ACL Plastics PLC

Total Quality

Annual Report 2012/13

Contents

ACL Plastics PLC manufactures, deals in and markets PVC compounds primarily in Sri Lanka. The company was founded in 1991 and is based in Colombo, Sri Lanka. ACL Plastics PLC is a subsidiary of ACL Cables PLC.

OUR LEADERSHIP

Mr. U.G. Madanayake
Chairman

Mr. Suren Madanayake
Managing Director

Mrs. N.C. Madanayake
Director

Mr. Das Miriyagalla
Director

Dr. Kamal Weerapperuma
Director

Total Quality

We've been in the PVC compound business for many years and today we are the leader in this competitive industry.

Our experience, expertise and total commitment to delivering products of world-class quality and value are the characteristics that have brought such success to our company and our customers.

ACL Plastics. Total Quality.

Group Financial Highlights

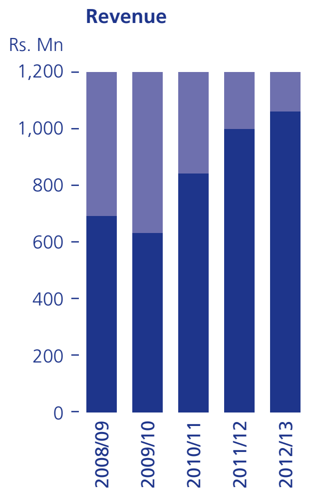
Performance	2013 Rs. Mn	2012 Rs. Mn
Performance		
Turnover	1,070.0	1,004.5
Gross Profit	77.4	98.5
Finance Cost	24.3	28.2
Profit Before Tax	57.8	72.8
Profit After Tax	41.2	52.9
Total Equity	609.3	573.9
Key Financial Indicators		
Gross Profit Margin	7.2%	9.8%
Net Profit Margin Before Tax	3.9%	7.2%
Interest Cover (Times)	3.4	5.1
Return on Equity	6.8%	9.2%
Current ratio (Times)	4.7	2.8

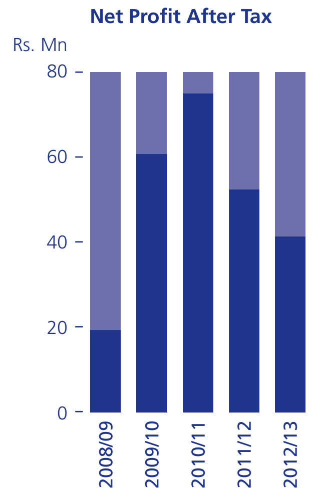
Rs. 41.2 million
Profit After Tax

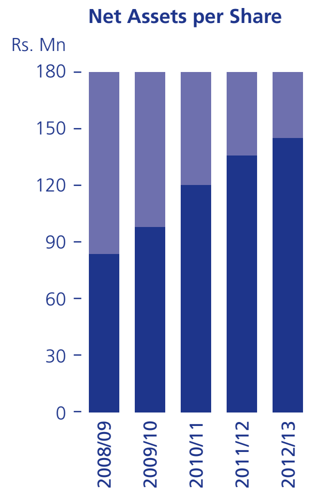
Rs. 756 million
Total Assets

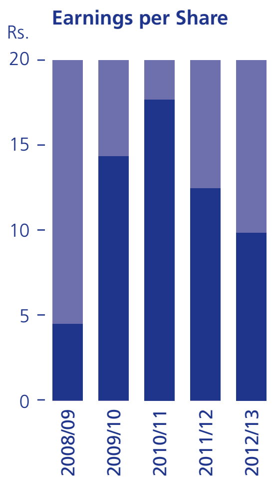
Rs. 1,070 million
Turnover

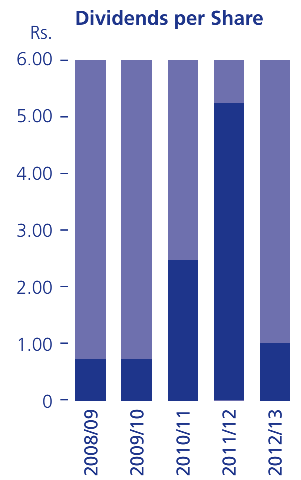
Rs. 609.3 million
Shareholders' Funds

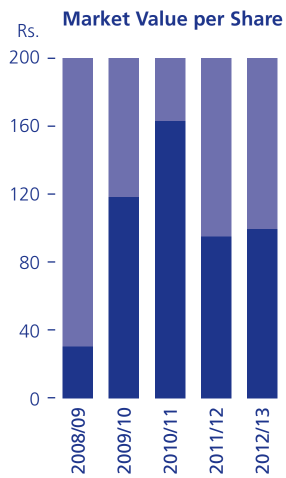












Chairman's Statement

It is my pleasure to welcome you to the Twenty Second Annual General Meeting of ACL Plastics PLC and present to you the Annual Report and Audited Financial Statements for the year ended 31st March 2013.

Your company had a year of mixed results with challenges that have tested our strength and our ability to adapt, combined with fresh opportunities that excite us about the future ahead. While we handled most of the variables well with some even surpassing expectations, unfavorable effects of a few macro-economic variables offset these gains in terms of bottom line results.

In these challenging times, companies in the industry rarely generate positive headlines. Therefore, I am very pleased to report that in 2013, the ACL Plastics PLC Group achieved its best results in terms of turnover. The Group posted the highest turnover in its history for the third consecutive time. The Company achieved the milestone of one billion rupees turnover for the first time in its history.

From an economic perspective, 2013 was another challenging year. The continuing economic crisis in western countries and subdued economic growth in developed countries put pressure on economic growth of developing countries like Sri Lanka. However, despite a slowdown of economies of the developed countries, Sri Lanka has been able to maintain a reasonable growth rate over the past few years. This is a good sign of economic sovereignty of the country and we hope that Sri Lanka will continue this trend in future years too. During the year concerned, we experienced higher interest rates and rupee volatility which resulted from some measures taken by the Government to ensure long-term stability of the country's economy. This affected our financing activities negatively throughout the year which is reflected in increased interest costs and raw material costs for the year. As our industry hugely depends on the cable industry which was hit particularly hard by rising interest rates, fluctuating exchange rates and most significantly by ever increasing competition, the unfavorable impacts on the cable industry directly affected our results. This put enormous pressure on our pricing decisions as well. In an environment of this kind, a turnover result like ours doesn't simply fall into one's lap. It is the reward for hard work and commitment above and beyond the norm. I am nevertheless more confident regarding the future of the Sri Lankan economy now than I was a year ago, since the stepwise progress in dealing with the challenges of economic growth has shown positive effects. However, a sustainable response to the macroeconomic stability is still awaited. And, until this happens, there are still significant risks that prevail in the system.

Performance and growth of the Group

The Group achieved a turnover over Rs. 1 billion during the year under review, showing an increase of 6.53%. This was mainly due to the expansion of the operations experienced by downstream players of the supply chain, most of which are our group companies despite all the

"The Group posted the highest turnover in its history for the third consecutive time. The Company achieved the milestone of one billion rupees turnover for the first time in its history."

negative impacts of unfavorable uncontrollable variables both in the economy as a whole and in the industry itself. It is pleasing to note that the company's turnover grew by 6.2% crossing the milestone of Rs. 1 Billion this year. As a continuous trend during the past few years, with the growth in total sales, the group also achieved a strong growth in external sales, serving to strengthen and expand our external customer base with lots of innovation and technological advancement. It is also encouraging to see that in line with this growth in sales, the production capacity of the ACL Plastics Group has grown continuously during the past few years which is a result of the improvements made to production technology and upgrading machinery. The continuous effort to improve quality has been reflected through the lesser number of sales returns and customer complaints during the year.

The decline in the bottom line was largely due to the pressure sustained by the ever increasing raw material prices in the global market coupled by the fluctuations in exchange rates and interest rates in the local economy. The interest cost of the company was Rs. 29 Mn for the year compared to Rs. 21 Mn in the last year. As the company heavily depends on the imported raw materials, the increase of the cost of same inevitably affects the profitability of the company negatively. The continuous intervention by the management of the group has enabled certain improvements to help us face these challenges in the coming years, such as an increase the efficiency in production by optimizing the raw material usage and strengthening the financial management, some results of which are reflected through the decreased gearing at the year end as shown in the statement of financial position.

Considering this ever challenging environment, the Group's Profit After Tax of Rs. 41 Mn is a good achievement considering the industry averages for the past few years including the year under review, and I am happy to reiterate that your company is the market leader of this industry from its inception and will continue to keep its position far ahead compared to competitors in the market.

I must also emphasize that the serious effort made on cash flow management has resulted in a good growth in operating cash flows and we hope that this trend will continue in the coming years too.

Good balance of Assets & Liabilities

In terms of business, it was yet another challenging year to maintain the best combination of assets and liabilities. Assets and liabilities held in foreign currencies were properly managed so that the possible losses due to the fluctuations in the exchange rates were eliminated to a greater extent. The trade receivables were managed at its optimum levels so that the liquidity risk is minimized while maintaining the expected profitability. The level of inventories was maintained well throughout the year, thereby enabling us to minimize costs related to inventories without compromising our growing business activities. Our current ratio is 4.7 times compared to 2.8 times last year. It is encouraging to note that the efforts made on minimizing financing costs have paid off in the latter part of the year which is reflected through the gearing ratio of 7% compared to 18% and 22% in 2012 and 2011 respectively. I strongly believe that this trend will benefit us tremendously in terms of the profitability of the Group in coming years.

Wealth of the valued Shareholders

Despite all the fluctuations in the share market, the ACL Plastics share shows some growth compared to the last year in terms of share prices which prevailed throughout the year. The net assets value of ACL Plastics PLC share has kept on improving. The Group's net assets per share has increased to Rs. 145 in the year under review from Rs. 136 inthe previous year showing a 6.6 % growth. The Board has approved an interim dividend of Rs. 1 /- per share which is on par with the dividend distributed for the last financial year.

Changes to the Board

Mr. Das Miriyagalla and Dr. Kamal Weerapperuma were appointed to the Board as Independent Non-Executive directors of ACL Plastics PLC in February 2013 and May 2013 respectively. Please join me in welcoming these gentlemen who bring with them valuable experience and expertise to the Board.

Prospects

Many of the challenges that confronted us in 2012/13 will also play an important role in 2013/14, in particular the unstable economic outlook in terms of exchange rates and interest rates. We have already set out the right course for those areas we can influence. The focus is now on fast and comprehensive execution. The goal for the coming years is profitable and sustainable growth. The positive growth in several related industries will enable us further advancement in term of profitability and sustainability and this will enable us to exploit more business opportunities which still remain untapped. We believe that ACL Plastics will continue to skillfully navigate through the current business environment to drive growth and deliver shareholder value. We remain confident in the company's overall strategy, its strong leadership and the many talented employees who deliver their maximum contribution. We eagerly embrace our responsibilities to help ensure the strength of this great ACL brand moving forward.

In Appreciation

On behalf of the entire Board of Directors, I wish to record my appreciation to our management team for their valuable input and guidance and would like to recognize the contribution made by all employees for their determination and unstinted efforts. I also take this opportunity to thank our valued customers for their continued patronage, our loyal suppliers for their continued support, and would like to thank our valued shareholders who have steadfastly stood by us. Last but not least, I thank my colleagues on the board for their strong leadership whose diligence and continuing hard work ensures that ACL Plastics delivers enhanced value to its shareholders.

U.G.Madanayake
Chairman

16th August 2013

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.

Mr. U.G Madanayake has been the Chairman of ACL Plastics PLC from its inception in 1991. He is also the Chairman of ACL Cables PLC, Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd. 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. 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 Plastics PLC., in 1991 and appointed as Managing Director in September 1994.

He also serves as the Deputy Chairman of Kelani Cables PLC, Managing Director of ACL Cables PLC, Lanka Olex Cables (Private) Ltd. and Director of Ceylon Bulbs and Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., ACL Electric (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd. and Ceylon Tapioca Ltd. In 2012, he was appointed to the Board of Union Bank of Colombo PLC as an Independent Non-Executive Director. He also serves as Chairman of CCC Foundation of Sri Lanka, which is an approved charity.

Mrs. N. C. Madanayake

Non-Executive Director

Mrs. N.C. Madanayake was appointed to the Board of ACL Plastics PLC in July 1991. She is also a Director of Kelani Cables PLC, ACL Cables PLC, Ceylon Bulbs and 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. Das Miriyagalla

Independent Non-Executive Director

Mr. Das Miriyagalla is a Chartered Accountant by profession and holds a Physical Science Degree from the University of Ceylon, offering subjects of Physics, Pure and Applied Mathematics.

After obtaining Associate Membership (1968) and fellow Membership of the Institute of Chartered Accountants of Sri Lanka, he held positions of the first Chief Accountant of Ceylon Steel Corporation and the first Finance Manager of Sri Lanka State Trading Corporation, both of which were pioneering ventures in the industrial and trading sectors of Sri Lanka. He performed in both institutions as the head of finance function during the period 1965 to 1978.

Thereafter he served Zambia Industrial and Mining Corporation which was the holding conglomerate for over 100 public sector corporations from 1978 to 1995 as the Group Chief Internal Auditor. The group controlled several operating sectors such as industrial, mining, trade, energy, transport and agriculture. He then served the United Nations Development Program. Asian Development Bank and International Labour Organization as a senior consultant and Parliament of Sri Lanka as National Consultant to the Committee on Public Enterprises (COPE).

Some of his other assignments included the preparation of the Corporate Plan for the Ministry of Finance (2007 - 2010), serving as a member of the governing council of the Institute of Chartered Accountants at its formative period in 1974/75 and as a member of the National Review Committee of the Ministry of Finance in 2002/2003.

Dr. Kamal Weerapperuma

Independent Non-Executive Director

Dr. Kamal Weerapperuma currently serves as Independent Director of Sierra Cables Limited, Sierra Industries (Pvt.) Limited, Plastishells Limited, Arpico Plastics Limited, Arpico Flexifoam (Pvt.) Limited and RPC Polymers (Pvt.) Limited. He held positions of CEO/ Director of Delmege Forsyth Group, Central Industries Ltd., Executive Director, Haycarb Ltd. and Research Fellow in Chemical Engineering, Imperial College, University of London and CEO of Kelani Cables PLC.

He currently serves as an examiner/scrutineer for Chartered Engineer (UK) and Fellowship reviews of the Institute of Materials, Mining, and Minerals (UK). In addition, he serves on the Ethics review committee of the Sri Lanka Medical Association. Dr. Weerapperuma served as consultant to several Industries and Banks. Further, he served on the Prime Minister's advisory Committee on Power and Energy, and on several public sector committees including those in the Ministries of Science and Technology, and in the Ministry of Industry.

He holds a B.Sc. Degree from the University of Ceylon and M.Sc. and Ph.D. Degrees from the UK. He is a Chartered Engineer (UK), a founder Fellow member of the Institute of Materials, Mining, and Minerals (UK), and an Alumnus of "Insead", France.

Members of the Audit Committee and Remuneration Committee

Mr. Ajit Jayaratne

Independent Non-Executive Director – ACL Cables PLC

Chairman of the Audit Committee and Remuneration Committee

Mr. Ajit M. de S. Jayaratne had his education at Royal College, Colombo. He holds a B.Sc.(Economics) Degree from Southampton University and is a fellow member of the Institute of Chartered Accountants, England & Wales and also a fellow member of the Institute of Chartered Accountants, Sri Lanka. Mr. Jayaratne was the Chairman of Forbes & Walker Limited, The Colombo Stock Exchange, The Ceylon Chamber of Commerce and The Finance Commission. Mr. Jayaratne also served as the High Commissioner of Sri Lanka in Singapore. He is now a Director of Singer Sri Lanka Ltd, Singer Industries Ltd., Colombo Fort Land & Building Co. Ltd., Colonial Motors Ltd., Overseas Realty (Ceylon) PLC. and C.W. Mackie PLC. Mr. Jayaratne was appointed to the Board of Directors of ACL Cables PLC (Parent Company) in November 2005.

Mr. Rajiv Casie Chitty

Independent Non-Executive Director – ACL Cables PLC

Member of the Audit Committee and Remuneration Committee

Mr. Rajiv Casie Chitty had his education at Royal College, Colombo. He became 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 a Director of ACL Cables PLC (Parent Company) in November 2005. He is currently an Executive Director of Ceylon Ceramics PLC, Managing Director / CEO of CT Plantations Limited and Horana Plantations PLC and also the Managing Director of UniDil Packaging Limited, Non-Executive Director of Lanka Walltiles PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC and Royal Palms Beach Hotels PLC.

Corporate Governance

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

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

The Board of Directors

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and 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 five Directors out of whom three are Non-Executive Directors. The names and profiles of the Directors are given on pages 04 to 05 of this annual report. The Board recognizes 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. The Board consists of three Non-Executive Directors and two of them are Independent Non-Executive Directors. The Board has determined that the two independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.

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 Directors training is, to provide adequate opportunities for continuous development subject to requirements and relevance for each Director.

Re-Election of Directors

All Directors are required to submit themselves for re-election at regular intervals and at least every three years.

Availability of a Nomination Committee

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

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

Accountability and Audit

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

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

The Report of the Directors is provided on pages 14 to 60 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 17 and 23 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 14 of this Annual Report.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Group's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are to be managed. In addition to internal audits carried out by an external professional body, 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 Plastics PLC through the conduct of its business in a way which:

- Satisfies its customers,
- Develops environmentally friendly products,
- Provides a safe and healthy workplace,
- Protects against losses from unforeseen causes,
- Minimizes the cost and consumption of increasingly scarce resources,
- Prevents pollution and wastage,
- 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, recognizing that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

Remuneration Committee

The Remuneration Committee consists exclusively of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee are listed each year in the remuneration committee report to the shareholders. The Remuneration Committee of the parent company functions as the Remuneration committee of ACL Plastics PLC. The Remuneration Committee comprises of the following two Independent Non-Executive Directors of the parent company.

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

Further details of the Remuneration Committee are given in their report on page 21.

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 of the parent company functions as the audit committee of ACL Plastics PLC. The Audit Committee comprises of the following two Independent Non-Executive Directors of the parent company.

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

Further details of the Audit Committee are given in their report on page 22.

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 Plastics 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 Check List

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

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual 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 EDs and NEDs.	✓ ✓ ✓	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Corporate Governance
7.10.6 (a)	Composition of Audit Committee (AC)	• AC shall comprise a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NED shall be appointed as the Chairman of the Committee. • MD and Chief Financial Officer shall attend AC meetings. • The Chairman of the AC or one member should be a member of a recognized 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

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

Risk Management

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

Risk Exposure	Company Objectives	Company Initiatives
Financial Risk Management		
1. Liquidity & Cash Management	• To maintain liquidity position.	• This is achieved by regular follow up of trade debts, planning production and utilization of short term borrowing facilities. • Company has sufficient assets to offer as collateral for future funding requirements. • Obtaining funding facilities to adequately manage liquid position through several financial institutions.
2. Interest Rate Risk	• To minimize adverse effects of interest volatility.	• Negotiate with banks to obtain the best possible interest rate for Groups' borrowings and investments. • Negotiate and take supplier credit to mitigate the high cost and to avoid adverse fluctuations in local interest rates
3. Currency Risk	• To minimise exposure to fluctuations in foreign currency rates of foreign currency receipts and payments	• Closely monitor the fluctuations in exchange rates and plan import payments accordingly wherever possible.
Business Risk Management		
1. Credit Risk	• To minimise risk associated with debtors defaults.	• Obtain bank guarantees as collateral from outside customers. • Closely monitoring the credit limits periodically. • Disallowing credit sales for customers with poor credit records. • Follow an assessment procedure to ensure credit worthiness of customers
2. Asset Risk	• To minimise losses caused by machine breakdown and damages from fire or theft.	• Obtain comprehensive insurance covers for plant and machinery. • Carry out planned preventive maintenance programs
3. Internal Controls	• To maintain sound system of internal controls to safeguard company assets	• Carry out continuous internal audits by an independent firm.
4. Human Resources	• To reduce labor turnover. • To ensure smooth flow of operations without interruptions. • To ensure adaptability through training and adopting best practices.	• Maintain an employee evaluation scheme to reward them. • Maintain healthy and cordial relationship with employees at all levels through joint consultative committees. • Provide various employee benefits through the Welfare Society. • Provide specific and general training wherever necessary.

Risk Exposure	Company Objectives	Company Initiatives
5. Technological and Quality Related Risk	• To keep pace with current technological developments and quality standards to avoid obsolescence. • To minimise production of stocks that do not meet the standards	• Develop a long term plan to replace existing machines with technologically advanced machines. • Already the equipment and staff required to test the quality of products are in place.
6. Inventory Management Risk	• To reduce stock out situations. • To reduce the accumulation of slow moving stocks. • To minimise the losses on obsolete stocks. • To minimise risk of sub standard material being received. • To minimise inventory days.	• Plan monthly production based on budgets and sales forecasts at production planning meetings held monthly. • Adopt various quality standards at different stages to verify the quality and ensure this until the product is delivered. • Stocks that are not up to standard are separated and disposed as scrap. • Continuous stock verification systems to identify non-moving stocks. • Regularly monitor inventory days. • Review periodically and provide adequately for slow moving stocks.
7. Risk of Competition	• To avoid losses of market share from imported low quality products.	• Ensure prevailing quality standards are met. • Strengthen 'ACL' brand through various advertising and promotional campaigns.
8. Investment in Capital	• To reduce the risk of loss in present and future investments.	• Investments in assets are properly planned and made on timely basis. • Reduce the idle assets as far as possible.
9. Information Systems	• To minimise possible risks associated with data security, hardware, software and communication systems.	• Data backups are taken regularly and stored in outside locations. • Mirroring of hard disks with critical data. • Vendor agreements for support services and maintenance. • Regular upgrading of virus scanners, firewalls and software
10. Environmental Issues	• To minimise adverse impact of operations to the environment.	• Comply with the standards set by the relevant authorities and ensure the compliance.
11. Legal and Regulatory Issues	• To minimise possible losses arising from non-compliance with statutory and regulatory requirements. • To minimise or take counter measures to reduce the impact arising from changes to regulatory issues.	• Comply with the requirements of statutory and regulatory bodies.

Report of the Directors

The Directors have pleasure in presenting their Annual Report together with the Audited Statement of Financial Position as at 31st March 2013 and Statement of Comprehensive Income for the year then ended.

The Company commenced commercial production in March 1993.

Review of the Year

The Chairman's Statement set out the state of affairs and performance of the Company during the year. (Page 02)

Principal Activities - Parent Company

ACL Plastics PLC

The Company carries on the business of manufacturing cable grade and other PVC Compounds as its principal activity.

Principal Activities - Subsidiary Company

ACL Polymers (Pvt) Ltd

The Company carries on the business of manufacturing PVC Compound as its principal activity

Future Developments

An overview of the future developments of the Company is given in the Chairman's Statement (page 02)

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 23 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 24 to 64 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 30 to 40. Where neccessory, the Accounting Policies adopted by the Company have been adjusted to comply with the new Sri Lanka Accounting Standards (SLFRSs / LKASs).

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 17.

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 on 31st March 2013 was Rs. 79,974,555/= 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 34 to the Financial Statements.

Statutory Payments

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

Financial Results & Appropriations

	3/31/2013 Rs.	3/31/2012 Rs.
Total turnover	1,070,044,806	1,004,478,032
Profit before taxation	57,790,685	72,775,967
Profit after taxation	41,209,987	52,874,014
Profit attributable to shareholders of ACL Plastics PLC.	41,209,987	52,874,014
Unappropriated surplus brought forward from previous year	216,452,833	183,457,243
Transfer from revaluation reserve	2,237,201	2,237,201
Surplus available for appropriation	259,900,021	238,568,458

Your Directors recommend

	3/31/2013 Rs.	3/31/2012 Rs.
Dividends paid	(4,212,500)	(22,115,625)
Transfer to general reserve	-	-
Unappropriated surplus carried forward	255,687,521	216,452,833

Directors

Directors of the Company and their respective shareholdings are given below.

	Number of shares			
	31.03.2013	% Holding	31.03.2012	% Holding
Mr. U. G. Madanayake	1	-	1	-
Mr. Suren Madanayake	20,801	0.49	20,801	0.49
Mrs. N. C. Madanayake	17,751	0.42	17,751	0.42
Mr. Das Miriyagalla	-	-	-	-
Dr. Kamal Weerapperuma	-	-	-	-

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 33 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 8 to the Financial Statements.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of Rs. 1.00 per share was paid on 29th August 2012 to the shareholders of the Ordinary Shares for the financial year 2011/12.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 3,725,850, details of which are given in note 14 to the Financial Statements.

Property, Plant and Equipments

Details of property, plant and equipments are given in Note 14 to the Financial Statements.

Donations

Donations amounting to Rs. 10,000/- (Group Amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets, market price per share and holding is given in the Information to Shareholders on page 66 of the annual report.

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.

Appointment of Auditors

The Company's auditors during the year under review were Messrs. PricewaterhouseCoopers, Chartered Accountants who also were the auditors of the subsidiary Company and offer themselves for re-appointment.

Audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to Rs. 430,365 and Rs. 548,820 respectively.

Notice of Meeting

The Notice of the 22nd Annual General Meeting is on page 69 of the Annual Report.

By Order of the Board

(Sgd.)
M/s. Corporate Affairs (Pvt) Ltd
Secretaries

16th August 2013

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 provide reasonable and not absolute assurance of safeguarding of 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 2013, 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 comparative figures for the year ended 31st March 2012 were restated based on the new accounting standards. 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 and the Group's Consolidated Statements of Financial Position as at 31st March 2013 and the Statement of Comprehensive Income for the Company and the Group for the financial year ended 31st March 2013 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 16th August 2013.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

16th August 2013

Financial Information

Financial Calendar

01st Quarter Interim Financial Statements – 07th August 2012
(30th June 2012 – Unaudited)

02nd Quarter Interim Financial Statements – 14th November 2012
(30th September 2012 – Unaudited)

03rd Quarter Interim Financial Statements – 14th February 2013
(31st December 2012 - Unaudited)

04th Quarter Interim Financial Statements – 27th May 2013
(31st March 2013 – Unaudited)

Annual Report 2012/13 – 16th August 2013

22nd Annual General Meeting - 18th September 2013

Interim Dividends Proposed – 08th August 2012

Interim Dividends Paid – 29th August 2012

Remuneration Committee Report

Committee Composition

The Remuneration Committee of the parent company functions as the Remuneration committee of ACL Plastics PLC and consists of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page no 06.

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

Role

The role of the Committee is to formulate the Group's policy for the remuneration of the Executive Directors of ACL Plastics PLC and review the policy annually and recommend any changes to the Board for formal approval.

Executive Directors

Executive Directors of the Company have acted in an honorary capacity and no remuneration was paid to them.

On behalf of the Committee

(Sgd.)
Mr. Ajit Jayaratne
Chairman of the Remuneration Committee

16th August 2013

Audit Committee Report

Committee Composition

The Audit Committee of the parent company functions as the audit committee of ACL Plastics PLC which comprises of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page no 06.

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

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. Their financial knowledge and business acumen are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Role of the Committee

The primary role of the Audit Committee, which reports its findings to the Board of Directors, is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management system. The Committees` 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. Comprehensive briefing papers are circulated to Committee members in advance of each meeting and made available to other Directors.

Meetings & attendance

The Committee met on two occasions during the year timed to coincide with the financial and reporting cycle of the Company. All the members of the Audit Committee attended the meetings and the Chairman, Managing Director and Group Financial Controller were also invited to attend the meetings.

Financial Reporting system

The Audit Committee reviewed the financial reporting system adopted and related matters in respect of the 2012/2013 Financial Statements to ensure the reliability of the Financial Statements. The Committee also reviewed the interim financial statements for the adequacy and accuracy of the content of the reports.

External Audit

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.

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Plastics PLC, the re-appointment of Messrs. PricewaterhouseCoopers as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2012/2013 are given in Note 08 to the financial statements.

Internal Audit

The Committee reviewed the process to assess the effectiveness of internal financial controls and the results of the internal audits undertaken by the Internal Auditors, Messrs Ernst & Young Advisory Services (Pvt) Ltd. The Committee considered the adequacy of management's response to the matters raised by the internal auditors, including the implementation of any recommendations made.

Conclusion

The committee received information and support from the management to carry out its duties and responsibilities effectively and is satisfied that the Group's accounting policies and controls provide reasonable assurance that the affairs of the Group are managed in accordance with Group policies and Group assets are properly accounted for and adequately safeguarded.

On behalf of the Committee

(Sgd.)
Mr. Ajit Jayaratne
Chairman of the Audit Committee

16th August 2013

Independent Auditor's Report

TO THE MEMBERS OF ACL PLASTICS PLC

Report on the Consolidated Financial Statements

1. We have audited the accompanying financial statements of ACL Plastics PLC (the Company), the consolidated financial statements of ACL Plastics PLC and its subsidiaries (the Group) which comprise the statements of financial position as at 31 March 2013, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 24 to 64.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control 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.

Scope of Audit and Basis of Opinion

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

   An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

   We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

4. In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2013 and of its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

5. In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2013 and of the profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, of the Group dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

6. These financial statements also comply with the requirements of Sections 153 (2) to 153 (7) of the Companies Act, No. 07 of 2007.

CHARTERED ACCOUNTANTS
COLOMBO

16th August 2013

PricewaterhouseCoopers, P. O. Box 918, 100 Braybrooke Place, Colombo 2, Sri Lanka
T: +94 (11) 771 9838, 471 9838, F: +94 (11) 230 3197, www.pwc.com/lk

Partners Y. Kanagasabai FCA, D.T.S.H. Mudalige FCA, C.S. Manoharan FCA, N.R. Gunasekera FCA, S. Gajendran FCA, Ms. S. Hadgie FCA, Ms. S. Perera ACA

Consolidated Income Statement

For the year ended 31st March	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Revenue	6	**1,070,044,806**	1,004,478,032	**1,051,484,556**	990,807,232
Cost of sales	8	**(992,652,942)**	(905,963,967)	**(982,939,243)**	(896,826,578)
Gross profit		**77,391,864**	98,514,065	**68,545,313**	93,980,654
Other income	7	**146,080**	859,109	**902,800**	1,309,109
Administrative expenses	8	**(4,342,295)**	(4,376,049)	**(4,096,453)**	(4,136,263)
Operating profit		**73,195,649**	94,997,125	**65,351,660**	91,153,500
Finance cost - net	10	**(15,404,964)**	(22,221,158)	**(24,058,128)**	(27,496,086)
Profit before tax		**57,790,685**	72,775,967	**41,293,532**	63,657,414
Income tax	11	**(16,580,698)**	(19,901,953)	**(11,609,494)**	(17,454,986)
Profit for the year		**41,209,987**	52,874,014	**29,684,038**	46,202,428
Net profit attributable to shareholders of the Company		**41,209,987**	52,874,014	**29,684,038**	46,202,428
Earnings per share (Rs)	12	**9.78**	12.55	**7.05**	10.97
Dividend per share (Rs)	13	**1.00**	5.25	**1.00**	5.25

The notes on pages 30 to 64 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March	Note	Group 2013 Rs.	Group 2012 Rs.	Company 2013 Rs.	Company 2012 Rs.
Profit for the year		**41,209,987**	52,874,014	**29,684,038**	46,202,428
Other comprehensive income/(expenses)					
Gain on revaluation of land and buildings		**-**	44,141,041	**-**	44,141,041
Deferred tax on revaluation		**-**	(5,292,539)	**-**	(5,292,539)
Net change in fair value of available for sale financial assets		**(2,241,072)**	(5,426,530)	**(2,241,072)**	(5,426,530)
Other comprehensive income for the year, net of tax		**(2,241,072)**	33,421,972	**(2,241,072)**	33,421,972
Total comprehensive income for the year		**38,968,915**	86,295,986	**27,442,966**	79,624,400

The notes on pages 30 to 64 form an integral part of these financial statements.

Consolidated Statement of Financial Position

	Note	Group			Company		
		As at 31 March		1 April	As at 31 March		1 April
		2013	2012	2011	2013	2012	2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Non-current assets							
Property, plant and equipment	14	**191,826,690**	199,067,449	146,745,001	**186,043,870**	191,357,021	137,106,967
Capital work-in-progress	15	**753,266**	732,566	714,802	**753,266**	732,566	714,802
Prepaid lease rentals	16	**1,754,037**	1,776,240	1,798,443	**1,754,037**	1,776,240	1,798,443
Investment in subsidiary	17	**-**	-	-	**10,000,010**	10,000,010	10,000,010
Available for sale financial assets	18	**16,061,852**	18,302,924	23,729,454	**16,061,852**	18,302,924	23,729,454
		210,395,845	219,879,179	172,987,700	**214,613,035**	222,168,761	173,349,676
Current assets							
Inventories	19	**112,793,345**	151,017,524	102,844,422	**112,793,345**	151,017,524	102,844,422
Trade and other receivables	20	**419,934,030**	436,008,705	513,132,505	**394,029,394**	409,484,629	487,548,150
Prepaid lease rentals	16	**22,203**	22,203	22,203	**22,203**	22,203	22,203
Cash and cash equivalents	22	**12,883,310**	7,596,387	8,399,705	**10,686,554**	6,436,034	8,214,057
		545,632,888	594,644,819	624,398,835	**517,531,496**	566,960,390	598,628,832
Total assets		**756,028,731**	814,523,996	797,386,534	**732,144,530**	789,129,151	771,978,508
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	29	**79,974,555**	79,974,555	79,974,555	**79,974,555**	79,974,555	79,974,555
Revaluation reserve	30	**93,172,299**	94,783,084	57,545,367	**93,172,299**	94,783,084	57,545,367
Revenue reserve	31.1	**170,000,000**	170,000,000	170,000,000	**170,000,000**	170,000,000	170,000,000
Other reserve	31.2	**10,494,354**	12,735,426	18,161,956	**10,494,354**	12,735,426	18,161,956
Retained earnings		**255,687,521**	216,452,833	183,457,243	**192,636,079**	164,927,340	138,603,336
Shareholders' funds		**609,328,729**	573,945,898	509,139,121	**546,277,287**	522,420,405	464,285,214
Non-current liabilities							
Defined benefit obligations	25	**7,614,017**	6,386,669	5,235,223	**6,740,326**	5,678,376	4,743,948
Deferred tax liabilities	26	**22,693,635**	22,525,028	16,162,382	**21,993,743**	21,913,755	16,068,219
		30,307,652	28,911,697	21,397,605	**28,734,069**	27,592,131	20,812,167
Current liabilities							
Trade and other payables	23	**41,700,051**	65,651,524	90,240,891	**113,664,667**	121,941,260	137,921,875
Income tax payable	21	**31,691,043**	32,478,154	45,606,705	**467,251**	3,638,632	17,957,040
Borrowings	24	**43,001,256**	113,536,723	131,002,212	**43,001,256**	113,536,723	131,002,212
		116,392,350	211,666,401	266,849,808	**157,133,174**	239,116,615	286,881,127
Total liabilities		**146,700,002**	240,578,098	288,247,413	**185,867,243**	266,708,746	307,693,294
Total equity and liabilities		**756,028,731**	814,523,996	797,386,534	**732,144,530**	789,129,151	771,978,508

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

Champika Coomasaru
Group Financial Controller

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 16th August 2013.

U.G. Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 30 to 64 form an integral part of these financial statements.

Statement of Changes in Equity - Group

For the year ended 31st March	Note	Stated capital Rs.	Revenue reserve Rs.	Revaluation reserve Rs.	Other reserve Rs.	Retained earnings Rs.	Total Rs.
Balance at 1 April 2011		79,974,555	170,000,000	57,545,367	18,161,956	183,457,243	509,139,121
Profit for the year		-	-	-	-	52,874,014	52,874,014
Revaluation surplus	30	-	-	44,141,041	-	-	44,141,041
Deferred tax on revaluation	26	-	-	(5,292,539)	-	-	(5,292,539)
Net change in fair value of Available for sale financial assets		-	-	-	(5,426,530)	-	(5,426,530)
Total comprehensive income		-	-	38,848,502	(5,426,530)	52,874,014	86,295,986
Transfer from revaluation reserve	30	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	26	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(22,115,625)	(22,115,625)
Balance at 31 March 2012		**79,974,555**	**170,000,000**	**94,783,084**	**12,735,426**	**216,452,833**	**573,945,898**
Balance at 1 April 2012		79,974,555	170,000,000	94,783,084	12,735,426	216,452,833	573,945,898
Profit for the year		-	-	-	-	41,209,987	41,209,987
Net change in fair value of Available for sale financial assets		-	-	-	(2,241,072)	-	(2,241,072)
Total comprehensive income		-	-	-	(2,241,072)	41,209,987	38,968,915
Transfer from revaluation reserve	30	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	26	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	(4,212,500)
Balance at 31 March 2013		**79,974,555**	**170,000,000**	**93,172,299**	**10,494,354**	**255,687,521**	**609,328,729**

The notes on pages 30 to 64 form an integral part of these financial statements.

Statement of Changes in Equity - Company

For the year ended 31st March	Note	Stated capital Rs.	Revenue reserve Rs.	Revaluation reserves Rs.	Other reserve Rs.	Retained earnings Rs.	Total Rs.
Balance at 1 April 2011		79,974,555	170,000,000	57,545,367	18,161,956	138,603,336	464,285,214
Profit for the year		-	-	-	-	46,202,428	46,202,428
Revaluation surplus	30	-	-	44,141,041	-	-	44,141,041
Deferred tax on revaluation	26	-	-	(5,292,539)	-	-	(5,292,539)
Net change in fair value of available for sale financial assets		-	-	-	(5,426,530)	-	(5,426,530)
Total comprehensive income		-	-	38,848,502	(5,426,530)	46,202,428	79,624,400
Transfer from revaluation reserve	30	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	26	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(22,115,625)	(22,115,625)
Balance at 31 March 2012		**79,974,555**	**170,000,000**	**94,783,084**	**12,735,426**	**164,927,340**	**522,420,405**
Balance at 1 April 2012		79,974,555	170,000,000	94,783,084	12,735,426	164,927,340	522,420,405
Net profit		-	-	-	-	29,684,038	29,684,038
Net change in fair value of available for sale financial assets		-	-	-	(2,241,072)	-	(2,241,072)
Total comprehensive income		-	-	-	(2,241,072)	29,684,038	27,442,966
Transfer from revaluation reserve	30	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	26	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	(4,212,500)
Balance at 31 March 2013		**79,974,555**	**170,000,000**	**93,172,299**	**10,494,354**	**192,636,079**	**546,277,287**

The notes on pages 30 to 64 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

		Group		Company	
For the year ended 31st March		**2013**	**2012**	**2013**	**2012**
	Note	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Cash flows from operating activities					
Cash generated from operations	32	**115,374,321**	100,472,359	**119,592,770**	103,582,583
Interest paid	10	**(23,618,976)**	(17,761,852)	**(29,558,390)**	(21,166,131)
Gratuity paid	25	**(328,900)**	-	**(328,900)**	-
Income tax paid	21	**(16,472,783)**	(31,283,981)	**(14,074,471)**	(30,593,981)
Withholding tax (WHT) on dividend paid by subsidiary		**(100,000)**	(50,000)	**-**	-
Net cash generated from operating activities		**74,853,662**	51,376,526	**75,631,009**	51,822,471
Cash flows from investing activities					
Interest received	10	**8,927,778**	6,050,107	**6,214,028**	4,179,458
Purchase and construction of property, plant and equipment	14	**(3,725,850)**	(19,490,183)	**(3,725,850)**	(19,490,183)
Cost incurred on capital work-in-progress	15	**(20,700)**	(17,764)	**(20,700)**	(17,764)
Dividend received	7	**-**	449,412	**900,000**	899,412
Sale proceeds on disposal of property, plant and equipment		**-**	409,697	**-**	409,697
Net cash generated from / (used in) investing activities		**5,181,228**	(12,598,731)	**3,367,478**	(14,019,380)
Cash flows from financing activities					
Dividend paid	13	**(4,212,500)**	(22,115,625)	**(4,212,500)**	(22,115,625)
Net proceeds / (repayments) of import loans	24	**(112,748,891)**	23,202,296	**(112,748,891)**	23,202,296
Net cash (used in) / generated from financing activities		**(116,961,391)**	1,086,671	**(116,961,391)**	1,086,671
Net (decrease) / increase in cash and cash equivalents for the year		**(36,926,501)**	39,864,467	**(37,962,904)**	38,889,762
Movement in cash and cash equivalents					
At the beginning of the year		**6,808,555**	(33,055,912)	**5,648,202**	(33,241,560)
(Decrease) / increase		**(36,926,501)**	39,864,467	**(37,962,904)**	38,889,762
At the end of the year	22	**(30,117,946)**	6,808,555	**(32,314,702)**	5,648,202

The notes on pages 30 to 64 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

(In the notes all amounts are shown in Sri Lanka Rupees unless otherwise stated)

1. GENERAL INFORMATION

ACL Plastics PLC is a public limited liability company incorporated under the Companies Act, No. 17 of 1982 on 17.07.1991 and re-registered under the Companies Act, No. 7 of 2007. The Company is domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

The principal activities of ACL Plastics PLC are manufacturing, dealing and marketing of PVC compound utilised inter alia for the sheathing and insulation of electric cables.

Parent company

ACL Cables PLC is the ultimate parent company of ACL Plastics PLC.

Subsidiary company

ACL Polymers (Private) Limited is a subsidiary of ACL Plastics PLC.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Group prepares its financial statements in accordance with Sri Lanka Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka. Sri Lanka Accounting Standards (SLASs) were revised to incorporate International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, which requires all entities to apply these standards effective for years beginning on or after 1 January 2012.

The financial statements of 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) which are collectively referred to as SLFRSs.Group has consistently applied the accounting policies in the preparation of its opening SLFRS statement of financial position at 1 April 2011 and throughout all periods presented, as if these policies had always been in effect. Notes to the financial statements disclose the impact of the transition to SLFRSs on the Group's reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in the Group's financial statements for the year ended 31 March 2012 prepared under previous Sri Lanka Accounting Standards.

The financial statements have been prepared on a historical cost basis, as modified by the measurement at fair value for available-for-sale financial assets and revaluation of land and buildings.

The financial statements are presented in Sri Lankan Rupees, which is the Company's presentational currency. The preparation and presentation of these financial statements is in compliance with the Companies Act, No. 7 of 2007.

2.2 Changes in new standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not early adopted.

(i) SLFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs.

(ii) SLFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. SLFRS 9 replaces the parts of LKAS 39 that relate to the classification and measurement of financial instruments. SLFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the LKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess SLFRS 9's full impact.

2.3 Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control in transferred to the Group and are no longer consolidated from the date of disposal. All inter company transactions, balances and unrealised surplus and deficits on transactions between Group companies have been eliminated in the preparation of consolidated financial statements.

2.4 Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Such balances are translated at exchange rates prevailing at balance sheet date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

2.5 Taxation

2.5.1 Provision for income tax is based on the elements of income and expenditure as reported in the financial statements and is computed in accordance with the provisions of the relevant tax statutes.

2.5.2 Deferred income tax is provided in full, using the liability method, for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, provisions for retirement benefit obligations and tax losses carried forward.

Tax rates enacted by the balance sheet date are used to determine deferred income tax.

2.5.3 Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

2.6 Valuation of assets and their bases of measurement

2.6.1 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation except for revaluation of land and buildings. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

All property, plant and equipment is initially recorded at cost and stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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 benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

Gains / (losses) on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

(b) Depreciation

Depreciation begins when an item of property, plant and equipment is available for use and will continue until it is derecognised, even if during that period the item is idle.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The estimated useful life of the assets are as follows;

Asset	**Years**
Buildings	25
Plant, machinery and accessories	10 - 30
Factory equipment	10 - 28
Electrical fittings	10
Furniture, fixtures and fittings	10
Office equipment	10
Motor vehicles	5 - 27
Tools and implements	4
Laboratory equipment	10 - 28

The Group’s policy up to 31 March 2006 was not to provide depreciation on property, plant and equipment purchased during the year while full year’s depreciation was charged in the year of disposal.

Commencing from 1 April 2006, depreciation is provided on all property, plant and equipment from the month the assets are available for use up to the month of disposal.

The useful life and residual value of assets are reviewed and adjusted if required, at the end of each financial year.

(c) Borrowing costs

Borrowing costs are written off to the income statement as and when incurred, unless they relate to borrowings which fund significant capital projects, in which case they are capitalised with the relevant property, plant and equipment up to the date of commercial operation, and written off to the income statement over the period during which the asset is depreciated. Borrowing costs include interest charged and exchange differences on foreign loans to the extent that they are regarded as an adjustment to interest costs.

2.6.2 Financial assets

The Company allocates financial assets to the following LKAS 39 categories: loans and receivables; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

(a) Loans and receivables

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

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

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

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

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the statement of comprehensive income.

(b) Available for sale financial assets

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

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

Reclassification of financial assets

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

2.6.3 Impairment of non financial assets

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

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

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

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.

Impairment losses are recognised in the statement of comprehensive income.

2.6.4 Impairment of financial assets

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

(a) Financial assets carried at amortised cost

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

(b) Available for sale financial investments

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

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

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Raw Materials at purchase cost on a weighted average basis.

Work -in- progress and finished goods at actual cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity on weighted average basis.

Other stocks are stated at actual Cost.

2.8 Trade and other receivables

Trade and other receivables are stated at the amounts estimated to realise, net of provision for bad and doubtful debts.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

2.10 Trade and other payables

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

2.11 Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.12 Employee benefits

(a) Defined benefit obligation

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using appropriate interest rates by the actuarial valuer.

(b) Defined contribution plans

All employees of the Company in Sri Lanka are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Company contributes 12% and 3% respectively, of such employees' basic or consolidated wage or salary.

(c) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

2.13 Provisions

Company 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 has been 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 measured at the present value of the expenditures expected to be required to settle the obligations using the pre-tax rate that reflects current market assessment of the time value of money and risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The following specific criteria are used for recognition of revenue.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer with the Group retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor an effective control over the goods sold.

Interest Income is recognised on 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 comprehensive income, 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.

2.15 Comparatives

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

2.16 Segment reporting

A segment is a distinguishable component of 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.

2.17 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.

2.18 Leases

Leases of property, plant and equipment where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts is depreciated over the useful life of the asset.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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 of 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 the Sri Lankan rupee (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.

(ii) Interest rate risk

Interest rate risk mainly arises as a result of 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.

(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.

3. FINANCIAL RISK MANAGEMENT (CONTD)

3.1 Financial risk factors (Contd)

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 Rs.	Effect on equity Rs.
31 March 2013 - Quoted (Colombo Stock Exchange)	10%	-	1,606,185
31 March 2012 - Quoted (Colombo Stock Exchange)	10%	-	1,830,292
1 April 2011- Quoted (Colombo Stock Exchange)	10%	-	2,372,945

Company	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
31 March 2013 - Quoted (Colombo Stock Exchange)	10%	-	1,606,185
31 March 2012 -Quoted (Colombo Stock Exchange)	10%	-	1,830,292
1 April 2011 - Quoted (Colombo Stock Exchange)	10%	-	2,372,945

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

(b) Liquidity risk

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

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

Analysis of financial liabilities by remaining contractual maturities:

At 31 March 2013	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Borrowings (ex finance lease liabilities)	43,001,256	-	-	-	43,001,256
Trade and other payables (excluding statutory liabilities)	40,677,611	-	-	-	40,677,611
Total financial liabilities	**83,678,867**	**-**	**-**	**-**	**83,678,867**

At 31 March 2012	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Borrowings (ex finance lease liabilities)	113,536,723	-	-	-	113,536,723
Trade and other payables (excluding statutory liabilities)	65,042,893	-	-	-	65,042,893
Total financial liabilities	**178,579,616**	**-**	**-**	**-**	**178,579,616**

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 2013.

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.

	Company	
	2013	**2012**
Total borrowings (Note 24)	**43,001,256**	113,536,723
Less: cash and cash equivalents (Note 22)	**(10,686,554)**	(6,436,034)
Net debt	**32,314,702**	107,100,689
Total equity	**546,277,287**	522,420,405
Total capital	**578,591,989**	629,521,094
Gearing ratio	**6%**	17%

	Group	
	2013	**2012**
Total borrowings (Note 24)	**43,001,256**	113,536,723
Less: cash and cash equivalents (Note 22)	**(12,883,310)**	(7,596,387)
Net debt	**30,117,946**	105,940,336
Total equity	**609,328,729**	573,945,898
Total capital	**639,446,675**	679,886,234
Gearing ratio	**5%**	16%

The gearing ratio has decreased during the year ended 31 March 2013 due to the settlement of short term import loans.

Notes to the Consolidated Financial Statements contd.

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;

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

As at 31 March 2013

Group	Level 1	Level 2	Level 3	Total balance
Assets				
Available for sale financial assets	16,061,852	-	-	16,061,852
	16,061,852	-	-	16,061,852
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-
Company				
Assets				
Available for sale financial assets	16,061,852	-	-	16,061,852
	16,061,852	-	-	16,061,852
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-

As at 31 March 2012

Group	Level 1	Level 2	Level 3	Total balance
Assets				
Available for sale financial assets	18,302,924	-	-	18,302,924
	18,302,924	-	-	18,302,924
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-
Company				
Assets				
Available for sale financial assets	18,302,924	-	-	18,302,924
	18,302,924	-	-	18,302,924
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-

As at 31 March 2011

Group	Level 1	Level 2	Level 3	Total balance
Assets				
Available for sale financial assets	23,729,454	-	-	23,729,454
	23,729,454	-	-	23,729,454
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-
Company				
Assets				
Available for sale financial assets	23,729,454	-	-	23,729,454
	23,729,454	-	-	23,729,454
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-

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.

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Estimated impairment of non-current assets

The Company tests annually the indicators to ascertain whether non-current assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in policy 2.6.3 and 2.6.4. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Defined benefit plan - Gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Company determines the appropriate discount rate at the end of each year as explained in the accounting policies note 2.12. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note 25.

(c) Provisions

The Company recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each balance sheet date and adjusted to reflect the Company's current best estimate.

5. CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVES

As this is the first year of the adoption of SLFRSs/LKASs the accounting policies relating to financial assets and financial liabilities have been changed accordingly. The changes have been retrospectively applied to the earliest accounting period and the effect to the statement of financial position, income statement and the statement of equity are disclosed in note 36 to the financial statements.

6. REVENUE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Local sales	**1,013,705,655**	946,066,171	**995,145,405**	932,395,371
Deemed exports	**56,348,858**	58,419,921	**56,348,858**	58,419,921
Revenue taxes	**(9,707)**	(8,060)	**(9,707)**	(8,060)
Net revenue	**1,070,044,806**	1,004,478,032	**1,051,484,556**	990,807,232

7. OTHER INCOME

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Dividend income	**-**	449,412	**900,000**	899,412
Profit on sale of property, plant and equipment	**-**	409,697	**-**	409,697
Sundry income	**146,080**	-	**2,800**	-
	146,080	859,109	**902,800**	1,309,109

8. EXPENSES BY NATURE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Directors' emoluments	-	-	-	-
Auditors' remuneration	**548,820**	520,336	**430,365**	407,916
Depreciation (Note 14)	**10,966,608**	10,437,126	**9,039,001**	8,509,520
Staff cost (Note 9)	**41,130,818**	38,135,962	**33,731,139**	31,544,043
Raw material consumption	**903,573,584**	823,958,677	**903,573,584**	823,958,677
Other expenses	**40,775,407**	37,287,915	**40,261,607**	36,542,685
Total cost of sales and administrative expenses	**996,995,237**	910,340,016	**987,035,696**	900,962,841

9. STAFF COST

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Wages and salaries	**27,623,972**	26,002,465	**24,335,743**	23,182,410
Defined contribution plan	**2,170,086**	1,989,747	**1,821,820**	1,689,336
Defined benefit plan (Note 25)	**1,556,248**	1,151,446	**1,390,850**	934,428
Other staff costs	**9,780,512**	8,992,304	**6,182,726**	5,737,869
	41,130,818	38,135,962	**33,731,139**	31,544,043

Group other staff costs mainly include bonus cost amounting to Rs 2,464,586 (2012 - Rs 1,862,359) and staff welfare expense amounting to Rs 2,908,509 (2012 - Rs 2,143,275).

10. FINANCE COST - NET

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Interest income	**8,927,778**	6,050,107	**6,214,028**	4,179,458
Interest expense	**(23,618,976)**	(17,761,852)	**(29,558,390)**	(21,166,131)
Exchange loss	**(713,766)**	(10,509,413)	**(713,766)**	(10,509,413)
	(15,404,964)	(22,221,158)	**(24,058,128)**	(27,496,086)

11. INCOME TAX

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Current tax	**15,449,833**	18,863,364	**10,667,251**	16,983,507
Adjustments in respect of prior years	**235,839**	(707,934)	**235,839**	(707,934)
Deferred tax charge (Note 26.1)	**795,026**	1,696,523	**706,404**	1,179,413
Withholding tax (WHT) on dividend paid by subsidiary	**100,000**	50,000	**-**	-
	16,580,698	19,901,953	**11,609,494**	17,454,986

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

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Profit before tax	**57,790,685**	72,775,967	**41,293,532**	63,657,414
Consolidation adjustments	**900,000**	450,000	**-**	-
Profit before tax after adjustments	**58,690,685**	73,225,967	**41,293,532**	63,657,414
Tax calculated at effective tax rate of 28% (2012 - 28%)	**16,433,392**	20,503,271	**11,562,189**	17,824,076
Tax effect of income not subject to tax	**(255,077)**	(368,884)	**(255,077)**	(368,884)
Tax effect of expenses not deductible	**3,538,227**	3,899,546	**2,952,185**	3,299,052
Tax effect of allowable deductions	**(3,984,600)**	(3,893,956)	**(3,309,937)**	(3,219,294)
Under/ (over) provision	**235,839**	(707,934)	**235,839**	(707,934)
Tax effect of the income taxable at concessionary rates	**(282,109)**	(1,276,613)	**(282,109)**	(551,443)
Withholding tax (WHT) on dividend paid by subsidiary	**100,000**	50,000	**-**	-
Deferred tax charge	**795,026**	1,696,523	**706,404**	1,179,413
Tax charge	**16,580,698**	19,901,953	**11,609,494**	17,454,986

12. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Net profit attributable to shareholders	**41,209,987**	52,874,014	**29,684,038**	46,202,428
Weighted average number of ordinary shares in issue	**4,212,500**	4,212,500	**4,212,500**	4,212,500
Basic earnings per share	**9.78**	12.55	**7.05**	10.97

13. DIVIDEND PER SHARE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2013	2012	2013	2012
Interim dividend - 2011 / 2012 - Rs. 1.00 per share	**4,212,500**	-	**4,212,500**	-
Interim dividend - 2010 / 2011 - Rs. 5.25 per share	**-**	22,115,625	**-**	22,115,625
	4,212,500	22,115,625	**4,212,500**	22,115,625
Weighted average number of ordinary shares in issue	**4,212,500**	4,212,500	**4,212,500**	4,212,500
Dividend per share	**1.00**	5.25	**1.00**	5.25

14. PROPERTY, PLANT AND EQUIPMENT - GROUP

(a)

	Land and buildings	Plant machinery and accessories	Equipment tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 1 April 2011						
Cost	113,321,574	88,201,070	14,133,300	1,953,215	7,402,181	225,011,340
Accumulated depreciation	(5,391,807)	(58,896,621)	(9,052,971)	(1,525,099)	(3,399,841)	(78,266,339)
Net book amount	**107,929,767**	**29,304,449**	**5,080,329**	**428,116**	**4,002,340**	**146,745,001**
Year ended 31 March 2012						
Opening net book amount	107,929,767	29,304,449	5,080,329	428,116	4,002,340	146,745,001
Additions	-	19,073,883	284,800	131,500	-	19,490,183
Revaluation surplus	43,269,391	-	-	-	-	43,269,391
Disposals - Cost	-	-	-	-	(480,000)	(480,000)
- Acc. depreciation	-	-	-	-	480,000	480,000
Depreciation charge (Note 8)	(2,583,469)	(6,286,303)	(777,690)	(89,693)	(699,973)	(10,437,126)
Closing net book amount	**148,615,689**	**42,092,029**	**4,587,439**	**469,923**	**3,302,367**	**199,067,449**
At 31 March 2012						
Cost or valuation	148,678,949	107,274,955	14,418,101	2,084,715	6,922,181	279,378,902
Accumulated depreciation	(63,260)	(65,182,926)	(9,830,662)	(1,614,792)	(3,619,814)	(80,311,453)
Net book amount	**148,615,689**	**42,092,029**	**4,587,439**	**469,923**	**3,302,367**	**199,067,449**
Year ended 31 March 2013						
Opening net book amount	148,615,689	42,092,029	4,587,439	469,923	3,302,367	199,067,449
Additions	-	3,273,358	302,877	149,615	-	3,725,850
Depreciation charge (Note 8)	(3,011,629)	(6,390,209)	(760,676)	(104,122)	(699,972)	(10,966,608)
Closing net book amount	**145,604,060**	**38,975,178**	**4,129,640**	**515,416**	**2,602,395**	**191,826,690**
At 31 March 2013						
Cost or valuation	148,678,949	110,548,313	14,720,978	2,234,330	6,922,181	283,104,752
Accumulated depreciation	(3,074,889)	(71,573,135)	(10,591,338)	(1,718,914)	(4,319,786)	(91,278,062)
Net book amount	**145,604,060**	**38,975,178**	**4,129,640**	**515,416**	**2,602,395**	**191,826,690**

14. PROPERTY, PLANT AND EQUIPMENT - COMPANY

(b)

	Land and buildings	Plant machinery and accessories	Equipment tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 1 April 2011						
Cost	113,321,574	68,925,003	14,133,300	1,953,215	7,402,181	205,735,273
Accumulated depreciation	(5,391,807)	(49,258,587)	(9,052,971)	(1,525,099)	(3,399,842)	(68,628,306)
Net book amount	**107,929,767**	**19,666,416**	**5,080,329**	**428,116**	**4,002,339**	**137,106,967**
Year ended 31 March 2012						
Opening net book amount	107,929,767	19,666,416	5,080,329	428,116	4,002,339	137,106,967
Additions	-	19,073,883	284,800	131,500	-	19,490,183
Revaluation surplus	43,269,390	-	-	-	-	43,269,390
Disposals - Cost	-	-	-	-	(480,000)	(480,000)
- Acc. depreciation	-	-	-	-	480,000	480,000
Depreciation charge (Note 8)	(2,583,469)	(4,358,696)	(777,690)	(89,693)	(699,972)	(8,509,520)
Closing net book amount	**148,615,688**	**34,381,603**	**4,587,439**	**469,923**	**3,302,367**	**191,357,021**
At 31 March 2012						
Cost or valuation	148,678,948	87,998,886	14,418,100	2,084,715	6,922,181	260,102,830
Accumulated depreciation	(63,259)	(53,617,283)	(9,830,661)	(1,614,792)	(3,619,814)	(68,745,809)
Net book amount	**148,615,689**	**34,381,603**	**4,587,439**	**469,923**	**3,302,367**	**191,357,021**
Year ended 31 March 2013						
Opening net book amount	148,615,689	34,381,603	4,587,439	469,923	3,302,367	191,357,021
Additions	-	3,273,358	302,877	149,615	-	3,725,850
Depreciation charge (Note 8)	(3,011,629)	(4,462,602)	(760,676)	(104,122)	(699,972)	(9,039,001)
Closing net book amount	**145,604,060**	**33,192,359**	**4,129,640**	**515,416**	**2,602,395**	**186,043,870**
At 31 March 2013						
Cost or valuation	148,678,948	91,272,244	14,720,977	2,234,330	6,922,181	263,828,680
Accumulated depreciation	(3,074,888)	(58,079,885)	(10,591,337)	(1,718,914)	(4,319,786)	(77,784,810)
Net book amount	**145,604,060**	**33,192,359**	**4,129,640**	**515,416**	**2,602,395**	**186,043,870**

(c) The Group's land (extent - 3 A - 0 R - 34 P, location - Ekala) and buildings were last revalued on 31 March 2012 by an Independent Professional Valuer Mr. J.M. Senanayaka Bandara BSc. (Hon) (Estate Management and Valuation), FIV Sri Lanka, IRRV (UK).

(d) Property, plant and equipment include fully depreciated assets, the original cost of which amounted to Rs 41 Mn (2012 - Rs 37 Mn).

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

Cost at 31 March 2013	41,083,724
Accumulated depreciation at 31 March 2013	(19,733,228)
Net book value	**21,350,496**

(f) No property, plant and equipment has been pleged as securities for liabilities.

15. CAPITAL WORK-IN-PROGRESS

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
At beginning of year	**732,566**	714,802	564,579	**732,566**	714,802	564,579
Cost incurred during the year	**20,700**	17,764	150,223	**20,700**	17,764	150,223
At end of year	**753,266**	732,566	714,802	**753,266**	732,566	714,802

16. PREPAID LEASE RENTALS

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Balance at 1 April	**1,798,443**	1,820,646	1,842,581	**1,798,443**	1,820,646	1,842,581
Amortisation during the year	**(22,203)**	(22,203)	(21,935)	**(22,203)**	(22,203)	(21,935)
Balance at 31 March	**1,776,240**	1,798,443	1,820,646	**1,776,240**	1,798,443	1,820,646
Amount to be amortised within one year	**22,203**	22,203	22,203	**22,203**	22,203	22,203
Amount to be amortised after one year	**1,754,037**	1,776,240	1,798,443	**1,754,037**	1,776,240	1,798,443
	1,776,240	1,798,443	1,820,646	**1,776,240**	1,798,443	1,820,646

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

17. INVESTMENT IN SUBSIDIARY

Investment in subsidiary wholly consists of Rs 10,000,010 (2012 - Rs 10,000,010) invested in ordinary shares of ACL Polymers (Private) Limited, representing 100% of its issued share capital.

18. AVAILABLE FOR SALE FINANCIAL ASSETS

Investment in other companies represents the investments in equity shares of quoted companies, categorised as available-for-sale financial assets and have been measured at fair value with gains and losses being recognised as a part of equity (other reserve).

	As at 31 March 2013			As at 31 March 2012		
	Number of shares	Cost	Market value	Number of shares	Cost value	Market value
Diversified holdings						
Hayleys PLC	**38,907**	**2,952,614**	**11,621,520**	38,907	2,952,614	14,006,520
Banking finance and insurance						
Nations Trust Bank PLC	**25,592**	**512,005**	**1,561,112**	25,592	512,005	1,456,184
Plantations						
Maskeliya Plantations PLC	**8,200**	**374,258**	**99,220**	8,200	374,258	140,220
Watawala Plantations PLC	**200,000**	**1,252,041**	**2,240,000**	200,000	1,252,041	2,000,000
Kotagala Plantations PLC	**10,000**	**476,580**	**540,000**	10,000	476,580	700,000
Total investments						
- by the Company		**5,567,498**	**16,061,852**		5,567,498	18,302,924
- by the Group		**5,567,498**	**16,061,852**		5,567,498	18,302,924

	As at 1 April 2011		
	Number of shares	Cost	Market value
Diversified holdings			
Hayleys PLC	38,907	2,952,614	14,866,365
Banking finance and insurance			
Nations Trust Bank PLC	25,592	512,005	1,952,669
Plantations			
Maskeliya Plantations PLC	8,200	374,258	230,420
Watawala Plantations plc	200,000	1,252,041	5,000,000
Kotagala Plantations PLC	10,000	476,580	1,680,000
Total investments			
- by the Company		5,567,498	23,729,454
- by the Group		5,567,498	23,729,454

19. INVENTORIES

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Raw materials	**64,023,436**	119,546,314	67,205,007	**64,023,436**	119,546,314	67,205,007
Work-in-progress	**3,498,497**	2,136,737	1,954,770	**3,498,497**	2,136,737	1,954,770
Finished goods	**45,924,496**	31,139,101	33,217,130	**45,924,496**	31,139,101	33,217,130
Other stocks	**1,404,661**	253,117	467,515	**1,404,661**	253,117	467,515
Less - Provision for slow moving stocks	**(2,057,745)**	(2,057,745)	-	**(2,057,745)**	(2,057,745)	-
	112,793,345	151,017,524	102,844,422	**112,793,345**	151,017,524	102,844,422

20. TRADE AND OTHER RECEIVABLES

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Trade receivables	**13,448,094**	14,558,789	4,751,919	**13,448,094**	13,702,135	4,751,919
Less : provision for impairment of trade receivables	**(531,429)**	(531,429)	-	**(531,429)**	(531,429)	-
Trade receivables - net	**12,916,665**	14,027,360	4,751,919	**12,916,665**	13,170,706	4,751,919
Receivable from related companies [Note 33.11 (b)]	**313,566,598**	317,284,601	395,462,786	**312,871,847**	316,742,101	395,010,283
Loan given to holding company [Note 33.11 (c)]	**80,745,077**	80,745,055	80,745,055	**55,745,055**	55,745,055	55,745,055
Advance and prepayments	**1,997,868**	1,490,428	2,199,188	**1,810,120**	1,373,628	2,097,566
Other receivables	**10,707,822**	22,461,261	29,973,557	**10,685,707**	22,453,139	29,943,327
	419,934,030	436,008,705	513,132,505	**394,029,394**	409,484,629	487,548,150

Other receivables of the Group include Value Added Tax receivable amounting to Rs.9,857,056 (2012 - Rs 21,650,749).

The effective interest rate on loan given to holding company is 10.85% (2012 - 7.72%)

As of 31 March 2013, trade receivables of Rs 12,916,665 (2012 - Rs 14,027,360) were fully performing.

The aging of the receivable balances impaired are as follows.

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Less than 1 year	**-**	-	-	**-**	-	-
Over 1 year	**531,429**	531,429	531,429	**531,429**	531,429	531,429
	531,429	531,429	531,429	**531,429**	531,429	531,429

The directors consider the carrying amount of the balance approximates its fair value.

20. TRADE AND OTHER RECEIVABLES (CONTD.)

The carrying amounts of trade and other receivables are denominated in following currencies:

	Group		Company	
	As at 31 March		As at 31 March	
	2013	2012	2013	2012
US dollars	**19,663,709**	52,619,364	**19,663,709**	52,619,364
Sri Lanka Rupees	**400,270,321**	383,389,341	**374,365,685**	356,865,265
	419,934,030	436,008,705	**394,029,394**	409,484,629

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

21. INCOME TAX PAYABLE

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Balance at 1 April	**(32,478,154)**	(45,606,705)	(22,687,443)	**(3,638,632)**	(17,957,040)	3,744,158
Provision for the current year	**(15,449,833)**	(18,863,364)	(43,397,000)	**(10,667,251)**	(16,983,507)	(42,310,000)
Adjustments in respect of prior years (Note 11)	**(235,839)**	707,934	(4,194,832)	**(235,839)**	707,934	(4,194,832)
	(48,163,826)	(63,762,135)	(70,279,275)	**(14,541,722)**	(34,232,613)	(42,760,674)
Payments made during the year	**16,472,783**	31,283,981	24,672,570	**14,074,471**	30,593,981	24,803,634
Balance at 31 March	**(31,691,043)**	(32,478,154)	(45,606,705)	**(467,251)**	(3,638,632)	(17,957,040)

22. CASH AND CASH EQUIVALENTS

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Cash at bank and in hand	**12,883,310**	7,596,387	8,399,705	**10,686,554**	6,436,034	8,214,057

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

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	2012	2011	2013	2012	2011
Cash at bank and in hand	**12,883,310**	7,596,387	8,399,705	**10,686,554**	6,436,034	8,214,057
Bank overdraft (Note 24)	**(43,001,256)**	(787,832)	(41,455,617)	**(43,001,256)**	(787,832)	(41,455,617)
	(30,117,946)	6,808,555	(33,055,912)	**(32,314,702)**	5,648,202	(33,241,560)

23. TRADE AND OTHER PAYABLES

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Trade payables	**32,338,285**	59,508,681	76,505,985	**32,338,285**	59,508,681	76,505,985
Payables to related parties [Note 33.11 (a)]	**5,907,532**	403,416	3,757,292	**18,348,962**	7,241,597	7,791,639
Loans from related parties [Note 33.11 (d)]	**-**	-	-	**60,100,000**	50,000,000	44,000,000
Payroll related payable and other taxes	**1,313,252**	955,563	4,327,577	**920,338**	618,541	4,188,418
Accrued expenses and other payable	**2,140,982**	4,783,864	5,650,037	**1,957,082**	4,572,441	5,435,833
	41,700,051	65,651,524	90,240,891	**113,664,667**	121,941,260	137,921,875

24. BORROWINGS

	Group			Company		
	As at 31 March		1 April	As at 31 March		1 April
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Short term import loans	**-**	112,748,891	89,546,595	**-**	112,748,891	89,546,595
Bank overdraft	**43,001,256**	787,832	41,455,617	**43,001,256**	787,832	41,455,617
	43,001,256	113,536,723	131,002,212	**43,001,256**	113,536,723	131,002,212

Securitizations and bank facilities

Group

Lender	Type of the loan	Interest rates	31 March 2013	31 March 2012	1 April 2011	Securities pledged
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	**-**	95,950,674	78,162,612	-
	Overdraft	Linked to AWPLR	**43,001,256**	787,832	41,455,617	-
Hatton National Bank PLC	Short term Import Loans	Linked to AWPLR	**-**	16,798,217	11,383,983	-
	Overdraft	Linked to AWPLR	**-**	-	-	-

Company

Lender	Type of the loan	Interest rates	31 March 2013	31 March 2012	1 April 2011	Securities pledged
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	**-**	95,950,674	78,162,612	-
	Overdraft	Linked to AWPLR	**43,001,256**	787,832	41,455,617	-
Hatton National Bank PLC	Short term Import Loans	Linked to AWPLR	**-**	16,798,217	11,383,983	-
	Overdraft	Linked to AWPLR	**-**	-	-	-

25. DEFINED BENEFIT OBLIGATIONS

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

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
At beginning of year	**6,386,669**	5,235,223	4,383,625	**5,678,376**	4,743,948	3,986,944
Current service cost/(reversal of excess provision)	**1,556,248**	1,151,446	948,772	**1,390,850**	934,428	854,178
	7,942,917	6,386,669	5,332,397	**7,069,226**	5,678,376	4,841,122
Payments made during the year	**(328,900)**	-	(97,174)	**(328,900)**	-	(97,174)
At end of year	**7,614,017**	6,386,669	5,235,223	**6,740,326**	5,678,376	4,743,948

As at 31 March 2013, the gratuity liability was actuarially valued under the Project Unit Credit (PUC) method by a professionally qualified actuary firm Actuarial and Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company		
	31 March		1 April
	2013	2012	2011
Rate of discount	**11%**	11%	11%
Salary increment rate	**10%**	10%	10%
Retirement age	**55 years**	55 years	55 years

26. DEFERRED TAX LIABILITIES

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 28% (2012 - 28%)

26.1 Movement in deferred tax liabilities

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
Balance at the beginning of the year	**22,525,028**	16,162,382	20,737,369	**21,913,755**	16,068,219	20,193,431
Origination/(reversal) of temporary differences	**795,024**	1,696,523	(620,175)	**706,404**	1,179,413	(314,843)
Impact on decrease in tax rate	**-**	-	(914,071)	**-**	-	(769,628)
Deferred tax on amount transferred from - - revaluation reserve (Note 30)	**(626,416)**	(626,416)	(254,377)	**(626,416)**	(626,416)	(254,377)
Impact on revaluation of property, plant - - and equipment due to decrease of tax rate	**-**	-	(2,786,364)	**-**	-	(2,786,364)
Effect of revaluation of buildings	**-**	5,292,539	-	**-**	5,292,539	-
	22,693,635	22,525,028	16,162,382	**21,993,743**	21,913,755	16,068,219

26.2 Composition of deferred tax liabilities

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Prperty,plant and equipment	**25,401,729**	24,313,295	17,628,243	**24,457,202**	23,503,700	17,396,524
Provision for slow moving inventory	**(576,169)**	-	-	**(576,169)**	-	-
Defined benefit obligations	**(2,131,924)**	(1,788,267)	(1,465,861)	**(1,887,290)**	(1,589,945)	(1,328,305)
	22,693,635	22,525,028	16,162,382	**21,993,743**	21,913,755	16,068,219

27. CONTINGENT LIABILITIES

There were no material contingent liabilities existing at the balance sheet date.

28. COMMITMENTS

Financial commitments

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

Capital commitments

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

29. Stated capital

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
Number of ordinary shares						
Balance at 31 March	**4,212,500**	4,212,500	4,212,500	**4,212,500**	4,212,500	4,212,500
Stated capital						
Balance at 1 April	**79,974,555**	79,974,555	79,974,555	**79,974,555**	79,974,555	79,974,555
Balance at 31 March	**79,974,555**	79,974,555	79,974,555	**79,974,555**	79,974,555	79,974,555

All issued shares are fully paid.

30. REVALUATION RESERVE

The revaluation surplus, comprises gains on revaluation of property, plant and equipment (land and buildings).

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	**2012**	**2011**	**2013**	**2012**	**2011**
At beginning of year	**94,783,084**	57,545,367	55,413,116	**94,783,084**	57,545,367	55,413,116
Revaluations during the year	**-**	44,141,041	-	**-**	44,141,041	-
Deferred tax on revaluation	**-**	(5,292,539)	-	**-**	(5,292,539)	-
Transfer to retained earnings	**(2,237,201)**	(2,237,201)	(908,490)	**(2,237,201)**	(2,237,201)	(908,490)
Deferred tax on transfer	**626,416**	626,416	254,377	**626,416**	626,416	254,377
Impact on revaluation reserve due to decrease of tax rates (Note 26)	**-**	-	2,786,364	**-**	-	2,786,364
At end of year	**93,172,299**	94,783,084	57,545,367	**93,172,299**	94,783,084	57,545,367

31. RESERVES

31.1 Revenue reserve

Revenue reserves consists of amounts that have been transferred from time to time from retained earnings as resolved at general meetings of the Company for the purpose of general applications.

31.2 Other reserve

Other reserve consists of net gains recognised as a result of measuring available for sale financial assets at fair value.

32. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before tax to cash generated from operations:

	Group 31 March		Company 31 March	
	2013	**2012**	**2013**	**2012**
Profit before tax	**57,790,685**	72,775,967	**41,293,532**	63,657,414
Adjustments for:				
Depreciation of property, plant and equipment (Note 14)	**10,966,608**	10,437,126	**9,039,001**	8,509,520
Dividend income (Note 7)	**-**	(449,412)	**(900,000)**	(899,412)
Interest expense (Note 10)	**23,618,976**	17,761,852	**29,558,390**	21,166,131
Interest income (Note 10)	**(8,927,778)**	(6,050,107)	**(6,214,028)**	(4,179,458)
Profit on disposal of fixed assets (Note 7)	**-**	(409,697)	**-**	(409,697)
Amortization of leasehold properties (Note 16)	**22,203**	22,203	**22,203**	22,203
Loss on revaluation of property plant and equipment	**-**	871,650	**-**	871,650
Provision for defined benefit obligations (Note 25)	**1,556,248**	1,151,446	**1,390,850**	934,428
Changes in working capital:				
- decrease / (increase) in inventories	**38,224,177**	(48,173,102)	**38,224,179**	(48,173,102)
- decrease in trade and other receivables	**16,074,675**	77,123,800	**15,455,235**	78,063,521
- decrease in trade and other payables	**(23,951,473)**	(24,589,368)	**(8,276,592)**	(15,980,615)
Cash generated from operations	**115,374,321**	100,472,359	**119,592,770**	103,582,583

33. DIRECTORS' INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS

33.1 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of the parent undertaking ACL Cables PLC, which owns 65.2% of the Company's issued share capital.

33.2 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Polymers (Private) Limited which is a 100% owned subsidiary of ACL Plastics PLC.

33.3 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited.

33.4 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Kelani Magnet Wire (Private) Limited.

33.5 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Kelani Cables PLC.

33.6 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Ceylon Bulbs and Electricals (Private) Limited.

33.7 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Lanka Olex Cables (Private) Limited.

33.8 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company, are also Directors of Ceylon Copper (Private) Limited.

33.9 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company, are also Directors of ACL Electric (Private) Limited.

33.10 The Company had the following business transactions (inclusive of taxes) in the ordinary course of business during the year :

	Company Year ended 31 March	
	2013	**2012**
(a) Sale of goods		
ACL Cables PLC	**592,353,349**	596,595,798
ACL Kelani Magnet Wire (Private) Limited	**778,527**	921,421
Kelani Cables PLC	**530,421,661**	421,694,493
	1,123,553,536	1,019,211,711
(b) Purchase of goods		
ACL Cables PLC	**5,696,436**	11,080
Kelani Cables PLC	**16,264**	-
	5,712,700	11,080
(c) Interest income from loans		
ACL Cables PLC	**6,051,126**	4,171,124
(d) Loan from related party		
ACL Polymers (Private) Limited	**10,100,000**	6,000,000
(e) Interest on borrowings		
ACL Polymers (Private) Limited	**5,939,414**	3,354,818

33. DIRECTORS' INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS (CONTD)

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

(a) Payable to related parties

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
ACL Polymers (Private) Limited	**-**	-	-	**12,441,426**	6,838,178	4,034,347
ACL Cables PLC	**4,635,521**	253,222	3,521,456	**4,635,525**	253,224	3,521,456
Kelani Cables PLC	**-**	-	-	**-**	-	-
ACL Kelani Magnet Wire (Private) Limited	**1,272,011**	150,194	235,836	**1,272,011**	150,195	235,836
	5,907,532	403,416	3,757,292	**18,348,962**	7,241,597	7,791,639

(b) Receivable from related parties

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
ACL Cables PLC	**202,375,713**	203,569,272	331,893,681	**201,680,962**	203,026,772	331,441,178
ACL Kelani Magnet Wire (Private) Limited	**-**	-	370,402	**-**	-	370,402
Kelani Cables PLC	**111,190,885**	113,715,329	63,198,703	**111,190,885**	113,715,329	63,198,703
	313,566,598	317,284,601	395,462,786	**312,871,847**	316,742,101	395,010,283

(c) Receivable on loans

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
ACL Cables PLC	**80,745,055**	80,745,055	80,745,055	**55,745,055**	55,745,055	55,745,055

(d) Payable on loans

	Group			Company		
	31 March		1 April	31 March		1 April
	2013	2012	2011	2013	2012	2011
ACL Polymers (Private) Limited	**-**	-	-	**60,100,000**	50,000,000	44,000,000

There were no other related parties or related party transactions during the year ended 31 March 2013 other than those disclosed above.

34. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the balance sheet date, which would require adjustments to, or disclosure in the financial statements.

35. (a) Financial instruments by category

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2013					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	16,061,852	-	16,061,852
Trade and other receivables	419,934,030	-	-	-	419,934,030
Cash and cash equivalents	12,883,310	-	-	-	12,883,310
	432,817,340	**-**	**16,061,852**	**-**	**448,879,192**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	40,677,611	40,677,611
Borrowings	-	43,001,256	43,001,256
	-	**83,678,867**	**83,678,867**

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2013					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	16,061,852	-	16,061,852
Trade and other receivables	394,029,394	-	-	-	394,029,394
Cash and cash equivalents	10,686,554	-	-	-	10,686,554
	404,715,948	**-**	**16,061,852**	**-**	**420,777,800**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	112,923,867	112,923,867
Borrowings	-	43,001,256	43,001,256
	-	**155,925,123**	**155,925,123**

35. (a) Financial instruments by category contd.

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2012					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	18,302,924	-	18,302,924
Trade and other receivables	436,008,705	-	-	-	436,008,705
Cash and cash equivalents	7,596,387	-	-	-	7,596,387
	443,605,092	**-**	**18,302,924**	**-**	**461,908,016**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2012			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	65,042,893	65,042,893
Borrowings	-	113,536,723	113,536,723
	-	**178,579,616**	**178,579,616**

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2012					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	18,302,924	-	18,302,924
Trade and other receivables	409,484,629	-	-	-	409,484,629
Cash and cash equivalents	6,436,034	-	-	-	6,436,034
	415,920,663	**-**	**18,302,924**	**-**	**434,223,587**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2012			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	121,579,893	121,579,893
Borrowings	-	113,536,723	113,536,723
	-	**235,116,616**	**235,116,616**

35. (a) Financial instruments by category contd.

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
1 April 2011					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	23,729,454	-	23,729,454
Trade and other receivables	513,132,505	-	-	-	513,132,505
Cash and cash equivalents	8,399,705	-	-	-	8,399,705
	521,532,210	**-**	**23,729,454**	**-**	**545,261,664**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2011			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	86,277,705	86,277,705
Borrowings	-	131,002,212	131,002,212
	-	**217,279,917**	**217,279,917**

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
1 April 2011					
Assets as per the statement of financial position					
Available for sale financial assets	-	-	23,729,454	-	23,729,454
Trade and other receivables	487,548,150	-	-	-	487,548,150
Cash and cash equivalents	8,214,057	-	-	-	8,214,057
	495,762,207	**-**	**23,729,454**	**-**	**519,491,661**

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2011			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	134,030,940	134,030,940
Borrowings	-	131,002,212	131,002,212
	-	**265,033,152**	**265,033,152**

35. (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:

31 March 2013	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Group				
Available for sale financial assets	16,061,852	-	-	16,061,852
Trade and other receivables (gross)	373,242,618	46,691,412	531,429	420,465,459
Total financial assets	**402,187,780**	**46,691,412**	**531,429**	**449,410,621**
Company				
Available for sale financial assets	16,061,852	-	-	16,061,852
Trade and other receivables (gross)	347,337,982	46,691,412	531,429	394,560,823
Total financial assets	**363,399,834**	**46,691,412**	**531,429**	**410,622,675**

Cash at bank and short-term bank deposits

	Group As at 31 March		Company As at 31 March	
	2013	2012	2013	2012
AA-(lka)	**2,802,628**	1,332,502	**611,252**	183,224
AAA(lka)	**9,590,262**	6,162,885	**9,584,882**	6,151,810
A(lka)	**139,421**	-	**139,421**	-
Total	**12,532,311**	7,495,387	**10,335,555**	6,335,034

36. (a) First time adoption of SLFRSs/LKASs

As stated in note 2.1, these are the Company's first financial statements prepared in accordance with SLFRSs/LKASs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2013, the comparative information presented in these financial statements for the year 31 March 2012 and in the preparation of an opening SLFRS statement of financial position at 1 April 2011 (the Company's date of transition).

1. Initial elections upon adoption

1.1 SLFRS exemption options

1.1.1 Fair value as deemed cost, was not opted.

1.1.2 Translation differences (LKAS 21), as SLASs and the SLFRSs were already aligned as regard to these transactions.

1.1.3 Employee benefits (LKAS 19) as SLASs and the SLFRSs were already aligned with regard to these transactions.

1.1.4 Share based payment transactions (SLFRS 2) is not applicable for the company.

1.1.5 Leases (LKAS 17) as SLASs and SLFRSs were already aligned with regard to these transactions.

1.1.6 Insurance contracts (SLFRS 4), as this is not relevant to the Company's operations.

1.1.7 Investment in subsidiaries, jointly controlled entities and associates were already aligned.

1.1.8 Assets and liabilities of subsidiaries, associates and joint ventures under SLFRS 1 is not applicable to the Company

1.1.9 Compound financial instruments (LKAS 32), because the Company does not have these types of financial instruments as at the date of transition to SLFRSs.

1.1.10 Fair value measurement of financial assets or financial liabilities at initial recognition.

1.1.11 Borrowing costs (LKAS 23) is not applicable for the Company.

1.1.12 Transfers of assets from customers (IFRIC 18) is not applicable for the Company.

1.1.13 Decommissioning liabilities (IFRIC 1) included in the cost of land, buildings and equipment is not applicable for the Company.

1.1.14 Financial assets or intangible assets accounted for under IFRIC 12 is not applicable for the Company as the Company has not entered into agreements within the scope of IFRIC 12.

1.2 SLFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in SLFRS 1 applied in the conversion from SLAS to SLFRS.

Exception for estimates

SLFRS estimates as at 1 January 2011 are consistent with the estimates as at the same date made in conformity with Sri Lanka Accounting Standards.

The other compulsory exceptions of SLFRS 1 has not been applied as these are not relevant to the Company.

- Derecognition of financial assets and financial liabilities.
- Non-controlling interest
- Hedge accounting

36. (b) Reconciliation of income statement for the year ended 31 March 2012

	Note	Group As per SLAS	Group Effect of transition to SLFRS/ LKAS	Group As per SLFRS/ LKAS	Company As per SLAS	Company Effect of transition to SLFRS/ LKAS	Company As per SLFRS/ LKAS
Revenue		1,004,478,032	-	1,004,478,032	990,807,232	-	990,807,232
Cost of sales	a	(905,376,932)	(587,035)	(905,963,967)	(896,239,543)	(587,035)	(896,826,578)
Gross profit		99,101,100	(587,035)	98,514,065	94,567,689	(587,035)	93,980,654
Other income		859,109	-	859,109	1,309,109	-	1,309,109
Administrative expenses		(4,376,049)	-	(4,376,049)	(4,136,263)	-	(4,136,263)
Operating profit		95,584,160	(587,035)	94,997,125	91,740,535	(587,035)	91,153,500
Finance cost - net		(22,221,158)	-	(22,221,158)	(27,496,086)	-	(27,496,086)
Profit before tax		73,363,002	(587,035)	72,775,967	64,244,449	(587,035)	63,657,414
Income tax	b	(20,066,323)	164,370	(19,901,953)	(17,619,356)	164,370	(17,454,986)
Profit for the year		**53,296,679**	**(422,665)**	**52,874,014**	**46,625,093**	**(422,665)**	**46,202,428**
Net profit attributable to shareholders of the Company		**53,296,679**	**(422,665)**	**52,874,014**	**46,625,093**	**(422,665)**	**46,202,428**

Reconciliation of statement of comprehensive income for the year ended 31 March 2012

	Note	Group As per SLAS	Group Effect of transition to SLFRS/ LKAS	Group As per SLFRS/ LKAS	Company As per SLAS	Company Effect of transition to SLFRS/ LKAS	Company As per SLFRS/ LKAS
Profit for the year		-	52,874,014	52,874,014	-	46,202,428	46,202,428
Other comprehensive income/(expenses)							
Gain on revaluation of land and buildings		-	44,141,041	44,141,041	-	44,141,041	44,141,041
Deferred tax on revaluation		-	(5,292,539)	(5,292,539)	-	(5,292,539)	(5,292,539)
Net change in fair value of available for sale financial assets		-	(5,426,530)	(5,426,530)	-	(5,426,530)	(5,426,530)
Other comprehensive income for the year		-	33,421,972	33,421,972	-	33,421,972	33,421,972
Total comprehensive income for the year		-	**86,295,986**	**86,295,986**	-	**79,624,400**	**79,624,400**

36. (c) Reconciliation of statement of financial position as at 1 April 2011 and 31 March 2012 (Contd)

Group

	Note	As at 31 March 2012 As per SLAS	As at 31 March 2012 Effect of transition to SLFRS/ LKAS	As at 31 March 2012 As per SLFRS/ LKAS	As at 1 April 2011 As per SLAS	As at 1 April 2011 Effect of transition to SLFRS/ LKAS	As at 1 April 2011 As per SLFRS/ LKAS
ASSETS							
Non-current assets							
Property, plant and equipment	c	187,462,562	11,604,887	199,067,449	134,553,081	12,191,920	146,745,001
Capital work-in-progress		732,566	-	732,566	714,802	-	714,802
Leasehold properties		1,776,240	-	1,776,240	1,798,443	-	1,798,443
Investment in subsidiary		-	-	-	-	-	-
Available for sale financial assets	d	5,567,498	12,735,426	18,302,924	5,567,498	18,161,955	23,729,454
		195,538,866	24,340,313	219,879,177	142,633,824	30,353,875	172,987,700
Current assets							
Inventories		151,017,524	-	151,017,524	102,844,422	-	102,844,422
Trade and other receivables		436,008,705	-	436,008,705	513,132,505	-	513,132,505
Leasehold properties		22,203	-	22,203	22,203	-	22,203
Cash and cash equivalents		7,596,387	-	7,596,387	8,399,705	-	8,399,705
		594,644,819	-	594,644,819	624,398,835	-	624,398,835
Total assets		**790,183,685**	**24,340,313**	**814,523,996**	**767,032,659**	**30,353,875**	**797,386,534**
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital		79,974,555	-	79,974,555	79,974,555	-	79,974,555
Revaluation reserve		94,783,084	-	94,783,084	57,545,367	-	57,545,367
Revenue reserve		170,000,000	-	170,000,000	170,000,000	-	170,000,000
Other reserve	e	-	12,735,426	12,735,426	-	18,161,956	18,161,956
Retained earnings	g	208,097,317	8,355,516	216,452,833	174,679,062	8,778,181	183,457,243
Shareholders' funds		552,854,956	21,090,942	573,945,898	482,198,984	26,940,137	509,139,121
Non-current liabilities							
Defined benefit obligations		6,386,669	-	6,386,669	5,235,223	-	5,235,223
Deferred tax liability	f	19,275,659	3,249,371	22,525,028	12,748,644	3,413,738	16,162,382
		25,662,328	3,249,371	28,911,697	17,983,867	3,413,738	21,397,605
Current liabilities							
Trade and other payables		65,651,524	-	65,651,524	90,240,891	-	90,240,891
Current income tax liabilities		32,478,154	-	32,478,154	45,606,705	-	45,606,705
Borrowings		113,536,723	-	113,536,723	131,002,212	-	131,002,212
		211,666,401	-	211,666,401	266,849,808	-	266,849,808
Total liabilities		237,328,729	3,249,371	240,578,098	284,833,675	3,413,738	288,247,413
Total equity and liabilities		**790,183,685**	**24,340,313**	**814,523,996**	**767,032,659**	**30,353,875**	**797,386,534**

36. (c) Reconciliation of statement of financial position as at 1 April 2011 and 31 March 2012 (Contd)

Company

	Note	As at 31 March 2012 As per SLAS	Effect of transition to SLFRS/ LKAS	As per SLFRS/ LKAS	As at 1 April 2011 As per SLAS	Effect of transition to SLFRS/ LKAS	As per SLFRS/ LKAS
ASSETS							
Non-Current Assets							
Property, plant and equipment	c	179,752,136	11,604,885	191,357,021	124,915,047	12,191,920	137,106,967
Capital work-in-progress		732,566	-	732,566	714,802	-	714,802
Leasehold properties		1,776,240	-	1,776,240	1,798,443	-	1,798,443
Investment in subsidiary		10,000,010	-	10,000,010	10,000,010	-	10,000,010
Available for sale financial assets	d	5,567,498	12,735,426	18,302,924	5,567,498	18,161,956	23,729,454
		197,828,450	24,340,311	222,168,761	142,995,800	30,353,876	173,349,676
Current assets							
Inventories		151,017,524	-	151,017,524	102,844,422	-	102,844,422
Trade and other receivables		409,484,629	-	409,484,629	487,548,150	-	487,548,150
Leasehold properties		22,203	-	22,203	22,203	-	22,203
Cash and cash equivalents		6,436,034	-	6,436,034	8,214,057	-	8,214,057
		566,960,390	-	566,960,390	598,628,832	-	598,628,832
Total assets		**764,788,840**	**24,340,310**	**789,129,151**	**741,624,632**	**30,353,875**	**771,978,508**
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital		79,974,555	-	79,974,555	79,974,555	-	79,974,555
Revaluation reserve		94,783,084	-	94,783,084	57,545,367	-	57,545,367
Revenue reserve		170,000,000	-	170,000,000	170,000,000	-	170,000,000
Other reserve	e	-	12,735,426	12,735,426	-	18,161,956	18,161,956
Retained earnings	g	156,571,824	8,355,516	164,927,340	129,825,155	8,778,181	138,603,336
Shareholders' funds		501,329,463	21,090,942	522,420,405	437,345,077	26,940,137	464,285,214
Non-current liabilities							
Defined benefit obligations		5,678,376	-	5,678,376	4,743,948	-	4,743,948
Deferred tax liability	f	18,664,387	3,249,368	21,913,755	12,654,481	3,413,738	16,068,219
		24,342,763	3,249,368	27,592,131	17,398,429	3,413,738	20,812,167
Current liabilities							
Trade and other payables		121,941,259	-	121,941,260	137,921,874	-	137,921,875
Income tax payable		3,638,632	-	3,638,632	17,957,040	-	17,957,040
Borrowings		113,536,723	-	113,536,723	131,002,212	-	131,002,212
		239,116,614	-	239,116,615	286,881,126	-	286,881,127
Total liabilities		263,459,377	3,249,368	266,708,746	304,279,555	3,413,738	307,693,294
Total equity and liabilities		**764,788,840**	**24,340,310**	**789,129,151**	**741,624,632**	**30,353,875**	**771,978,508**

36. (d) Notes to the reconciliation of SLAS and SLFRS / LKAS

(a) Cost of sales

Impact on cost of sales arising from the changes related to adoption of SLFRS is summarised as follows;

Income statement	Year ended 31 March 2012 Group	Company
As reported under SLAS	(905,376,932)	(896,239,543)
Increase in accumulated depreciation	(587,035)	(587,035)
As reported under SLFRS / LKAS	**(905,963,967)**	**(896,826,578)**

(b) Income tax

Income statement impact of the changes in deferred tax arising from the changes related to adoption of SLFRS is summarised as follows;

Income statement	Year ended 31 March 2012 Group	Company
As reported under SLAS	(20,066,323)	(17,619,356)
Deferred tax impact from decrease in carrying value of property, plant and equipment	164,370	164,370
As reported under SLFRS / LKAS	**(19,901,953)**	**(17,454,986)**

(c) Property, plant and equipment

SLFRS requires to identify components within an item of property plant and equipment and assess useful lives of property plant and equipment at each reporting date. Accordingly, the Company has identified components and reassessed the useful lives of property, plant and equipment. The resultant impact is adjusted to retained earnings at the transition date as follows;

	Group		Company	
	As at 31 March 2012	1 April 2011	As at 31 March 2012	1 April 2011
As reported under SLAS	187,462,562	134,553,081	179,752,136	124,915,047
(Increase) / decrease in accumulated depreciation	11,604,887	12,191,920	11,604,884	12,191,920
As reported under SLFRS / LKAS	**199,067,449**	**146,745,001**	**191,357,020**	**137,106,967**

(d) Available for sale financial assets

In accordance with the SLFRS, investments in shares of other companies (other than the investments in subsidiaries) classified as available-for-sale (AFS) have been recognised at fair value. These assets were previously carried at cost. At the date of transition, the fair value of the investments in other companies classified as available-for sale financial assets, were adjusted to opening reserve. Impact of financial statements is summarised as follows.

	Group		Company	
	As at 31 March 2012	1 April 2011	As at 31 March 2012	1 April 2011
As reported under SLAS	5,567,498	5,567,498	5,567,498	5,567,498
Impact from fair valuation	12,735,426	18,161,956	12,735,426	18,161,956
As reported under SLFRS / LKAS	**18,302,924**	**23,729,454**	**18,302,924**	**23,729,454**

36. (d) Notes to the reconciliation of SLAS and SLFRS / LKAS (Contd)

(e) Other reserve

At the date of transition, the fair value of the investments in other companies classified as available-for sale financial assets, were adjusted to opening reserve (Available-for-sale reserve). The impact is summarised as follows.

	Group		Company	
	As at 31 March 2012	**1 April 2011**	**As at 31 March 2012**	**1 April 2011**
As reported under SLAS	-	-	-	-
Impact from fair valuation	12,735,426	18,161,956	12,735,426	18,161,956
As reported under SLFRS / LKAS	**12,735,426**	**18,161,956**	**12,735,426**	**18,161,956**

(f) Deferred tax liabilities

Impact on deferred tax arising from the changes related to adoption of SLFRS is summarised as follows;

	Group		Company	
	As at 31 March 2012	**1 April 2011**	**As at 31 March 2012**	**1 April 2011**
As reported under SLAS	19,275,659	12,748,644	18,664,387	12,654,481
Impact from fair valuation	3,249,368	3,413,738	3,249,368	3,413,738
As reported under SLFRS / LKAS	**22,525,027**	**16,162,382**	**21,913,755**	**16,068,219**

(g) Retained earnings

Changes to the retained earnings are as follows;

	Group		Company	
	As at 31 March 2012	**1 April 2011**	**As at 31 March 2012**	**1 April 2011**
As reported under SLAS	208,097,317	174,679,062	156,571,824	129,825,155
Cumulative impact on previous year adjustments	8,778,181	-	8,778,181	-
Adjustment on depreciation	(587,035)	12,191,919	(587,035)	12,191,919
Adjustment on deferred income tax liabilities	164,370	(3,413,738)	164,370	(3,413,738)
As reported under SLFRS / LKAS	**216,452,833**	**183,457,243**	**164,927,340**	**138,603,336**

36. (e) Adjustments to the statement of cash flows

The transition to Sri Lanka Accounting standards (SLFRS / LKAS) had no impact on cash flows generated by the Group / Company.

Information to Shareholders

Distribution of Shares as at 31st March 2013

Category	Number of Shareholders	%	Number of Ordinary Shares
1 - 1,000 shares	458	2.80	117,808
1,001 - 5,000 shares	75	3.96	166,788
5,001 - 10,000 shares	14	2.39	100,547
10,001 - 50,000 shares	22	10.21	429,924
50,001 - 100,000 shares	2	3.39	142,800
100,001 - 500,000 shares	3	12.04	507,664
500,001 - 1,000,000 shares	-	-	-
Over 1,000,000 shares	1	65.21	2,746,969
Total	**575**	**100.00**	**4,212,500**

Analysis Report of Shareholders as at 31st March 2013

	Number of Shares	Total Holdings %
Institutional	3,417,811	81.13
Individuals	794,689	18.87
Total	**4,212,500**	**100.00**

Twenty Largest Shareholders

	2013		2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	2,746,969	65.21	2,746,969	65.21
Employees Trust Fund Board	203,800	4.84	203,800	4.84
Seylan Bank PLC / Janashakthi Linmited	200,373	4.76	225,600	5.36
Raaymakers M.A.T.	103,491	2.46	102,000	2.42
Corporate Druids (Pvt) Limited	81,600	1.94	81,600	1.94
Employee Provident Fund	61,200	1.45	61,200	1.45
Somasiri W.P.	33,000	0.78	33,000	0.78
Wimalasena G.H.A. & Wimalasena M.D.	30,000	0.71	30,000	0.71
Qualitea Ceylon (Pvt) Limited	24,900	0.59	24,900	0.59
Corea E.	24,751	0.59	24,751	0.59
Ismail A.D.	24,000	0.57	24,000	0.57
Corea Gihan Asoka	23,625	0.56	23,625	0.56
Samarawickrema N.D.	22,000	0.52	22,000	0.52
Rishard R. A.	21,461	0.51	24,800	0.59
Madanayake H.A.S	20,801	0.49	20,801	0.49
Mizver M.M.M.	20,009	0.47	24,700	0.59
Hettiarachchi H.M.	20,000	0.47	20,000	0.47
Rishard R.A	18,000	0.43	18,000	0.43
Madanayake N.C.	17,751	0.42	17,751	0.42
Seylan Bank PLC / Dayan Steven Fernando	16,880	0.40	10,288	0.24

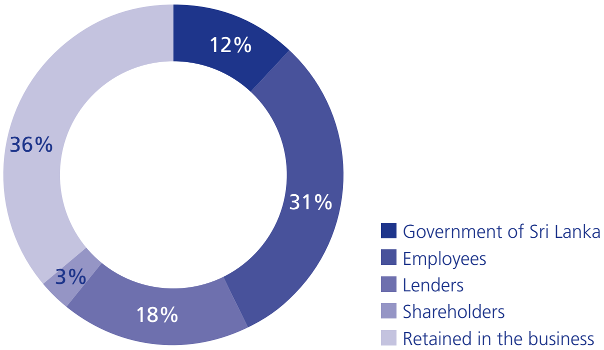
Information to Shareholders contd.

	2013	2012
Company		
a) Earnings per share (Rs)	7.05	10.97
b) Dividend per share (Rs)	1	5.25
c) Dividend payout ratio	0.14	0.48
d) Net assets value per share (Rs)	129.68	124.02
e) Market value per share (Rs)		
- Highest value (Rs)	104.90	128.00
- Lowest value (Rs)	83.10	91.00
- Value as at the end of financial year (Rs)	98.90	95.00
f) No of tradings for the year	647	906
g) Total No of shares traded	179,700	448,208
h) Total turnover (Rs)	16,601,894	73,843,058
i) Percentage of Shares held by the public	33.87%	33.87%
j) No. of foreign Shareholders	2	3
Group		
a) Earnings per share (Rs.)	9.78	12.55
b) Dividend per share (Rs.)	1.00	5.25
c) Dividend payout ratio	0.10	0.42
d) Net assets value per share (Rs.)	144.65	136.25

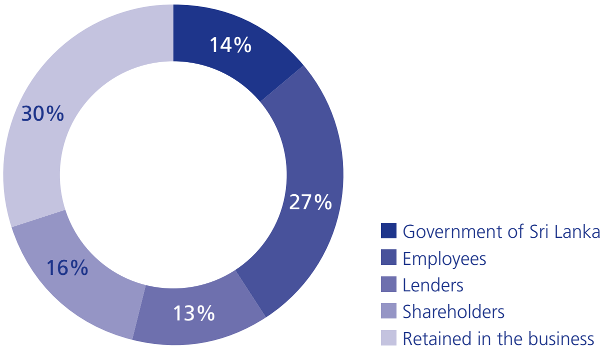
Statement of Value Added - Group

		2012/13 Rs. '000		2011/12 Rs. '000
Total revenue		1,070,045		1,004,478
Other operating & interest income		9,074		6,909
		1,079,119		1,011,387
Cost of material and services bought in		(945,611)		(872,276)
Total value added by the group		**133,508**		**139,111**
Value added shared with				
Government of Sri Lanka (Taxes)	12%	16,581	14%	19,902
Employees (Salaries and other costs)	31%	41,131	27%	38,136
Lenders (Interest on loan capital)	18%	23,619	13%	17,762
Shareholders (Dividends)	3%	4,212	16%	22,116
Retained in the business (Depreciation & retained profits)	36%	47,965	30%	41,195
	100%	**133,508**	**100%**	**139,111**

2012/13



2011/12



Five Year Summary - Group

Year ended 31st March	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000	2009 Rs.'000
Trading Results					
Turnover	1,070,045	1,004,478	843,079	631,822	696,272
Operating profit	73,196	94,997	122,205	99,012	53,772
Profit before tax	57,791	72,775	122,567	94,828	22,623
Taxation	16,581	19,902	47,258	33,910	3,416
Profit after tax	41,210	52,874	75,310	60,918	19,206
Balance Sheet					
Stated capital	79,974	79,974	79,974	79,974	79,974
Capital reserve	93,172	94,783	57,546	55,414	55,999
Revenue reserves	170,000	170,000	170,000	170,000	170,000
Other Reserves	10,494	12,735	18,161	-	-
Retained profit	255,688	216,453	183,457	108,992	50,325
	609,328	**573,945**	**509,138**	**414,380**	**356,298**
Property, plant & equipment	192,580	199,799	147,459	142,252	147,885
Operating lease prepayment	1,754	1,776	1,798	1,821	1,843
Investments	16,061	18,303	23,729	15,385	15,246
Current assets	545,633	594,645	624,399	435,576	334,468
Current & non current liabilities	(146,700)	(240,578)	(288,247)	(180,654)	(143,144)
Capital employed	609,328	573,945	509,138	414,380	356,298

Notice of Meeting

NOTICE IS HEREBY GIVEN that,
the Twenty Second Annual General Meeting of ACL Plastics PLC will be held on 18th September 2013, at No. 60, Rodney Street, Colombo 8, at 9.30 a.m. for the following purposes:

(i) To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2013 with the Report of the Auditors thereon.

(ii) To re-appoint Messrs PricewaterhouseCoopers., Chartered Accountants as Auditors and to authorize the Directors to determine their remuneration.

(iii) 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 as a Director of the Company and that the age limit of 70 years referred to in section 210 of the 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 as a Director of the Company and that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007, shall not apply to her"

(iv) To authorise the Directors to determine donations to charities.

By Order of the Board

(Sgd)
Corporate Affairs (Pvt) Ltd
Secretaries

16th August 2013

Note:

(a) A Shareholder is entitled to appoint a Proxy to attend and vote in his stead and a FORM OF PROXY is attached to this Report for this purpose. A Proxy need not be a Shareholder of the Company. The instrument appointing a Proxy must be deposited at the Registered Office, No. 60, Rodney Street, Colombo 08, not less than forty eight hours before the time fixed for the Meeting.

(b) **Shareholders are kindly requested to hand-over the duly perfected and signed Attendance Slip to the Registration counter.**

Notes

Form of Proxy

ACL Plastics PLC

I / WE ………………………………………………………………… of ……………………………………………………………………………………

…… being a member/

members of the above Company hereby appoint ………………………………………………………………………………………… of

………………………………………………………………… or failing him ……………………………………………………………………… of

……………………………………………………………………………………………… as my/our Proxy to vote for me/us on my/our behalf

at the Annual General Meeting of the Company to be held on 18th September 2013 at 9.30 a.m. and at any adjournment thereof.

Ordinary Resolutions set out in the Notice of Meeting:

	In Favour	Not In Favour
1. To receive & adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2013 with the Report of the Auditors thereon,	☐	☐
2. To re-appoint PricewaterhouseCoopers, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration	☐	☐
3. Ordinary Resolution relating to the appointment of Mr U G Madanayake	☐	☐
4. Ordinary Resolution relating to the appointment of Mrs N C Madanayake	☐	☐
5. To authorise Directors to determine donations to charity	☐	☐

Signed this ……………..…………………..…………………… day of ………...…………………………… 2013

Signature …………………………………………………

ACL PLASTICS PLC

Attendance Slip - Annual General Meeting

I / We hereby record my/our presence at the Twenty Second Annual General Meeting of ACL PLASTICS PLC

1. NAME OF SHAREHOLDER : ………………………………………………………………..

   NAME OF PROXY (If applicable) : ………………………………………………………………..

2. SHAREHOLDER'S NIC NUMBER : ………………………………………………………………..

   PROXY'S NIC NUMBER (If applicable) : ………………………………………………………………..

3. SHAREHOLDER'S SIGNATURE : ………………………………………………………………..

   PROXY'S SIGNATURE (If applicable) : ………………………………………………………………..

Shareholders are kindly requested to hand-over this attendance slip to the registration counter.

Instructions for Completion

1. The instrument appointing a Proxy shall in the case of an individual be signed by the appointer or by his Attorney and in the case of a Corporation be either under its Common Seal or signed by its Attorney or by an Officer on behalf of the Corporation.

2. A Proxy need not be a Shareholder of the Company.

3. The full name and address of the Proxy and the Shareholder appointing the Proxy should be entered legibly in the Form of Proxy.

4. The completed 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.

Corporate Information

Name
ACL Plastics PLC

Legal Form
A public quoted Company with limited liability, incorporated in Sri Lanka in 1991.

Registration Number
PQ 87

Registered Office
60, Rodney Street, Colombo 08

Contact Details

Telephone	: (094) 112 697 652
Fax	: (094) 112 699 503
E-mail	: info@acl.lk
Internet	: www.acl.lk

Board of Directors
U. G. Madanayake - Chairman
Suren Madanayake - Managing Director
Mrs. N. C. Madanayake
Mr. Das Miriyagalla
Dr. Kamal Weerapperuma

Secretaries
M/s. Corporate Affairs (Pvt) Ltd
No: 24/2, Sri Siddhartha Road, Colombo 05.

Group Financial Controller
Champika Coomasaru

Auditors
PricewaterhouseCoopers
Chartered Accountants

Bankers
Standard Chartered Bank
Hatton National Bank
Nations Trust Bank

ACL Plastics PLC
60, Rodney Street, Colombo 08
Tel : (094) 112 697 652
E-mail : info@acl.lk
www.acl.lk