Quality
first

ACL PLASTICS PLC

Annual Report 2015-16

Contents

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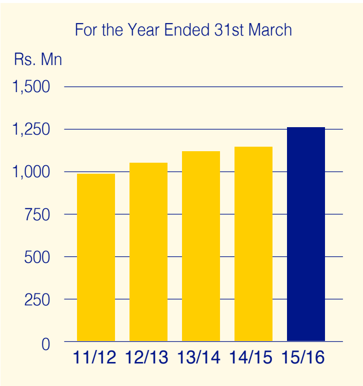
Quality *first*

At ACL Plastics PLC we have always put quality first, manufacturing and delivering a wide range of cable grade PVC compounds to the highest local and international standards.

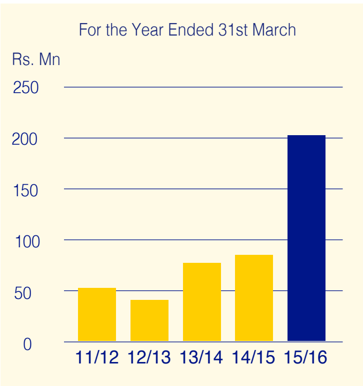
Since its inception the company has strived to maintain leadership in the industry sector we serve, with a team that is committed to excellence in products and services, working with integrity, responsibility and care.

Group Financial Highlights

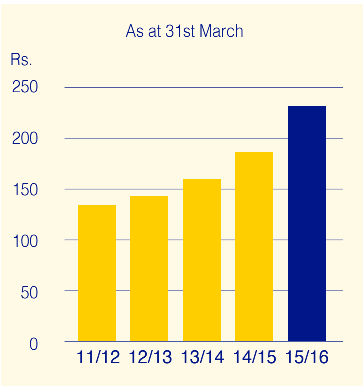
Performance	2015/16 Rs. Mn	2014/15 Rs. Mn
Turnover	1,284.0	1,166.0
Gross Profit	284.0	138.0
Finance Cost	10.4	18.5
Profit Before Tax	277.0	120.0
Profit After Tax	206.2	86.4
Total Equity	988.5	795.2
Key Financial Indicators		
Gross Profit Margin	22.1%	11.8%
Net Profit Margin Before Tax	21.6%	10.3%
Interest Cover (Times)	51.1	14.0
Return on Equity	20.9%	10.9%
Current Ratio (Times)	6.2	6.6



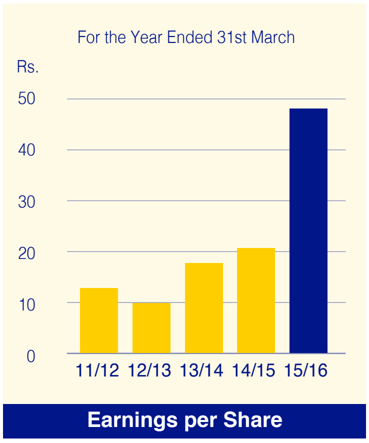
Revenue

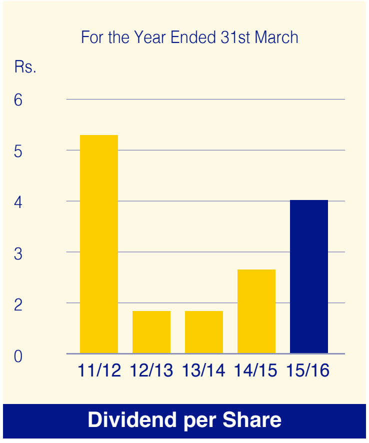


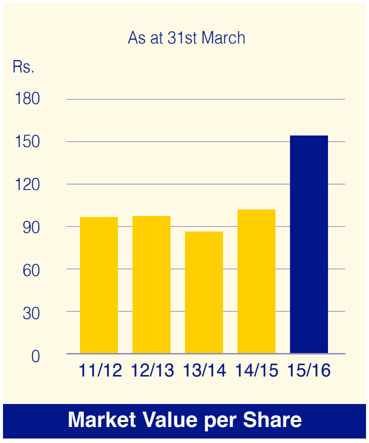
Profit After Tax



Net Assets per Share







Revenue

Rs. 1,284 Mn

Profit before Tax

Rs. 277 Mn

Earnings per Share

Rs. 48.96

Dividend per Share

Rs. 4.00

Chairman's Statement

2015/16 was an outstanding year of success for ACL Plastics. ACL Plastics PLC achieved record sales of Rs.1.2 billion that was 10.8% over the prior year, but the real story was earnings growth with record PBT of Rs.278.5 million, an outstanding 144% over 2014/15's results.

Rs. 1.28 Bn

Group Revenue

It is with great pleasure that I welcome you to the 25th Annual General meeting and present the Annual Report of ACL Plastics PLC for the financial year ended 31st March 2016.

2015/16 was an outstanding year of success for ACL Plastics. ACL Plastics PLC achieved record sales of Rs.1.2 billion that was 10.8% over the prior year, but the real story was earnings growth with record PBT of Rs.278.5 million, an outstanding 144% over 2014/15's results. Both the sales and the profit records are the highest in the history of ACL Plastics. It was the fifth year in a row that the Plastics group passed the milestone of a turnover of one billion and the third consecutive year that we set a net earnings record by achieving over a hundred million in profit before tax. In fact, it was the first time that the Plastics group passed the milestone of two hundred million PBT. It was a year in which we took full advantage of lower raw material costs, exercised pricing discipline and drove significant efficiency improvements in all of our manufacturing facilities, including the recently built production line.

Macro-economic Outlook

Global economic growth was a modest 3.1% in 2015 and the projections show a modest growth of 3.2% in 2016 as well. The real economic growth of Sri Lanka recorded a figure of 4.8% compared to 4.9% in the previous year as per the Central Bank Report. However, ADB estimates the economy to grow by 5.3% and 5.8% over the next two years respectively. Certain sectors of the economy showed growth, while many other sectors showed a slowdown. Due to the political disturbances that prevailed in the world and the stagnation of the economies of the major overseas markets, the exports of Sri Lanka declined by 5.6% compared to the previous year. The impact of the slowdown in exports was largely negated by the reduced import costs of commodities – especially Oil which used to comprise a large portion of our import bill. However, the total import bill of Sri Lanka did not drop proportionate to the reduction in exports since the import of many other items such as cars and luxury goods increased considerably. The modest performance

The Group's Gross Profit has increased remarkably to Rs. 283 Mn, which is an exponential growth of 105% compared to Rs. 137 Mn Gross Profit in the previous year.

of the Current Account and net decline of inflows to the Financial Account was due to a reduction in Foreign Direct Investments and withdrawals of foreign investments in the Government Security market. This resulted in a deficit of USD 1.4 billion in the balance of payments (BOP) of Sri Lanka. The resultant decline in Gross Official Reserves led to the depreciation of the Sri Lankan Rupee by 9.3% against US Dollar.

Lack of a diverse and dynamic industrial base in Sri Lanka is the major reason why it cannot withstand world economic disturbances as what we experienced in 2015 and 2008. Therefore, it is my view that the Sri Lankan Government should bend over backwards to support the existing local industry to develop further and invite foreigners to invest in high-value-addition industries. Without an industrial base Sri Lanka cannot face economic uncertainties in the world market.

However, it should be noted the Government is taking bold strides to correct the BOP situation and the budget deficit by way of increasing direct and indirect taxes. On top of these, the efforts to regain the GSP PLUS facility is commendable. The recent lifting of the ban on fish exports to Europe is expected to bring more positive results in the medium and long term economic growth. I hope this will indirectly help the Cable industry and hence the PVC industry as well. However, the exit of Great Britain from the EU and its impact on the Sri Lankan economy and that of ACL Plastics is yet to be known. The number of economic and fiscal reforms the new government has proposed would bring in many opportunities to investors in the future. The ACL Group looks forward to grab these opportunities with both hands and ACL Plastics PLC being a significant part in ACL Cables PLC's supply chain is looking forward to welcome the increasing demand for PVC with well-equipped and advanced manufacturing plants.

Group Gross Profit

Rs. 284 Mn

Performance and Growth Summary

During the year under review, your Group achieved a revenue growth of 10% over the previous year, recording Rs. 1.3 billion which is the highest in its history. This was mainly due to the boost in the business activities of our downstream players in the supply chain, most of which are our group companies. Along with this growth in sales, the Group also achieved a strong growth in external sales, serving to strengthen and to expand our external customer base.

Once again, driven by the decline in raw material prices in the world market, the Group's Gross Profit has increased

Chairman's Statement

The interest expenses of the Group have come down to Rs. 5.5 Mn from that of Rs. 9 Mn in the last year.

remarkably to Rs. 283 Mn, which is an exponential growth of 105% compared to Rs. 137 Mn Gross Profit in the previous year. The price decline in raw materials, driven by the decline in oil prices, in the world market, that was experienced throughout the year concerned coupled with the careful planning of raw material imports helped to maintain the profitability for the year, at a higher level. The Profit before Tax has increased to Rs. 276 Mn recording the highest PBT in the history of the Group. The Profit before Tax of the Group has increased by 130%, compared to the profit before tax of Rs. 120Mn in the last year.

It is my pleasure to mention that the key theme of 2014/15, "Strengthening the manufacturing operations" which was mostly in terms of capacity building, to ensure our ability to sustain continued growth, has paid off in 2015/16 in terms of sales and profitability. We took advantage of low interest rate regime 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 remarkable decrease in finance expenses during the year. The interest expenses of the Group have come down to Rs. 5.5 Mn from that of Rs. 9 Mn in the last year.

Balancing Liquidity & Profitability

In a highly volatile environment both globally and locally, it was a challenge to maintain the best combinations of assets and liabilities. The receivables and level of inventories were maintained well throughout the year, thereby enabling us to maintain the gearing at optimum levels without compromising our growing business activities. The Group's current ratio for the year has remained the same as last year at 6 times. It is encouraging to note that the efforts made on minimising the finance costs have highly rewarded this year which you can see in terms of the declining trend in interest costs for the past few years. We continued to strengthen our balance sheet and cash flow. Cash provided by operating activities was Rs.175 Mn, contributing a strong cash balance after investing in acquisitions and returning value to shareholders through dividends. We are well-positioned to expand organically and we expect another record year for sales and earnings in 2016/17 and the future remains bright.

Shareholder Returns

The overall performance of the ACL Plastics PLC share during the year has been good. The growth of the Group's net assets value per share has kept on improving which is Rs. 235 for this year compared to that of Rs. 189 in the last year, which is a remarkable increase compared to the industry norms. The Company paid a dividend of Rs. 4 per share which is double the previous dividend.

The Road Ahead

As mentioned last year, the volatility of the exchange rate will have serious implications on the cost structure of all items we manufacture since we import a fairly large portion of our raw materials. However, as the Government is keen to stabilise the economy by way of increasing taxes and curtailing some imports, it is likely that economy will become more sustainable in the months to come. This will create a positive atmosphere for the investors, leading to an increase in demand for our products.

Long-term growth requires an infusion of new talent coupled with improved performance from current employees. Together with the superb management team and employees we have in place, we will continue to build on the success story that ACL Plastics has established over years. We must thank to our dedicated team of employees, who come to work every day to find new ways to add value to ACL Plastics. Once again, they have delivered another record-breaking year. Because of them we are well-positioned for growth, continued success, and more record-breaking results.

Appreciations

On behalf of the entire Board of Directors, I wish to record my appreciation to our management team for their valuable input and guidance and would like to recognise the contribution made by all employees for their determination and unstinted efforts. I also take this opportunity to thank our valued customers and suppliers, for their valuable contribution during the year. Last but not least, I thank our shareholders for their continuing support and for the confidence they have placed in us.

U.G. Madanayake
Chairman

30th June 2016

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., ACL Electric (Pvt.) Ltd. and Resus Energy PLC. He has over 50 years experience in the cable Industry.

Mr. Suren Madanayake
Managing Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Plastics PLC., in 1991 and appointed as Managing Director in September 1994.

He also serves as the Chairman of Resus Energy PLC, 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 2015, he was appointed to the Board of National Asset Management Ltd (NAMAL) and Panasian Power PLC. He also serves as a Trustee 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 as the Group Chief Internal Auditor. The group controlled several operating sectors such as industrial, mining, trade, energy, transport and agriculture. He then served the United Nations Development Program, Asia Development Bank and International Labour Organization as a senior consultant. Thereafter he served the Parliament of Sri Lanka as National Consultant to the Committee on Public Enterprises (COPE) under its World Bank project 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 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 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 on the Ethics review committee of the Sri Lanka Medical Association and the Ethics committee of Asiri Group of Hospitals. Dr. Weerapperuma served on the Prime Ministers advisory Committee on Power and Energy, and on several public sector committees including those in the Ministries of Science and Technology, the Ministry of Industry & as a consultant to several Industries. He also served as an examiner/scrutineer for Chartered Engineer (UK) and Fellowship reviews of the Institute of Materials, Mining, and Minerals (UK).

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, Remuneration Committee and Related Party Transactions Review Committee*

Mr. Ajit Jayaratne

Independent Non-Executive Director – ACL Cables PLC
Chairman of the Audit Committee, Remuneration Committee and Related Party Transactions Review 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 a Director of other Public Quoted Companies in Sri Lanka. 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, Remuneration Committee and Related Party Transactions Review 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 the Chief Operating Officer of Commercial Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC, Kalamazoo Industries PLC and Office Equipment PLC. He is the immediate past president of ACCA Sri Lanka panel.

Corporate Governance

We believe that our commitment to doing business in a responsible and transparent manner through aligning our strategy to the needs of stakeholders and national priorities has served us well in our 25 year history

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 Directors Remuneration 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 08 to 09 of this annual report. The Board recognises the need for a clear division of responsibilities in running the Company business. Accordingly, the positions of Chairman and Managing Director have been separated.

The Board Balance

The composition of the Executive and Non-Executive Directors in the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. 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 2015/2016 was as follows,

Corporate Governance

Name of Director / Committee member	Board (4 meetings)	Audit Committee (2 meetings)	Remuneration Committee (1 meeting)	Related Party Transactions Review Committee (1 meeting)
Executive Directors				
Mr. U. G Madanayake – Chairman	4			
Mr. Suren Madanayake – Managing Director	4			
Non-Executive Directors				
Mrs. N. C Madanayake	3			
Independent Non-Executive Directors				
Mr. Piyadasa Miriyagalla	4			
Dr. Kamal Weerapperuma	3			
Members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee				
Mr. Ajit Jayaratne – Chairman of Committees		2	1	1
Mr. Rajiv Casie Chitty - Member		2	1	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 22 to 24 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 27 and 33 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 22 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 of identifying, evaluating and monitoring the risks facing the Group and deciding how these are to be managed. In addition to the internal audits carried out by an external professional body, members of the Audit Committee are expected to report to the Board as necessary the occurrence of any material control issues, serious accidents or events that have had a major commercial impact, or any significant new risks which have been identified.

A summary of those risks which could have a material impact on the performance of the Group is given within the Risk Management section in the Annual Report. The objective of the Group's risk management process is to ensure the sustainable development of ACL Plastics PLC through the conduct of its business in a way which:

- Satisfies its customers,
- Develops environmentally friendly products,
- Provides a safe and healthy workplace,
- Protects against losses from unforeseen causes,
- Minimizes the cost and consumption of increasingly scarce resources,
- Prevents pollution and wastage,
- Maintains proper relationship with suppliers and contractors, and
- Maintains a positive relationship with the communities in which we do business.

The Group's systems and procedures are designed to identify, manage and where practicable, reduce and mitigate effects of the risk of failure to achieve business objectives. They are not designed to eliminate such risk, recognising 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 the 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 30.

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 on the Audit Committee are given in their report on page 31.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee should comprise of a combination of Non-Executive Directors and Independent Non-Executive Directors. The composition of the Committee may also include Executive Directors, at the option of the Listed Entity. One Independent Non-Executive Director shall be appointed as Chairman of the Committee by the Board of Directors.

Corporate Governance

The Related Party Transactions Review Committee of the parent company functions as the Related Party Transactions Review Committee of ACL Plastics PLC. The Related Party Transactions Review 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 Related Party Transactions Review Committee are given in their report on page 25.

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.

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

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable 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 the 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 the CEO.		Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report Relating to the 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

Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.6 (a)	Composition of Audit Committee (AC)	• AC shall comprise 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. • MD and Chief Financial Officer shall attend AC meetings. • The Chairman of the AC or one member should be a member of a recognised professional accounting body.	✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6 (b)	Functions of Audit Committee (AC)	Overseeing of the – • Preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards. • Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. • Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. • Assessment of the independence and performance of the external auditors. • Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditor.	✓ ✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.6 (c)	Disclosure in Annual Report Relating to Audit Committee (AC)	• Names of Directors comprising the AC. • The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination. • The AR shall contain a Report of the AC setting out the manner of compliance with their functions.	✓ ✓ ✓	Audit Committee Report
9	Related Party Transactions Review Committee (RPTRC)	The Company shall have a RPTRC.	✓	Corporate Governance
9.2.1	Functions of Related Party Transactions Review Committee (RPTRC)	• Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee" (the Committee) as required in terms of the provisions set out in Appendix 9A of these Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.2.2	Composition of Related Party Transactions Review Committee (RPTRC)	• The Committee should comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee.	✓	Corporate Governance and the Related Party Transactions Review Committee Report

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.

Risk Exposure	Company Objectives	Company Initiatives
2. Asset Risk	• To minimise losses caused by machine breakdown and damages from fire or theft.	• Obtain comprehensive insurance covers for plant and machinery. • Carry out planned preventive maintenance programs.
3. Internal Controls	• To maintain sound system of internal controls to safeguard company assets.	• Carry out continuous internal audits by an independent firm.
4. Human Resources	• To reduce labour 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.
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 equipments and staff required to test the quality of products are in place.

Risk Management

Risk Exposure	Company Objectives	Company Initiatives
6. Inventory Management Risk	• To reduce situations of shortage. • 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 loss in 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 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.

Risk Exposure	Company Objectives	Company Initiatives
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 2016, 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 set out the state of affairs and performance of the Company during the year. (Page 04)

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 04)

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 33 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 34 to 73 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 40 to 52. Where necessary, 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 27.

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 2016 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

	31/03/2016 Rs.	31/03/2015 Rs.
Total turnover	1,283,519,616	1,165,990,966
Profit before taxation	276,864,775	119,960,540
Profit after taxation	206,235,963	86,429,879
Profit attributable to shareholders of ACL Plastics PLC.	206,235,963	86,429,879
Unappropriated surplus brought forward from previous year	412,845,360	331,346,771
Transfer from revaluation reserve	3,212,801	3,212,801
Other adjustments	386,199	280,909
Surplus available for appropriation	622,680,323	421,270,360
Your Directors recommend:		
Dividends paid	(16,850,000)	(8,425,000)
Transfer to general reserve	-	-
Unappropriated surplus carried forward	605,830,323	412,845,360

Directors

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

	Number of shares			
	31/03/2016 Rs.	% Holding	31/03/2015 Rs.	% 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	-	-	-	-

Report of the *Directors*

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. 4.00 per share was paid on 21st July 2015 to the shareholders of the Ordinary Shares for the financial year 2014/15.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 10,394,689, details of which are given in notes 14 to the Financial Statements.

Property, Plant and Equipments

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

Donations

Donations amounting to Rs. 25,000/- (Group Amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets, market price per share and holding is given in the Information to Shareholders on page 74 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. 458,123 and Rs. 608,885 respectively.

Notice of Meeting

The Notice of the 25th Annual General Meeting is on page 78 of the Annual Report.

By Order of the Board

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

30th June 2016

Report of the Related Party Transactions Review Committee

Composition of the Committee

The Related Party Transactions Review Committee (RPTRC) of the parent company functions as the RPTRC of ACL Plastics PLC which comprises of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page no 10. The Committee was formed on 01st March 2016.

- Ajit Jayaratne - Chairman of the Committee
- Rajiv Casie Chitty - Member of the Committee

Objective

The Related Party Transactions Review Committee was formed to ensure that the Company complies with the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka with effect from 1st January 2016 which is part of the CSE Listing Rules.

The objective of these related party transaction rules is to ensure that the interests of shareholders as a whole are taken into account when entering into related party transactions by the Company.

The Committee specifies a process to capture related party transactions and to report to the Board of Directors of ACL Plastics PLC as per the Code of Best Practices on Related Party Transactions.

Scope of the Committee

→ The Committee reviews in advance all proposed related party transactions to ensure they are carried out at an arm's length basis.

→ At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material changes in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.

→ The Committee reviews related party transactions based on rules stipulated in the Code (rules 28 – 33 in the appendix to the Code) and the need of special approval from shareholders and disclosure requirements for such transactions.

→ The Committee intends to meet as and when a need arises. However, at least quarterly meetings are scheduled to review related party transactions of the Company. The minutes of all meetings are properly documented and communicated to the Board of Directors.

→ The Company Secretary, Corporate Affairs (Pvt) Limited serves as the Secretary to the RPTRC.

→ The Directors of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Role of the Committee

→ Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.

→ Review of related party transactions as required in terms of the provisions set out in Appendix 9A of CSE Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

→ The Committee shall update the Board of Directors on the related party transactions of the Company on a quarterly basis.

→ Where necessary, the Committee shall request the Board of Directors to approve related party transactions. In such instances, the approval of the Board of Directors should be obtained prior to enter into the relevant related party transaction.

Report of the Related Party Transactions Review Committee

- If a Director has a material personal interest in a matter being considered at a Directors' meeting to approve a related party transaction, such Director may not be present while the matter is being considered at the meeting or may not vote on the matter.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules. Such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.
- Obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain the shareholder approval.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.
- Make appropriate disclosures on related party transactions in the Annual Report as required by CSE Listing Rules.
- Any concerned transactions, to be highlighted to the Board.

Committee Meetings

No Committee meetings were held during the financial year. However, one Committee meeting was held on 26th May 2016 for the last quarter of the financial year ending 31st March 2016 to review related party transactions. The Finance Division submitted a comprehensive report on related party transactions to the Committee.

Attendance of the members of the Committee for the said meeting is provided on page 12.

Any concerns of the Committee will be reported to the Board of Directors on a continuous basis.

The Committee plans to meet at least quarterly, to monitor, review and report to the Board on matters pertaining to related party transactions.

Conclusion

The Committee confirms that all applicable rules in the Code of Best Practice on Related Party Transactions and Section 9 of CSE Listing Rules have been complied with by the Group as at the date of this Report.

(Sgd.)
Ajit Jayaratne
Chairman-Related Party Transactions Review Committee

30 June 2016

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 2016, 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 2016 and Income Statement and the Statement of Comprehensive Income for the Company and the Group for the financial year ended 31st March 2016 reflect a true and fair view of the Company and the Group respectively.

Approval of Financial Statements

The Directors' Report and the Financial Statements of the Company and of the Group were approved by the Board of Directors on 30th June 2016.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30th June 2016

Financial Calendar
(2015/16)

01st Quarter Interim Financial Statements (30th June 2015 – Unaudited)	–	14th August 2015
02nd Quarter Interim Financial Statements (30th September 2015 – Unaudited)	–	12th November 2015
03rd Quarter Interim Financial Statements (31st December 2015 - Unaudited)	–	12th February 2016
04th Quarter Interim Financial Statements (31st March 2016 – Unaudited)	–	26th May 2016
Annual Report 2015/16	–	30th June 2016
25th Annual General Meeting	–	3rd August 2016
Interim Dividends Proposed	–	30th June 2015
Interim Dividends Paid	–	21st July 2015

Financial Reports

Remuneration Committee Report

Committee Composition

The Remuneration Committee of the parent company functions as the Remuneration Committee of ACL Plastics PLC and consists of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page no 10.

- Ajit Jayaratne – Chairman of the Committee
- 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

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

On behalf of the Committee

(Sgd.)
Ajit Jayaratne
Chairman of the Remuneration Committee

30th June 2016

Audit Committee Report

Committee Composition

The Audit Committee of the parent company functions as the audit committee of ACL Plastics PLC which comprises of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page no 10.

- Ajit Jayaratne – Chairman of the Committee
- 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 & 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 & 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 2015/2016 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 2015/2016 are given in Note 08 to the financial statements.

Audit Committee Report

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.)
Ajit Jayaratne
Chairman of the Audit Committee

30th June 2016

Independent Auditor's Report

pwc

To the shareholders of ACL Plastics PLC

Report on the consolidated financial statements

1. We have audited the accompanying financial statements of ACL Plastics PLC ("the Company"), the consolidated financial statements of the Company and its subsidiary ("the Group") which comprise the statements of financial position as at 31 March 2016, and the statements of income, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out in pages 34 to 73.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial positions of the Company and the Group as at 31 March 2016, and of their financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

7. These financial statements also comply with the requirements of Section 151 (2) and Sections 153 (2) to 153 (7) of the Companies Act, No. 07 of 2007.

CHARTERED ACCOUNTANTS

Colombo
30 June 2016

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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**

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Consolidated Income Statement

(all amounts in Sri Lanka Rupees)

		Group		Company	
		Year ended 31 March		Year ended 31 March	
	Note	2016	2015	2016	2015
Revenue	6	1,283,519,616	1,165,990,966	1,275,058,916	1,150,232,966
Cost of sales	8	(999,584,454)	(1,028,002,307)	(989,242,654)	(1,017,875,059)
Gross profit		283,935,162	137,988,659	285,816,262	132,357,907
Other income	7	3,561,891	1,338,119	8,061,896	5,838,124
Administrative expenses	8	(5,468,234)	(5,904,468)	(4,897,825)	(5,592,558)
Operating profit		282,028,819	133,422,310	288,980,333	132,603,473
Finance cost - net	10	(5,164,044)	(13,461,770)	(10,478,720)	(18,677,831)
Profit before tax		276,864,775	119,960,540	278,501,613	113,925,642
Income tax	11	(70,628,812)	(33,530,661)	(69,333,411)	(30,755,551)
Profit for the year		206,235,963	86,429,879	209,168,202	83,170,091
Net profit attributable to shareholders of the Company		206,235,963	86,429,879	209,168,202	83,170,091
Earnings per share (Rs)	12	48.96	20.52	49.65	19.74
Dividend per share (Rs)	13	4.00	2.00	4.00	2.00

The notes on pages 40 to 73 form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

		Group		Company	
	Note	2016	2015	2016	2015
Profit/(loss) for the period		206,235,963	86,429,879	209,168,202	83,170,091
Other comprehensive income/(expenses)					
Gain on revaluation of land and buildings		-	37,568,350	-	37,568,350
Deferred tax on revaluation		-	(7,455,616)	-	(7,455,616)
Deferred tax impact on revaluation due to the change in tax rates		7,534,018	-	7,534,018	-
Actuarial gain / (loss) on defined benefit obligation		468,121	390,151	391,942	502,317
Deferred tax on actuarial gain / (loss)		(81,921)	(109,242)	(68,590)	(140,648)
Net change in fair value of available for sale financial assets		(1,497,073)	3,420,623	(1,497,073)	3,420,623
Other comprehensive income for the period, net of tax		6,423,145	33,814,266	6,360,297	33,895,026
Total comprehensive income for the period		212,659,108	120,244,145	215,528,499	117,065,117

The notes on pages 40 to 73 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 2016	Group As at 31 March 2015	Company As at 31 March 2016	Company As at 31 March 2015
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	253,383,646	260,893,415	253,383,647	258,965,809
Capital work in progress	15	-	2,370,231	-	2,370,231
Prepaid lease rentals	16	1,687,428	1,709,631	1,687,428	1,709,631
Investment in subsidiary	17	-	-	10,000,010	10,000,010
Available for sale financial assets	18	21,567,465	18,562,038	21,567,465	18,562,038
		276,638,539	283,535,315	286,638,550	291,607,719
Current Assets					
Inventories	20	136,116,607	142,664,101	136,116,607	142,664,101
Trade and other receivables	21	512,402,682	457,643,466	485,868,294	431,773,739
Prepaid lease rentals	16	22,203	22,203	22,203	22,203
Cash and cash equivalents	23	234,712,780	50,684,732	230,187,316	45,007,525
		883,254,272	651,014,502	852,194,420	619,467,568
Total Assets		1,159,892,811	934,549,817	1,138,832,970	911,075,287
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	30	79,974,555	79,974,555	79,974,555	79,974,555
Revaluation reserve	31	124,244,488	119,361,031	124,244,488	119,361,031
Revenue reserve	32.1	170,000,000	170,000,000	170,000,000	170,000,000
Other reserve	32.2	8,469,509	12,994,541	8,469,509	12,994,541
Retained earnings		605,830,323	412,845,359	538,218,703	342,364,348
Shareholders' funds		988,518,875	795,175,486	920,907,255	724,694,475
Non-Current Liabilities					
Defined benefit obligations	26	10,308,229	10,000,911	8,766,102	8,640,416
Deferred tax liability	27	17,553,651	30,617,690	17,553,651	30,458,899
		27,861,880	40,618,601	26,319,753	39,099,315
Current Liabilities					
Trade and other payables	24	27,731,099	57,988,390	105,662,682	137,157,108
Income tax payable	22	82,631,020	40,767,340	52,793,343	10,124,389
Borrowings	25	33,149,937	-	33,149,937	-
		143,512,056	98,755,730	191,605,962	147,281,497
Total Liabilities		171,373,936	139,374,331	217,925,715	186,380,812
Total Equity and Liabilities		1,159,892,811	934,549,817	1,138,832,970	911,075,287

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue by the Board of Directors on 30th June 2016.

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

Champika Coomasaru
Group Financial Controller

Suren Madanayake
Manging Director

The notes on pages 40 to 73 form an integral part of these financial statements

Statement of Changes in Equity - Group

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance at 1 April 2014		79,974,555	170,000,000	91,561,514	9,573,918	331,346,770	682,456,757
Profit for the year		-	-	-	-	86,429,879	86,429,879
Revaluation surplus	31	-	-	37,568,350	-	-	37,568,350
Deferred tax on revaluation	27	-	-	(7,455,616)	-	-	(7,455,616)
Actuarial gain / (loss) on defined benefit obligation		-	-	-	-	390,151	390,151
Deferred tax on actuarial gain / (loss)		-	-	-	-	(109,242)	(109,242)
Net change in fair value of AFS Investments		-	-	-	3,420,623	-	3,420,623
Total comprehensive income		-	-	30,112,734	3,420,623	86,710,788	120,244,145
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	899,584	-	-	899,584
Dividend paid	13	-	-	-	-	(8,425,000)	(8,425,000)
Balance at 31 March 2015		79,974,555	170,000,000	119,361,031	12,994,541	412,845,359	795,175,486
Balance at 1 April 2015		79,974,555	170,000,000	119,361,031	12,994,541	412,845,359	795,175,486
Net profit		-	-	-	-	206,235,963	206,235,963
Deferred tax impact on revaluation due to the change in tax rates		-	-	7,534,018	-	-	7,534,018
Actuarial gain / (loss) on defined benefit obligation		-	-	-	-	468,121	468,121
Deferred tax on actuarial gain / (loss)		-	-	-	-	(81,921)	(81,921
Net change in fair value of AFS Investments		-	-	-	(1,497,073)	-	(1,497,073)
Total comprehensive income		-	-	7,534,018	(1,497,073)	206,622,163	212,659,108
Transfers upon disposals of AFS investments		-	-	-	(3,027,959)	-	(3,027,959)
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	562,240	-	-	562,240
Dividend paid	13	-	-	-	-	(16,850,000)	(16,850,000)
Balance at 31 March 2016		79,974,555	170,000,000	124,244,488	8,469,509	605,830,323	988,518,875

The notes on pages 40 to 73 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 reserve	Retained earnings	Total
Balance at 1 April 2014		79,974,555	170,000,000	91,561,514	9,573,918	264,044,787	615,154,774
Net profit		-	-	-	-	83,170,091	83,170,091
Revaluation surplus	31	-	-	37,568,350	-	-	37,568,350
Deferred tax on revaluation	27	-	-	(7,455,616)	-	-	(7,455,616)
Actuarial gain / (loss) on defined benefit obligation		-	-	-	-	502,317	502,317
Deferred tax on actuarial gain / (loss)		-	-	-	-	(140,648)	(140,648)
Net change in fair value of AFS investments		-	-	-	3,420,623	-	3,420,623
Total comprehensive income		-	-	30,112,734	3,420,623	83,531,760	117,065,117
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	899,584	-	-	899,584
Dividend paid	13	-	-	-	-	(8,425,000)	(8,425,000)
Balance at 31 March 2015		79,974,555	170,000,000	119,361,031	12,994,541	342,364,348	724,694,475
Balance at 1 April 2015		79,974,555	170,000,000	119,361,031	12,994,541	342,364,348	724,694,475
Net profit		-	-	-	-	209,168,202	209,168,202
Deferred tax impact on revaluation due to the change in tax rates		-	-	7,534,018	-	-	7,534,018
Actuarial gain / (loss) on defined benefit obligation		-	-	-	-	391,942	391,942
Deferred tax on actuarial gain / (loss)		-	-	-	-	(68,590)	(68,590)
Net change in fair value of AFS investments		-	-	-	(1,497,073)	-	(1,497,073)
Total comprehensive income		-	-	7,534,018	(1,497,073)	209,491,554	215,528,499
Transfers upon disposals of AFS investments		-	-	-	(3,027,959)	-	(3,027,959)
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	562,240	-	-	562,240
Dividend paid	13	-	-	-	-	(16,850,000)	(16,850,000)
Balance at 31 March 2016		79,974,555	170,000,000	124,244,488	8,469,509	538,218,703	920,907,255

The notes on pages 40 to 73 form an integral part of these financial statements

Consolidated Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

	Note	Group 31 March 2016	Group 31 March 2015	Company 31 March 2016	Company 31 March 2015
Operating activities					
Cash generated from operations	33	215,530,142	246,212,695	215,223,759	240,298,614
Interest paid	10	(5,523,749)	(9,257,116)	(9,223,425)	(12,907,552)
Gratuity paid	26	(870,865)	(354,017)	(870,865)	(303,407)
Income tax paid	22	(33,314,834)	(39,558,987)	(31,542,037)	(37,059,568)
WHT on dividend paid by subsidiary		(500,000)	(500,000)	-	-
Net cash (used in) / generated from operating activities		175,320,694	196,542,575	173,587,432	190,028,087
Investing activities					
Investment made during the year		(8,782,500)	-	(8,782,500)	-
Interest received	10	5,216,199	5,057,186	3,601,199	3,491,561
Purchase and construction of property, plant and equipment	14	(10,394,690)	(44,603,192)	(10,394,690)	(44,603,192)
Cost incurred on capital work in progress	15	-	(1,616,965)	-	(1,616,965)
Dividend received	7	233,442	-	4,733,447	4,500,005
Sale proceed on disposal of investment		4,548,480	-	4,548,480	-
Sale proceed on disposal of property, plant and equipment		1,586,486	-	1,586,486	-
Net cash generated from / (used in) investing activities		(7,592,583)	(41,162,971)	(4,707,578)	(38,228,591)
Financing activities					
Dividend paid	13	(16,850,000)	(8,425,000)	(16,850,000)	(8,425,000)
Net proceeds / (repayments) of import loans	25	33,149,937	(37,199,725)	33,149,937	(37,199,725)
Net cash generated from / (used in) financing activities		16,299,937	(45,624,725)	16,299,937	(45,624,725)
(Decrease) / increase in cash and cash equivalents		184,028,048	109,754,879	185,179,791	106,174,771
Movement in cash and cash equivalents					
At the beginning of the year		50,684,732	(59,070,147)	45,007,525	(61,167,246)
(Decrease)/ increase in cash and cash equivalents		184,028,048	109,754,879	185,179,791	106,174,771
At the end of the year	23	234,712,780	50,684,732	230,187,316	45,007,525

The notes on pages 40 to 73 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

(a) The consolidated financial statements are prepared in accordance with and comply with Sri Lanka Financial Reporting Standards (SLFRSs). The financial statements are prepared under the historical cost basis, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities at fair value.

The preparation of financial statements in conformity with SLFRSs and requires the use of certain critical accounting estimates. It requires management to exercise their judgment in the process of applying the Group's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group

The following standards have been adopted by the Group for the first time with effect from financial year beginning on 1 April 2015.

Amendments to LKAS 32 'Financial Instruments: Presentation', with regard to offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment does not have a significant effect on the Company financial statements.

Amendments to LKAS 36 'Impairment of Assets', regarding recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of 'Cash-Generating Units'(CGUs) which had been included in LKAS 36 by the issue of SLFRS 13.The amendment does not have a significant effect on the Company financial statements.

Amendments to LKAS 39 'Financial Instruments: Recognition and Measurement', on novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under LKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment is not applicable to the Company financial statements in the current financial year.

Amendments to SLFRS 7, 'Financial Instruments: Disclosures', provide specific guidance for transferred financial assets to help management to determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. It further clarifies that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by LKAS 34 'Interim Financial Reporting'.

Amendments to SLFRS 10, 'Consolidated Financial Statements' and LKAS 28, 'Investments in Associates and Joint Ventures', clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitutes a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interest in the associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

Amendments to SLFRS 11,'Joint Arrangements', require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed.

SLFRS 12 'Disclosure of Interests in Other Entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

SLFRS 13 'Fair Value Measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Sri Lanka Accounting Standards.

LKAS 24, 'Related Party Disclosures', clarifies that the amounts incurred by the entity to obtain key management personnel services that are provided by a separate management entity (the "management entity") shall be disclosed as a related party transaction, but not the compensation paid or payable by the management entity to its employees or directors.

LKAS 19, 'Employee Benefits', clarifies the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives.

Amendments to LKAS 1, 'Presentation of Financial Statements', amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including: materiality, disaggregation and subtotals, notes to the financial statements and OCI arising from investments accounted for under the equity method.

Amendments to LKAS 19, 'Employee Benefits', clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that Company liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2015 are not material to the Company.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting periods ending 31st March 2016 and have not been early adopted by the Group. None of these is expected to have a significant effect on the financial statements of the Group, except the following set out below:

SLFRS 9 'Financial Instruments', retains but simplifies the mixed measurement model in LKAS 39 'Financial Instruments: Recognition and Measurement' and establishes a single model that has only three primary classification categories for financial assets: amortised cost, fair value through profit or loss and fair value through Other Comprehensive Income ("OCI") for certain financial assets that are debt instruments. Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value. All fair value movements on financial assets are taken through the profit or loss, except for equity investments that are not held for trading, which may be recorded in the profit or loss or in reserves without subsequent recycling to the profit or loss. For financial liabilities, the standard retains most of the LKAS 39 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in OCI rather than the profit or loss, unless this creates an accounting mismatch. The new hedge accounting rules align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. Further, SLFRS 9 introduces a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in LKAS 39. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. SLFRS 9 also introduces expanded disclosure requirements and a change in presentation .The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

SLFRS 15, 'Revenue from Contracts with Customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service, and a new five-step process must be applied before revenue can be recognised. SLFRS 15 replaces LKAS 18 'Revenue' and LKAS 11 'Construction Contracts' and related interpretations. The standard was originally effective for reporting periods beginning on or after 1 January 2017. However, the International Accounting Standard Board ("IASB") deferred the effective date of SLFRS 15 by one year to 1 January 2018 in September 2015. Entities will have a choice of full retrospective application, or prospective application with additional disclosures and earlier application is permitted.

There are no other SLFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with LKAS 39 either in profit or loss or as a change to other comprehensive income (OCI). Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(C) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.4 Foreign currency transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income (OCI).

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.5 Taxation

(a) Current taxes

Provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments there to. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income taxes

Deferred tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Notes to the Consolidated Financial Statements

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporally differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relates to income taxes levied by the same taxation authority.

2.6 Valuation of assets and their bases of measurement

2.6.1. Property, plant and equipment

(a) Recognition and measurement

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All repairs and maintenance costs are charged to statement of comprehensive income during the financial period in which they are incurred.

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

(b) Depreciation

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

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

Depreciation is recognized in income statement on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment.

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

(c) Borrowing costs

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

(d) Revaluation of property, plant and equipment

The Group revalues its land and buildings which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

2.6.2 Financial assets

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

2.6.3 Impairment of non financial assets

Intangible assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6.4 Impairment of financial assets

The Group 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 Group 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 Group 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

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

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

2.7 Inventories

Inventories are stated at the lower of cost or 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.

The cost of Raw Materials are the purchase price on a weighted average basis.

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

The cost of other stocks are stated at the purchase price.

2.8 Trade and other receivable

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

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

2.9 Cash and cash equivalents

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

2.10 Trade and other payables

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

2.11 Borrowings

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

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

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

2.12 Employee benefits

(a) Defined benefit obligation

A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plan define 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 pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Past-service costs are recognised immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The Group recognises all actuarial gains and losses arising from the defined benefit plan in other comprehensive income (OCI) and all other expenses related to defined benefit plans are recognised as staff cost in income statement. The retirement benefit obligation is not externally funded.

(b) Defined contribution plans

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

(c) Short term employee benefits

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

2.13 Provisions

Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

2.14 Revenue recognition

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

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

Interest Income is recognised on accrual basis.

Dividend income is recognised when the 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

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investments, are accounted for in the statement of comprehensive income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses. Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

Other income is recognised on an accrual basis.

2.15 Comparatives

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

2.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. There are no significant reportable segments in the Group.

2.17 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

2.18 Leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised 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 Group regularly reviews its exposure to various kinds of risk factors with the ultimate objective of to deliver superior shareholder value between risk and return. The board oversees market risk, operational risk, credit risk and liquidity risk giving special consideration in broader aspects to the Group's exposure to interest rate fluctuations and exchange rate fluctuations in the market. Based on the economic outlook and the Group's exposure to these risks, the Board of the Group approves various risk management strategies from time to time.

The Group'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 Group's operations. The Group 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 Group'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 Group is exposed to currency risk on goods sold and raw materials imported that are denominated in currencies other than the Sri Lankan rupees (LKR). The Group manages its currency risk by a natural hedging mechanism to a certain extent by matching currency outflows for repayments on raw material imported with currency inflows for goods sold in foreign currencies.

(ii) Interest rate risk

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

(iii) Price risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group 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 Group's senior management on a regular basis. The Group'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 other comprehensive income Rs.	Effect on equity Rs.
31 March 2016	10%	2,156,747	2,156,747
31 March 2015	10%	1,856,204	1,856,204

Company	Change in equity price	Effect on other comprehensive income Rs.	Effect on equity Rs.
31 March 2016	10%	2,156,747	2,156,747
31 March 2015	10%	1,856,204	1,856,204

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 Group will not be able to meet financial obligations as they fall due. The Group'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 Group'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.

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Analysis of financial liabilities by remaining contractual maturities:

At 31 March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Borrowings (excluding finance lease liabilities)	33,149,937	-	-	-	33,149,937
Trade and other payables (excluding statutory liabilities)	83,164,758	-	-	-	83,164,758
Total financial liabilities	116,314,695	-	-	-	116,314,695

At 31 March 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Borrowings (excluding finance lease liabilities)	-	-	-	-	-
Trade and other payables (excluding statutory liabilities)	55,938,008	-	-	-	55,938,008
Total financial liabilities	55,938,008	-	-	-	55,938,008

(C) Credit risk

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to credit and cash customers, including outstanding receivables and committed transactions. If credit customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to cash customers are settled in cash.

3.2 Capital risk management

Capital comprises of equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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 2016.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings.

	Group		Company	
	2016	2015	2016	2015
Total borrowings (Note 25)	33,149,937	-	33,149,937	-
Less: cash and cash equivalents (Note 23)	(234,712,780)	(50,684,732)	(230,187,316)	(45,007,525)
Net debt	-	-	-	-
Total equity	988,518,875	795,175,486	920,907,255	724,694,475
Total capital	988,518,875	795,175,486	920,907,255	724,694,475
Gearing ratio	0%	0%	0%	0%

As at 31 March 2016 the Group operated as non geared Group.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation methods. The different levels have been defined as follows;

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

As at 31 March 2016

	Level 1	Level 2	Level 3	Total balance
Group				
Assets				
Available for sale financial assets	21,567,465	-	-	21,567,465
	21,567,465	-	-	21,567,465
Company				
Assets				
Available for sale financial assets	21,567,465	-	-	21,567,465
	21,567,465	-	-	21,567,465

As at 31 March 2015

	Level 1	Level 2	Level 3	Total balance
Group				
Assets				
Available for sale financial assets	18,562,038	-	-	18,562,038
	18,562,038	-	-	18,562,038
Company				
Assets				
Available for sale financial assets	18,562,038	-	-	18,562,038
	18,562,038	-	-	18,562,038

Notes to the Consolidated Financial Statements

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing 'service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments classified as trading securities or available for sale.

(a) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise 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 Group 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 Group tests annually the indicators to ascertain whether non-current assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in policy 2.6.3 and 2.6.4. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Defined benefit plan - Gratuity

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The Group determines the appropriate discount rate at the end of each year as explained in the accounting policies note 2.12. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note 26.

(c) Provisions

The Group 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 Group 's current best estimate.

5 ACCOUNTING POLICIES AND COMPARATIVES

The accounting policies set out have been consistently applied to all periods presented in these consolidated financial statements and the accounting policies have been applied consistently by group entities. Where necessary, comparative figures have been reclassified to conform with the changes in presentation in the current year.

6 REVENUE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Local Sales	1,240,950,185	1,138,698,279	1,232,489,485	1,122,966,224
Deemed exports	42,569,431	27,292,687	42,569,431	27,266,742
Net revenue	1,283,519,616	1,165,990,966	1,275,058,916	1,150,232,966

7 OTHER INCOME

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Dividend income	233,442	-	4,733,447	4,500,005
Profit on sale of shares	3,296,439	-	3,296,439	-
Profit on sale of fixed assets	32,010	-	32,010	-
Surplus on revaluation of PPE recognised in IS	-	871,650	-	871,650
Sundry income	-	466,469	-	466,469
	3,561,891	1,338,119	8,061,896	5,838,124

Profit on sale of shares comprises gain on disposal of shares in Watawala Plantations PLC.

8 EXPENSES BY NATURE

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Directors' emoluments	540,000	240,000	540,000	240,000
Auditor's remuneration	608,885	631,127	458,123	488,324
Depreciation (Note 14)	18,720,213	13,601,442	16,792,606	11,673,835
Staff costs (Note 9)	48,672,534	49,142,095	40,802,844	41,371,597
Raw material consumption	888,263,691	920,920,311	888,263,691	920,920,311
Other expenses	48,247,365	49,371,800	47,283,215	48,773,550
Total cost of sales and administrative expenses	1,005,052,688	1,033,906,775	994,140,479	1,023,467,617

Other expenses mainly consist of electricity expenses amounting to Rs.25,124,184 (2015 - Rs.28,848,204), Repairs & maintenance expenses amounting to Rs. 9,647,861 (2015 - Rs.9,123,104) and other production overheads.

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9 STAFF COST

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Wages and salaries	32,327,230	33,074,500	29,270,845	30,122,773
Defined contribution plan	2,714,244	2,680,951	2,255,786	2,254,730
Defined benefit plan (Note 26)	1,646,304	1,697,127	1,388,493	1,463,687
Other staff costs	11,984,756	11,689,517	7,887,720	7,530,407
	48,672,534	49,142,095	40,802,844	41,371,597
Average number of employees during the year	55	60	42	47

Cost of other staff of the Group mainly include bonus amounting to Rs 2,646,646 (2015 - Rs 2,372,937) and staff welfare amounting to Rs 3,299,385 (2015 - Rs 3,465,990)

10 FINANCE COST - NET

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Interest income	5,216,199	5,057,186	3,601,199	3,491,561
Interest expense	(5,523,749)	(9,257,116)	(9,223,425)	(12,907,552)
Exchange gain / (loss)	(4,856,494)	(9,261,840)	(4,856,494)	(9,261,840)
	(5,164,044)	(13,461,770)	(10,478,720)	(18,677,831)

11 INCOME TAX

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Current tax	75,178,514	31,859,947	74,210,991	28,993,914
Deferred tax (release) / charge	(5,049,702)	1,170,714	(4,877,580)	1,761,637
WHT on dividend paid by subsidiary	500,000	500,000	-	-
	70,628,812	33,530,661	69,333,411	30,755,551

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 Year ended 31 March		Company Year ended 31 March	
	2016	2015	2016	2015
Profit before tax	276,864,775	119,960,540	278,501,613	113,925,642
Consolidation adjustments	4,500,005	4,500,005	-	-
Profit before tax after adjustments	281,364,780	124,460,545	278,501,613	113,925,642
Tax calculated at effective tax rate of 28% (28% - 2015)	78,782,138	34,848,953	77,980,452	31,899,180
Tax effect of income not subject to tax	(2,257,350)	(1,504,210)	(2,257,350)	(1,504,210)
Tax effect of expenses not deductible	6,214,576	4,328,154	5,527,766	3,723,061
Tax effect of allowable deductions	(6,145,779)	(5,427,858)	(5,624,805)	(4,739,025)
Tax effect of the income taxable at concessionary rates	(1,415,072)	(385,092)	(1,415,072)	(385,092)
WHT on dividend paid by subsidiary	500,000	500,000	-	-
Deferred tax charge / (reversal)	(5,049,702)	1,170,714	(4,877,580)	1,761,637
Tax charge	70,628,812	33,530,661	69,333,411	30,755,551

12 EARNINGS PER SHARE

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

	Group Year ended 31 March		Company Year ended 31 March	
	2016	2015	2016	2015
Net profit attributable to shareholders	206,235,963	86,429,879	209,168,202	83,170,091
Number of ordinary shares in issue (Note 30)	4,212,500	4,212,500	4,212,500	4,212,500
Basic earnings per share	48.96	20.52	49.65	19.74

13 DIVIDEND PER SHARE

	Group Year ended 31 March		Company Year ended 31 March	
	2016	2015	2016	2015
Interim dividend - 2015 / 2016 - Rs. 4.00 per share	16,850,000	-	16,850,000	-
Interim dividend - 2014 / 2015 - Rs. 2.00 per share	-	8,425,000	-	8,425,000
	16,850,000	8,425,000	16,850,000	8,425,000
Number of ordinary shares in issue (Note 30)	4,212,500	4,212,500	4,212,500	4,212,500
Dividend per share	4.00	2.00	4.00	2.00

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14 PROPERTY, PLANT AND EQUIPMENT

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 2014						
Cost	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)
	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
Year ended 31 March 2015						
Opening net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
Additions	-	35,570,917	556,675	215,600	8,260,000	44,603,192
Revaluation surplus	38,440,000	-	-	-	-	38,440,000
Depreciation charge (Note 8)	(3,011,630)	(6,886,768)	(601,221)	(95,625)	(3,006,198)	(13,601,442)
Closing net book amount	178,020,800	61,380,767	3,598,915	598,426	17,294,506	260,893,415
At 31 March 2015						
Cost / Valuation	178,178,949	146,406,422	15,376,382	2,521,480	24,807,926	367,291,160
Accumulated depreciation	(158,149)	(85,025,655)	(11,777,467)	(1,923,054)	(7,513,420)	(106,397,745)
Net book amount	178,020,800	61,380,767	3,598,915	598,426	17,294,506	260,893,415
Year ended 31 March 2016						
Opening net book amount	178,020,800	61,380,767	3,598,915	598,426	17,294,506	260,893,415
Additions	-	9,586,945	807,744	-	-	10,394,689
Disposals - Cost	-	-	-	-	(3,697,500)	(3,697,500)
- Acc. depreciation	-	-	-	-	2,143,024	2,143,024
Transfer from WIP	753,266	1,616,965	-	-	-	2,370,231
Depreciation charge (Note 8)	(3,649,717)	(10,484,766)	(646,338)	(116,672)	(3,822,720)	(18,720,213)
Closing net book amount	175,124,349	62,099,911	3,760,321	481,754	11,917,310	253,383,646
At 31 March 2016						
Cost / Valuation	178,932,215	157,610,332	16,184,126	2,521,480	21,110,426	376,358,580
Accumulated depreciation	(3,807,866)	(95,510,421)	(12,423,805)	(2,039,726)	(9,193,116)	(122,974,934)
Net book amount	175,124,349	62,099,911	3,760,321	481,754	11,917,310	253,383,646

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 2014						
Cost	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)
	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
Year ended 31 March 2015						
Opening net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
Additions	-	35,570,917	556,675	215,600	8,260,000	44,603,192
Revaluation surplus	38,440,000	-	-	-	-	38,440,000
Depreciation charge (Note 8)	(3,011,630)	(4,959,161)	(601,221)	(95,625)	(3,006,198)	(11,673,835)
Closing net book amount	178,020,800	59,453,162	3,598,915	598,426	17,294,506	258,965,809
At 31 March 2015						
Cost / Valuation	178,178,948	127,130,353	15,376,381	2,521,480	24,807,926	348,015,088
Accumulated depreciation	(158,148)	(67,677,191)	(11,777,466)	(1,923,054)	(7,513,420)	(89,049,279)
Net book amount	178,020,800	59,453,162	3,598,915	598,426	17,294,506	258,965,809
Year ended 31 March 2016						
Opening net book amount	178,020,800	59,453,162	3,598,915	598,426	17,294,506	258,965,809
Additions	-	9,586,945	807,744	-	-	10,394,689
Disposals - Cost	-	-	-	-	(3,697,500)	(3,697,500)
- Acc. depreciation	-	-	-	-	2,143,024	2,143,024
Transfer from WIP	753,266	1,616,965	-	-	-	2,370,231
Depreciation charge (Note 8)	(3,649,717)	(8,557,159)	(646,338)	(116,672)	(3,822,720)	(16,792,606)
Closing net book amount	175,124,349	62,099,913	3,760,321	481,754	11,917,310	253,383,647
At 31 March 2016						
Cost / Valuation	178,932,214	138,334,263	16,184,125	2,521,480	21,110,426	357,082,508
Accumulated depreciation	(3,807,865)	(76,234,350)	(12,423,804)	(2,039,726)	(9,193,116)	(103,698,861)
Net book amount	175,124,349	62,099,913	3,760,321	481,754	11,917,310	253,383,647

Notes to the Consolidated Financial Statements

14 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(c) The group's land (extent - 3 A - 0 R - 44 P, location - Ekala) and buildings (No. of buildings 09) were last revalued on 31 March 2015 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 includes assets at valuation as follows,

Company / Group Asset	Valued amount
Land	87,438,200
Buildings	90,740,748

(e) Property, plant and equipment include fully depreciated assets, the original cost of which amounted to Rs 46 Mn (2015 - Rs 44 Mn).

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

	As at 31 March 2016
Cost	41,083,724
Accumulated depreciation	(26,075,785)
Net book value	15,007,939

(g) No property, plant and equipment has been pledged as securities for liabilities.

15 CAPITAL WORK IN PROGRESS

	Group Year ended 31 March		Company Year ended 31 March	
	2016	2015	2016	2015
At beginning of year	2,370,231	753,266	2,370,231	753,266
Cost incurred during the year	-	1,616,965	-	1,616,965
Amount transferred to property, plant and equipment (Note 14)	(2,370,231)	-	(2,370,231)	-
At end of year	-	2,370,231	-	2,370,231

16 PREPAID LEASE RENTALS

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2016	2015	2016	2015
Balance at 1 April	1,731,834	1,754,037	1,731,834	1,754,037
Amortisation during the year	(22,203)	(22,203)	(22,203)	(22,203)
Balance at 31 March	1,709,631	1,731,834	1,709,631	1,731,834
Amount to be amortised within one year	22,203	22,203	22,203	22,203
Amount to be amortised after one year	1,687,428	1,709,631	1,687,428	1,709,631
	1,709,631	1,731,834	1,709,631	1,731,834

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 (2015 - Rs 10,000,010) invested in ordinary shares of ACL Polymers (Private) Limited, representing 100% of its issued share capital.

Notes to the Consolidated Financial Statements

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 2016			31 March 2015		
	Number	Cost of shares	Market value	Number of shares	Cost value	Market value
Diversified holdings						
Hayleys PLC	38,907	2,952,614	9,559,450	38,907	2,952,614	11,672,100
Banking finance and insurance						
Nations Trust Bank PLC	25,592	512,005	1,898,925	25,592	512,005	2,561,758
People's Insurance PLC	585,500	8,782,500	9,894,950	-	-	-
Plantations						
Maskeliya Plantations PLC	8,200	374,258	63,140	8,200	374,258	81,180
Watawala Plantations PLC	-	-	-	200,000	1,252,041	4,000,000
Kotagala Plantations PLC	10,000	476,580	151,000	10,000	476,580	247,000
Total investments by the company		13,097,957	21,567,465		5,567,498	18,562,038
Total investments by the group		13,097,957	21,567,465		5,567,498	18,562,038

The market value of Watawala Plantations PLC at the disposal date amounting to Rs. 4,280,000

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 2016					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	21,567,465	-	21,567,465
Trade and other receivables	512,402,682	-	-	-	512,402,682
Cash and cash equivalents	234,712,780	-	-	-	234,712,780
	747,115,462	-	21,567,465	-	768,682,927

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2016			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	22,490,932	22,490,932
Borrowings	-	33,149,937	33,149,937
	-	55,640,869	55,640,869

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2016					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	21,567,465	-	21,567,465
Trade and other receivables	485,868,294	-	-	-	485,868,294
Cash and cash equivalents	230,187,316	-	-	-	230,187,316
	716,055,610	-	21,567,465	-	737,623,075

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2016			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	83,164,758	83,164,758
Borrowings	-	33,149,937	33,149,937
	-	116,314,695	116,314,695

Notes to the Consolidated Financial Statements

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2015					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	18,562,038	-	18,562,038
Trade and other receivables	457,643,466	-	-	-	457,643,466
Cash and cash equivalents	50,684,732	-	-	-	50,684,732
	508,328,198	-	18,562,038	-	526,890,236

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	56,519,179	56,519,179
	-	56,519,179	56,519,179

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2015					
Assets as per the statement of financial position					
Financial investments - Available for sale	-	-	18,562,038	-	18,562,038
Trade and other receivables	431,773,739	-	-	-	431,773,739
Cash and cash equivalents	45,007,525	-	-	-	45,007,525
	476,781,264	-	18,562,038	-	495,343,302

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	55,938,008	55,938,008
Borrowings	-	-	-
	-	55,938,008	55,938,008

19 (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 2016	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Group				
Available for sale financial assets	21,567,465	-	-	21,567,465
Trade and other receivables (gross)	510,597,996	1,804,686	-	512,402,682
Total financial assets	402,187,780	46,691,412	531,429	449,410,621
Company				
Available for sale financial assets	21,567,465	-	-	21,567,465
Trade and other receivables (gross)	484,063,608	1,804,686	-	485,868,294
Total financial assets	505,631,073	1,804,686	-	507,435,759

Cash at bank and short-term bank deposits

	Group As at 31 March		Company As at 31 March	
	2016	2015	2016	2015
AA-(lka)	9,009,437	15,070,583	4,488,103	9,397,506
AAA(lka)	223,467,295	33,716,404	223,463,165	33,712,274
A(lka)	2,157,848	1,819,543	2,157,848	1,819,543
Total	234,634,580	50,606,530	230,109,116	44,929,323

Notes to the Consolidated Financial Statements

20 INVENTORIES

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Raw materials	95,884,660	110,093,872	95,884,660	110,093,872
Work-in-progress	5,569,147	3,686,111	5,569,147	3,686,111
Finished goods	36,568,582	30,244,756	36,568,582	30,244,756
Other stocks	151,963	697,107	151,963	697,107
Less - Provision for slow moving stocks	(2,057,745)	(2,057,745)	(2,057,745)	(2,057,745)
	136,116,607	142,664,101	136,116,607	142,664,101

21 TRADE AND OTHER RECEIVABLES

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Trade receivables	23,027,988	12,494,332	21,679,743	11,819,635
Less : provision for impairment of trade receivables	-	(531,429)	-	(531,429)
	23,027,988	11,962,903	21,679,743	11,288,206
Receivable from related companies [Note 34.12 (b)]	366,714,078	360,409,815	366,714,078	360,409,815
Loan given to holding Company [Note 34.12 (c)]	80,745,077	80,745,077	55,745,055	55,745,055
Advance and prepayments	39,744,457	2,740,716	39,564,125	2,545,708
Other receivables	2,171,082	1,784,955	2,165,293	1,784,955
	512,402,682	457,643,466	485,868,294	431,773,739

Other receivables of the Group include Value Added Tax receivable amounting to Rs. Nil (2015 - Rs Nil)

The average interest rate (based on 90 days treasury bill rates) on loan given to holding company is 6.46% (2015 - 6.26%)

As of 31 March 2016, trade receivables of Rs. 21,679,743 (2015 - 11,819,635) were fully performing.

The aging of the receivable balances impaired are as follows.

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
less than 1 year	-	-	-	-
Over 1 year	-	531,429	-	531,429
	-	531,429	-	531,429

The aging of the trade receivable balances not impaired are as follows.

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Up to 3 months	23,027,988	11,962,903	21,679,743	11,288,206
3 to 6 months	-	-	-	-
	23,027,988	11,962,903	21,679,743	11,288,206

The directors considered the carrying amount of the balance approximates its fair value.
The carrying amounts of the trade and other receivables are dominated in following currencies:

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
US dollars	8,086,769	17,486,951	8,086,769	17,486,951
Sri Lankan Rupees	504,315,913	440,156,515	477,781,525	414,286,788
	512,402,682	457,643,466	485,868,294	431,773,739

22 INCOME TAX PAYABLE

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Balance at 1 April	40,767,340	48,466,380	10,124,389	18,190,043
Provision for the current year	75,178,514	31,859,947	74,210,991	28,993,914
	115,945,854	80,326,327	84,335,380	47,183,957
Payments made during the year	(33,314,834)	(39,558,987)	(31,542,037)	(37,059,568)
Balance at 31 March	82,631,020	40,767,340	52,793,343	10,124,389

23 CASH AND CASH EQUIVALENTS

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Cash at bank and in hand	234,712,780	50,684,732	230,187,316	45,007,525
	234,712,780	50,684,732	230,187,316	45,007,525

Notes to the Consolidated Financial Statements

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

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Cash at bank and in hand	234,712,780	50,684,732	230,187,316	45,007,525
	234,712,780	50,684,732	230,187,316	45,007,525

24 TRADE AND OTHER PAYABLES

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Trade payables	18,774,861	51,109,563	18,774,865	51,109,566
Payables to related parties [Note 34.12 (a)]	125,596	48,391	23,833,321	20,649,889
Loans from related parties [Note 34.12 (d)]	-	-	55,000,000	59,100,000
Payroll related payable and other taxes	6,268,451	2,292,549	5,636,301	1,903,762
Accrued expenses and other payable	2,562,191	4,537,887	2,418,195	4,393,891
	27,731,099	57,988,390	105,662,682	137,157,108

25 BORROWINGS

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Short term Import loans	33,149,937	-	33,149,937	-
	33,149,937	-	33,149,937	-

Securitisations and bank facilities

Lender	Type of the loan	Interest rates	31 March 2016	31 March 2015	Securities pledged
Group					
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	-	-	-
	Overdraft	Linked to AWPLR	-	-	-
Hatton National Bank PLC	Short term Import Loans	Linked to AWPLR	33,149,937	-	-
	Overdraft	Linked to AWPLR	-	-	-
Company					
Standard Chartered Bank	Short term Import Loans	Linked to AWPLR	-	-	-
	Overdraft	Linked to AWPLR	-	-	-
Hatton National Bank PLC	Short term Import Loans	Linked to AWPLR	33,149,937	-	-
	Overdraft	Linked to AWPLR	-	-	-

All bank borrowings are in Sri Lankan rupees and mature within one year.

26 DEFINED BENEFIT OBLIGATIONS

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

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
At beginning of year	10,000,911	9,047,952	8,640,416	7,982,453
Expense recognised in income statement (Note 26.1)	1,646,304	1,697,127	1,388,493	1,463,687
Actuarial (gain) / loss recognised in OCI	(468,121)	(390,151)	(391,942)	(502,317)
	11,179,094	10,354,928	9,636,967	8,943,823
Payments made during the year	(870,865)	(354,017)	(870,865)	(303,407)
At end of year	10,308,229	10,000,911	8,766,102	8,640,416

26.1 Expense recognised in income statement

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Current service cost	646,212	701,852	524,451	585,617
Interest cost	1,000,092	995,275	864,042	878,070
	1,646,304	1,697,127	1,388,493	1,463,687

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

As at 31 March 2016, the gratuity liability was actuarially valued under the Project Unit Credit (PUC) method by a professionally qualified actuary firm Actuarial and Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company 31 March	
	2016	2015
Rate of discount	10.5%	10%
Salary increment rate	10%	10%
Retirement age	55 years	55 years

Notes to the Consolidated Financial Statements

26.2 Sensitivity of the actuarial assumptions

		Group		Company	
	Change	Financial Position - Liability	Comprehensive income - (Charge) / Credit for the year	Financial Position - Liability	Comprehensive income - (Charge) / Credit for the year
Discount rate	+1	(954,261)	954,261	(768,799)	768,799
	-1	1,093,363	(1,093,363)	875,166	(875,166)
Future salary increases	+1	1,130,769	(1,130,769)	908,310	(908,310)
	-1	(1,002,584)	1,002,584	(810,489)	810,489

27 DEFERRED INCOME TAX

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 17.5% (provisional). (2015 - 28%) .

27.1 Movement in deferred tax liabilities

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Balance at the beginning of the year	30,617,690	22,781,702	30,458,899	22,000,582
Origination/(reversal) of temporary differences	(2,531,849)	1,279,956	(2,373,058)	1,902,285
Impact on decrease in tax rate	(2,435,932)	-	(2,435,932)	-
Deferred tax on amount transferred from -				
- revaluation reserve (Note 30)	(562,240)	(899,584)	(562,240)	(899,584)
Impact on revaluation of property, plant -				
- and equipment due to decrease of tax rate	(7,534,018)	-	(7,534,018)	-
Effect of revaluation of buildings	-	7,455,616	-	7,455,616
	17,553,651	30,617,690	17,553,651	30,458,899

27.2 Composition of deferred tax liabilities

	2016	2015	2016	2015
Property,plant & equipment	19,987,554	33,994,113	19,447,824	33,454,383
Provision for slow moving inventory	(360,105)	(576,168)	(360,105)	(576,168)
Defined benefit obligations	(2,073,798)	(2,800,255)	(1,534,068)	(2,419,316)
	17,553,651	30,617,689	17,553,651	30,458,899

28 CONTINGENT LIABILITIES

Bank guarantees amounting to Rs. 15,000,000/- have been given to suppliers as at 31 March 2016.

There were no other material contingent liabilities outstanding as at 31 March 2016.

29 COMMITMENTS

Financial commitments

The Group has the commitment on letter of credits as at 31 March 2016, as follows:

Company	27,286,753
Group	27,286,753

There were no other 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	
	2016	2015	2016	2015
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 Land & Buildings.

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
At beginning of year	119,361,031	91,561,514	119,361,031	91,561,514
Revaluations during the year	-	37,568,350	-	37,568,350
Deferred tax on revaluation	-	(7,455,616)	-	(7,455,616)
Transfer to retained earnings	(3,212,801)	(3,212,801)	(3,212,801)	(3,212,801)
Deferred tax on transfer	562,240	899,584	562,240	899,584
Impact on revaluation reserve due to decrease of tax rates (Note 27)	7,534,018	-	7,534,018	-
At end of year	124,244,488	119,361,031	124,244,488	119,361,031

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.

Notes to the Consolidated Financial Statements

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	
	2016	2015	2016	2015
Profit before tax	276,864,775	119,960,540	278,501,613	113,925,642
Adjustments for:				
Depreciation of property, plant & equipment (Note 14)	18,720,213	13,601,442	16,792,606	11,673,835
Dividend income (Note 7)	(233,442)	-	(4,733,447)	(4,500,005)
Interest expense (Note 10)	5,523,749	9,257,116	9,223,425	12,907,552
Interest income (Note 10)	(5,216,199)	(5,057,186)	(3,601,199)	(3,491,561)
Profit on disposal of investment (Note 7)	(3,296,439)	-	(3,296,439)	-
Profit on disposal of fixed assets (Note 7)	(32,010)	-	(32,010)	-
Amortisation of leasehold properties (Note 16)	22,203	22,203	22,203	22,203
(Gain) / Loss on revaluation of property, plant & equipment charged to IS	-	(871,650)	-	(871,650)
Provision for Defined benefit obligations (Note 26)	1,646,304	1,697,127	1,388,493	1,463,687
Changes in working capital:				
Inventories	6,547,494	45,080,359	6,547,494	45,080,359
Receivables and prepayments	(54,759,216)	92,191,319	(54,094,555)	90,299,008
Trade and other payables	(30,257,290)	(29,668,575)	(31,494,425)	(26,210,456)
Cash generated from operations	215,530,142	246,212,695	215,223,759	240,298,614

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, 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, 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 Mr. Suren Madanayake who is a Director of the Company, is also a Director of Resus Energy PLC.

34.11 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	
	2016	2015
ACL Cables PLC	717,660,313	655,882,985
ACL Kelani Magnet Wire (Private) Limited	190,000	1,039,047
Kelani Cables PLC	650,242,838	572,485,289
	1,368,093,151	1,229,407,321
(b) Purchase of goods		
ACL Cables PLC	705,000	1,744,405
Kelani Cables PLC	50,901	103,917
	755,901	1,848,322
(c) Interest income from loans		
ACL Cables PLC	3,601,131	3,491,035
	3,601,131	3,491,035
(d) Loan taken from / (settled to) related party		
ACL Polymers (Private) Limited	(4,100,000)	-
	(4,100,000)	-
(e) Interest on borrowings		
ACL Polymers (Private) Limited	3,701,061	3,650,436
	3,701,061	3,650,436

Notes to the Consolidated Financial Statements

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

(a) Payable to related parties

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
ACL Polymers (Pvt) Ltd	-	-	23,707,725	20,601,498
ACL Cables PLC	19,991	-	19,991	-
Kelani Cables PLC	92,524	48,391	92,524	48,391
ACL Electric (Pvt) Ltd	13,081	-	13,081	-
ACL Kelani Magnet Wire (Pvt) Ltd	-	-	-	-
	125,596	48,391	23,833,321	20,649,889

(b) Receivable from related parties

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
ACL Cables PLC	168,203,026	276,207,597	168,203,026	276,207,597
ACL Polymers (Pvt) Ltd	-	-	-	-
ACL Kelani Magnet Wire (Pvt) Ltd	-	-		
Kelani Cables PLC	198,511,052	84,202,218	198,511,052	84,202,218
	366,714,078	360,409,815	366,714,078	360,409,815

(c) Receivable on loans

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
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	
	2016	2015	2016	2015
ACL Polymers (Private) Limited	-	-	55,000,000	59,100,000
	-	-	55,000,000	59,100,000

All inter-company loans are granted on the terms of "payable on demand" and the interest is charged based on 3 months treasury bill rate. The average interest rate for the year was 6.46%.

There were no other related parties or related party transactions during the year ended 31 March 2016 other than those disclosed above.

(e) Key management compensation

Key management includes directors (executive and non-executive) of the Company. The compensation paid or payable to key management is shown below:

	Group 31 March		Company 31 March	
	2016	2015	2016	2015
Directors' emoluments	540,000	240,000	540,000	240,000

35 EVENTS AFTER THE REPORTING PERIOD

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

Information to Shareholders

Distribution of Shares as at 31st March 2016

Category		Number of Shareholders	%	Number of Ordinary Shares
1	- 1,000 shares	502	2.78	117,003
1,001	- 5,000 shares	82	4.52	190,560
5,001	- 10,000 shares	20	3.42	143,959
10,001	- 50,000 shares	23	10.98	462,564
50,001	- 100,000 shares	2	4.01	168,800
100,001	- 500,000 shares	2	9.09	382,645
500,001	- 1,000,000 shares	-	-	-
Over 1,000,000 shares		1	65.21	2,746,969
Total		632	100	4,212,500

Analysis Report of Shareholders as at 31st March 2016

	Number of Shares	Total Holdings %
Institutional	3,444,522	81.77
Individuals	767,978	18.23
Total	4,212,500	100

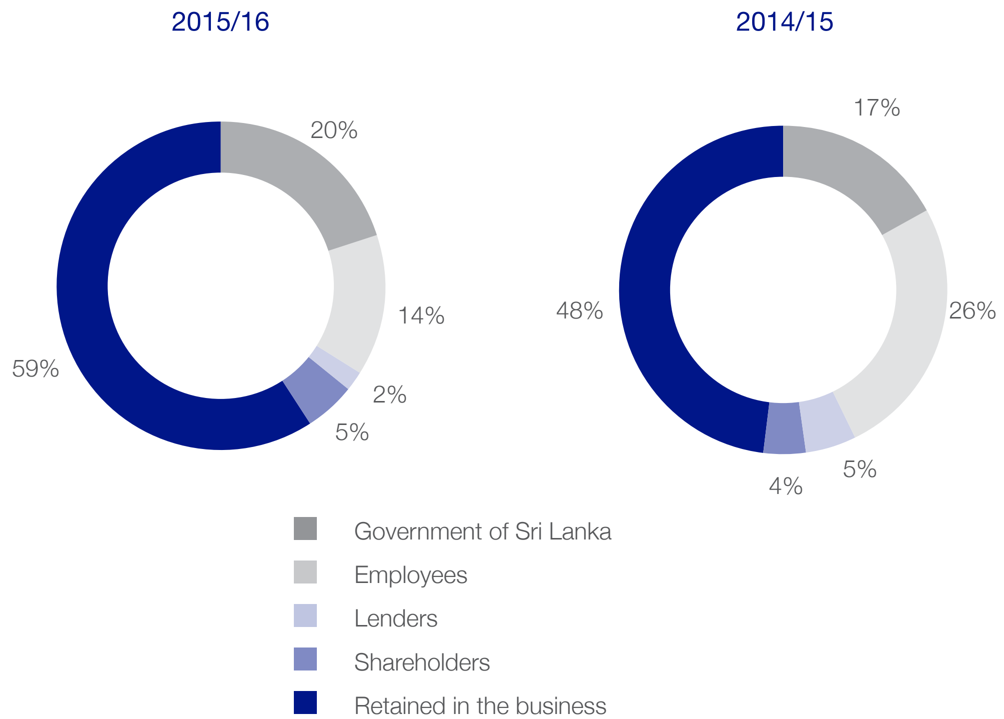
Twenty Largest Shareholders

As at 31st March	2016		2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	2,746,969	65.21	2,746,969	65.21
Seylan Bank PLC / Janashakthi Limited	229,582	5.45	229,582	5.45
Employees Provident Fund	153,063	3.63	282,688	6.71
Raaymakers M.A.T.	88,700	2.11	113,703	2.70
Corporate Druids (Pvt) Limited	80,100	1.90	81,600	1.94
Janashakthi PLC, Account No. 1	45,468	1.08	45,468	1.08
Assetline leasing company Ltd/Mr. E.J. Gunasekera	36,012	0.85	-	-
Costa D.S.J.V	27,421	0.65	31,421	0.75
Corea E.	24,751	0.59	24,751	0.59
Corea Gihan Asoka	23,625	0.56	23,625	0.56
United Motors Lanka PLC	23,125	0.55	-	-
Wickramaratne D.J. & Wickramaratne D.D.D.	23,000	0.55	-	-
J.B. Cocoshell (Pvt) Ltd	22,561	0.54	12,611	0.30
Sithampalam A.	22,160	0.53	-	-
Samarawickrema N.D.	22,000	0.52	22,000	0.52
Madanayake H.A.S	20,801	0.49	20,801	0.49
Waldock Mackenzie Ltd/Mr. P.S.R. Casie Chitty	20,000	0.47	-	-
Kalupathirana N.A.	19,400	0.46	-	-
Madanayake N.C.	17,751	0.42	17,751	0.42
Nirmalan R.	16,288	0.39	-	-

		2016	2015
	Company		
a)	Earnings per share (Rs)	49.65	19.74
b)	Dividend per share (Rs)	4.00	2.00
c)	Dividend payout ratio	0.08	0.10
d)	Net assets value per share (Rs)	218.61	172.03
e)	Market value per share (Rs)		
	- Highest value (Rs)	188.50	138.80
	- Lowest value (Rs)	140.00	108.20
	- Value as at the end of financial year (Rs)	155.00	108.20
f)	No of tradings for the year	440	65
g)	Total No of shares traded	192,709	11,928
h)	Total turnover (Rs)	33,095,104	1,473,371
i)	Percentage of Shares held by the public	33.87%	33.87%
j)	Number of Public shareholders	628	570
k)	No. of foreign Shareholders	5	2
	Group		
a)	Earnings per share (Rs.)	48.96	20.52
b)	Dividend per share (Rs.)	4	2
c)	Dividend payout ratio	0.08	0.10
d)	Net assets value per share (Rs.)	234.66	188.77

Statement of Value Added - Group

		2015/16 Rs. '000		2014/15 Rs. '000
Total revenue		1,283,520		1,165,991
Other operating & interest income		8,778		6,395
		1,292,298		1,172,386
Cost of material and services bought in		(942,515)		(980,425)
Total value added by the group		349,783		191,961
Value added shared with				
Government of Sri Lanka (Taxes)	20%	70,629	17%	33,531
Employees (Salaries and other costs)	14%	48,673	26%	49,172
Lenders (Interest on loan capital)	2%	5,524	5%	9,257
Shareholders (Dividends)	5%	16,850	4%	8,425
Retained in the business (Depreciation & retained profits)	59%	208,107	48%	91,606
	100%	349,783	100%	191,991



Five Year Summary - Group

Year ended 31st March	2016 Rs.'000	2015 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000
Turnover	1,283,520	1,165,991	1,139,995	1,070,045	1,004,478
Operating profit	282,029	133,422	108,306	73,196	94,997
Profit before tax	276,865	119,961	107,656	57,791	72,775
Taxation	70,629	33,531	30,022	16,581	19,902
Profit after tax	206,236	86,430	77,635	41,210	52,874

Balance Sheet

As at 31st March	2016 Rs.'000	2015 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000
Share capital	79,974	79,974	79,974	79,974	79,974
Capital reserve	124,244	119,361	91,562	93,172	94,783
Revenue reserves	170,000	170,000	170,000	170,000	170,000
Other Reserves	8,470	12,995	9,574	10,494	12,735
Retained profit	605,830	412,845	331,347	255,688	216,453
	988,518	795,175	682,457	609,328	573,945
Property plant & equipment	253,384	263,263	192,205	192,580	199,799
Operating lease prepayment	1,687	1,710	1,732	1,754	1,776
Investments (AFS financial assets)	21,567	18,562	15,141	16,061	18,303
Current assets	883,254	651,014	745,980	545,633	594,645
Current & non current liabilities	(171,374)	(139,374)	(272,601)	(146,700)	(240,578)
Capital employed	988,518	795,175	682,457	609,328	573,945

Notice of Meeting

NOTICE IS HEREBY GIVEN that, the Twenty Fifth Annual General Meeting of ACL Plastics PLC will be held on 03rd August 2016, at No. 60, Rodney Street, Colombo 8, at 11.30 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 2016 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, Mrs. N C Madanayake, 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.

By Order of the Board

(Sgd.)
Corporate Affairs (Pvt) Ltd
Secretaries

30th June 2016

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 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 03rd August 2016 at 11.30 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 2016 with the Report of the Auditors thereon,		
2	To re-appoint PricewaterhouseCoopers, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration		
3	To re-elect as director Mrs. N C Madanayake, 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………....………………………2016

SIGNATURE………………………………………………

*instructions for filling Form of Proxy are given over-leaf.

ACL PLASTICS PLC

ATTENDANCE SLIP - ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Twenty Fifth 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.

Form of Proxy

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

Registration Number
PQ 87

Stock Exchange Listing
The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Registered Office
60, Rodney Street, Colombo 08, Sri Lanka.

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
Piyadasa Miriyagalla
Dr. Kamal Weerapperuma

Company Secretary
M/s. Corporate Affairs (Pvt) Ltd
No: 68/1, Dawson Street,
Colombo 02.

Group Financial Controller
Champika Coomasaru

Auditors
PricewaterhouseCoopers
Chartered Accountants

Bankers
Standard Chartered Bank
Hatton National Bank
Nations Trust Bank

Designed & produced by
emagewise
Digital Plates & Printing Karunaratna & Sons

www.acl.lk