ACL Plastics PLC

Quality Integrated

Annual Report 2013/14

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

Quality Integrated

At ACL Plastics we believe in integrating quality across the board in everything we do. Our industry demands that our product meets the highest international standards while serving our customers with responsibility and value. This we do with passion and commitment.

ACL Plastics PLC. Quality Integrated.

Group Financial Highlights

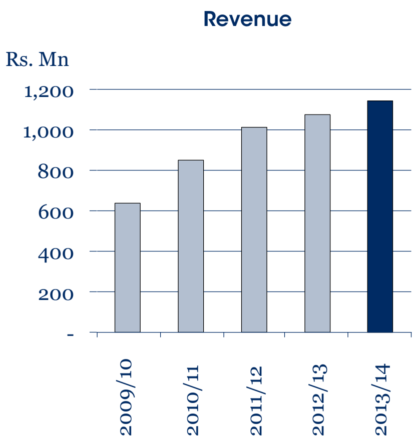
Performance	2013/14 Rs. Mn	2012/13 Rs. Mn
Turnover	1,140.0	1,070.0
Gross Profit	106.3	77.4
Finance Cost	7.5	24.3
Profit Before Tax	107.7	57.8
Profit After Tax	77.6	41.2
Total Equity	682.5	609.3
Key Financial Indicators		
Gross Profit Margin	9.3%	7.2%
Net Profit Margin Before Tax	9.4%	5.4%
Interest Cover (Times)	26.8	3.4
Return on Equity	11.4%	6.8%
Current ratio (Times)	3.1	4.7

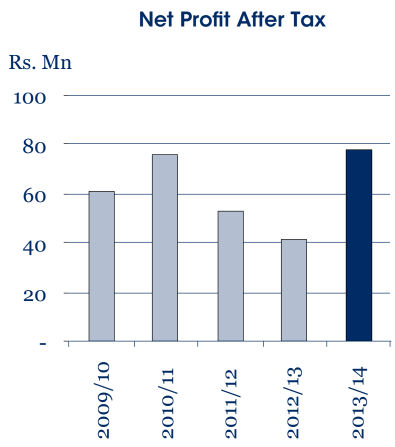
Rs. 77.6 million
Profit After Tax

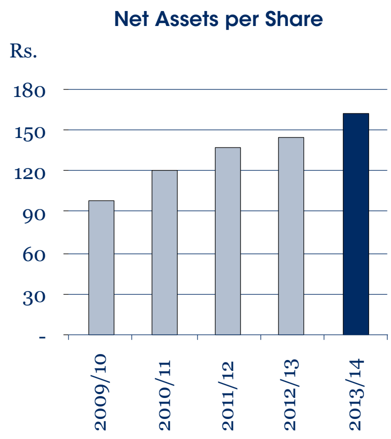
Rs. 955 million
Total Assets

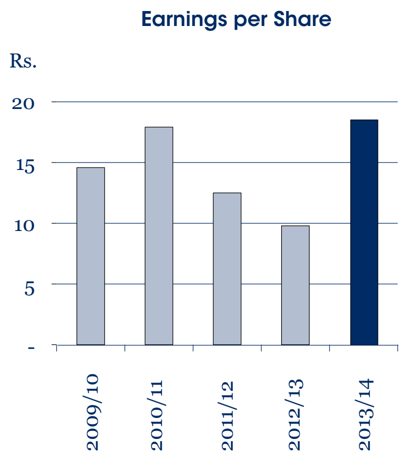
Rs. 1,140 million
Turnover

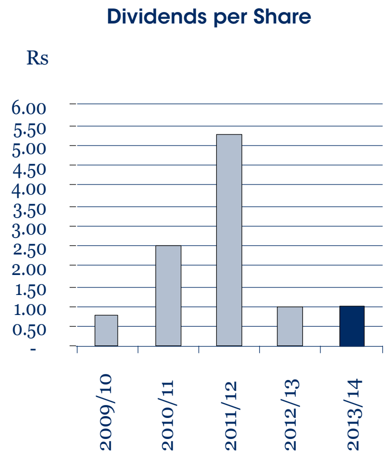
Rs. 682.5 million
Shareholders' Funds

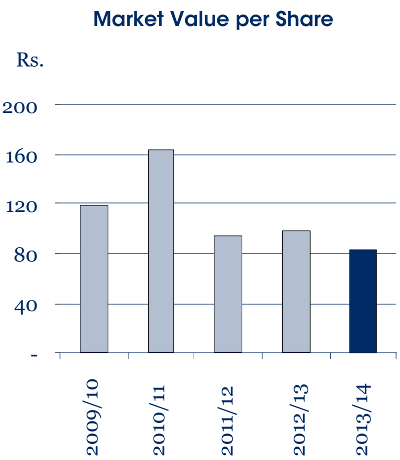












Chairman's Statement

It is with great pleasure that I present to you the Annual Report and Audited Financial Statements of your Company for the financial year 2013/14. The year 2013/14 was an excellent year for ACL Plastics PLC. After years of continued progress towards the achievement of our strategic goals in terms of growth, 2013/14 was another breakthrough year in which we set sales and earnings records.

The Company and the Group posted the highest turnover in their history and passed the milestone of one billion turnover for the second consecutive time. Even more impressive was the Profit before tax we generated which passed the milestone of hundred million, a record for the earnings as well. These achievements are the result of our employees' commitment to growth and excellence. Our recent strategic investments on technology and machinery are delivering the expected results, and going forward, we will continue to ensure sustained growth and superior value creation.

The Sri Lankan economy performed reasonably well achieving a 7.3 % GDP growth despite all the challenges faced throughout the year, which is well above the world GDP growth of 3%. Even more encouraging are the projections of economic policy makers of achieving US$ 100 billion GDP by the year 2016 compared to the current GDP of US$ 67 billion. These growth statistics and projections give us confidence that opportunities for growth will expand immensely in the years to come. I am more confident regarding the achievement of these economic goals of Sri Lanka now than I was a few years ago. A growth of an economy will inevitably trigger the new investments on modernization programs related to infrastructure which will directly result in the increased demand for cables and other electrical products. The ACL Group looks forward to grab this opportunity with both hands and ACL Plastics PLC as one of the biggest parts in ACL Cables PLC's supply chain is looking forward to welcome the increasing demand for PVC with well-equipped and advanced manufacturing plants.

Impressive Performance and Growth

The Group has achieved a turnover of Rs. 1.1 billion during the year under review which is the highest in its history, showing an increase of 6.5%. This was mainly due to the increased business activities of our main customers, most of which are our Group companies. With the impressive growth in sales, the Group also achieved a strong growth in external sales, serving to strengthen and expand our external customer base. As a continuous trend during the past few years, with growth in sales, the Group also achieved a growth in the production capacity with technological advancements and upgraded manufacturing plants which has resulted in innovation and high quality products.

"Even more impressive was the Profit before tax we generated which passed the milestone of hundred million, a record for the earnings as well."

The Group's Gross Profit has increased to Rs. 106 Mn, which is 9% of the total turnover compared to Rs. 77 Mn Gross Profit in the previous year. This was achieved by the effective and efficient utilization of production capacity coupled with the careful review of product selling prices negating the adverse impacts of ever challenging fluctuations of raw material prices in a volatile world market. The Profit before tax has increased to Rs. 107 Mn, recording the highest in the history of the Group. The profit before tax of the Group has increased by 86% compared to the profit before tax of Rs. 57 Mn in the last year. It is with pleasure that I remind you that your Company is the market leader in the industry and looks forward to cntinuing this trend with impressive performances as above in the years to come.

We took advantage of low interest rates to fund our organic growth objectives and in line with expectations, the serious focus and careful management of borrowings have paid off as evidenced by the drastic decrease in finance expenses during

Chairman's Statement Contd....

the year. The interest expenses of the Group have come down to Rs. 4 Mn from that of Rs. 23 Mn in the last year. A result like this doesn't simply fall into one's lap. It is the reward for hard work and commitment beyond the norm. We hope that this trend of low interest rates will continue in future as the policy of the Sri Lankan government is to increase the liquidity in the market by lowering the interest rates.

Balancing Assets and Liabilities

Achieving a higher level of profitability while maintaining appropriate liquidity are two contrary goals and the milestones to achieving either are extensive and require a tremendous amount of teamwork and a high level of commitment by everyone in the Company. The receivables and inventory levels were maintained well throughout the year thereby enabling the gearing levels to be at optimum level without compromising the growth of the business. As the Company heavily depends on imported raw materials, the assets and liabilities held in foreign currencies had to be handled strategically to minimize the adverse effects of the devaluation of the Sri Lanka rupee against most of the foreign currencies, specially in the early part of the year under review and which became more stable in the latter part of the year. The Group's current ratio has come down slightly to 3 times compared to 4.7 of last year due to the increase in borrowings in the latter part of the year which aimed at taking advantage of lower interest rates. The gearing ratio also has gone up in the latter part of the year due to the same reasons. I believe this will pay dividends in terms of profitability in the coming year.

Shareholder Wealth

The performance of the ACL Plastics PLC share during the year has been reasonably good, compared to the fluctuations shown in the share market as a whole. Our shareholders will be pleased to note that the Group's net assets value per share has kept on improving which is Rs. 162 for this year compared to Rs. 145 in the last year. The Company paid a dividend of Rs. 1 per share which is on par with the previous dividend and the Board has approved an interim dividend of Rs. 2.00 per share to be paid out of this year's profits.

Looking Forward

The ACL Plastics Group is well poised to capture the growing demand from the market as the leader in the industry. I hope that the macroeconomic environment which prevailed during the year will continue in the coming year too. The Sri Lankan economy moves favorably with interest rates on the decline and inflation managed at single digit creating more business opportunities in future. The positive growth in several related industries will enable us to make further advancement in terms of profitability and sustainability.

While 2013/14 was another year of setting records and positioning for future growth, the management team still recognizes that it takes consistency to be an exceptional Company. We stay committed to our long-term goals and it is my view that your Company's brand continues to command a premium in the market. To accomplish these goals takes more than the effort of a few people; it takes the commitment of every one of our employees. We have the team in place to become an exceptional Company and it will take only a few more years of excellent financial performance to be considered among the elite of manufacturing companies.

In Appreciation

On behalf of the entire Board of Directors, I extend my sincere appreciation to the Board of Management who has worked diligently towards creating greater value for our shareholders. In particular, I thank all the employees of ACL Plastics who have worked hard to deliver this year's results. I also take this opportunity to thank our valued customers who have been the inspiration for our growth, our loyal suppliers for their continued support and would like to thank our valued shareholders who have steadfastly stood by us.

U.G.Madanayake
Chairman
22nd August 2014

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 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 holding senior executive positions including that of 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. Asia 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), covering the preparation of its final reports.

Some of his other assignments included the preparation of the Corporate Plan for the Ministry of Finance (2007 - 2010), serving as

Board of Directors Contd....

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.

Mr. Miriyagalla was appointed to the Board as Independent Non-Executive director of ACL Plastics PLC in February 2013.

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 PLC, Kelani Cables PLC, Executive Director, Haycarb Ltd. and Research Fellow in Chemical Engineering, Imperial College, University of London.

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 University of Ceylon, 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.

Dr. Weerapperuma was appointed to the Board as Independent Non-Executive director of ACL Plastics PLC in May 2013.

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) Ltd. and C.W. Mackie & Co. Ltd. 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 Chief Financial Officer of the Sunshine Tea Group and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC, Kalamazoo Industries PLC and Office Equipment 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.

Directors' / Committee members' Attendance Records

The attendance of Directors / Committee members at relevant meetings of the Board and of the Audit and Remuneration Committees held during 2013/2014 was as follows,

Name of Director / Committee member	Board (3 meetings)	Audit Committee (2 meetings)	Remuneration Committee (1 meeting)
Executive Directors			
Mr. U. G Madanayake – Chairman	3		
Mr. Suren Madanayake – Managing Director	3		
Non-Executive Directors			
Mrs. N. C Madanayake	2		
Independent Non-Executive Directors			
Mr. Piyadasa Miriyagalla	3		
Dr. Kamal Weerapperuma	3		
Members of the Audit Committee and Remuneration Committee			
Mr. Ajit Jayaratne – Chairman of Committees		2	1
Mr. Rajiv Casie Chitty - Member		2	1

Dedication of Adequate Time & 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 submit themselves for re-election at regular intervals as per the Articles of Association.

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 (SLFRSs / LKASs), comply with the requirements of the Companies Act No. 07 of 2007.

The Report of the Directors is provided on pages 14 to 16 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 a quarterly internal audit 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 should consist exclusively of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee should be listed each year in the Board's remuneration 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 20.

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 21.

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
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
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 a 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 Management Contd....

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 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 2014, Income Statement 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 sets 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 PVC Compound 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 53 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 30 to 38. 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 2014 was Rs. 79,974,555/= and was unchanged during the year.

Events Occurring After the Balance Sheet Date

No circumstance have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 35 to the Financial Statements.

Statutory Payments

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

Financial Results & Appropriations	31/03/2014	31/03/2013
	Rs.	Rs.
Total turnover	1,139,994,702	1,070,044,806
Profit before taxation	107,656,277	57,790,663
Profit after taxation	77,634,570	41,209,965
Profit attributable to shareholders of ACL Plastics PLC.	77,634,570	41,209,965
Unappropriated surplus brought forward		
from previous year	255,687,500	216,452,833
Transfer from revaluation reserve	2,237,201	2,237,201
Surplus available for appropriation	335,559,271	259,900,000
Your Directors recommend:		
Dividends paid	(4,212,500)	(4,212,500)
Transfer to general reserve	-	-
Unappropriated surplus carried forward	331,346,770	255,687,500

Directors

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

	Number of shares			
	31.03.2014	% Holding	31.03.2013	% 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. Piyadasa 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 34 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 2013 to the shareholders of the Ordinary Shares for the financial year 2012/13.

Report of the Directors Contd....

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 11,041,549, details of which are given in notes 14 to the Financial Statements.

Property, Plant and Equipment

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

Donations

Donations amounting to Rs. 10,500/- (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 54 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. 450,450 and Rs. 604,770 respectively.

Notice of Meeting

The Notice of the 23rd Annual General Meeting is on page 58 of the Annual Report.

By Order of the Board

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

22nd August 2014

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 2014, 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 Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2014 and Income Statement and the Statement of Comprehensive Income for the Company and the Group for the financial year ended 31st March 2014 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 22nd August 2014.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

22nd August 2014

Financial Information

Financial Calendar (2013/14)

01st Quarter Interim Financial Statements – 13th August 2013
(30th June 2013 – Unaudited)

02nd Quarter Interim Financial Statements – 13th November 2013
(30th September 2013 – Unaudited)

03rd Quarter Interim Financial Statements – 13th February 2014
(31st December 2013 - Unaudited)

04th Quarter Interim Financial Statements – 26th May 2014
(31st March 2014 – Unaudited)

Annual Report 2013/14 – 22nd August 2014

22nd Annual General Meeting – 17th September 2014

Interim Dividends Proposed – 07th August 2013

Interim Dividends Paid – 29th August 2013

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 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

22nd August 2014

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 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 Committee's responsibilities include monitoring and reviewing the following:

- The integrity of the Group's financial statements and the significant reporting judgments contained in them.
- The activities and effectiveness of the internal audit function.
- The effectiveness of the Group's internal control and risk management systems.
- The appropriateness of the Group's relationship with the external auditors, including auditor independence, fees and provision of non audit services.
- The effectiveness of the external audit process and making recommendations to the Board of Directors on the appointment of the external auditors.

In the performance of its duties, the Committee has independent access to the services of Internal Audit and to the External Auditors, and may obtain outside professional advice as necessary. Comprehensive briefing papers are circulated to Committee members in advance of each meeting and made available to other Directors.

Meetings and 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 2013/2014 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 2013/2014 are given in Note 08 to the financial statements.

Audit Committee Report Contd....

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

22nd August 2014

Independent Auditor's Report

pwc

To the Members of ACL Plastics PLC and its subsidiary

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 subsidiary (the Group) which comprise the statements of financial position as at 31 March 2014, 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 53.

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 2014 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2014 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 2014 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

22nd August 2014

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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, T.U. Jayasinghe ACA**

Consolidated income statement

(all amounts in Sri Lanka Rupees)

		Group		Company	
		Year ended 31 March		Year ended 31 March	
	Note	2014	2013	2014	2013
Revenue	6	1,139,994,702	1,070,044,806	1,127,134,977	1,051,484,556
Cost of sales	8	(1,033,725,588)	(992,652,942)	(1,023,268,971)	(982,939,243)
Gross profit		106,269,114	77,391,864	103,866,006	68,545,313
Other income	7	7,928,450	146,080	10,012,905	902,800
Administrative expenses	8	(5,891,312)	(4,342,295)	(5,469,622)	(4,096,453)
Operating profit		108,306,252	73,195,649	108,409,289	65,351,660
Finance cost - net	10	(649,975)	(15,404,986)	(7,878,796)	(24,058,128)
Profit before tax		107,656,277	57,790,663	100,530,493	41,293,532
Income tax expense	11	(30,021,707)	(16,580,698)	(27,146,486)	(11,609,494)
Profit for the year		77,634,570	41,209,965	73,384,007	29,684,038
Net profit attributable to - Owners of the parent		77,634,570	41,209,965	73,384,007	29,684,038
Non-controlling interest		-	-	-	-
		77,634,570	41,209,965	73,384,007	29,684,038
Earnings per share (Rs)	12	18.43	9.78	17.42	7.05
Dividend per share (Rs)	13	1.00	1.00	1.00	1.00

The notes on pages 30 to 53 form an integral part of these financial statements

Consolidated statement of comprehensive income

(all amounts in Sri Lanka Rupees)

		Group		Company	
	Note	2014	2013	2014	2013
Profit for the year		77,634,570	41,209,965	73,384,007	29,684,038
Other comprehensive income					
Gain on revaluation of land and buildings		-	-	-	-
Deferred tax on revaluation		-	-	-	-
Net change in fair value of available for sale financial assets	18	(920,436)	(2,241,072)	(920,436)	(2,241,072)
Other comprehensive income for the year		**(920,436)**	**(2,241,072)**	**(920,436)**	**(2,241,072)**
Total comprehensive income for the year		**76,714,134**	**38,968,893**	**72,463,571**	**27,442,966**
Attributable to					
- Owners of the parent		**76,714,134**	**38,968,893**	**72,463,571**	**27,442,966**
Non-controlling interest		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**76,714,134**	**38,968,893**	**72,463,571**	**27,442,966**

The notes on pages 30 to 53 form an integral part of these financial statements

Consolidated statement of financial position

(all amounts in Sri Lanka Rupees)

	Note	Group As at 31 March 2014	Group As at 31 March 2013	Company As at 31 March 2014	Company As at 31 March 2013
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	191,451,665	191,826,690	187,596,452	186,043,870
Capital work in progress	15	753,266	753,266	753,266	753,266
Prepaid lease rentals	16	1,731,834	1,754,037	1,731,834	1,754,037
Investment in subsidiary	17	-	-	10,000,010	10,000,010
Available for sale financial assets	18	15,141,416	16,061,852	15,141,416	16,061,852
		209,078,181	210,395,845	215,222,978	214,613,035
Current Assets					
Inventories	20	187,744,460	112,793,345	187,744,460	112,793,345
Trade and other receivables	21	549,834,785	419,934,008	522,072,747	394,029,394
Prepaid lease rentals	16	22,203	22,203	22,203	22,203
Cash and cash equivalents	23	8,378,503	12,883,310	6,281,404	10,686,554
		745,979,951	545,632,866	716,120,814	517,531,496
Total Assets		955,058,132	756,028,709	931,343,792	732,144,530
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	30	79,974,555	79,974,555	79,974,555	79,974,555
Revaluation reserve	31	91,561,514	93,172,299	91,561,514	93,172,299
Revenue reserve	32.1	170,000,000	170,000,000	170,000,000	170,000,000
Other reserve	32.2	9,573,918	10,494,354	9,573,918	10,494,354
Retained earnings		331,346,770	255,687,499	264,044,787	192,636,079
Shareholders' funds		682,456,757	609,328,707	615,154,774	546,277,287
Non-Current Liabilities					
Defined benefit obligations	26	9,047,952	7,614,017	7,982,453	6,740,326
Deferred tax liability	27	22,781,702	22,693,635	22,000,582	21,993,743
		31,829,654	30,307,652	29,983,035	28,734,069
Current Liabilities					
Trade and other payables	24	87,656,966	41,700,051	163,367,565	113,664,667
Income tax payable	22	48,466,380	31,691,043	18,190,043	467,251
Borrowings	25	104,648,375	43,001,256	104,648,375	43,001,256
		240,771,721	116,392,350	286,205,983	157,133,174
Total Liabilities		272,601,375	146,700,002	316,189,018	185,867,243
Total Equity and Liabilities		955,058,132	756,028,709	931,343,792	732,144,530

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 22nd August 2014.

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

U.G. Madanayake
Chairman

Suren Madanayake
Managing Director

Champika Coomasaru
Group Financial Controller

The notes on pages 30 to 53 form an integral part of these financial statements

Statement of Changes in Equity - Group

(all amounts in Sri Lanka Rupees)

	Note	Attributable to equity holders of the parent						
		Stated capital	Revenue reserve	Revaluation reserve	Other reserves	Retained earnings	Non - controling interest	Total Equity
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		-	-	-		41,209,965	-	41,209,965
Net change in fair value of AFS Investments		-	-	-	(2,241,072)	-	-	(2,241,072)
Total comprehensive income		-	-	-	(2,241,072)	41,209,965	-	38,968,893
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-	-
Deferred tax on transfer	27	-	-	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	255,687,499	-	609,328,707
Balance at 1 April 2013		79,974,555	170,000,000	93,172,299	10,494,354	255,687,499	-	609,328,707
Net profit		-	-	-	-	77,634,570	-	77,634,570
Net change in fair value of AFS Investments		-	-	-	(920,436)	-	-	(920,436)
Total comprehensive income		-	-	-	(920,436)	77,634,570	-	76,714,134
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-	-
Deferred tax on transfer	27	-	-	626,416	-	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	-	(4,212,500)
Balance at 31 March 2014		79,974,555	170,000,000	91,561,514	9,573,918	331,346,770	-	682,456,757

The notes on pages 30 to 53 form an integral part of these financial statements

Statement of Changes in Equity - Company

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Other reserves	Retained earnings	Total Equity
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 AFS Investments		-	-	-	(2,241,072)	-	(2,241,072)
Total comprehensive income		-	-	-	(2,241,072)	29,684,038	27,442,966
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	27	-	-	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
Balance at 1 April 2013		79,974,555	170,000,000	93,172,299	10,494,354	192,636,079	546,277,287
Net profit		-	-	-	-	73,384,007	73,384,007
Net change in fair value of AFS Investments		-	-	-	(920,436)	-	(920,436)
Total comprehensive income		-	-	-	(920,436)	73,384,007	72,463,571
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	27	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	(4,212,500)
Balance at 31 March 2014		79,974,555	170,000,000	91,561,514	9,573,918	264,044,787	615,154,774

The notes on pages 30 to 53 form an integral part of these financial statements

Consolidated Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

		Group		Company	
		31 March		31 March	
	Note	2014	2013	2014	2013
Operating activities					
Cash generated from operations	33	(48,282,283)	115,374,321	(46,945,257)	119,592,770
Interest paid	10	(4,171,973)	(23,618,976)	(9,272,047)	(29,558,390)
Gratuity paid	26	(563,828)	(328,900)	(563,828)	(328,900)
Income tax paid	22	(12,281,889)	(16,472,783)	(8,790,439)	(14,074,471)
Withholding tax (WHT) on dividend paid by subsidiary	11	(250,000)	(100,000)	-	-
Net cash (used in) / generated from operating activities		(65,549,973)	74,853,662	(65,571,571)	75,631,009
Investing activities					
Interest received	10	6,880,942	8,927,778	4,752,192	6,214,028
Purchase and construction of property, plant and equipment	14	(11,041,549)	(3,725,850)	(11,041,549)	(3,725,850)
Cost incurred on capital work in progress	15	-	(20,700)	-	(20,700)
Dividend received	7	513,565	-	2,763,570	900,000
Sale proceeds on disposal of property, plant and equipment		7,257,589	-	7,257,589	-
Net cash generated from/ (used in) investing activities		3,610,547	5,181,228	3,731,802	3,367,478
Financing activities					
Dividend paid	13	(4,212,500)	(4,212,500)	(4,212,500)	(4,212,500)
Net Proceeds / (repayments) of import loans	25	37,199,725	(112,748,891)	37,199,725	(112,748,891)
Net cash generated / (used) from financing activities		32,987,225	(116,961,391)	32,987,225	(116,961,391)
(Decrease)/ increase in cash and cash equivalents		(28,952,201)	(36,926,501)	(28,852,544)	(37,962,904)
Movement in cash and cash equivalents					
At the beginning of the year		(30,117,946)	6,808,555	(32,314,702)	5,648,202
(Decrease)/ increase		(28,952,201)	(36,926,501)	(28,852,544)	(37,962,904)
At the end of the year	23	(59,070,147)	(30,117,946)	(61,167,246)	(32,314,702)

The notes on pages 30 to 53 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 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 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.

2.3 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.

2.4 Taxation

2.4.1 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.

2.4.2 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.

2.4.3 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.

2.5 Valuation of assets and their bases of measurement

2.5.1 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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.5.2 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 other comprehensive income is recognised in the statement of comprehensive income . 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.

2.5.3 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.

2.5.4 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 at 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.

2.6 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.

2.7 Trade and other receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8 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.

2.9 Trade and other payables

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

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

2.10 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.

2.11 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 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.

2.12 Provisions

The 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.

2.13 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 shareholders 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.

2.14 Comparatives

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

2.15 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business / industry segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The segment information has been prepared in accordance with the accounting policies adopted for preparing and presenting the financial statements.

2.16 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.

2.17 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 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 the Group having interest sensitive assets and liabilities, which are directly, impacted by changes in the interest rates. The Group's borrowings and investments are maintained in a mix of fixed and variable interest rate instruments and periodical maturity gap analysis is carried out to take timely action and to mitigate possible adverse impact due to volatility of the interest rates.

(iii) Price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increase shown.

Group	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
31 March 2014	10%	-	1,514,142
31 March 2013	10%	-	1,606,185

Company	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
31 March 2014	10%	-	1,514,142
31 March 2013	10%	-	1,606,185

3. Financial risk management (Contd)

3.1 Financial risk factors (Contd)

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 2014	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)	104,648,375	-	-	-	104,648,375
Trade and other payables (excluding statutory liabilities)	86,873,129	-	-	-	86,873,129
Total financial liabilities	191,521,504	-	-	-	191,521,504

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

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 2014.

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.

	Group		Company	
	2014	**2013**	**2014**	**2013**
Total borrowings (Note 25)	104,648,375	43,001,256	104,648,375	43,001,256
Less: cash and cash equivalents Note 23)	(8,378,503)	(12,883,310)	(6,281,404)	(10,686,554)
Net debt	96,269,872	30,117,946	98,366,971	32,314,702
Total equity	682,456,757	609,328,707	615,154,774	546,277,287
Total capital	778,726,629	639,446,653	713,521,745	578,591,989
Gearing ratio	12%	5%	14%	6%

The gearing ratio has increased during the year ended 31 March 2014 due to the obtaining of short term import loans.

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 2014

Group **Assets**	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Available for sale financial assets	15,141,416	-	-	15,141,416
	15,141,416	-	-	15,141,416
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-
Company				
Assets				
Available for sale financial assets	15,141,416	-	-	15,141,416
	15,141,416	-	-	15,141,416
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	-	-
	-	-	-	-

As at 31 March 2013

Group **Assets**	**Level 1**	**Level 2**	**Level 3**	**Total balance**
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	-	-	-	-
	-	-	-	-

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 2.5.3 and 2.5.4. 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 2.11. 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 26.

(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

Where necessary, comparative figures have been re-classified since management believes such reclassification gives a fairer presentation and conforms with the current year's presentation.

6. REVENUE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Local Sales	1,069,843,221	1,013,705,655	1,056,983,496	995,145,405
Deemed exports	70,173,411	56,348,858	70,173,411	56,348,858
Revenue taxes	(21,930)	(9,707)	(21,930)	(9,707)
Net revenue	1,139,994,702	1,070,044,806	1,127,134,977	1,051,484,556

7. OTHER INCOME

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Dividend income	513,565	-	2,763,570	900,000
Profit on sale of Property, plant and equipment	6,818,354	-	6,818,354	-
Sundry income	596,531	146,080	430,981	2,800
	7,928,450	146,080	10,012,905	902,800

8 . EXPENSES BY NATURE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Directors' emoluments	420,000	-	420,000	-
Auditor's remuneration	604,770	548,820	450,450	430,365
Depreciation (Note 14)	10,977,338	10,966,608	9,049,731	9,039,001
Staff costs (Note 9)	45,779,111	41,130,818	37,513,216	33,731,139
Raw material consumption	935,171,658	903,573,584	935,171,658	903,573,584
Other expenses	46,664,023	40,775,407	46,133,538	40,261,607
Total cost of sales and administrative expenses	1,039,616,900	996,995,237	1,028,738,593	987,035,696

9. STAFF COST

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Wages and salaries	30,448,121	27,623,972	26,922,271	24,335,743
Defined contribution plan	2,467,538	2,170,086	2,036,331	1,821,820
Defined benefit plan (Note 26)	1,997,763	1,556,248	1,805,955	1,390,850
Other staff costs	10,865,689	9,780,512	6,748,659	6,182,726
	45,779,111	41,130,818	37,513,216	33,731,139

Group other staff costs mainly include bonus cost amounting to Rs 2,589,360 (2013 - Rs 2,464,586) and staff welfare expense amounting to Rs 3,022,010 (2013 - Rs 2,908,509)

10 . FINANCE COST - NET

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Interest income	6,880,942	8,927,756	4,752,192	6,214,028
Interest expense	(4,171,973)	(23,618,976)	(9,272,047)	(29,558,390)
Exchange gain/(loss)	(3,358,944)	(713,766)	(3,358,941)	(713,766)
	(649,975)	(15,404,986)	(7,878,796)	(24,058,128)

11. INCOME TAX

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Current tax	29,057,226	15,449,833	26,513,231	10,667,251
Adjustments in respect of prior years	-	235,839	-	235,839
Deferred tax (release)/ charge	714,481	795,026	633,255	706,404
WHT on dividend paid by subsidiary	250,000	100,000	-	-
	30,021,707	16,580,698	27,146,486	11,609,494

Notes to the Consolidated Financial Statements Contd.

11. Income tax (Contd)

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	
	2014	2013	2014	2013
Profit before tax	107,656,277	57,790,663	100,530,493	41,293,532
Consolidation adjustments	2,250,005	900,000	-	-
Profit before tax after adjustments	109,906,282	58,690,663	100,530,493	41,293,532
Tax calculated at effective tax rate of 28% (28% - 2013)	30,773,759	16,433,386	28,148,538	11,562,189
Tax effect of income not subject to tax	(1,219,853)	(255,077)	(1,219,853)	(255,077)
Tax effect of expenses not deductible	4,231,594	3,538,233	3,638,158	2,952,185
Tax effect of allowable deductions	(3,799,269)	(3,984,600)	(3,124,607)	(3,309,937)
Under/ (Over) provision	-	235,839	-	235,839
Tax effect of the income taxable at concessionary rates	(929,005)	(282,109)	(929,005)	(282,109)
WHT on dividend paid by subsidiary	250,000	100,000	-	-
Deferred tax charge / (reversal)	714,481	795,026	633,255	706,404
Tax charge	30,021,707	16,580,698	27,146,486	11,609,494

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	
	2014	2013	2014	2013
Net profit attributable to shareholders	77,634,570	41,209,965	73,384,007	29,684,038
Weighted average number of ordinary shares in issue	4,212,500	4,212,500	4,212,500	4,212,500
Basic earnings per share	18.43	9.78	17.42	7.05

13 . DIVIDEND PER SHARE	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2014	2013	2014	2013
Interim dividend - 2012 / 2013 - Rs. 1.00 per share	4,212,500	-	4,212,500	-
Interim dividend - 2011 / 2012 - Rs. 1.00 per share	-	4,212,500	-	4,212,500
	4,212,500	4,212,500	4,212,500	4,212,500
Weighted average number of ordinary shares in issue	4,212,500	4,212,500	4,212,500	4,212,500
Dividend per share	1	1	1	1

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 2012						
Cost	148,678,949	107,274,955	14,418,101	2,084,715	6,922,181	279,378,901
Accumulated depreciation	(63,260)	(65,182,926)	(9,830,662)	(1,614,792)	(3,619,814)	(80,311,454)
	148,615,689	42,092,029	4,587,439	469,923	3,302,367	199,067,447
Year ended 31 March 2013						
Opening net book amount	148,615,689	42,092,029	4,587,439	469,923	3,302,367	199,067,447
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	191,826,689
At 31 March 2013						
Cost / 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
Year ended 31 March 2014						
Opening net book amount	145,604,060	38,975,178	4,129,640	515,416	2,602,395	191,826,690
Additions	-	287,192	98,729	71,550	10,584,078	11,041,549
Disposals - Cost	-	-	-	-	(958,333)	(958,333)
- Acc. depreciation	-	-	-	-	519,097	519,097
Depreciation charge (Note 8)	(3,011,630)	(6,565,752)	(584,908)	(108,515)	(706,533)	(10,977,338)
Closing net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
At 31 March 2014						
Cost / Valuation	148,678,949	110,835,505	14,819,707	2,305,880	16,547,926	293,187,968
Accumulated depreciation	(6,086,519)	(78,138,887)	(11,176,246)	(1,827,429)	(4,507,222)	(101,736,303)
Net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665

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 2012						
Cost	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)
	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 / 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
Year ended 31 March 2014						
Opening net book amount	145,604,060	33,192,359	4,129,640	515,416	2,602,395	186,043,870
Additions	-	287,192	98,729	71,550	10,584,078	11,041,549
Disposals - Cost	-	-	-	-	(958,333)	(958,333)
- Acc. depreciation	-	-	-	-	519,097	519,097
Depreciation charge (Note 8)	(3,011,630)	(4,638,145)	(584,908)	(108,515)	(706,533)	(9,049,731)
Closing net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
At 31 March 2014						
Cost / Valuation	148,678,948	91,559,436	14,819,706	2,305,880	16,547,926	273,911,896
Accumulated depreciation	(6,086,518)	(62,718,030)	(11,176,245)	(1,827,429)	(4,507,222)	(86,315,444)
Net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452

(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 & Valuation), FIV Sri Lanka, IRRV (UK).

(d) Property, plant and equipment include fully depreciated assets, the original cost of which amounted to Rs. 44 Mn (2013 - Rs. 41 Mn).

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

Cost at 31 March 2014	41,083,724
Accumulated depreciation at 31 March 2014	(22,789,087)
Net book value	18,294,637

(f) No Property, plant & equipment has been pledged as securities for liabilities.

15 . CAPITAL WORK IN PROGRESS

	Group 31 March 2014	Group 31 March 2013	Company 31 March 2014	Company 31 March 2013
At beginning of year	753,266	732,566	753,266	732,566
Cost incurred during the year	-	20,700	-	20,700
At end of year	753,266	753,266	753,266	753,266

16 . PREPAID LEASE RENTALS

	Group 31 March 2014	Group 31 March 2013	Company 31 March 2014	Company 31 March 2013
Balance at 1 April	1,776,240	1,798,443	1,776,240	1,798,443
Amortisation during the year	(22,203)	(22,203)	(22,203)	(22,203)
Balance at 31 March	1,754,037	1,776,240	1,754,037	1,776,240
Amount to be amortised within one year	22,203	22,203	22,203	22,203
Amount to be amortised after one year	1,731,834	1,754,037	1,731,834	1,754,037
	1,754,037	1,776,240	1,754,037	1,776,240

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 (2013 - 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).

	31 March 2014 Number of shares	31 March 2014 Cost	31 March 2014 Market value	31 March 2013 Number of shares	31 March 2013 Cost	31 March 2013 Market value
Diversified holdings						
Hayleys PLC	38,907	2,952,614	11,088,495	38,907	2,952,614	11,621,520
Banking, finance and insurance						
Nations Trust Bank PLC	25,592	512,005	1,660,921	25,592	512,005	1,561,112
Plantations						
Maskeliya Plantations PLC	8,200	374,258	82,000	8,200	374,258	99,220
Watawala Plantations PLC	200,000	1,252,041	1,960,000	200,000	1,252,041	2,240,000
Kotagala Plantations PLC	10,000	476,580	350,000	10,000	476,580	540,000
Total cost of investments by the Company		5,567,498	15,141,416		5,567,498	16,061,852
Total cost of investments by the Group		5,567,498	15,141,416		5,567,498	16,061,852

Notes to the Consolidated Financial Statements Contd.

19. FINANCIAL INSTRUMENTS BY CATEGORY

(a) Financial instruments

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2014					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	15,141,416	-	15,141,416
Trade & other receivables	549,834,785	-	-	-	549,834,785
Cash & cash equivalents	8,378,503	-	-	-	8,378,503
	558,213,288	-	15,141,416	-	573,354,704

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2014			
Liabilities as per the statement of financial position			
Trade & other payables	-	87,180,177	87,180,177
Borrowings	-	104,648,375	104,648,375
	-	191,828,552	191,828,552

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2014					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	15,141,416	-	15,141,416
Trade & other receivables	522,072,747	-	-	-	522,072,747
Cash & cash equivalents	6,281,404	-	-	-	6,281,404
	528,354,151	-	15,141,416	-	543,495,567

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2014			
Liabilities as per the statement of financial position			
Trade & other payables	-	163,083,788	163,083,788
Borrowings	-	104,648,375	104,648,375
	-	267,732,163	267,732,163

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					
Financial investments - Available for sale	-	-	16,061,852	-	16,061,852
Trade & other receivables	419,934,008	-	-	-	419,934,008
Cash & cash equivalents	12,883,310	-	-	-	12,883,310
	432,817,318	-	16,061,852	-	448,879,170

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2013			
Liabilities as per the statement of financial position			
Trade & other payables	-	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					
Financial investment Available for sale	-	-	16,061,852	-	16,061,852
Trade & other receivables	394,029,394	-	-	-	394,029,394
Cash & 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 & other payables	-	112,923,867	112,923,867
Borrowings	-	43,001,256	43,001,256
	-	155,925,123	155,925,123

(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 2014	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Group				
Available for sale financial assets	15,141,416	-	-	15,141,416
Trade and other receivables (gross)	484,173,841	65,660,964	531,429	550,366,234
Total financial assets	499,315,257	65,660,964	531,429	565,507,650
Company				
Available for sale financial assets	15,141,416	-	-	15,141,416
Trade and other receivables (gross)	456,411,783	65,660,964	531,429	522,604,176
Total financial assets	471,553,199	65,660,964	531,429	537,745,592

	Group As at 31 March		Company As at 31 March	
	2014	2013	2014	2013
Counterparties without external credit rating:				
Group 1	482,987,555	401,380,003	455,225,497	362,592,057
Group 2	-	-	-	-
Group 3	1,186,286	807,777	1,186,286	807,777
	484,173,841	402,187,780	456,411,783	363,399,834

Group 1 – new customers/related parties (less than 6 months).

Group 2 – existing customers/related parties (more than 6 months) with no defaults in the past.

Group 3 – existing customers/related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Cash at bank and short-term bank deposits

	Group As at 31 March		Company As at 31 March	
	2014	2013	2014	2013
AA-(lka)	5,406,615	2,802,628	3,314,897	611,252
AAA(lka)	1,070,668	9,590,262	1,070,287	9,584,882
A(lka)	1,795,220	139,421	1,795,220	139,421
Total	8,272,503	12,532,311	6,180,404	10,335,555

20. INVENTORIES

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Raw materials	154,589,159	64,023,436	154,589,159	64,023,436
Work-in-progress	4,520,500	3,498,497	4,520,500	3,498,497
Finished goods	30,614,075	45,924,496	30,614,075	45,924,496
Goods in transit	35,556	-	35,556	-
Other stocks	42,915	1,404,661	42,915	1,404,661
Less - Provision for slow moving stocks	(2,057,745)	(2,057,745)	(2,057,745)	(2,057,745)
	187,744,460	112,793,345	187,744,460	112,793,345

21. TRADE AND OTHER RECEIVABLES

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Trade receivables	18,778,083	13,448,094	16,249,378	13,448,094
Less : provision for impairment of trade receivables	(531,429)	(531,429)	(531,429)	(531,429)
	18,246,654	12,916,665	15,717,949	12,916,665
Receivable from related companies [Note 34.11 (b)]	438,566,675	313,566,598	438,566,675	312,871,847
Loan given to holding Company [Note 34.11 (c)]	80,745,055	80,745,055	55,745,055	55,745,055
Advances and prepayments	2,500,398	1,997,868	2,287,665	1,810,120
Other receivables	9,776,003	10,707,822	9,755,403	10,685,707
	549,834,785	419,934,008	522,072,747	394,029,394

Other receivables of the Group include Value Added Tax receivable amounting to Rs 7,564,470 (2013 - Rs 9,857,056).

The effective interest rate on loan given to holding company is 8.5% (2013 - 10.85%)

As of 31 March 2014, trade receivables of Rs 18,246,654 (2013 - Rs 12,916,665) were fully performed.

The aging of the receivable balances impaired are as follows.

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
less than 1 year	-	-	-	-
Over 1 year	531,429	531,429	531,429	531,429
	531,429	531,429	531,429	531,429

The Directors considered the carrying amount of the balance approximates its fair value.

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

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
US dollars	28,821,558	19,663,709	28,821,558	19,663,709
Sri Lankan Rupees	521,013,227	400,270,299	493,251,189	374,365,685
	549,834,785	419,934,008	522,072,747	394,029,394

22. INCOME TAX PAYABLE

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Balance at 1 April	(31,691,043)	(32,478,154)	(467,251)	(3,638,632)
Provision for the current year	(29,057,226)	(15,449,833)	(26,513,231)	(10,667,251)
Adjustments in respect of prior years (Note 11)	-	(235,839)	-	(235,839)
	(60,748,269)	(48,163,826)	(26,980,482)	(14,541,722)
Payments made during the year	12,281,889	16,472,783	8,790,439	14,074,471
Balance at 31 March	(48,466,380)	(31,691,043)	(18,190,043)	(467,251)

23. CASH AND CASH EQUIVALENTS

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Cash at bank and in hand	8,378,503	12,883,310	6,281,404	10,686,554
	8,378,503	12,883,310	6,281,404	10,686,554

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

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Cash at bank and in hand	8,378,503	12,883,310	6,281,404	10,686,554
Bank overdraft (Note 25)	(67,448,650)	(43,001,256)	(67,448,650)	(43,001,256)
	(59,070,147)	(30,117,946)	(61,167,246)	(32,314,702)

24. TRADE AND OTHER PAYABLES

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Trade payables	82,079,141	32,338,285	82,079,141	32,338,285
Payables to related parties [Note 34.11 (a)]	-	5,907,532	17,114,512	18,348,962
Loans from related parties [Note 34.11 (d)]	-	-	59,100,000	60,100,000
Payroll related payable and other taxes	783,837	1,313,252	478,837	920,338
Accrued expenses and other payable	4,793,988	2,140,982	4,595,075	1,957,082
	87,656,966	41,700,051	163,367,565	113,664,667

25 . BORROWINGS

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Short term Import loans	37,199,725	-	37,199,725	-
Bank overdraft	67,448,650	43,001,256	67,448,650	43,001,256
	104,648,375	43,001,256	104,648,375	43,001,256

Securitizations and bank facilities

Group

Lender	Type of the loan	Interest rates	31 March 2014	31 March 2013	Securities pledged
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	19,734,846	-	-
	Overdraft	Linked to AWPLR	67,448,650	43,001,256	-
Hatton NationalBank PLC	Short term Import Loans	Linked to AWPLR	17,464,879	-	-
	Overdraft	Linked to AWPLR	-	-	-

Company

Lender	Type of the loan	Interest rates	31 March 2014	31 March 2013	Securities pledged
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	19,734,846	-	-
	Overdraft	Linked to AWPLR	67,448,650	43,001,256	-
Hatton National Bank PLC	Short term Import Loans	Linked to AWPLR	17,464,879	-	-
	Overdraft	Linked to AWPLR	-	-	-

26. DEFINED BENEFIT OBLIGATIONS

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

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
At beginning of year	7,614,017	6,386,669	6,740,326	5,678,376
Current service cost/(reversal of excess provision) (Note 9)	1,997,763	1,556,248	1,805,955	1,390,850
	9,611,780	7,942,917	8,546,281	7,069,226
Payments made during the year	(563,828)	(328,900)	(563,828)	(328,900)
At end of year	9,047,952	7,614,017	7,982,453	6,740,326

The Company maintains a non-contributory defined benefit plan providing for gratuity benefits payable to employees expressed in terms of final monthly salary and service.

As at 31 March 2014, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm, Actuarial & Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company 31 March	
	2014	2013
Rate of discount	11%	11%
Salary increment rate	10%	10%
Retirement age	55 years	55 years

27. DEFERRED INCOME TAX

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 28%. (2013 - 28%) .

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
27.1 Movement in deferred tax liabilities				
Balance at the beginning of the year	22,693,637	22,525,027	21,993,743	21,913,755
Origination/(reversal) of temporary differences	714,481	795,024	633,255	706,404
Impact on decrease in tax rate	-	-	-	-
Deferred tax on amount transferred from revaluation reserve (Note 31)	(626,416)	(626,416)	(626,416)	(626,416)
Impact on revaluation of property, plant and equipment due to decrease of tax rate	-	-	-	-
Effect of revaluation of buildings	-	-	-	-
	22,781,702	22,693,635	22,000,582	21,993,743
27.2 Composition of deferred tax liabilities				
Property,plant & equipment	25,891,297	25,401,729	24,811,837	24,457,202
Provision for slow moving inventory	(576,169)	(576,169)	(576,169)	(576,169)
Defined benefit obligations	(2,533,426)	(2,131,924)	(2,235,086)	(1,887,290)
	22,781,702	22,693,635	22,000,582	21,993,743

28. CONTINGENT LIABILITIES

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

29 . 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.

30. STATED CAPITAL

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Number of ordinary shares issued and fully paid				
Balance at 31 March	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
Balance at 31 March	79,974,555	79,974,555	79,974,555	79,974,555

31. REVALUATION RESERVE

The revaluation surplus, comprises gains on revaluation of property, plant and equipment (Land & Buildings).

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
At beginning of year	93,172,299	94,783,084	93,172,299	94,783,084
Revaluations during the year	-	-	-	-
Deferred tax on revaluation	-	-	-	-
Transfer to retained earnings	(2,237,201)	(2,237,201)	(2,237,201)	(2,237,201)
Deferred tax on transfer	626,416	626,416	626,416	626,416
At end of year	91,561,514	93,172,299	91,561,514	93,172,299

32. RESERVES

32.1 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.

32.2 Other reserve

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

33. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before tax to cash generated from operations:

	Group 31 March		Company 31 March	
	2014	2013	2014	2013
Profit before tax	107,656,277	57,790,663	100,530,493	41,293,532
Adjustments for:				
Depreciation of property, plant & equipment (Note 14)	10,977,338	10,966,608	9,049,731	9,039,001
Dividend income (Note 7)	(513,565)	-	(2,763,570)	(900,000)
Interest expense (Note 10)	4,171,973	23,618,976	9,272,047	29,558,390
Interest income (Note 10)	(6,880,942)	(8,927,756)	(4,752,192)	(6,214,028)
Profit on disposal of fixed assets (Note 7)	(6,818,354)	-	(6,818,354)	-
Amortization of leasehold properties (Note 16)	22,203	22,203	22,203	22,203
Provision for Defined benefit obligations (Note 26)	1,997,763	1,556,248	1,805,955	1,390,850
Changes in working capital:				
Inventories	(74,951,114)	38,224,177	(74,951,115)	38,224,179
Receivables and prepayments	(129,900,777)	16,074,675	(128,043,353)	15,455,235
Trade and other payables	45,956,915	(23,951,473)	49,702,898	(8,276,592)
Cash generated from operations	(48,282,283)	115,374,321	(46,945,257)	119,592,770

34. DIRECTORS' INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS

34.1 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.

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

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

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

34.5 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.

34.6 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Ceylon Bulbs & Electricals Ltd.

34.7 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 (Pvt) Ltd.

34.8 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company, are also Directors of Ceylon Copper (Pvt) Ltd.

34.9 Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company, are also Directors of ACL Electric (Pvt) Ltd.

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

(a) Sales of goods	**Company Year ended 31 March**	
	2014	**2013**
ACL Cables PLC	701,229,762	592,353,349
ACL Kelani Magnet Wire (Private) Limited	658,240	778,527
Kelani Cables PLC	520,349,539	530,421,661
	1,222,237,541	1,123,553,537
(b) Purchase of goods		
ACL Cables PLC	38,537	5,696,436
Kelani Cables PLC	74,201	16,264
	112,738	5,712,700
(c) Interest income from loans		
ACL Cables PLC	4,746,691	6,051,126
	4,746,691	6,051,126
(d) Loan taken from / (settled to) related party		
ACL Polymers (Private) Limited	(1,000,000)	10,100,000
	(1,000,000)	10,100,000
(e) Interest on borrowings		
ACL Polymers (Private) Limited	5,100,074	5,939,414
	5,100,074	5,939,414

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

(a) Payable to related parties

	Group 31 March		Company 31 March	
	2014	**2013**	**2014**	**2013**
ACL Polymers (Pvt) Ltd	-	-	17,114,512	12,441,426
ACL Cables PLC	-	4,635,521	-	4,635,525
Kelani Cables PLC	-	-	-	-
ACL Kelani Magnet Wire (Pvt) Ltd	-	1,272,011	-	1,272,011
	-	5,907,532	17,114,512	18,348,962

(b) Receivable from related parties

	Group 31 March		Company 31 March	
	2014	**2013**	**2014**	**2013**
ACL Cables PLC	326,652,822	202,375,713	326,652,822	201,680,962
ACL Polymers (Pvt) Ltd	-	-	-	-
ACL Kelani Magnet Wire (Pvt) Ltd	-	-	-	-
Kelani Cables PLC	111,913,853	111,190,885	111,913,853	111,190,885
	438,566,675	313,566,598	438,566,675	312,871,847

(c) Receivable on loans

	Group 31 March		Company 31 March	
	2014	**2013**	**2014**	**2013**
ACL Cables PLC	80,745,055	80,745,055	55,745,055	55,745,055
	80,745,055	80,745,055	55,745,055	55,745,055

(d) Payable on loans

	Group 31 March		Company 31 March	
	2014	**2013**	**2014**	**2013**
ACL Polymers (Private) Limited	-	-	59,100,000	60,100,000
	-	-	59,100,000	60,100,000

There were no other related parties or related party transactions during the year ended 31 March 2014 other than those disclosed above.

35. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors declared on 19th August 2014 payment of an interim dividend of Rs. 2.00 per share for the year ended 31st March 2014.

No significant events have occurred since the balance sheet date, which would require adjustments to, or disclosure in the financial statement, other than those disclosed above.

Information to Shareholders

Distribution of Shares as at 31st March 2014

Category	Number of Shareholders	%	Number of Ordinary Shares
1 - 1,000 shares	456	2.67	112,415
1,001 - 5,000 shares	71	3.71	156,261
5,001 - 10,000 shares	11	1.81	76,059
10,001 - 50,000 shares	23	10.95	461,332
50,001 - 100,000 shares	2	3.51	147,800
100,001 - 500,000 shares	4	21.75	916,264
500,001 - 1,000,000 shares	-	-	-
Over 1,000,000 shares	1	55.61	2,342,369
Total	568	100	4,212,500

Analysis Report of Shareholders as at 31st March 2014

	Number of Shares	Total Holdings %
Institutional	3,479,018	82.59
Individuals	733,482	17.41
Total	4,212,500	100

Twenty Largest Shareholders

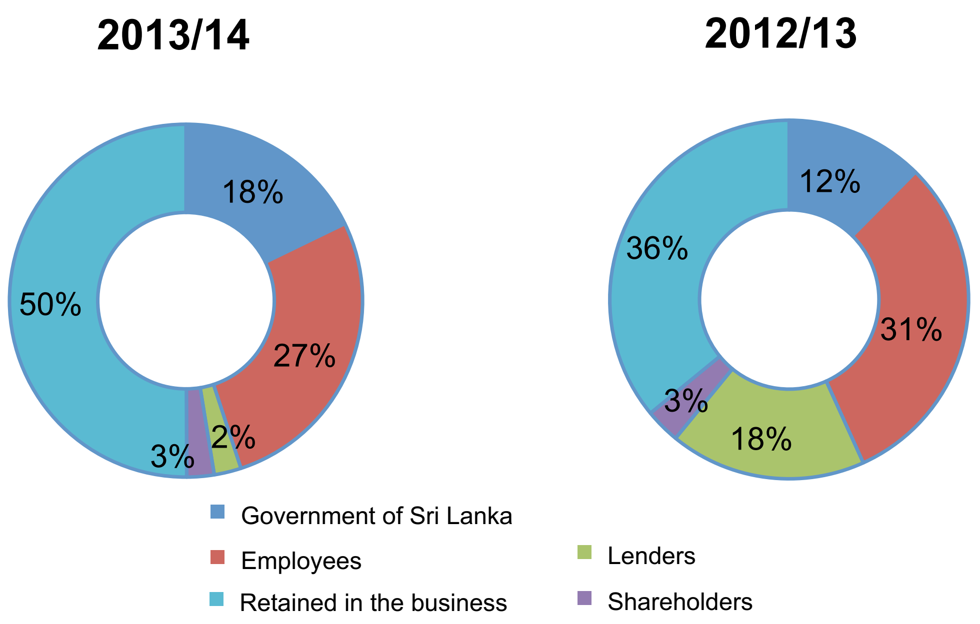
	2014		2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	2,746,969	65.21	2,746,969	65.21
Employees Trust Fund Board	203,800	4.84	203,800	4.84
Seylan Bank PLC / Janashakthi Linmited	200,373	4.76	200,373	4.76
Raaymakers M.A.T.	107,491	2.55	103,491	2.46
Corporate Druids (Pvt) Limited	81,600	1.94	81,600	1.94
Employee Provident Fund	66,200	1.57	61,200	1.45
Macksons Holdings (Pvt) Ltd	47,693	1.13	8,141	0.19
Somasiri W.P.	33,000	0.78	33,000	0.78
Dee Sanda Holdings (Pvt) Ltd	31,752	0.75	-	-
J.B. Cocoshell (Pvt) Ltd	26,599	0.63	-	-
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
Madanayake H.A.S	20,801	0.49	20,801	0.49
Hettiarachchi H.M.	20,000	0.47	20,000	0.47
Madanayake N.C.	17,751	0.42	17,751	0.42
Yaddehige S.	16,900	0.40	7,500	0.18
Waldock Mackenzie Ltd / Mr. Udayasunder	16,109	0.38	16,109	0.38
Rishard R. A.	16,000	0.38	21,461	0.51

Information to Shareholders Contd.

	2014	2013
Company		
a) Earnings per share (Rs)	17.42	7.05
b) Dividend per share (Rs)	1	1
c) Net assets value per share (Rs)	146.03	129.68
d) Market value per share (Rs)		
- Highest value (Rs)	94.80	104.90
- Lowest value (Rs)	77.00	83.10
- Value as at the end of financial year (Rs)	83.00	98.90
e) No of tradings for the year	312	647
f) Total No of shares traded	202,096	179,700
g) Total turnover (Rs)	17,220,290	16,601,894
h) Percentage of Shares held by the public	33.87%	33.87%
i) No. of foreign Shareholders	2	3
Group		
a) Earnings per share (Rs.)	18.43	9.78
b) Dividend per share (Rs.)	1	1
c) Net assets value per share (Rs.)	162.01	144.65

Statement of Value Added - Group

		2013/14 Rs. '000		2012/13 Rs. '000
Total revenue		1,139,995		1,070,045
Other operating & interest income		14,809		9,074
		1,154,804		1,079,119
Cost of material and services bought in		(986,219)		(945,611)
Total value added by the group		**168,585**		**133,508**
Value added shared with				
Government of Sri Lanka (Taxes)	18%	30,022	12%	16,581
Employees (Salaries and other costs)	27%	45,779	31%	41,131
Lenders (Interest on loan capital)	2%	4,172	18%	23,619
Shareholders (Dividends)	2%	4,212	3%	4,212
Retained in the business (Depreciation & retained profits)	50%	84,400	36%	47,965
	100%	**168,585**	**100%**	**133,508**



Five Year Summary - Group

	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000	2010 Rs.'000
Trading Results					
Year ended 31st March					
Turnover	1,139,995	1,070,045	1,004,478	843,079	631,822
Operating profit	108,306	73,196	94,997	122,205	99,012
Profit before tax	107,656	57,791	72,775	122,567	94,828
Taxation	30,022	16,581	19,902	47,258	33,910
Profit after tax	77,635	41,210	52,874	75,310	60,918
Balance Sheet					
As at 31st March					
Share capital	79,974	79,974	79,974	79,974	79,974
Capital reserve	91,562	93,172	94,783	57,546	55,414
Revenue reserves	170,000	170,000	170,000	170,000	170,000
Other Reserves	9,574	10,494	12,735	18,161	-
Retained profit	331,347	255,688	216,453	183,457	108,992
	682,457	**609,328**	**573,945**	**509,138**	**414,380**
Property plant & equipment	192,205	192,580	199,799	147,459	142,252
Operating lease prepayment	1,732	1,754	1,776	1,798	1,821
Investments	15,141	16,061	18,303	23,729	15,385
Current assets	745,980	545,633	594,645	624,399	435,576
Current & non current liabilities	(272,601)	(146,700)	(240,578)	(288,247)	(180,654)
Capital employed	**682,457**	**609,328**	**573,945**	**509,138**	**414,380**

Notice of Meeting

NOTICE IS HEREBY GIVEN that,
the Twenty Third Annual General Meeting of ACL Plastics PLC will be held on 17th September 2014, 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 2014 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 re-elect as Director, Dr. Kamal Weerapperuma, who retires by rotation in terms of Article 85 and being eligible for re-election in terms of Article 86, of the Articles of Association of the Company.

(iv) 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"

c) "That Mr. Piyadasa Miriyagalla, who has passed the age of 70 years in March 2009, 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"

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

(Sgd.)
By Order of the Board
Corporate Affairs (Pvt) Ltd
Secretaries

22nd August 2014

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.

Form of Proxy

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 17th September 2014 at 9.30 a.m. and at any adjournment thereof.

Ordinary Resolution 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 2014 with the Report of the Auditors thereon,		
2	To re-appoint Messrs. PricewaterhouseCoopers, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration		
3	To re-elect as director Dr. Kamal Weerapperuma who retires by rotation		
4	Ordinary Resolution relating to the appointment of Mr U G Madanayake		
5	Ordinary Resolution relating to the appointment of Mrs N C Madanayake		
6	Ordinary Resolution relating to the appointment of Mr Piyadasa Miriyagalla		
7	To authorise Directors to determine donations to charity		

Signed this...day of...2014

SIGNATURE...

ACL PLASTICS PLC

ATTENDANCE SLIP - ANNUAL GENERAL MEETING

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

01). NAME OF SHAREHOLDER : ....
NAME OF PROXY : ....
(If applicable)

02). SHAREHOLDER'S NIC NUMBER : ....
PROXY'S NIC NUMBER : ....
(If applicable)

03). 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. Piyadasa 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