for trade receivables as at 31 March reconcile to the opening loss allowances as follows:

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Opening loss allowance at 1 April	754,378	647,865	400,242	275,242
Increase in loss allowance recognised in profit or loss during the year				
- as per collective impairment provision	45,431	105,770	167,840	125,000
- as per individual impairment provision	139,944	-	51,088	-
Closing loss allowance at 31 March	939,753	754,378	619,169	400,242

‘Trade receivables are written off where there is no reasonable expectation of recovery. ‘Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) 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.

Impact of COVID-19

The Group considered that cash flow scrutiny is of paramount importance and has adopted a disciplined approach across the group including tightening of controls over spending cash, and preserving and increasing liquidity, particularly on account of the impact of COVID-19.

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 2022	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)	5,063,239	-	-	-	5,063,239
Borrowings	4,504,006	1,200,939	306,345	-	6,011,290
Lease liabilities	6,981	13,961	12,652	-	33,594
Bank overdrafts	353,710	-	-	-	353,710
Total financial liabilities	9,927,936	1,214,900	318,997	-	11,461,833

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Trade & other payables					
(excluding statutory liabilities)	6,528,799	-	-	-	6,528,799
Borrowings	2,591,616	265,808	829,093	-	3,686,517
Lease liabilities	5,475	5,283	23,726		34,484
Bank overdrafts	162,742	-	-	-	162,742
Total financial liabilities	9,288,632	271,091	852,819	-	10,412,542

Company At 31 March 2022	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)	2,761,373	-	-	-	2,761,373
Borrowings	3,200,192	861,347	95,497	-	4,157,046
Bank overdrafts	145,112	-	-	-	145,112
Total financial liabilities	6,106,677	861,347	95,497	-	7,063,531

(all amounts in Sri Lanka Rupees thousands)

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Trade & other payables (excluding statutory liabilities)	4,550,239	-	-	-	4,550,239
Borrowings	1,230,538	180,004	533,330	-	1,943,872
Lease liabilities	1,080	24	168	10,485	11,757
Bank overdrafts	1,523	-	-	-	1,523
Total financial liabilities	5,783,380	180,028	533,498	10,485	6,507,391

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 2022.

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.

Borrowings

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Total borrowings (Note 24)	6,365,000	3,849,259	4,302,159	1,945,395
Lease liabilities (Note 16)	33,594	34,484	-	11,757
Less : Cash and cash equivalents (Note 22)	(7,597,962)	(2,530,387)	(2,221,646)	(593,180)
Net debt	(1,199,368)	1,353,356	2,080,513	1,363,972
Total equity	20,141,048	15,280,070	7,960,462	6,555,235
Total capital	18,941,680	16,633,426	10,040,975	7,919,207
Gearing ratio	-6.33%	8.14%	20.72%	17.22%

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 Financial assets and liabilities of Group / Company that are measured at fair value.

As at 31 March 2022	Group Level 1	Group Level 2	Group Level 3	Group Total balance	Company Level 1	Company Level 2	Company Level 3	Company Total balance
Assets								
Financial assets at fair value through OCI (Note 19)	62,783	-	484,171	546,954	13,685	-	-	13,685
	62,783	-	484,171	546,954	13,685	-	-	13,685
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

As at 31 March 2021	Group Level 1	Group Level 2	Group Level 3	Group Total balance	Company Level 1	Company Level 2	Company Level 3	Company Total balance
Assets								
Financial assets at fair value through OCI (Note 19)	55,714	-	414,171	469,885	12,328	-	-	12,328
	55,714	-	414,171	469,885	12,328	-	-	12,328
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 available-for-sale.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data 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

The input that are unobservable. This category includes all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Impact of COVID-19

At the end of the current financial year, last trading prices of Financial assets at fair value through OCI were considered as level 1 inputs due to availability of an active and orderly market.

(all amounts in Sri Lanka Rupees thousands)

4 Revenue from contracts with customers

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Geographical segment turnover				
Local	28,557,367	18,644,604	16,690,624	11,432,930
Export	6,771,369	3,974,519	2,841,199	1,719,421
Net revenue	35,328,737	22,619,123	19,531,823	13,152,351

The Group / Company derives revenue from the transfer of goods at a point in time in the above geographical regions.

5 Other income

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Dividend income	6,767	973	151,154	194,329
Profit on disposal of property, plant and equipment	351	3,851	-	3,118
Gain from fair valuation adjustment to investment property (Note 14)	84,350	363,050	44,850	18,550
Sundry income	74,486	56,968	20,532	10,950
	165,954	424,842	216,537	226,948

Sundry income of both Group and Company includes rent income, solar income, write back of unclaimed credit balances of trade receivables and sale of scrap.

6 Expenses by nature

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Directors emoluments [Note 37.13(f)]	96,635	88,120	74,477	67,950
Auditors remuneration	3,542	3,366	732	631
Legal fees	1,056	2,548	615	1,946
Depreciation on property, plant and equipment (Note 12)	326,519	352,087	136,235	137,347
Depreciation of right-of-use assets (Note 16)	6,840	6,917	-	1,588
Amortization charge on intangible assets (Note 15)	7,684	202	859	99
Cost of raw material consumed	22,083,353	17,561,092	15,695,284	10,786,868
Repairs and maintenance	142,433	109,320	109,489	78,974
Donations	1,294	957	1,269	917
Staff costs (Note 7)	1,964,398	1,808,095	860,168	815,739
Write down of inventories to net realisable value [Note 20(a)]	86,597	(1,481)	13,472	-
Other expenses	4,927,930	801,010	748,901	448,943
Total cost of sales, distribution costs, administrative costs and net impairment losses	29,648,281	20,732,232	17,641,500	12,341,001
Classified as:				
Cost of sale	27,396,593	18,778,957	16,592,371	11,571,715
Distribution costs	1,122,160	1,166,237	563,332	470,016
Administrative costs	932,126	634,623	254,843	174,270
Net impairment losses on Financial assets	197,402	152,415	230,955	125,000
Total	29,648,281	20,732,232	17,641,500	12,341,001

7 Staff costs

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Salaries, wages and related costs	1,799,804	1,596,611	793,094	711,296
Defined contribution plan	149,840	135,558	69,485	64,543
Defined benefit plan [Note 26(b)]	14,754	75,926	(2,411)	39,900
	1,964,398	1,808,095	860,168	815,739
Average number of employees during the year	1,643	1,641	628	643

8 Finance costs - net

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Finance income:				
Interest income	(139,553)	(69,703)	(21,052)	(19,601)
Exchange gain	(782,344)	(22,326)	(231,941)	-
Finance income	(921,896)	(92,030)	(252,993)	(19,601)
Finance costs:				
Interest on bank borrowings, concern loans and current accounts	474,709	411,559	271,320	175,644
Interest on right-of-use lease liabilities (Note 16)	4,721	4,635	-	1,360
Exchange loss	205,517	153,309	143,472	121,488
Finance costs:	684,947	569,504	414,792	298,492
Finance costs - Net	236,950	(477,474)	(161,800)	(278,891)

9 Income tax expenses

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Current tax (Note 25)	1,171,842	302,512	380,846	115,690
Over/under provision in respect of prior years	(130)	-	9,028	-
Deferred tax release (Note 27)	(48,430)	(122,949)	(33,211)	40,838
WHT on dividend paid by subsidiaries	-	8,400	-	-
	1,123,282	187,963	356,663	156,528

(all amounts in Sri Lanka Rupees thousands)

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	
	2022	2021	2022	2021
Profit before tax	6,237,262	1,941,685	1,945,058	759,407
Tax calculated at effective tax rate of 18% (2021-18%)	1,154,463	349,503	383,803	136,693
Tax effect of income not subject to tax	(26,352)	(37,857)	(44,442)	(41,007)
Tax effect of expenses not deductible	78,607	38,827	73,128	47,448
Tax effect of allowable deductions	(35,005)	(47,960)	(22,615)	(27,444)
WHT on dividend paid by subsidiaries	-	8,400	-	-
Deferred tax (reversal) / charge	(48,430)	(122,949)	(33,211)	40,838
Tax charge	1,123,282	187,963	356,663	156,528

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 31 March		Company 31 March	
	2022	2021	2022	2021
Net profit attributable to equity holders	4,305,018	1,551,156	1,588,396	602,880
Weighted average number of ordinary Shares in issue (Note 31)	239,574,720	239,574,720	239,574,720	239,574,720
Basic / Diluted earnings per share (Rs.)	17.97	6.47	6.63	2.52

11 Dividend per share

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Dividends paid	239,575	179,681	239,575	179,681
Number of ordinary shares in issue (Note 31)	239,574,720	239,574,720	239,574,720	239,574,720
Dividend per share (Rs.)	1.00	0.75	1.00	0.75

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 2020						
Cost / valuation	3,839,442	2,386,960	255,060	159,104	391,984	7,032,549
Accumulated depreciation	(265,182)	(1,505,379)	(137,148)	(125,695)	(237,698)	(2,271,102)
Net book amount	3,574,260	881,580	117,912	33,409	154,285	4,761,447
Year ended 31 March 2021						
Opening net book amount	3,574,260	881,580	117,912	33,409	154,285	4,761,447
Addition from the acquisition of subsidiary	2,756	125,974	5,789	14,561	51,934	201,013
Revaluation surplus	842,255	-	-	-	-	842,255
Transfer from work in progress (Note 13)	458	-	-	-	-	458
Disposals / transfers						
- cost	-	(4,002)	-	(80)	(3,118)	(7,200)
- depreciation	-	709	-	53	3,118	3,879
Depreciation charge (Note 06)	(76,950)	(193,691)	(9,663)	(15,227)	(56,555)	(352,087)
Closing net book amount	4,342,779	810,570	114,038	32,716	149,664	5,449,766
At 31 March 2021						
Cost / valuation	4,684,911	2,508,931	260,849	173,585	440,800	8,069,076
Accumulated depreciation	(342,132)	(1,698,361)	(146,812)	(140,869)	(291,135)	(2,619,310)
Net book amount	4,342,779	810,570	114,038	32,716	149,664	5,449,766
Year ended 31 March 2022						
Opening net book amount	4,342,779	810,570	114,038	32,716	149,664	5,449,766
Additions	14,548	141,605	22,302	8,084	15,636	202,176
Transfer from work in progress (Note 13)	1,267	110,773	45,680	-	-	157,720
Disposals / transfers						
- cost	-	(351)	-	-	-	(351)
- depreciation	-	351	-	-	-	351
Currency translation difference	(58)	106	(52)	236	(337)	(106)
Depreciation charge (Note 06)	(82,547)	(158,545)	(20,602)	(10,386)	(54,439)	(326,519)
Closing net book amount	4,275,989	904,509	161,365	30,650	110,524	5,483,037
At 31 March 2022						
Cost / valuation	4,700,726	2,760,958	328,831	181,669	456,436	8,428,621
Accumulated depreciation	(424,737)	(1,856,449)	(167,466)	(151,019)	(345,912)	(2,945,583)
Net book amount	4,275,989	904,509	161,365	30,650	110,524	5,483,037

(all amounts in Sri Lanka Rupees thousands)

(b) Company	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2020						
Cost / valuation	1,418,355	1,266,206	26,025	92,365	192,289	2,995,241
Accumulated depreciation	(59,986)	(830,967)	(13,699)	(72,094)	(91,440)	(1,068,186)
Net book amount	1,358,369	435,239	12,326	20,271	100,849	1,927,055
Year ended 31 March 2021						
Opening net book amount	1,358,369	435,239	12,326	20,271	100,849	1,927,055
Revaluation surplus	300,231	-	-	-	-	300,231
Additions	-	11,033	36	8,468	-	19,537
Disposals / transfers						
- cost	-	-	-	-	(3,118)	(3,118)
- depreciation	-	-	-	-	3,118	3,118
Depreciation charge (Note 06)	(29,993)	(72,565)	(1,287)	(5,704)	(27,798)	(137,347)
Closing net book amount	1,628,606	373,707	11,075	23,035	73,051	2,109,476
At 31 March 2021						
Cost / valuation	1,628,606	1,277,239	26,061	100,833	189,171	3,221,909
Accumulated depreciation	-	(903,532)	(14,986)	(77,798)	(116,120)	(1,112,434)
Net book amount	1,628,606	373,707	11,075	23,035	73,051	2,109,476
Year ended 31 March 2022						
Opening net book amount	1,628,606	373,707	11,075	23,035	73,051	2,109,476
Additions	-	47,475	-	6,035	-	53,510
Depreciation charge (Note 06)	(29,993)	(70,603)	(702)	(7,303)	(27,633)	(136,235)
Closing net book amount	1,598,613	350,579	10,373	21,767	45,418	2,026,750
At 31 March 2022						
Cost / valuation	1,628,606	1,324,714	26,061	106,868	186,053	3,272,302
Accumulated depreciation	(29,993)	(974,135)	(15,688)	(85,101)	(140,635)	(1,245,552)
Net book amount	1,598,613	350,579	10,373	21,767	45,418	2,026,750

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

Assets	Valued on	Name of the valuer	Valued amount
Company			
Land	31 March 2021	Mr J M Senanayaka Bandara	769,791
Buildings	31 March 2021	Mr J M Senanayaka Bandara	858,815
Group			
Land			
ACL Cables PLC	31 March 2021	Mr J M Senanayaka Bandara	769,791
Kelani Cables PLC	31 March 2021	Mr J M Senanayaka Bandara	389,500
ACL Plastics PLC	31 March 2021	Mr J M Senanayaka Bandara	148,000
Ceylon Bulbs and Electricals Limited	31 March 2021	Mr J M Senanayaka Bandara	939,400
ACL Kelani Magnet Wire (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	150,000
Ceylon Copper (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	52,209
ACL Electric (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	25,500
Buildings			
ACL Cables PLC	31 March 2021	Mr J M Senanayaka Bandara	858,815
Kelani Cables PLC	31 March 2021	Mr J M Senanayaka Bandara	334,500
ACL Plastics PLC	31 March 2021	Mr J M Senanayaka Bandara	131,500
ACL Kelani Magnet Wire (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	187,000
ACL Metals & Alloys (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	111,435
Ceylon Copper (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	35,885
ACL Electric (Private) Limited	31 March 2021	Mr J M Senanayaka Bandara	68,500

The Lands and buildings were last revalued on 31 March 2021 by an Independent Professional Valuer Mr.Senanayake Bandara, a Fellow Member of the Institute of the Valuers of Sri Lanka. Fair value of the land and buildings is determined based on Level 2 and Level 3 inputs respectively.

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

		31 March 2022		
	Valued on	Cost	Accumulated depreciation	Net book value
Company				
Land	31 March 2021	250,972	-	250,972
Building	31 March 2021	214,800	147,275	67,525
Group				
Land				
ACL Cables PLC	31 March 2021	250,972	-	250,972
Kelani Cables PLC	31 March 2021	163,005	-	163,005
ACL Plastics PLC	31 March 2021	7,509	-	7,509
Ceylon Bulbs and Electricals Limited	31 March 2021	296	-	296
ACL Kelani Magnet Wire (Private) Limited	31 March 2021	38,227	-	38,227
Ceylon Copper (Private) Limited	31 March 2021	25,199	-	25,199
ACL Electric (Private) Limited	31 March 2021	16,987	-	16,987
Buildings				
ACL Cables PLC	31 March 2021	214,800	147,275	67,525
Kelani Cables PLC	31 March 2021	72,671	61,006	11,665
ACL Plastics PLC	31 March 2021	35,313	18,363	16,950
Ceylon Bulbs and Electricals Limited	31 March 2021	1,625	1,625	-
ACL Kelani Magnet Wire (Private) Limited	31 March 2021	57,518	42,665	14,853
ACL Metals & Alloys (Private) Limited	31 March 2021	34,141	20,568	13,573
Ceylon Copper (Private) Limited	31 March 2021	15,860	6,961	8,899
ACL Electric (Private) Limited	31 March 2021	43,238	15,215	28,023

The value of the revalued assets stated on the historical basis in the year of 2020/21 LKR 170 million.

(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 2022	2021
ACL Cables PLC	910,185	873,227
ACL Plastics PLC	103,796	84,300
ACL Polymers (Private) Limited	19,276	19,276
Kelani Cables PLC	430,950	406,674
Ceylon Bulbs & Electricals Limited	14,064	14,064
ACL Kelani Magnet Wire (Private) Limited	10,645	102,900
ACL Metals & Alloys (Private) Limited	54,013	53,798
Cable Solutions (Private) Limited	31,159	7,994

(f) Impact of COVID-19

The Group has determined that there is no requirement to provide for impairment as at the reporting date due to the COVID-19 pandemic as there was no significant change to the revalued carrying amount of land and buildings as at 31 March 2022.

(g) Details of property, plant and equipment pledged as security for term loans obtained, are disclosed in Note 24.1

(h) There are no idle property, plant and equipment as at the reporting date.

(i) There are no restrictions that existed on the title of the property , plant and equipment of the Company as at the reporting date.

(j) There is no capitalisation of borrowing cost relating to the acquisition of property, plant and equipment by the Group/ Company during the year (2021 - Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

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

Company	Location	Extent of the Land	No of buildings	Method of valuation and significant unobservable inputs
ACL Cables PLC	ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	11A-0R-30.11P 223,094 Sq.ft	15	Market Comparable method Depreciated replacement cost method
	Part of ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha road, Batakettara, Piliyandala.	1A-2R-26.72P 17,842 Sq.ft	7	Market Comparable method Depreciated replacement cost method
	Postal No.376/4, (Close to ACL Cables Factory Premises)	1A-1R-7.52P	4	Market Comparable method
	Welithotuwa Road, Off Madapatha Road Batakettara,Piliyandala.	17,110 Sq.ft	-	Depreciated replacement cost method
	No.60, Rodney Street, Colombo 08	15,288 sq.ft	-	Depreciated replacement cost method
ACL Electric Pvt Ltd	Factory Premises of ACL Electric Pvt Ltd Padukka Road, Millawa, Moragahahena, Horana	1A-2R-1.6P 14,960 Sq.ft	1	Market Comparable method Depreciated replacement cost method
Ceylon Copper Pvt Ltd	Ceylon Copper Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	3R 38.21P 7,150 Sq.ft	1	Market Comparable method Depreciated cost replacement cost method
ACL Metals and Alloys Pvt Ltd	ACL Metals and Alloys Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara,Piliyandala.	23,460 Sq.ft	1	Depreciated cost replacement cost method
Ceylon Bulbs and Electricals Limited	No.60, Rodney Street, Colombo 08	1A-2R-28.4P	12	Market Comparable method
ACL Kelani Magnet Pvt Ltd	No.241, Raja Mawatha, Ekala, Ja ela	3A-2R-5P 50,554 Sq.ft	7	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	9	Market Comparable method Depreciated 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, Ja-ela	0A-0R-10.19P 1,690 Sq.ft	1	Market Comparable method Depreciated replacement cost method
Kelani Cables PLC	Wewelduwa, Kelaniya	1041.5 Perches 117,107 Sq.ft	19	Market Comparable method Depreciated replacement cost method
	Land and building situated at Mahena Road, Siyambalape South, Siyambalape Wewelduwa, Kelaniya	172.8 Perches 35,583 Sq.ft	5	Market Comparable method Depreciated replacement cost method

All above revaluation are based on market value and the revaluation was carried out on 31st March 2021 by an Independent valuer. The Directors are of the view that market values as at 31st March 2022 have not materially changed from the value determined as at 31 March 2021.

Effective date of valuation	Range of estimates for unobservable inputs	Revalued amount of Land & Building (Rs. '000)	Significant unobservable valuation inputs (ranges of each)	Sensitivity of fair value measurement to inputs
31-Mar-21	330,000 Per Perch 2,800 per sq.ft	1,225,606	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	375,000 Per Perch 2,800 per sq.ft	149,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	380,000 Per Perch 4,900 per sq.ft	117,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	7,000 per sq.ft	107,000	Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	16,750,000 Per acre 4,000 per sq.ft	94,000	Land - Price per acre	Positively correlated sensitivity
31-Mar-21	330,000 Per Perch 5,000 per sq.ft	88,094	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity Positively correlated sensitivity
31-Mar-21	4,750 Per Sq.ft	111,435	Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	3,250,000 Per Perch	939,000	Land - Price per perch	Positively correlated sensitivity
31-Mar-21	42,500,000 Per Acre 3,500 per sq.ft	337,000	Land - Price per acre	Positively correlated sensitivity
31-Mar-21	41,000,000 Per Acre 3,750 per sq.ft	253,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	500,000 Per Perch	10,000	Land - Price per perch	Positively correlated sensitivity
31-Mar-21	575,000 Per Perch 6,250 per Sq.ft	16,500	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	450,000 Per Perch 4,500 per Sq.ft	592,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-21	275,000 Per Perch 3,750 per Sq.ft	132,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity

(all amounts in Sri Lanka Rupees thousands)

13 Capital work in progress

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	244,669	32,517	117,077	7,466
Cost incurred during the year	309,370	212,610	95,523	109,611
Amount transferred to property, plant and equipment (Note 12)	(157,720)	(458)	-	-
Balance at the end of the year	396,319	244,669	212,600	117,077

Capital work in progress as at the reporting date included expenses incurred for building being constructed and installation of solar power system which are to be completed in next financial year.

14 Investment property

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	1,145,050	782,000	494,550	476,000
Fair value gain	84,350	363,050	44,850	18,550
Balance at the end of the year	1,229,400	1,145,050	539,400	494,550

According to the valuation done by Mr. J. M. S Bandara, independent professional valuer, a Fellow Member of Institute of Valuers of Sri Lanka, the fair value of investment property of Group as at 31 March 2022 is Rs. 1,229 million (March 2021 - Rs. 1,145 million) and the fair value of investment property of Company is Rs. 539 million (March 2021 - Rs. 494 million).

(a) Details of land and buildings under investment property

Location	Extent	Carrying value
Kahathuduwa	13A. 0R. 2.5P	171,250
Piliyandala	1A. 0R. 32.8P	86,750
Piliyandala	0A. 0R. 17P	10,900
Piliyandala	2A. 2R. 28.27P	175,500
Kalutara	2A. 3R. 1P	95,000
Total of the Company		539,400
Ekala	13A. 0R. 2P	690,000
Total of the Group		1,229,400

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

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Rent income	3,434	3,071	3,434	3,071
Fair value gain recognised in other income	84,350	363,050	44,850	18,550
Direct operating expenses	-	-	-	-

(c) Investment Property Fair valuation method used in 2022

Fair value of the investment property is determined based on Level 2 inputs with the exceptions of the investment property situated in Kalutara where the income approach had been used for which level 3 inputs are used. Measurement of fair value method considers the selling price of a similar property within a reasonably recent 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 buyers or sellers are too compensated for since the price may not adequately reflect the fair market value. Investment property situated in Kalutara is valued based on rent income generated from the land rented.

ACL Cables PLC

Investment property and method of valuation	Range of estimates for unobservable inputs	Carrying Value before Revaluation of Land	Revalued amount of land	Revaluation gain recognised on land	Significant unobservable valuation inputs (ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
Kahathuduwa - Market comparable method	11A-3R-18P @ Rs.13,000,000/- per acre and 1A-0R-24.5P @ Rs.14,750,000/- per acre	164,250	171,250	7,000	Price per acre of land	Positively corelated sensitivity
Piliyandala - Market comparable method	Rs.425,000/- per perch	82,000	86,750	4,750	Price per perch of land	Positively corelated sensitivity
Piliyandala - Market comparable method	Rs.485,000/- per perch 1,850 per sq.ft	10,300	10,900	600	Price per perch of land Building - Price per Sq.ft	Positively corelated sensitivity
Piliyandala - Market comparable method	Rs.375,000/- per perch	164,500	175,500	11,000	Price per perch of land	Positively corelated sensitivity
Kalutara - Income approach	Monthly rental of Rs. 242,000/-	73,500	95,000	21,500	Rent income per month	Positively corelated sensitivity

Kelani Cables PLC

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 recognised on land	Significant unobservable valuation inputs (ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
Ekala - Market comparable method	Rs.53,000,000/- per acre	650,500	690,000	39,500	Price per perch of land	Positively corelated sensitivity

(d) As at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in considered opinion, meets the requirements in SLFRS -13 Fair Value Measurement.

(all amounts in Sri Lanka Rupees thousands)

15 Intangible assets

(a) Group

	31 March 2022			31 March 2021		
Cost	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	120,806	44,968	165,774	120,806	38,040	158,846
Additions	-	-	-	-	6,928	6,928
Balance at the end of the year	120,806	44,968	165,774	120,806	44,968	165,774
Accumulated amortisation						
Balance at the beginning of the year	52,525	37,284	89,809	32,951	37,082	70,033
Amortization charge / Reduction due to decrease in investment value	-	7,684	7,684	19,574	202	19,776
Balance at the end of the year	52,525	44,968	97,493	52,525	37,284	89,809
Net book amount	68,281	-	68,281	68,281	7,684	75,965

(b) Company

	31 March 2022			31 March 2021		
Cost	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	-	32,217	32,217	-	32,217	32,217
Additions	-	-	-	-	-	-
Balance at the end of the year	-	32,217	32,217	-	32,217	32,217
Accumulated amortisation						
Balance at the beginning of the year	-	31,358	31,358	-	31,259	31,259
Amortization charge	-	859	859	-	99	99
Balance at the end of the year	-	32,217	32,217	-	31,358	31,358
Net book amount	-	-	-	-	859	859

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
2021/20	Cable Solutions (Private) Limited	68,281
		107,226

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

Impairment of goodwill

Goodwill represents the difference between the purchase consideration and the fair value of assets acquired as a result of the acquisition of shares of Subsidiary Companies.

There is no impairment of goodwill as at the reporting date.

The recoverable amount of all Cash Generating Units (CGUs) have been determined based on the fair value less cost to sell or Value In Use (VIU) calculation.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross Margins

The basis used to determine the value assigned to the budgeted gross margins, is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation is the inflation rate based on projected economic conditions.

Discount Rate

The discount rate used is the risk free pre-tax discount rate, adjusted by the addition of an appropriate risk premium.

Volume Growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to four years immediately subsequent to the budgeted year based on industry growth rates.

Cash flows beyond the five year period has been extrapolated using a zero growth rate.

In the light of current operational and economic conditions, the Group has reassessed the expected future business performance relating to cash generating units where the management has concluded that the recoverable value of CGUs exceed its carrying value. Hence, there is no impairment of goodwill as at the reporting date.

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

Year	Subsidiary Company	Gain on bargain purchase
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.

(all amounts in Sri Lanka Rupees thousands)

Impact of Covid-19

Impact of the pandemic on the non-current financial assets have been elaborated in Note 3.

16 Leases

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

	Group		Company	
	31 March	31 March	31 March	31 March
Right-of-use assets	2022	2021	2022	2021
Land	25,629	36,586	-	10,173
Buildings	3,125	2,618	-	998
	28,754	36,556	-	11,170
Lease liabilities				
Current	6,981	5,475	-	1,080
Non current	26,613	29,009	-	10,676
	33,594	34,484	-	11,757

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Depreciation charge of right-of-use assets (Note 6)				
Land	5,947	5,579	-	283
Buildings	893	1,338	-	1,306
	6,840	6,917	-	1,588
Interest expense (Note 8)	4,721	4,635	-	1,360

The total cash outflow for leases in 2022 for the Group was Rs. 5,950 (Principal payments - Rs. 1,229, Interest payments - Rs. 4,721).

The total cash outflow for leases in 2021 for the Group was Rs. 9,422 (Principal payments - Rs. 4,891, Interest payments - Rs. 4,635).

(iii) Impact of COVID-19

The Group does not foresee any indications of impairment of right of use assets due to the COVID-19 pandemic since as each business unit is operating under the business continuity plans as per the Group risk management strategy. The

Group does not anticipate discontinuation of any right of use assets as at the reporting date and the lease liability is not reassessed as there are no known moratoriums received for the lease payments as of the reporting date.

17 Investment in subsidiaries

	31 March 2022			31 March 2021		
Company	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Quoted						
ACL Plastics PLC	2,746,969	33,300	995,090	2,746,969	33,300	699,104
Kelani Cables PLC	933,756	10,753	271,490	933,756	10,753	104,347
Total investment in quoted companies		44,053	1,266,579		44,053	803,451
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	
Cable Solutions (Private) Limited	581,400	379,396		581,400	379,396	
Total investment in unquoted companies		1,003,591			1,003,591	
Total investment in unquoted companies		1,003,591			1,003,591	
Total cost of investments in subsidiaries		1,047,644			1,047,644	

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. During the year 2019/20, ACL Cables PLC acquired a controlling interest in Cable Solutions (Private) Limited.

(all amounts in Sri Lanka Rupees thousands)

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

Summarised financial information in respect of ACL Cables PLC's subsidiaries that have material non-controlling interest, reflecting amount before inter Company eliminations, is set out below.

The significant figures extracted from the financials of	Kelani Cables PLC		ACL Plastics PLC		Cable Solutions Pvt Ltd	
	2022	2021	2022	2021	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	15,115,383	9,650,438	2,955,017	1,900,005	1,905,075	1,074,970
Profit before tax	2,597,928	744,630	844,496	208,245	285,862	27,405
Cash flows from operating activities	3,771,505	634,508	515,957	162,127	203,833	109,285
Cash flows from investing activities	(1,588,260)	(88,141)	(8,821)	7,900	(80,327)	(19,802)
Cash flows from financing activities	(515,298)	(309,355)	(47,171)	157,038	(301,684)	105,347
Non current assets	1,899,493	1,721,549	398,575	374,845	529,320	500,885
Current assets	9,580,750	6,893,214	2,651,287	1,682,240	1,099,920	705,778
Total assets	11,480,243	8,614,763	3,049,862	2,057,085	1,629,240	1,206,663
Non current liabilities	407,916	207,703	59,047	69,377	193,037	154,843
Current liabilities	4,375,606	3,779,493	720,539	409,713	710,246	439,240
Total Liabilities	4,783,522	3,987,195	779,586	479,089	903,283	594,083
Profit / (loss) attributable to NCI	441,356	128,516	250,917	62,393	116,573	11,518
Other Comprehensive income attributable to NCI	7,265	30,204	4,656	33,384	140	209
Non controlling interest %	20.70%	20.70%	34.80%	34.80%	49%	49%

Above figures have been extracted from the audited financial statements of Kelani Cables PLC, ACL Plastics PLC and Cable Solutions Private Limited for the year ended 31st March 2022.

18 Investments accounted for using the equity method

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Investments accounted for using the equity method (at cost)	-	-	345,093	345,093
Balance at the beginning of the year	401,385	312,874	-	-
Share of profit [Note 18(a)]	153,903	107,426	-	-
Share of other comprehensive income [Note 18(a)]	461	(495)	-	-
Share of dividend paid	-	(18,420)	-	-
Balance at the end of the year	555,749	401,385	345,093	345,093

Impact of COVID-19

Investments accounted for using the equity method are carried at cost less any accumulated impairment losses. The Company has not determined that there is no requirement to provide for impairment as at the reporting date due to the COVID-19 pandemic.

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 2020. At the end of the year, Company holds 32.53% share of Resus Energy PLC.

Provisional fair values of the identifiable assets and liabilities of Resus Energy PLC were used when arriving at the results of the acquisition.

(a) Total comprehensive income from equity accounted investee

	Resus Energy PLC 31 March	
	2022	2021
Share of profit	153,903	107,426
Amount recognised in the statement of profit or loss	153,903	107,426
Other comprehensive income / (expense) for the year, net of tax	461	(495)
Total comprehensive income for the year	154,364	106,931

(b) Summarised financial information of equity accounted investee

	Resus Energy PLC 31 March	
	2022	2021
Revenue and profit		
Revenue	837,909	666,252
Profit after tax	473,255	330,338
Other comprehensive income	1,419	(1,523)
Total comprehensive income	474,674	328,816
Assets and liabilities		
Current Assets	790,548	358,699
Non current assets	4,562,798	3,522,392
Current Liabilities	910,132	1,068,302
Non current Liabilities	2,734,269	1,578,518
Net assets	1,708,945	1,234,271
Carrying amount of the investment	555,749	401,385
(c) Quoted fair value of the investment in the associate	501,262	622,078

Above figures have been extracted from the audited financial of Resus Energy PLC for the year ended 31st March 2022.

19 Financial assets at fair value through OCI

(a) Movement of financial assets at fair value through OCI

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	469,885	367,570	12,328	8,681
Fair value adjustment	7,069	30,238	1,357	3,647
Cost of shares purchased	70,000	72,076	-	-
	546,954	469,885	13,685	12,328

During the year Ceylon Copper Private Limited has invested an additional 109,846 shares of Ethimale Plantations (Pvt) Ltd and the current ownership percentage is 16.84% (2020/21 18.75%).

(all amounts in Sri Lanka Rupees thousands)

(b) Company

Company	31 March 2022 Number of shares	Cost	Market value	31 March 2021 Number of shares	Cost	Market value
Banking finance and insurance						
Merchant Bank of Sri Lanka PLC	18,379	1,546	94	18,379	1,546	129
Nations Trust Bank PLC	19,321	450	871	19,321	450	1,068
Telecommunication						
Dialog Axiata PLC	390,000	4,143	3,900	390,000	4,143	5,070
Diversified holdings						
John Keells Holdings PLC	25,856	1,430	3,749	25,856	1,430	3,840
Ambeon Holding PLC	130,700	13,250	5,071	130,700	13,250	2,222
Total cost of investments by the Company		20,819	13,685		20,819	12,328

(c) Investments by subsidiary companies

Company	31 March 2022 Number of shares	Cost	Market value	31 March 2021 Number of shares	Cost	Market value
Banking finance and insurance						
Nations Trust Bank PLC	28,499	512	1,285	26,826	512	1,483
DFCC Bank	13	2	1	13	2	1
People's Insurance PLC	585,500	8,782	17,624	585,500	8,782	17,916
Plantation						
Maskeliya Plantations PLC	8,200	375	79	8,200	375	90
Kotagala Plantations PLC	45,000	477	189	45,000	477	239
Ethimale Plantations (Pvt) Ltd	681,315	484,171	484,171	571,469	414,171	414,171
Diversified holdings						
Hayleys PLC	389,070	2,953	29,919	389,070	2,953	23,655
Total cost of investments by subsidiaries		497,272	533,268		427,272	457,556
Total cost of investments by Group		518,091	546,954		448,091	469,885

(d) The Group and the Company designated above instruments as financial assets measured at fair value through OCI because the Group intend to hold these instruments for strategic purposes.

(e) Carrying value of the investment in Ethimale Plantations (Pvt) Ltd would remain as last year since the fair value of the investment cannot be reliably measured as the underlying investee company is in its development stage.

Impact of COVID-19

Impact of the pandemic on the non-current financial assets have been elaborated in Note 3.

20 Inventories

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Raw materials	3,970,023	2,500,633	1,146,184	1,097,096
Work-in-progress	1,237,193	983,017	856,863	555,438
Finished goods	3,393,994	2,749,359	1,875,362	1,425,455
Goods in transit	747,616	1,613,267	187,854	906,733
Other stocks	306,166	277,199	141,172	149,782
	9,654,992	8,123,475	4,207,436	4,134,504
Provision for obsolete stock [20(a)]	(308,253)	(221,656)	(96,226)	(82,754)
Net book amount	9,346,739	7,901,819	4,111,209	4,051,750

(a) Provision for obsolete stock

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	221,656	223,137	82,754	82,754
Provision charge/(reversal) during the year	86,597	(1,481)	13,472	-
Balance at the end of the year	308,253	221,656	96,226	82,754

21 Trade and other receivables

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Trade receivables	6,312,866	7,123,159	3,907,045	3,908,123
Provision for impairment of trade and other receivables [Note 21(a)]	(939,753)	(754,378)	(619,169)	(400,242)
Trade receivables - net	5,373,113	6,369,525	3,287,875	3,507,881
Receivable from related companies [Note 37.14(b)]	-	-	774,726	292,100
Loan given to related companies [Note 37.14(c)]	-	-	32,075	32,075
Advances and prepayments	371,479	270,986	19,517	19,866
Other receivables	2,622,020	2,324,299	1,180,079	1,127,466
	8,366,612	8,964,810	5,294,273	4,979,388

Value of book debts of ACL Cables PLC and Kelani Cables PLC have been pledged as security to obtain bank facilities (Refer note 24.1).

The carrying amount of trade receivables is considered to be the same as its fair value, due to its short-term nature.

Other receivables of the Group includes statutory receivables, and advance paid to Blue Water Hotel Resort Project by Kelani Cables PLC and other receivables of the Company includes statutory receivables.

Kelani Cables PLC made an advance payment of USD 2,000,000 to Blue Water Resorts Hotel project which intends to build a resort in Maldives. The company made this initial payment to purchase the land in return for shares from Blue Water Resorts (Private) Limited after the Company is incorporated. (2020/21 - Rs.360,540)

Impact of Covid-19

The Group 's simplified Expected Credit Loss model is based on the provision metrics which is allowed to be used under the practical expedient of SLFRS 9. Individual receivable balances have been re-assessed by the management, specific provisions were made wherever necessary, existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect impact from COVID-19 outbreak.

(all amounts in Sri Lanka Rupees thousands)

(a) Provision for impairment of trade & other receivables

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	754,378	647,865	400,242	275,242
Provision for the year	197,402	152,415	230,955	125,000
Debtors written off	(12,027)	(46,645)	(12,027)	-
Balance at the end of the year	939,753	754,378	619,169	400,242

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

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Neither past due nor impaired	6,272,370	7,058,572	3,944,598	4,142,760
Past due but not impaired	1,154,489	1,152,604	730,505	436,386
Impaired	939,753	754,378	619,169	400,242
	8,366,612	8,964,810	5,294,273	4,979,388

Loss rates used by management is illastrated in Note 3.1 (b).

Past due but not impaired

Debtors with a carrying amount of LKR 1,154 million (2021 - LKR 1,152 million) and LKR 731 million (2021 - LKR 436 million), which are past due for the Group and the Company respectively at the end of the reporting period but the Company has not impaired as there have 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 940 million (2021 - LKR 754 million) and LKR 619 million (2021 - LKR 400 million) for the Group and the Company respectively at the end of the reporting period.

22 Cash and cash equivalents

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Cash at bank	7,597,246	2,526,959	2,221,173	592,777
Cash in hand	716	3,429	473	403
	7,597,962	2,530,387	2,221,646	593,180

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

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Cash at bank and in hand	7,597,962	2,530,387	2,221,646	593,180
Bank overdraft (Note 24)	(353,710)	(162,742)	(145,112)	(1,523)
	7,244,252	2,367,646	2,076,534	591,657

23 Trade and other payables

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Trade payables	4,086,940	5,707,445	866,902	3,040,768
Payables to related parties [Note 37.14 (a)]	119,655	74,792	1,252,467	1,366,982
Loans from related parties [Note 37.14 (d)]	-	-	542,594	42,594
Accrued expenses and other payables	878,527	769,247	110,023	109,949
	5,085,122	6,551,484	2,771,985	4,560,293

The carrying amount of trade payables is considered to be the same as its fair value, due to its short-term nature.

24 Borrowings

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Long term borrowings (Note 24.1)				
Amount payable after one year	1,507,284	1,094,901	956,854	713,334
	1,507,284	1,094,901	956,854	713,334
Short term borrowings (Note 24.1)				
Amount payable within one year	4,504,006	2,591,616	3,200,192	1,230,538
Bank overdraft	353,710	162,742	145,112	1,523
	4,857,716	2,754,357	3,345,304	1,232,061
Total borrowings	6,365,000	3,849,259	4,302,159	1,945,395

Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Impact of Covid-19

Note 3.1(a) demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax.

(all amounts in Sri Lanka Rupees thousands unless otherwise stated)

24.1 Borrowings excluding bank overdrafts

(a) Analysed by lenders

Lender	Interest Rate	Group 31 March 2022	Group 31 March 2021	Security	Amount Rs. (Mn)
Standard Chartered Bank	Linked to AWPLR	275,000	375,000	Stocks and book debts	LKR 250
State Bank of India	Linked to AWPLR	253,326	333,330	Land	LKR 939
Bank of Ceylon	Linked to AWPLR	34,854	154,354	No assets pledged	
DFCC	Linked to AWPLR	156,147	-	No assets pledged	
Peoples Bank	Linked to AWPLR	450,000	-	No assets pledged	
DFCC		153,456	19,815	Stocks and book debts	
Sampath Bank		176,879	200,000	Machinery and equipment	
National Development Bank	9.08%	7,622	12,402	No assets pledged	
Total long-term borrowings		1,507,284	1,094,901		
Standard Chartered Bank	Linked to AWPLR	1,363,403	945,516	Stocks and Book Debts Lien over call account funds	USD 1.5 USD 0.6 AUD 0.5
Hatton National Bank PLC	Linked to AWPLR	1,375,000	540,729	Demand promissory note	LKR 1,500
Nations Trust Bank PLC	Linked to AWPLR	484,078	178,531	Stocks and Book Debts	-
DFCC	Linked to AWPLR	10,638	-	Machinery and solar panels	USD 0.12 USD 0.13
DFCC	Linked to AWPLR	-	65,680.00	Movable property	
DFCC	Linked to AWPLR	6,944	23,611	Movable property	USD 0.33
Peoples Bank	Linked to AWPLR	144,000	-		
Sampath Bank		-	32,639		-
Hatton National Bank PLC	Linked to AWPLR	976,892	702,000	No assets pledged	-
Bank of Ceylon		59,750	-	No assets pledged	-
Honkong Shanghai Banking Corporation	10.05%	-	97,313	No assets pledged	-
Vario systems (Pvt) Ltd		75,548	-	No assets pledged	-
National Development Bank	9.14%	7,754	5,596	No assets pledged	-
Total short-term borrowings		4,504,006	2,591,615		
Total borrowings		6,011,291	3,686,517		

Lender	Interest Rate	Company 31 March 2022	Company 31 March 2021	Security	Amount Rs. (Mn)
Standard Chartered Bank	Linked to AWPLR	275,000	375,000	Stocks and book debts	
DFCC	Linked to AWPLR	156,147	-	No assets pledged	
Peoples Bank	Linked to AWPLR	270,000	-	No assets pledged	
National Development Bank	9.08%	2,381	5,004	No assets pledged	
State Bank of India	Linked to AWPLR	253,326	333,330	Land	LKR 939
Total long-term borrowings		956,854	713,334		
Standard Chartered Bank	Linked to AWPLR	1,341,114	277,806	Lien over call account funds	USD 0.6 AUD 0.5
Hatton National Bank PLC	Linked to AWPLR	1,375,000	414,200	Demand promissory note	LKR 1,500
Nations Trust Bank PLC	Linked to AWPLR	484,078	538,531	Stocks and book debts	
Total short-term borrowings		3,200,192	1,230,538		
Total borrowings		4,157,046	1,943,872		

25 Current income tax liabilities

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	646,403	569,748	257,069	219,721
Provision for the current year (Note 9)	1,168,828	302,512	389,874	115,690
Over provision in respect of prior years	(10,796)	(936)	-	-
Currency translation difference	(2,430)	-	-	-
Payments made during the year	(502,409)	(224,921)	(195,607)	(78,342)
Balance at the end of the year	1,299,597	646,403	451,336	257,069

26 Defined benefit obligations

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

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	423,783	387,618	216,007	229,880
Current service cost	(18,191)	36,148	(20,339)	16,912
Interest cost	32,945	39,778	17,928	22,988
Actuarial loss/(gain) during the year	(128,506)	(1,972)	(67,132)	(30,638)
	310,031	461,572	146,465	239,142
Benefits paid	(24,564)	(37,789)	(15,738)	(23,135)
Foreign currency translation adjsutment	-	-	-	-
Balance at the end of the year	285,467	423,783	130,727	216,007

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

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Current service cost	(18,191)	36,148	(20,339)	16,912
Interest cost	32,945	39,778	17,928	22,988
Recognised in statement of profit or loss	14,754	75,926	(2,411)	39,900

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

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Actuarial loss/(gain)	(128,506)	(1,972)	(67,132)	(30,638)
Recognised in statement of comprehensive income	(128,506)	(1,972)	(67,132)	(30,638)

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 2022, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm, Actuarial & Management Consultants (Private) Limited.

(all amounts in Sri Lanka Rupees thousands)

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

	Group / Company 31 March 2022	2021
Rate of discount	16.20%	8.3%
Salary increment rate	10.0%	10.0%
Retirement age	60 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.

2022

		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	(16,367)	16,367	(8,849)	8,849
	-1	18,281	(18,281)	9,944	(9,944)
Future salary increases	+1	19,768	(19,768)	10,617	(10,617)
	-1	(17,908)	17,908	(9,549)	9,549

2021

		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	(28,565)	28,565	(14,897)	14,897
	-1	33,198	(33,198)	16,956	(16,956)
Future salary increases	+1	32,748	(32,748)	16,816	(16,816)
	-1	(29,103)	29,103	(14,897)	14,897

(f) The expected maturity analysis of discounted 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 2022					
Defined benefit obligation	44,516	38,117	53,212	149,622	285,466
Total	44,516	38,117	53,212	149,622	285,466
31 March 2021					
Defined benefit obligation	47,901	82,102	83,406	210,374	423,783
Total	47,901	82,102	83,406	210,374	423,783

Company	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2022					
Defined benefit obligation	17,800	6,026	17,931	88,969	130,725
Total	17,800	6,026	17,931	88,969	130,725
31 March 2021					
Defined benefit obligation	24,516	43,961	42,561	104,968	216,006
Total	24,516	43,961	42,561	104,968	216,006

27 Deferred income tax liabilities

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 18% (2020/21 - 18%),

(a) The gross movement in the deferred income tax account is as follows:

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	434,810	485,457	216,760	286,292
Origination/(reversal) of temporary differences recognised in Statement of profit or loss	(48,430)	(122,949)	(33,211)	40,838
Origination/(reversal) of temporary differences recognised in other comprehensive income	23,602	72,302	12,084	(110,369)
Balance at the end of the year	409,981	434,810	195,633	216,760

(all amounts in Sri Lanka Rupees thousands)

(b) The movement on the deferred income tax account was as follows:

(i) Movement in deferred income tax liability

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	741,470	854,530	352,139	466,249
Origination of temporary differences recognised in Statement of profit or loss	(9,501)	(185,429)	(4,204)	1,774
Effect on surplus on revaluation of buildings recognised in other comprehensive income	-	139,324	-	54,041
Effect on change in tax rates recognised in other comprehensive income	-	(66,955)	-	(169,926)
Balance at the end of the year	731,969	741,470	347,935	352,139

(ii) Movement in deferred income tax asset

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	(306,660)	369,073	(135,379)	179,957
Reversal of temporary differences recognised in Statement of profit or loss	(38,930)	62,480	(29,007)	39,063
Origination/(reversal) of temporary differences recognised in other comprehensive income	23,602	(67)	12,084	5,515
Balance at the end of the year	(321,988)	(306,660)	(152,302)	(135,379)
Deferred income tax liabilities - net	409,981	434,810	195,633	216,760

Deferred tax related to fair value re-measurement of financial assets at fair value through OCI 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.

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 taxes relate to the same fiscal authority.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is given below.

(c) Composition of deferred income tax liabilities and deferred income tax assets is as follows:

(i) Composition of deferred income tax liabilities

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Property, plant and equipment	731,969	740,485	347,935	350,128
Investment propert	-		-	
Right-of-use assets		985	-	2,011
	731,969	741,470	347,935	352,139

(ii) Composition of deferred income tax assets

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Defined benefit obligations	(50,183)	(76,431)	(23,531)	(38,881)
Lease liabilities	(830)	732	-	(2,116)
Provision for impairment of inventories	(61,035)	(84,663)	(17,321)	(22,338)
Provision for impairment of trade receivables	(169,292)	(102,138)	(111,450)	(72,044)
Provision for payment in lieu of employee share issue scheme	-	(839)	-	-
Tax losses carried forward	(40,648)	(43,321)	-	-
	(321,988)	(306,660)	(152,302)	(135,379)

Impact of COVID-19

The Group recognises a deferred tax asset on unused tax losses which is expected to reduce the future tax expense. The Group's risk management strategy involved implementation of the business continuity plans at the respective companies as a response to COVID-19 pandemic.

28 Financial instruments by category

(a) Financial instruments

Group	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2022			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	546,954	546,954
Trade and other receivables (excluding pre-payments)	7,995,133	-	7,995,133
Cash and bank balances (Note 22)	7,597,962	-	7,597,962
	15,593,095	546,954	16,140,049

	Financial liabilities at amortised cost	Total
31 March 2022		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	5,063,242	5,063,242
Lease liabilities (Note 16)	33,594	33,594
Other borrowed funds (Note 24)	6,365,000	6,365,000
	11,461,835	11,461,835

(all amounts in Sri Lanka Rupees thousands)

Company	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2022			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	13,685	13,685
Trade and other receivables (excluding pre-payments)	5,274,756	-	5,274,756
Cash and bank balances (Note 22)	2,221,646	-	2,221,646
	7,496,402	13,685	7,510,087

	Financial liabilities at amortised cost	Total
31 March 2022		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	2,761,373	2,761,373
Lease liabilities (Note 16)	-	-
Other borrowed funds (Note 24)	4,302,159	4,302,159
	7,063,532	7,063,532

Group	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2021			
Assets as per the statement of financial position			
Financial assets at Fair value through OCI	-	469,885	469,885
Trade and other receivables (excluding pre-payments)	8,693,823	-	8,693,823
Cash and bank balances (Note 22)	2,530,387	-	2,530,387
	11,224,210	469,885	11,694,095

	Financial liabilities at amortised cost	Total
31 March 2021		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	6,528,799	6,528,799
Lease liabilities	34,484	36,189
Other borrowed funds (Note 24)	3,849,259	3,849,259
	10,412,541	10,414,246

Company	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2021			
Assets as per the statement of financial position			
Financial assets at Fair value through OCI	-	12,328	12,328
Trade and other receivables (excluding pre-payments)	4,959,522	-	4,959,522
Cash and bank balances (Note 22)	593,180	-	593,180
	5,552,702	12,328	5,565,030

	Financial liabilities at amortised cost	Total
31 March 2021		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	4,550,239	4,550,239
Lease liabilities (Note 16)	11,757	11,757
Other borrowed funds (Note 24)	1,945,395	1,945,395
	6,507,391	6,507,391

(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:

	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 2022								
Trade and other receivables (excluding pre -payments)	5,900,891	1,154,489	939,753	7,995,133	3,925,081	730,505	619,169	5,274,756
Cash and bank balances	7,597,962	-	-	7,597,962	2,221,646	-	-	2,221,646
	13,498,853	1,154,489	939,753	15,593,095	6,146,727	730,505	619,169	7,496,402
31 March 2021								
Trade and other receivables (excluding pre -payments)	6,787,585	1,152,604	753,635	8,693,824	4,122,894	436,386	400,242	4,959,522
Cash and bank balances	2,530,387	-	-	2,530,387	593,180	-	-	593,180
	9,317,972	1,152,604	753,635	11,224,211	4,716,074	436,386	400,242	5,552,702

(all amounts in Sri Lanka Rupees thousands)

Cash at bank and short-term bank deposits

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
AAA(lka)'	1,232,565	556,786	749,730	498,352
AA+(lka)'	-	965	-	-
AA(lka)'	-	888,179	-	28,877
AA-(lka)'	5,649,771	100,541	1,458,571	6,248
A+(lka)'	401	82,933	191	28,471
A(lka)'	713,077	890,222	12,399	23,494
A-(lka)'	-	-	-	-
BBB+(lka)'	1,151			
BBB-(lka)'	281	7,333	281	7,333
B-(lka)'	-	-	-	-
Total	7,597,246	2,526,959	2,221,172	592,776

29 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. On the date of 16th March 2022, the decision of the Court of Appeal was made in favour of the company.

(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 500 million
- Ceylon Copper (Private) Limited amounting to LKR 1,900 million

(c) Bank guarantees amounting to LKR 401 million have been given to the suppliers as at 31 March 2022.

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 29 million have been given to suppliers as at 31 March 2022.

(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 183 million have been given to third parties as at 31 March 2022.

(d) ACL Plastics PLC

Bank guarantees amounting to LKR 15 million have been given to the suppliers as at 31 March 2022.

30 Commitments

Financial commitments

Company

(a) Letter of Credits

The Company has a commitment on Letter of Credits amounting to LKR 534 million as at 31 March 2022.

There were no other material commitments outstanding as at 31 March 2022.

Group

(a) Kelani Cables PLC

Kelani Cables PLC has a commitment on Letter of Credits amounting to LKR 381 million as at 31 March 2022.

(b) ACL Plastics PLC

ACL Plastics PLC has a commitment on Letter of Credits amounting to LKR 501 million as at 31 March 2022.

(c) ACL Metals and Alloys (Private) Limited

ACL Metals and Alloys (Private) Limited has a commitment on Letter of Credits amounting to LKR 123 million as at 31 March 2022.

(d) ACL Electric (Private) Limited

ACL Electric (Private) Limited has a commitment on Letter of Credits amounting to LKR 132 million as at 31 March 2022.

Capital commitments

(a) Company and Group

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

31 Stated capital

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Number of ordinary shares issued and fully paid				
Issued ordinary shares as at 01st April	239,574,720	119,787,360	239,574,720	119,787,360
Effect of share split	-	119,787,360	-	119,787,360
Balance at the end of the year	239,574,720	239,574,720	239,574,720	239,574,720
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

(all amounts in Sri Lanka Rupees thousands)

32 Capital reserve

(a) Nature and purpose of Capital reserve

The Capital Reserve is used to record increments and decrements on the revaluation of the property, plant and equipment. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	2,968,657	2,270,744	1,418,683	1,002,568
Revaluation surplus	-	774,020	-	300,231
Deferred tax on revaluation surplus	-	(139,324)	-	(54,041)
Deferred tax on effect of change in tax rates	-	66,955	-	169,926
Adjustment through equity	4,879	-	-	-
Transfer to retained earnings from revaluation reserve	(5,105)	(3,738)	-	-
Balance at the end of the year	2,968,432	2,968,657	1,418,683	1,418,683

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

	Group 31 March	
	2022	2021
Capital redemption reserve fund	4,435	4,435
Surplus on revaluation of property, plant and equipment	2,963,997	2,964,222
	2,968,432	2,968,657

33 General reserve

(a) Nature and purpose of 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	
	2022	2021	2022	2021
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

34 Fair value reserve of financial assets at FVOCI

(a) Nature and purpose of General reserve

The group has recognised changes in the fair value of investments in equity securities in OCI. These changes are accumulated within the FVOCI reserve within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Balance at the beginning of the year	21,057	73	2,496	(1,151)
Fair value adjustment for financial assets at fair value through OCI	5,081	20,984	1,357	3,647
Balance at the end of the year	26,138	21,057	3,853	2,496

35 Foreign currency translation reserve

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the Financial statements of foreign operations.

36 Cash flow information

(a) Cash generated from / (used in) operations

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

	Group		Company	
	31 March		31 March	
	2022	2021	2022	2021
Profit before tax	6,237,262	1,941,685	1,945,059	759,408
Adjustments for:				
Depreciation of property, plant and equipment (Note 12)	326,519	352,087	136,235	137,347
Depreciation of right-of-use assets (Note 16)	6,840	6,917	-	1,588
Amortization of intangible assets (Note 15)	7,684	202	859	99
Share of profit from equity accounted investee, net of tax [Note 18(a)]	(153,903)	(107,426)	-	-
Cash dividend from equity investee (Note 18)	-	18,420	-	-
Dividend income (Note 5)	(6,767)	(973)	(151,154)	(194,329)
Interest expense (Note 8)	684,947	569,504	414,792	298,492
Interest income (Note 8)	(921,896)	(92,030)	(252,993)	(19,601)
Profit on disposal of property, plant and equipment (Note 5)	(351)	(3,851)	-	(3,118)
Fair value adjustment to investment properties (Note 14)	(84,350)	(363,050)	(44,850)	(18,550)
Defined benefit obligations [Note 26(b)]	14,754	75,926	(2,411)	39,900
Adjustment made for lease agreement changes	(582)	(5,783)	(582)	(452)
Changes in working capital:				
Increase in inventories	(1,444,920)	(1,481,029)	(59,460)	(1,007,992)
Increase in receivables and prepayments	598,197	(551,762)	(314,886)	(450,741)
Increase in trade and other payables	(1,466,365)	3,803,806	(1,788,309)	922,532
Effect of movements in exchange rates	(90,455)	-	-	-
Cash generated from operations	3,706,615	4,162,644	(117,700)	464,581

(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		Company	
	31 March		31 March	
	2022	2021	2022	2021
Net debt				
Cash and cash equivalents	7,597,962	2,530,387	2,221,646	593,180
Borrowings – repayable within one year (including overdraft)	4,857,716	2,754,357	3,345,304	1,232,061
Borrowings – repayable after one year	1,507,284	1,094,901	956,854	713,334
Lease liabilities	33,594	34,484	-	11,757
Net debt	1,199,368	(1,353,356)	(2,080,513)	(1,363,972)
Cash and liquid investments	7,597,962	2,530,387	2,221,646	593,180
Gross debt – variable interest rates	6,398,594	3,883,743	4,302,159	1,957,151
Net debt	1,199,368	(1,353,356)	(2,080,513)	(1,363,972)

(all amounts in Sri Lanka Rupees thousands)

37 Segment information

(a) Business Segment information

	Manufacturing cables 2022	Manufacturing PVC compound 2022	Others 2022	2022	2021
Total revenue	36,552,282	2,955,017	4,566,557	44,073,856	30,691,359
Inter-segment sales	(1,441,242)	(2,737,321)	(4,566,557)	(8,745,120)	(8,072,236)
External sales	35,111,040	217,696	-	35,328,737	22,619,123
Results					
Profit before other income and finance cost	4,519,481	703,853	457,122	5,680,456	1,886,891
Other income	158,316	2,199	5,438	165,954	424,842
Finance cost	3,233	138,444	95,273	236,950	(477,474)
Share of profit of equity accounted investee and gain on bargain purchase (power and energy)	-	-	-	153,903	107,426
Taxation	(871,085)	(123,471)	(128,727)	(1,123,282)	(187,963)
Profit after taxation	3,809,945	721,026	429,106	5,113,979	1,753,721
Assets					
Segment assets	27,042,912	1,907,893	3,728,940	32,679,746	26,280,499
Unallocated corporate assets				940,063	939,793
Total assets				33,619,808	27,220,292
Liabilities					
Segment liabilities	11,242,949	779,586	1,434,395	13,456,931	11,928,344
Unallocated corporate liabilities				21,829	11,879
Total liabilities				13,478,760	11,940,222
Capital expenditure					
Segment capital expenditure	423,033	35,838	52,675	511,546	420,551
Total capital expenditure				511,546	420,551
Depreciation and amortisation					
Segment depreciation and amortisation	298,592	17,798	32,337	334,203	352,289
Total depreciation and amortisation				334,203	352,289

(b) Geographical segment information

Geographical segment turnover is given in Note 4.

Ceylon Electricity Board accounts for more than 20% of sales from both the Group and the Company's total turnover.

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 79.3% 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. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Cable Solutions (Private) Limited which is a 51% owned subsidiary of ACL Cables PLC.

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

38.12 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.

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

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

		Company 31 March	
		2022	2021
Kelani Cables PLC	Subsidiary	927,320	833,504
ACL Metals and Alloys (Private) Limited	Subsidiary	13,101	17,167
ACL Plastics PLC	Subsidiary	561	-
Ceylon Copper (Private) Limited	Subsidiary	15,492	37,227
Cable Solutions (Private) Limited	Subsidiary	36,926	121,888
ACL Electric (Private) Limited	Subsidiary	-	1
		993,399	1,009,787

(all amounts in Sri Lanka Rupees thousands)

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

		Company 31 March 2022	2021
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	-	-
ACL Plastics PLC	Subsidiary	1,496,920	953,864
Kelani Cables PLC	Subsidiary	72,068	27,601
Ceylon Bulbs and Electricals Limited	Subsidiary	1,200	1,200
ACL Metals and Alloys (Private) Limited	Subsidiary	1,077,279	1,247,155
Ceylon Copper (Private) Limited	Subsidiary	2,265,151	2,101,529
Cable Solutions (Private) Limited	Subsidiary	1,782	12,402
ACL Electric (Private) Limited	Subsidiary	1,125,854	871,907
		6,040,253	5,215,657

(c) Interest on loans from related parties

		Company 31 March 2022	2021
ACL Plastics PLC	Subsidiary	3,778	-
ACL Polymers (Private) Limited	Subsidiary	2,645	1,955
		6,423	1,955

(d) Interest on loans from related parties

		Company 31 March 2022	2021
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	-	-
		-	-

(e) Dividends received from related parties

	Company 31 March 2022	2021
ACL Metals and Alloys (Private) Limited	-	25,800
Kelani Cables PLC	19,480	4,477
Lanka Olex Cables (Private) Limited	73,297	73,297
ACL Plastics PLC	27,470	16,482
ACL Electric (Private Limited)	-	30,000
Cable Solutions Private Limited	45,852	-
Ceylon Copper (Private) Limited	-	25,800
	166,100	175,857

(f) There were no dividend payments to related parties during the year ended 31 March 2022.

(g) Key management compensation

	Group 31 March		Company 31 March	
	2022	2021	2022	2021
Short-term benefits	96,635	88,120	74,477	67,950
	96,635	88,120	74,477	67,950

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

(a) Payable to related parties

		Company 31 March	
Company		2022	2021
Kelani Cables PLC	Subsidiary	5,522	2,758
ACL Metals and Alloys (Private) Limited	Subsidiary	438,937	518,525
ACL Plastics PLC	Subsidiary	801,019	520,895
Ceylon Copper (Private) Limited	Subsidiary	-	126,161
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	212	212
Cables Solutions (Private) Limited	Subsidiary	2,177	395
ACL Polymers Private Limited	Subsidiary	4,600	1,955
ACL Electric (Private) Limited	Subsidiary	-	196,080
		1,252,467	1,366,982

		Group 31 March	
Group		2022	2,021
S M Lighting (Private) Limited	Related through KMP	119,655	74,792
		119,655	74,792

(b) Receivable from related parties

		Company 31 March	
		2022	2021
Kelani Cables PLC	Subsidiary	113,632	166,578
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	41,531	41,050
Ceylon Bulbs and Electricals Limited	Subsidiary	933	1,378
ACL Metals and Alloys (Private) Limited	Subsidiary	2	28,980
Ceylon Copper Private Limited	Subsidiary	418,513	-
ACL Electric (Private) Limited	Subsidiary	88,798	1
ACL Plastics PLC	Subsidiary	10	-
Lanka Olex Cables (Private) Limited	Subsidiary	10,366	-
Cables Solutions (Private) Limited	Subsidiary	100,941	54,114
		774,726	292,100

(c) Receivable on loans

		Company 31 March 2022	2,021
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	32,075	32,075
		32,075	32,075

(d) Payable on loans

		Company 31 March 2022	2,021
Kelani Cables PLC	Subsidiary	500,000	-
ACL Polymers (Private) Limited	Subsidiary	42,000	42,000
Lanka Olex Cables (Private) Limited	Subsidiary	594	594
		542,594	42,594

There were no other related parties or related party transactions during the year ended 31 March 2022 other than those disclosed above.

38.15 Interest in related entities

(a) Material Subsidiaries

The group's principal subsidiaries at 31 March 2022 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 business	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		2022	2021	2022	2021
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%	-	-
Cable Solutions (Private) Limited	Colombo	51%	51%	49%	49%

(b) Interest in associates

Set out below is the associate of the group as at 31 March 2022 which, in the opinion of the directors, is 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 business	Ownership interest held by the Group		Carrying amount	
		2022	2021	2022	2021
RESUS Energy PLC	Colombo	32.52%	32.52%	555,749	401,385

38.16 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.

38.17 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.

Due to the negative economic effects of the COVID-19 pandemic, Sri Lanka has been experiencing a foreign exchange crisis that has progressed from acute to severely acute during the fiscal year that concluded on March 31, 2022. As a result, the Government of Sri Lanka is adopting a number of steps to restrict the outflow of the Country's foreign exchange reserves, including limitations on a number of imports and outgoing remittances. Even if the government has taken steps to restrict foreign exchange outflows, the ongoing erosion of foreign reserves is pushing the market exchange rate downward. With immediate effect, the Central Bank of Sri Lanka (CBSL) announced an exchange rate cap of Rs. 230/- per US dollar on March 7, 2022, up from a cap of Rs. 200–203 that CBSL had been in charge of since October 2021. The Sri Lankan Rupee (LKR) has lost 96 rupees against the US dollar during the course of three weeks, making the 31 March 2022 exchange rate the highest ever at 299 rupees per USD. The Sri Lankan government is unable to pay for necessary imports, such as fuel, food, gas, and medicine due to a continuing lack of foreign currency. Fuel shortages have caused incapacitating power outages that can last up to 13 hours. In parallel, Sri Lanka's annual inflation rate increased from 3.9 percent in April 2021 to 18.7 percent in March 2022.

The Board carried out an assessment of the potential implications of COVID-19, economic crisis and country down grade on profitability and liquidity of each Group's entity and at consolidated Group level, and incorporated the required adjustments in the revised budget for the year ending 31 March 2023. Based on this assessment, the Board is of the view that the Group has adequate liquidity position considering the level of business operations, cash flows in hand and the secured facilities available through bank credit facilities. Accordingly, the Group will not have any limitations in meeting the future obligations and ensuring business continuity.

39 Events after the reporting period

Based on the information available at present, the management has evaluated the current uncertain and volatile macroeconomic environment, any lingering effects of the COVID-19 pandemic conditions in Sri Lanka and its impact on the Group companies, and the appropriateness of the use of the going concern basis in the near term. The financial statements for the year ended March 31, 2022, has been prepared on this basis. In May 2022, the Colombo Consumer Price Index (CCPI) and National Consumer Price Index (NCPI), which had been at 18.7% and 21.5%, respectively continued to follow an increasing trend. The Central Bank of Sri Lanka's most recent report indicated the CCPI at 54.6% in June 2022. The depreciation of the LKR, which began at LKR 200 to the USD in October 2021 and has since fallen to its present level, demonstrates the scarcity of the foreign currency. Further to this, the power cuts and fuel shortages began to have an impact on the operations of the industry. The Group has taken preventative measures whenever possible to lessen the impact on the Group businesses because it anticipated these obstacles.

In early April 2022, the Central Bank of Sri Lanka raised the SDFR and SLFR significantly by 700 basis points, each, to 13.50 per cent and 14.50 per cent, respectively, on the back of severe inflationary pressures, domestic supply disruptions and foreign exchange challenges.

Financial assets and financial liabilities in foreign currencies are disclosed in note no 3.1 and will be realized and settled subsequent to the reporting date. Had these financial assets and liabilities been realised at the current exchange rate of USD 1 = 368.57 LKR due to the adverse movement on the foreign exchange rate, balance of LKR 4,904,821,011 of Group and LKR 802,607,713 of Company that is exposed to foreign currency risk existed at the year-end referred in Note no 3.1 would have fluctuated by LKR 6,046,255,327 and LKR 989,388,022 resulting in an exchange gain for the year ended 31 March 2022 amounting to LKR 1,141,434,315 and LKR 186,780,389 respectively for the Group and Company in an approximate basis.

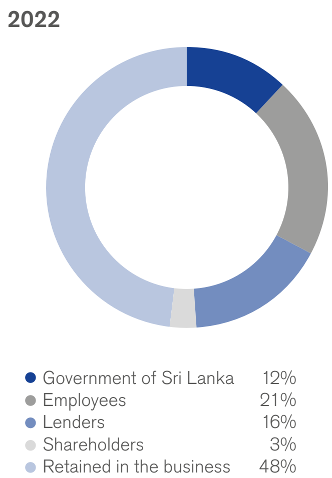
Nevertheless, the Group has been able to maintain its operations without unwarranted interruptions because of the long-standing relationships with the financial community and dedicated suppliers.

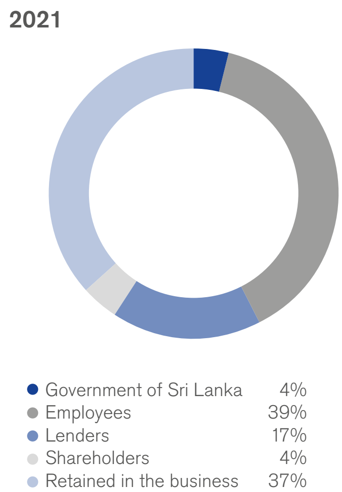
It is anticipated that the Group's activities will face various obstacles, including weak consumer demand and supply chain risks. To reduce this risk, the Group fast-tracked local sourcing, implemented a stringent cost-optimization program, maintaining sufficient inventory and established funding lines to handle potential liquidity concerns. Additionally, the management is closely collaborating with the necessary financial institutions and continuously monitoring the situation to address the liquidity issues with the LKR/FOREX and, when necessary, make quick pricing adjustments to lessen the risk of future rupee depreciation.

Based on these proactive action plans and our operating model, the Group does not envisage a serious impact on the Group business continuity and expects to manage the above challenges effectively as demonstrated in the past.

STATEMENT OF VALUE ADDED - GROUP

		2022 Rs. '000		2021 Rs. '000
Total revenue		35,328,737		22,619,123
Other operating & interest income		1,241,753		624,299
		36,570,489		23,243,422
Cost of material and services bought in		(27,349,680)		(18,572,050)
Total value added by the Group		9,220,809		4,671,372
Value added shared with				
Government of Sri Lanka	12%	1,123,282	4%	187,963
(Taxes)				
Employees	21%	1,964,398	39%	1,808,095
(Salaries and other costs)				
Lenders	16%	1,490,000	17%	778,169
(Interest on loan capital & minority interest)				
Shareholders	3%	239,575	4%	179,681
(Dividends)				
Retained in the business	48%	4,403,554	37%	1,717,464
(Depreciation & retained profits)				
	100%	9,220,809	100%	4,671,372





INFORMATION TO SHAREHOLDERS

(a) Distribution of shareholders as at 31 March 2022

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	4,029	1,268,148	0.53
1,001 to 10,000	2024	7,534,179	3.14
10,001 to 100,000	638	18,978,852	7.92
100,001 to 1,000,000	99	29,740,705	12.41
Over 1,000,000	15	182,052,836	75.99
Total	6,805	239,574,720	100.00

(b) Analysis report of shareholders as at 31 March 2022

	Number of shares	% of holding
Institutional	58,249,645	24.31
Individuals	181,325,075	75.69
Total	239,574,720	100.00

(c) Market and other information

	31 March 2022	31 March 2021
Company		
a) Earnings per share (LKR)	6.63	2.52
b) Dividends per share (LKR)	1.00	0.75
c) Net assets value per share (LKR)	33.23	27.36
d) Market value per share		
- Highest value (LKR)	114.75	130.00
- Lowest value (LKR)	35.50	22.00
- Value as at the end of financial year (LKR)	57.00	35.90
e) Number of trades	108,925	36,616
f) Total number of shares traded	222,669,200	34,361,321
g) Total turnover (LKR)	16,070,628,198	2,934,610,278
h) Percentage of shares held by the public	37.34%	36.71%
i) Number of public shareholders	6,801	6,321
j) Market capitalisation	13,655,759,040	8,600,732,448

	31 March 2022	31 March 2021
Float adjusted market capitalisation	5,098,528,704	3,211,178,605

The Company complies with option 3 of the Listing Rules 7.14.1 (a) - Rs.5.0 billion Float adjusted Market Capitalisation which required 7.5% minimum public holding.

Consolidated

	31 March 2022	31 March 2021
a) Earnings per share (LKR)	17.97	6.47
b) Net assets value per share (LKR)	72.71	55.66

INFORMATION TO SHAREHOLDERS

(d) Twenty largest share holders list as at

	Share Holder Name	31 March 2022		31 March 2021	
		No. Shares	%	No. Shares	%
1	Mr. U. G. Madanayake	91,388,864	38.15	91,388,864	38.15
2	Mr. Suren Madanayake	53,209,584	22.21	53,209,584	22.21
3	Employees Provident Fund	11,814,864	4.93	11,814,864	4.93
4	Sri Lanka Insurance Corporation LTD-Life Fund	4,755,602	1.99	6,702,768	2.80
5	Mrs. N.C. Madanayake	4,128,400	1.72	4,128,400	1.72
6	FAB Foods (Private) Ltd	3,070,080	1.28	3,070,080	1.28
7	Commercial Bank Of Ceylon PLC/Capital Trust Holdings Limited	2,202,631	0.92	-	-
8	Sampath Bank PLC/MR. Gerad Shamil Niranjan P	2,200,408	0.92	-	-
9	National Savings Bank	1,594,338	0.67	2,432,720	1.02
10	Perera R.D.M.	1,403,728	0.59	1,403,728	0.59
11	Selliah A & Selliah S	1,400,000	0.58	1,400,000	0.58
12	Sir Cyril De Zoysa Trust	1,364,144	0.57	1,364,144	0.57
13	Seylan Bank PLC/Capital Trust Holdings Limited	1,360,193	0.57	-	-
14	Sri Lanka Insurance Corporation Ltd-General Fund	1,115,000	0.47	-	-
15	DFCC Bank PLC A/C 1	1,045,000	0.44	-	-
16	Arunodhaya (Private) Limited	1,000,000	0.42	1,000,000	0.42
17	ARUNODHAYA INDUSTRIES (PRIVATE) LIMITED	1,000,000	0.42	1,000,000	0.42
18	Arunodhaya Investments (Private) Limited	1,000,000	0.42	1,000,000	0.42
19	DFCC Bank PLC/G.S.N. Peiris & I.R. Peiris	1,000,000	0.42	-	-
20	Andysel Private Limited	800,000	0.33	800,000	0.33
21	Employees Trust Fund Board	-	-	1,872,588	0.78
22	Star Packaging (Pvt) Ltd	-	-	1,650,000	0.69
23	PERERA AND SONS BAKERS PVT LTD	-	-	1,000,000	0.42
24	Raaymakers M.A.T	-	-	896,086	0.37
25	Kailasapillai A.	-	-	800,000	0.33
26	Weerasignhe A.S	-	-	720,288	0.30

DECADE AT A GLANCE - GROUP

Trading Results Year Ended	31 March 2022 LKR '000	31 March 2021 LKR '000	31 March 2020 LKR '000	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
Turnover	35,328,737	22,619,123	18,183,298	16,251,907	14,669,735	12,811,224	14,427,236	11,446,862	11,326,520	10,306,180
Profit before tax	6,237,262	1,941,685	874,513	1,057,249	1,764,563	1,695,622	1,254,738	687,625	753,438	771,728
Taxation	(1,123,282)	(187,963)	(250,254)	(294,513)	(509,124)	(426,394)	(300,651)	(176,412)	(162,954)	(206,275)
Profit after tax	5,113,980	1,753,722	624,259	762,736	1,255,439	1,269,228	954,087	511,213	590,484	565,453

Balance Sheet As At	31 March 2022 LKR '000	31 March 2021 LKR '000	31 March 2020 LKR '000	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
Stated capital	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488
Capital reserve	2,968,432	2,968,657	2,274,026	2,277,718	1,790,589	1,875,347	1,818,019	1,357,957	1,443,836	1,447,781
Foreign currency translation reserve	(72,198)	-	-	-	-	-	-	-	-	-
Revenue reserve	14,221,108	10,064,788	7,967,257	7,751,398	7,241,173	6,270,421	5,272,516	4,442,265	3,975,037	3,495,789
	17,416,830	13,332,933	10,540,771	10,328,604	9,331,250	8,445,256	7,390,023	6,099,710	5,718,361	5,243,059
Non-controlling interests	2,724,218	1,947,135	1,284,316	1,135,318	1,135,318	1,026,303	870,373	683,959	634,878	528,264
Non-current liabilities	2,229,345	1,982,503	1,106,615	718,334	718,334	1,377,423	1,786,010	513,383	584,100	585,687
	22,370,393	17,262,572	12,931,702	11,184,902	11,184,903	10,848,982	10,046,406	6,915,703	6,462,036	6,357,010
Property, plant & equipment	5,483,037	5,449,766	4,491,089	4,151,266	3,347,709	3,466,497	3,531,614	2,949,216	3,104,485	3,019,097
Leasehold properties - pre-payments	28,754	36,556	1,622	1,644	1,666	1,688	1,710	1,732	1,754	1,776
Capital work in progress	396,319	244,669	73,701	97,469	31,678	32,853	64,127	49,764	37,952	58,475
Intangible assets	68,281	75,965	7,050	7,705	9,138	11,487	17,286	14,060	5,994	5,994
Investment property	1,229,400	1,145,050	653,000	638,000	538,750	516,000	493,000	317,000	130,000	130,000
Financial assets at fair value through OCI	555,749	469,885	373,695	274,488	34,211	31,629	30,145	25,832	26,925	28,097
Investment in equity accounted investee	559,609	401,385	255,792	277,206	275,286	301,503	823,749	-	-	-
Deferred tax asset	-		1,957	3,959	1,774	-	-	-	-	-
Current assets	25,311,313	19,397,016	15,030,878	13,694,440	12,325,252	11,012,139	11,106,443	8,690,869	7,602,055	6,324,309
Current liabilities	(11,249,415)	(9,957,717)	(7,955,123)	(6,346,730)	(5,380,561)	(4,524,814)	(6,021,667)	(4,687,606)	(3,993,462)	(3,105,713)
Capital employed	22,370,393	17,262,572	12,931,702	12,799,444	11,184,903	10,848,982	10,046,406	7,360,867	6,915,703	6,462,036

Ratios	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Gross profit margin	22.45%	16.98%	17.79%	15.21%	16.19%	22.10%	23.86%	17.67%	16.81%	16.46%
Net profit margin after tax	14.48%	7.75%	5.48%	3.40%	4.69%	8.56%	9.91%	6.61%	4.47%	5.21%
Sales growth	56.19%	21.07%	2.74%	11.88%	10.79%	14.51%	-11.20%	26.04%	11.07%	9.90%
Profit growth	221.23%	49.02%	49.00%	-17.28%	-40.08%	4.07%	35.14%	82.47%	-10.90%	-2.37%
Current ratio	2.25	1.95	2.01	1.89	2.16	2.29	2.43	1.84	1.85	1.90
Net asset per share	72.71	55.66	53.99	98.73	96.63	87.39	79.08	61.69	50.92	95.48
Dividend per share	1.00	0.75	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Earning per share	17.97	6.47	7.44	4.67	5.82	9.33	9.13	7.18	3.69	8.93
Market value per share	57.00	35.90	32.30	32.30	41.00	54.50	100.90	76.00	61.00	65.50
Price earning ratio	3.17	5.54	4.18	6.99	7.04	5.84	5.35	10.59	16.55	7.34
Dividend cover ratio	17.97	8.63	4.96	3.08	3.88	6.22	9.13	7.18	3.69	8.93
Dividend payout ratio	0.06	0.12	0.20	0.32	0.26	0.16	0.11	0.14	0.27	0.11

REAL ESTATE PORTFOLIO - GROUP

Name of the Owning Company and Location	Land (Acres) Freehold	Buildings (Sq. Ft)	No of Buildings	Net Book Value 2022 Rs. 000	Net Book Value 2021 Rs. '000
ACL Cables PLC					
Welithotuwa Road, Batakettara, Piliyandala	16.94	255,103	26	1,678,043	1,696,406
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	-	86,750	82,000
AMW Premises, Nagoda, Kaluthara	2.76	-	-	95,000	73,500
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	-	175,500	164,250
60, Rodney Street, Colombo 08	-	15,288	1	102,720	107,000
	33.92	270,391	27	2,138,013	2,123,156
Kelani Cables PLC					
Wewelduwa, Kelaniya	6.51	117,107	19	567,571	592,000
Mahena Road, Siyambalape	1.08	35,583	5	128,620	132,000
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-		690,000	650,500
	20.59	152,690	24	1,386,191	1,374,500
ACL Plastics PLC					
Temple Road, Ekala, Ja-Ela	3.21	36,579	9	248,160	253,000
Niwasipura, Ekala, Ja-Ela	0.06	1,690	1	16,080	16,500
Suhada Mawatha (Off Samagi Mawatha)	0.13	-	-	10,000	10,000
	3.40	38,269	10	274,240	279,500
ACL Kelani Magnet Wire (Pvt) Ltd					
No.07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,554	7	329,520	337,000
Ceylon Bulbs & Electricals Ltd					
60, Rodney Street, Colombo 08	1.69	24,706	11	939,400	939,400
ACL Metals & Alloys (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	1	117,602	132,791
Ceylon Copper (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	1	86,690	87,959
ACL Electric (Pvt) Ltd					
Miriseatte Estate, Millewa, Moragahahena, Horana	1.51	14,960	1	91,260	94,000
Cable Solution (Pvt) Ltd					
Ranmuthugala Estate , Ranmuthugala , Kadawatha	0	34216	2	142,473	136,443
Total value of land and buildings - (Note 12 and 14)	65.63	616,396	94	5,505,389	5,504,749

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.

AWDR
The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly 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 wholly 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 counterparty 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 another 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.

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.

GLOSSARY OF FINANCIAL TERMS

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 another entity under conditions that are potentially unfavourable.

Gearing
Proportion of total interest bearing borrowings to capital employed.

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
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 Sixtieth Annual General Meeting of A C L Cables PLC will be held on 28th September 2022 at an online platform by Audio or Audio visual means at 9.30 a.m. for the purpose of considering and if thought fit passing the following resolutions as Ordinary Resolutions. The Board of Directors, Key Management Personnel, and other officials who are necessary for the holding of the meeting will assemble together at No. 60, Rodney Street, Colombo 08 and shareholders and proxy holders are requested to join the meeting only via the online meeting platform.

01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2022 with the report of the Auditors thereon.

02. (a)To re–elect as a Director Mr. Hemaka Amarasuriya who retires by rotation being eligible for re-election in terms of Article No. 85 of Articles of Association of the Company.

(b)To re–elect as a Director Mr. Rajiv Casie Chitty who retires by rotation being eligible for re-election in terms of Article No. 85 of Articles of Association of the Company.

03. 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"

04. To re–appoint Messrs. PricewaterhouseCoopers, as Auditors of the Company and authorize the Directors to determine their remuneration.

05. To authorize the Directors to determine donations to charities.

BY ORDER OF THE BOARD

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30th August 2022

Note:

(a) The Board of Directors, having considered the prevailing situation in the country have decided to hold the Annual General Meeting by Audio or Audio visual means. Hence, details required for the online registration accompanies this Notice.

(b) The Chairman and certain members of the Board and key officials essential for the administration of formalities and conduct the meeting will be physically present at the Registered Office.

(c) Please complete and forward the Annexure (1) provided with the Annual Report to the email address : investor.relations@acl.lk on or before 23rd September 2022 to get connected to the online platform.

(d) The Annual Report inclusive of the Audited Financial Statements for the financial year ended 31st March 2022 is available on the Company website - https//acl.lk and on Colombo Stock Exchange website https//www.cse.lk.

NOTES

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 28th September 2022 at 9.30 a.m. and at any adjournment thereof.

Ordinary Resolutions as set out in the Notice of Meeting:

	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 2022 with the Report of the Auditors thereon.		
02. (a) To re–elect as a Director Mr. Hemaka Amarasuriya who retires by rotation being eligible for re-election in terms of Article 85 of the Articles of Association of the Company		
(b) To re–elect as a Director Mr. Rajiv Casie Chitty who retires by rotation being eligible for re-election in terms of Article 85 of the Articles of Association of the Company		
03. (a) To re-appoint Mr. U. G. Madanayake who has passed the age of 70 years in May 2006 as a Director of the Company		
(b) To re-appoint Mrs. N. C. Madanayake who has passed the age of 70 years in August 2013 as a Director of the Company		
(c) To re-appoint Mr. Ajit Jayaratne who has passed the age of 70 years in April 2010		
(d) To re-appoint Mr. Hemaka Amarasuriya who has passed the age of 70 years in November 2013		
(e) To re-appoint Mr. Daya Wahalatantiri who has passed the age of 70 years in January 2019		
04. To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants as Auditors of the Company and authorize the Directors to determine their remuneration.		
05. To authorize the Directors to determine donations to charities.		

Signed this ………………………………………………………… day of ……………………………….. 2022

…………………………..

Signature

*INSTRUCTIONS AS TO COMPLETION OF THE PROXY ARE ON THE REVERSE.

FORM OF PROXY - ACL CABLES PLC

INSTRUCTIONS AS TO 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 as per its Articles of Associaiton – Companies Act 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 Forms of Proxy should be deposited at No. 60, Rodney Street, Colombo 8, not less than 48 hours before the scheduled starting time of the Meeting.

ANNEXURE (1)

A C L CABLES PLC

Annual General Meeting to be held on 28th September 2022
Registration of Shareholder details for audio or audio and visual (online) platform

1. Full name of the Shareholder : ....

   ....

2. Shareholder's address : ....

   ....

3. Shareholder's NIC / Passport No. / Company Registration No. : ....

4. Shareholder's Contact No. (Residence / Mobile) : ....

5. Name of the Proxy-holder : ....

   ....

6. Proxy-holder's NIC No. / Passport No. : ....

7. Proxy-holder's Contact No. (Residence / Mobile) : ....

8. Shareholder's / Proxy-holder's e-mail address : ....

....	....
Shareholder's Signature	Date

CORPORATE INFORMATION

COMPANY NAME
ACL Cables PLC

REGISTRATION NUMBER
PQ 102

REGISTERED OFFICE
60, Rodney Street, Colombo 08

CONTACT DETAILS
Tel : +94 11 7608300
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
Mahesh Amarasiri
MBA, FCMA, CGMA, B.Sc (ENG) MIESL

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
DFCC

CREDIT RATING
[SC] AA- (Stable) from [SL]A+ (Stable)

Designed & produced by
emagewise
Printed by Gunaratne Offset

CABLES

www.acl.lk