EXPANDING OUR HORIZONS

ACL PLASTICS

ACL Plastics PLC - Annual Report 2020/21

EXPANDING OUR HORIZONS

At ACL Plastics ours is an exceptional portfolio of cable grade PVC compounds, manufactured to the highest local and international standards— perfected through nearly three decades of industry experience, innovative thinking, and constant vigilance of evolving markets.

The report you hold is a testament to how years of industry expertise has enabled us to streamline and optimise our operations to further expand our reach, exceed expectations and secure our position as a leader in the plastic manufacturing industry of Sri Lanka.

Today, as we journey on a path to maintain continuous market dominance in the nation, we aspire to introduce our portfolio of products into the global market to expand our horizons and venture into a future of infinite possibilities.

Contents

Our Vision

To be a professional organisation which manufactures the highest quality performance polymers while enhancing our relationship with all our stakeholders.

Our Mission

ACL Plastics PLC is committed to a policy of continuous improvement & shall strive for excellence in all its endeavours while each individual in the team shall work towards a total quality culture aiming to delight the customers.

Group Financial Highlights

Year ended 31 March 2021	2020/21 Rs.Mn	2019/20 Rs.Mn
Turnover	1,900	1,581
Gross Profit	192	232
Net Finance Income	22	2
Profit Before Tax	208	223
Profit After Tax	179	156
Total Equity	1,578	1,328
Key Financial Indicators		
Gross Profit Margin	10%	15%
Net Profit Margin Before Tax	9%	14%
Interest Cover (Times)	34	24
Return on Equity	12%	12%
Current ratio (Times)	4	12.37

Rs.1,900Mn
Revenue

Rs.6.00
Dividend Per Share

Rs.2,057 Mn
Total Assets

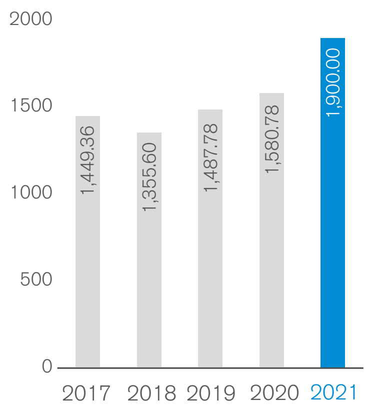
Rs.192Mn
Gross Profit

Rs.42.56
Earnings Per Share

Rs.1,578Mn
Share Holders' Fund

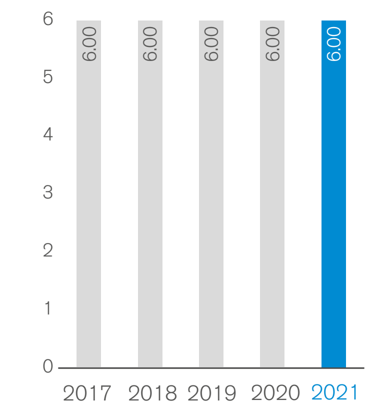
Revenue

Rs.Mn



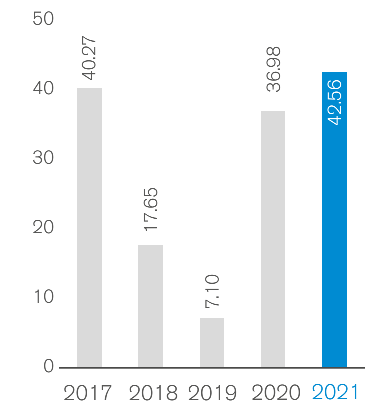
Dividend per share

Rs.



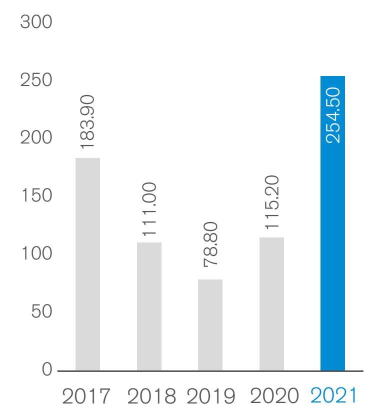
Earning per share

Rs.



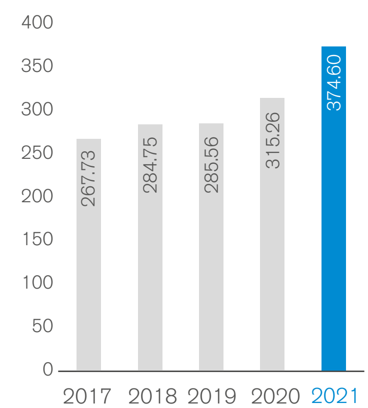
Market value per share

Rs.



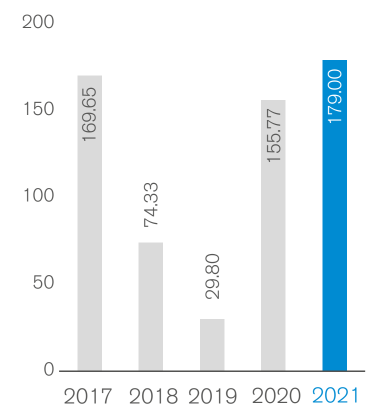
Net assets per share

Rs.



Net profit attributable

Rs.Mn



Chairman's Statement

The year 2020/21 was an exceptional year for ACL Plastics PLC. As we sustained our position as a market leader in the PVC industry, we set a new record in sales and earnings for the year under review.

It is my pleasure to welcome you to the 30th Annual General Meeting of ACL Plastics PLC and to present to you the Annual Report and Audited Financial Statements for the year ended 31st March 2021.

The year 2020/21 was an exceptional year for ACL Plastics PLC. As we sustained our position as a market leader in the PVC industry, we set a new record in sales and earnings for the year under review. We have also strengthened our capacity to ensure that we are in line with our strategic goals which has structured a healthy groundwork for maximizing long-term wealth to our shareholders while ensuring market leadership.

A CHALLENGING EXTERNAL ENVIRONMENT

The Sri Lankan economy ran through multiple challenges and complex situations during the year due to the pandemic situation that affected individuals, businesses, and economies locally and globally. Thereby the local economy contracted by 3.6% for the year as per Central Bank reports. Yet, on a positive note, the country recorded a growth of 1.3% in the last quarter despite the second wave of Covid-19.

All sectors recorded a contraction compared to the year before. The worst affected was the industries sector, which contracted by 6.9%. The island-wide lockdown which was imposed to contain the pandemic situation caused a significant contraction for the sector, which was an unavoidable situation. Further, the agriculture and services sector contracted by 2.4% and 1.5% respectively.

Though the country was strongly stable politically, the unexpected pandemic resulted in the change of most macroeconomic conditions that threatened business stability. The rapid growth that was expected mainly in the industrial sector was immensely challenged due to these adverse conditions. The construction sub sector contracted by 13.2% in the last fiscal year, yet a significant recovery was observed during the latter part of 2020 due to the effective policy measures adopted by the Government to promote domestic construction activity. This affected the demand of the PVC items, as our customers are mainly from the construction industry.

Reduced interest rates, credit granted to private sector by the Commercial Banks, personal housing loan schemes for construction activity, restriction of building material imports to facilitate local production and loan scheme facilities provided as "working capital business loans" helped to revive the local construction activities within the country. This was a commendable policy initiative driven by the Government that helped most companies in the industry to gain positive momentum.

Rs. **312** Mn

Group Value Addition

Rs. **375**

Net Assets Value per Share

Rs. **6.00**

Dividend Per Share

Almost all the sectors had to go through these challenges in the economic environment. Accordingly, our longstanding customers also struggled to survive in their businesses and some were unfortunately closed down. This affected the demand for PVC and hindered our operations as well. Due to these factors, we took precautionary actions to maintain our cash flows and to keep our operating cycle healthy, in response to the poor national economic performances.

Year ended 31 March 2021	2020/21 Mn	2019/20 Mn	Difference Mn	Growth
Revenue from contracts with customers	1,900	1,581	319	20%
Cost of sales	(1,708)	(1,349)	359	26%
Gross profit	192	232	(40)	(17%)
Operating profit	186	225	(39)	(17%)
Profit before tax	208	223	15	(6%)
Net profit attributable to shareholders	179	155	24	15%

I am pleased to mention that our turnover recorded an extraordinary increase of Rs 319 million over that of the previous year and managed to maintain a fairly good bottom line in the year under review.

GROUP FINANCIAL PERFORMANCE

Despite the ever-challenging economic and operational environment, ACL Plastics PLC performed very well; setting new sales and earnings records, ensuring 2020/21 to be another breakthrough year.

I am pleased to mention that our turnover recorded an extraordinary increase of Rs 319 million over that of the previous year and managed to maintain a fairly good bottom line in the year under review. Key result areas in group performance are indicated in the chart given above.

Continuing the past trend during the year under review, the Group has achieved a turnover over Rs. 1.9 billion. It is a 20% increase compared to the previous year. Group revenue mainly consists of the sales generated from our group companies throughout the year.

This turnover growth was evidence of the continuous product developments and the high-quality products we offer.

Almost all global economies experienced a rapid set back in their economic activities compared to the year before due to the Covid-19 pandemic. Almost half of the year was directly affected due to closure of borders globally, and health and safety concerns. This went on to affect the rest of the months during the year.

Along with the Sri Lankan rupee depreciating to 200 LKR/USD, this impacted heavily on our raw material imports. Restrictions in transfer of dollars and foreign trade credit terms led us to plan our imports more cautiously while managing to supply for the local demand. The group adapted by closely monitoring mechanisms to enhance our supply chain to be in par with such situations.

Inflation too created a considerable impact on operations due to increased consumer expenditure on essential needs and thereby reduced their disposable income. ACL Plastics PLC's Operations were found challenging due to these factors. Owing to these, the group recorded an increase in cost of sales by 26% compared to 2019/20. Ultimately, the growth in cost of sales affected negatively to gross profit and operating profit each by 17%.

Despite all these challenges, through continuously reviewing financial costs including import loans and over draft interest and due to the investment income received from Dollar FDs, ACL Plastics PLC was able to secure the bottom line and achieve a higher Profit before tax compared to the previous year.

The Group's current ratio is 4 times and Gearing ratio also has gone down from 6% to 4% due to the decrease in borrowings of the year.

WEALTH OF THE VALUED STAKEHOLDERS

We believe that successful stakeholder engagement is a driving force for the sustainable development of our company. We are happy to announce that, ACL Plastic PLC's shares increased its market value during the year, and recorded the earning per share of Rs. 42.56 as at March 31, 2021. The share price as of 31st March 2021 was at Rs. 254.50, while the share price for the same period in the previous year was Rs. 115.00.

Chairman's Statement

The company paid a dividend of Rs. 6 per share which is in par with the previous dividends distributed for the last financial year. We operate our company based on the Ethical Code of Business Conduct and we ensure that we effectively address the stakeholder expectations and maximize the stakeholder's wealth.

ENVIRONMENTAL CONCERN

ACL Plastics PLC is concerned about the environment in which we operate in. In order to warrant the maximum compliance on environmental protection, initiatives on conserving water, energy and reduction in solid waste are in place and are monitored regularly through audits by our staff.

ACL Plastics PLC factories practice the 5S, and KAIZEN methods to achieve operational excellence and advance our total quality in manufacturing facilities and working environments. The safe working conditions and safety equipment have been provided to ensure the safety of our people. Regular awareness programs on safety are carried out by experts in Health & Safety management.

OUR ACHIEVEMENTS

ACL Plastics PLC was awarded with ISO, QMS, EMS & OHS certifications. Achieving ISO 9001 and ISO 14001 is clear evidence of the quality of our products and the favourable environmental impact we have maintained throughout the years. Further, we are happy to announce that ACL Plastics PLC is the first ever company which achieved the ISO 14001:2015 in the Polymer sector.

FUTURE OUTLOOK

The management's strategy is focused on organic growth of the business. As such market development strategies are continuing to identify different market segments and specific customer groupings that are ideal customers for the company.

ACL Plastics PLC will continue product development strategies focused on improving existing products and innovating new products for the local and export markets which facilitate to keep the Company ahead of competition. Further, we dedicate to ensure the stakeholder wealth maximization and to maintain our market dominance.

APPRECIATIONS

In conclusion, I take this opportunity to extend my gratitude towards the Board of Directors for their outstanding leadership and guidance and would like to recognize the contribution made by our management team and employees for their commitment towards the company to achieve the strategic goals despite the challenges of a volatile environment.

I also take this opportunity to thank our valued customers for their continued patronage, our loyal suppliers for their continued support and all business partners, banks, and institutions for their continuous support. Finally, I would like to thank our valued shareholders who have steadfastly stood by us.

Thank you

U. G. Madanayake
Chairman

30th September, 2021

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). 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.

Board of Directors

Mr. Das Miriyagalla

Senior 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 and appointed as Senior Independent Non-Executive director of ACL Plastics PLC in May 2021.

Dr. Kamal Weerapperuma

Independent Non-Executive Director

Dr. Kamal Weerapperuma held positions of CEO/ Director of Delmege Forsyth Group, Central Industries 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 is a fellow of the Association of Chartered Certified Accountants (ACCA), UK and Associate Member of the Chartered Institute of Management Accountants (CIMA), UK and a Chartered Financial Analyst, USA. He obtained his Masters in Economics from the University of Colombo and won the Janashakthi Gold at the 2006 CIMA Pinnacle Awards. Mr. Casie Chitty was appointed a Director of ACL Cables PLC (Parent Company) in November 2005. He is Chief Operating Officer of Commercial Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC and Office Equipment PLC. He is a former president of ACCA Sri Lanka panel. He has over 20 years of experience in Senior Managerial positions in the private sector.

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 serve the needs of shareholders and other stakeholders. Good governance facilitates effective management and control of the business while maintaining a high level of business ethics and optimizing the value for all stakeholders. Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a healthy Board culture that 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 Chairman's Role

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

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

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

The main responsibilities of the Chairman are;

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

The Board of Directors

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable 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 the highest ethical and legal standards.
- Approval of the Annual and Interim Financial Statements before 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 9 to 10 of this annual report. The Board recognizes the need for a clear division of responsibilities in running the Company business. Accordingly, the positions of Chairman and Managing Director have been separated.

The Board Balance

The composition of the Executive and Non-Executive Directors in the Board satisfies the requirements laid down in the Listing Rules of the Colombo Stock Exchange. The Board consists of three Non-Executive Directors and two of them are Independent Non-Executive Directors. The Board has determined that the two independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.

Finance Acumen

The Board is constituted of members specialized in a multitude of disciplines and experience in corporate finance, Accounting, Management, Marketing, Economics, Law, Human resources, Corporate Governance, and Risk Management. Hence, they are able to provide constructive debate, scrutinize performance, and help develop Board strategy with a global perspective and outlook.

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 2020/2021 was as follows,

Name of Director / Committee member	Board (4 meetings)	Audit Committee (4 meetings)	Remuneration Committee (2 meeting)	Related Party Transactions Review Committee (4 meetings)
Executive Directors				
Mr. U. G Madanayake - Chairman	✓ ✓ - -	✓ ✓ ✓ -		✓ ✓ ✓ -
Mr. Suren Madanayake - Managing Director	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓		✓ ✓ ✓ ✓
Non - Executive Directors				
Mrs. N. C Madanayake	✓ ✓ - -			
Independent Non - Executive Directors				
Mr. Das Miriyagalla	✓ ✓ ✓ ✓			
Dr. Kamal Weerapperuma	✓ ✓ ✓ ✓			
Members of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee				
Mr. Ajit Jayaratne - Chairman of Committees		✓ ✓ ✓ ✓	✓ ✓	✓ ✓ ✓ ✓
Mr. Rajiv Casie Chitty - Member		✓ ✓ ✓ ✓	✓ ✓	✓ ✓ ✓ ✓

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

Re- Election of Directors

All Directors submit themselves for re-election at regular intervals as per the Articles of Association.

According to the Articles of Association Dr. D. G. Kamal Edger Weerapperuma retire by rotation and is required to stand for re-election by shareholders at the Annual General Meeting.

Nomination Committee

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

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

Accountability and Statutory Audit

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

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

The Report of the Directors is provided on pages 23 to 26 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 34 to 38. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 23 of this Annual Report.

Internal Controls

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 responsible for identifying, evaluating, and monitoring the risks facing the company and for deciding risk mitigation actions. 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 Company is given within the Risk Management section in the Annual Report. The objective of the Company's risk management process is to ensure the sustainable development of ACL Plastics PLC through the conduct of its business in a way that:

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

The Group's systems and procedures are designed to identify, manage and where practicable, reduce and mitigate effects of the risk of failure to achieve business objectives. They are not designed to eliminate such risk, recognizing that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

Remuneration Committee

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

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

Further details of the Remuneration Committee are given in their report on page 29.

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

Further details of the Audit Committee are given in their report on page 30.

Related Party Transactions Review Committee

The Related Party Transactions Review 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 by the Board of Directors.

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 - Member of the Committee

Further details of the Related Party Transactions Review Committee are given in their report on page 27 to 28.

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
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

Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.5	Remuneration Committee (RC)	A listed company shall have a RC.	✓	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee (RC)	• RC shall comprise of a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NED shall be appointed as the Chairman of the Committee.	✓ ✓	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of executive directors and CEO.	✓	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report Relating to Remuneration Committee (RC)	• Names of Directors comprising the RC. • Statement of Remuneration Policy • Aggregated remuneration paid to EDs and NEDs.	✓ ✓ ✓	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Corporate Governance
7.10.6 (a)	Composition of Audit Committee (AC)	• Audit Committee shall comprise a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NEID shall be appointed as the Chairman of the Committee. • MD and Chief Financial Officer shall attend AC meetings. • The Chairman of the AC or one member should be a member of a recognized professional accounting body.	✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.6(b)	Functions of Audit Committee (AC)	Overseeing of the – • Preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards. • Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. • Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. • Assessment of the independence and performance of the external auditors. • Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditor.	✓ ✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6 (c)	Disclosure in Annual Report Relating to Audit Committee (AC)	• Names of Directors comprising the AC. • The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination. • The AR shall contain a Report of the AC setting out the manner of compliance with their functions.	✓ ✓ ✓	Audit Committee Report
9	Related Party Transactions Review Committee (RPTRC)	The Company shall have a RPTRC.	✓	Corporate Governance

Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
9.2.1	Functions of Related Party Transactions Review Committee (RPTRC)	Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee" (the Committee) as required in terms of the provisions set out in Appendix 9A of these Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.2.2	Composition of Related Party Transactions Review Committee (RPTRC)	The Committee should comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee.	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.3.2	Related Party Transactions	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	✓	Corporate Governance and Directors Report

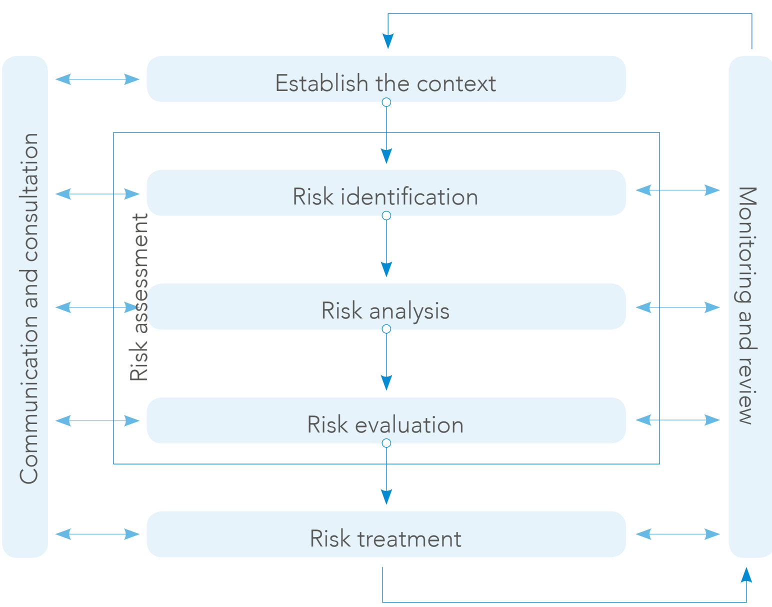
Risk Management

ACL Plastics PLC has given due consideration to its risk identification, assessment, and mitigating activities to be vital in maintaining sustainable growth and making steady progress towards the achievement of the corporate objectives. An effective risk management framework helps the company in its attempts to achieve the optimum trade-off between risks and return. The company is exposed to the Broad array of risks and which are based on the current external and internal factors.

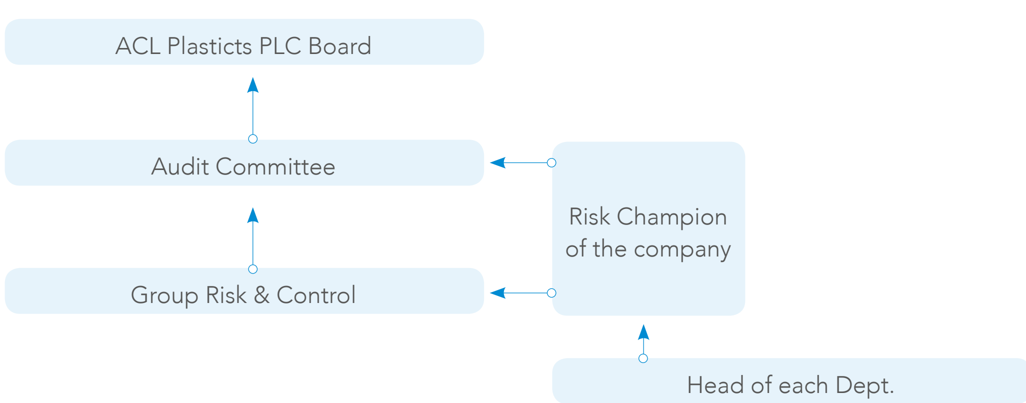
Our success is the ability to identify and exploit the opportunities that exist in the market that we operate in. In doing this, we proceed with an embedded approach to risk management which puts risk and opportunity assessment in the decision-making process at each level.

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

The Risk Management Process:



The Risk Management Reporting structure of the ACL Plastics PLC is as follows;



Risk Management

Risk Evaluation and Mapping

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

Risk Matrix

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

Likelihood

E Extreme H High S Significant M Moderate L Low

Managing Risks

Risk Exposure	Risk Description	Risk Mitigation actions
Liquidity Risk	Adverse impact on the liquidity position as a result of payment delays by debtors, long stock residence period, and early payment for creditors.	Conducting regular follow-ups on trade debts and continuous reviewing on working capital management Maintaining sufficient assets to offer as collateral for future funding requirements. Obtaining funding facilities to adequately manage liquidity position through several financial institutions. Minimized existing slow-moving, non-moving & excess stocks while strengthening inventory policy guidelines.
Interest Rate Risk	Potential increase in market interest rates have a negative impact on the profitability by way of borrowing cost	Constant negotiations with banks to obtain the best possible interest rate for Groups' borrowings and investments. Interest rate sensitivity analysis is done regularly to measure the potential impacts of rate variations

Risk Exposure	Risk Description	Risk Mitigation actions
Exchange Rate Risk	Increases in material cost as a result of adverse movement in the exchange rates Limitations on material imports due to inadequate LC facilities	Using financial risk management tools such as Forward Rate Booking and Hedging Purchasing imported materials from local market to minimize the impact of the negative movement of exchange rates. Diversified banking operations with new bankers to minimize dependency on existing banks.
Credit Risk	Potential losses arising due to customer defaults	Ensuring compliance over company credit policy guidelines Mitigating risk of export sales through credit letters and advance TT remittances. Diminished existing credit period of all customer categories to minimize credit exposure of the business Demarcate the areas of operations in the local market and constant monitoring the credit exposure level of distributors
Country Risk	The negative impact arising due to adverse economic factors such as Political, Economic, Social, Technological and Legal	Through analysis on PESTAL factors and continuous revisions in business planning to grab opportunities prevailing in the market. Mitigating prevailing risks through effective insurance management.
Human Resources Risk	The negative impact to the business due to loss of Key Executives and inability attract, develop and retain skill work force.	Maintain an employee evaluation scheme to reward employees who are performing well. Maintain healthy and cordial relationships with employees at all levels through joint consultative committees. Provide various employee benefits through the Welfare Society. Provide specific and general training wherever necessary. Conducting succession plaining procedures for key positions.
Technological Risk	Probability of technological changes adversely affecting the company performance	Develop a long-term plan to replace existing critical machines with technologically advanced machines. Obtain ISO certifications and accreditations from relevant authorities to ensure the ability to meet local and international requirements with the technology exist with the company
Health and Safety Risk	The likelihood that an individual may be harmed or suffers adverse health effects if exposed to a hazard	Conducting health and safety assessments to evaluate the adequacy of existing safety measures maintaining by the company Ensuring the effectiveness of health and safety measures through ISO and other certifications

Risk Management

Risk Exposure	Risk Description	Risk Mitigation actions
Operational Risk	Potential losses due to inadequate internal controls, failures of internal processes, people and systems as a result of natural and human activities. Disruptions for operational performance due to COVID- 19	Ensuring compliance over COVID-19 safety guidelines issue by the government of Sri Lanka Conducting risk base auditing practices across the group to minimize operational risk factors. Conducting control reviews on high-risk areas to assess the strength of the existing control system Monitoring compliance over regulatory and other requirements through compliance dashboards Conducting system control reviews as per the annual internal audit plan Continues improvements in operational procedures while maintaining requirements of ISO standards
Market Risk	Loss of market share or market leadership due to new entries and existing rivalry	Maintaining product leadership through continuous improvements in quality standards Strengthening 'ACL' brand through various brand development activities Continues monitoring of competitor and customer behavior while revising existing company strategies
Investment Risk	Value destroying in investments due to a possible difference between the actual return from that of the expected	Diversify the investment portfolio to minimize risks attached to investments
Information Technology	Failures in hardware and software's, human errors, spam, viruses and malicious attacks	Maintaining system performance through continuous version upgrades of ERP Maintaining data backups to minimize data losses in case of an emergency Enhancing system security levels regularly to minimize cybersecurity risk Maintaining vendor agreements for support services and system maintenance Revising IT policies and procedures to create value to the business
Environmental Risk	Probability of negative outcomes, non-compliances and reputational risk occurring as a result of business operations causing damage to the environment	Compliance with ISO 14001 environmental management guidelines. Annual renewal of environmental protection license for each site which is issuing by the Environmental Authority
Legal and Regulatory Compliance Risk	The potential negative impact to the business due to non-compliances with external regulatory requirements and internal policies & procedures	Maintaining compliance Dashboard to ensure timely compliance over regulatory requirements Conduct compliance assessment across the group every quarter

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 2021, 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 06)

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 08)

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 34 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 39 to 83 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 45 to 62. Where neccessory, the Accounting Policies adopted by the Company have been adjusted to comply with the new Sri Lanka Accounting Standards (SLFRSs / LKASs).

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 33.

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 2021 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 32 to the Financial Statements.

Statutory Payments

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

Report of the Directors

Financial Results & Appropriations

	31/03/2021 Rs.	31/03/2020 Rs.
Total turnover	1,900,004,892	1,580,780,286
Profit before taxation	208,244,624	223,004,590
Profit after taxation	179,288,899	155,765,177
Profit attributable to shareholders of ACL Plastics PLC	179,288,899	155,765,177
Unappropriated surplus brought forward		
from previous year	948,371,152	815,865,931
Transfer from revaluation reserve	3,737,672	3,281,859
Other adjustments	(823,014)	(1,266,815)
Surplus available for appropriation	1,130,574,709	973,646,152
Your Directors recommend:		
Dividends paid	(25,275,000)	(25,275,000)
Transfer to general reserve	-	-
Unappropriated surplus carried forward	1,105,299,709	948,371,152

Directors

Directors of the Company are listed on pages 09 to 10 and their respective shareholdings are given below.

	Number of shares 31.03.2021	% Holding	31.03.2020	% Holding
Mr. U. G. Madanayake	1	-	1	-
Mr. Suren Madanayake	20,801	0.49	20,801	0.49
Mrs. N. C. Madanayake	17,751	0.42	17,751	0.42
Mr. Das Miriyagalla	-	-		-
Dr. Kamal Weerapperuma	-	-	-	-

Interest Register

The Interest Register is maintained by the Company, as per the Companies Act No. 7 of 2007. All Directors have made declarations in accordance with the aforesaid Act. The Interest Register is available for inspection as required by the Companies Act.

Directors' Interest in Contracts

Directors' interests in contracts of the Company are disclosed in Note 31 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Retirement by Rotation

The Director retiring by rotation in terms of Article 85 will be Dr. Kamal Weerapperuma, who being eligible for re-election in terms of Article 86, of the Articles of Association of the Company is recommended for re-election.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 31 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on page 13 under the Corporate Governance section of the Annual Report.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of Rs. 6.00 per share was paid on 28th August 2020 to the shareholders of the Ordinary Shares for the financial year 2019/20.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 2,942,673/- , 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. 10,000/- (Group Amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets, market price per share and holding is given in the Information to Shareholders on page 84 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.

Related Party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard-LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. These disclosures also comply with the disclosure requirements of the section 9 of the listing rules. Those transactions disclosed by the Directors are given in Note 31 to the Financial Statements forming part of the Annual Report of the Board.

The directors confirm that section 9 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issues by the Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the Company and the Group with effect from 1st January 2016.

Related Party Transactions Committee Report is given on page 27

Recurrent related party transactions, the aggregate value of which exceeds 10% of the consolidated revenue are tabled below,

Name of the Related Party	Relationship	Nature of the Transaction	Value of the Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Group Revenue	Terms and Conditions of the Related Party Transactions
ACL Cables PLC	Parent company	Sale of goods	954,408,988	50%	ordinary course of business
Kelani Cables PLC	Affiliate	Sale of goods	865,590,062	46%	ordinary course of business

A detailed disclosure of related party transactions is given in note 31 to the financial statements.

There were no non-recurrent related party transactions which exceed 10% of the equity or 5% of the total asstes as per section 9 of the listing rules, during the year.

Employees and Industrial Relations

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability. There were no

Report of the Directors

material issues pertaining to employees and industrial relations in the year under review.

Corporate Governance

In management of the Company, the Directors have placed emphasis in conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced / improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on corporate governance is given on pages 12 to 18 of the Annual Report.

Compliance with Laws and Regulations

The Company has at all times ensured that it complied with the applicable laws and regulations including the listing rules of the Colombo Stock Exchange as a listed Company.

Appointment of Auditors

The Company's auditors during the 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. 746,799 and Rs.934,588 respectively.

Notice of Meeting

The Notice of the 30th Annual General Meeting is on page 88 of the Annual Report.

By Order of the Board

(Sgd.)

Corporate Affairs (Pvt) Ltd
Secretaries

30th September, 2021

Report of the Related Party Transactions Review Committee

Objective

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

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

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

Composition of the Related Party Review Committee

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

- Mr. Ajit Jayaratne – Chairman of the committee

  (Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty - Member

  (Independent Non-Executive Director)

Scope of the Committee

- The Committee reviews in advance all proposed related party transactions to ensure they are carried out on an arm's length basis.
- At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material changes in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.
- The Committee reviews related party transactions based on rules stipulated in the Code (rules 28 – 33 in the appendix to the Code) and the need for special approval from shareholders and disclosure requirements for such transactions.
- The Committee intends to meet as and when a need arises. However, at least quarterly meetings are scheduled to review related party transactions of the Company. The minutes of all meetings are properly documented and communicated to the Board of Directors.
- Members of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Role of the Committee

- Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.
- Review of related party transactions as required in terms of the provisions set out in Appendix 9A of CSE Rules, either prior to the transaction being entered into or if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- The Committee shall update the Board of Directors on the related party transactions of the Company on a quarterly basis.
- Where necessary, the Committee shall request the Board of Directors to approve the subject related party transactions. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant related party transaction.
- If a Director has a material personal interest in a matter being considered at a Directors' meeting to approve a related party transaction, such Director may not be present while the matter is being considered at the meeting or may not vote on the matter.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules. Such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.
- Obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain the shareholder approval.

Report of the Related Party Transactions Review Committee

- 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 concerning transactions, to be highlighted to the Board.

Committee Meetings

Four Committee meetings were held during the financial year 2020/2021. The Finance Division submitted a comprehensive report on related party transactions to the Committee.

Attendance of the members of the Committee for the said meetings is provided on page 13.

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 of the date of this Report.

(Sgd.)

Ajit Jayaratne

Chairman-Related Party Transactions Review Committee

30th September, 2021

Remuneration Committee Report

Role of the Remuneration Committee

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

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

Composition of the Remuneration Committee

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

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

Members of the Committee and the chairman of the Committee shall be appointed through a Board resolution. The Remuneration Committee formally met once for the year.

Functions of the Remuneration Committee

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

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

Members' attendance at meetings of the Remuneration Committee in 2020/2021 is set out in the table in the Corporate Governance Report.

Executive Directors

ACL Plastics PLC's remuneration policy for executive directors is designed to attract, retain and motivate them to ensure that the Group is managed successfully to the benefit of shareholders. To achieve this, a competitive package of incentives and rewards linked to performance is provided. The committee in arriving at its decision considered the performance of the individual, comparisons with peer companies and a group of companies, and reports from specializing consultants.

In setting remuneration levels, the Committee takes into consideration the remuneration practices found in other leading companies and also ensures that the remuneration arrangements for executive directors are compatible with those for executives throughout the Group.

Meetings and Attendance

The Committee met on two occasions in the 2020/21 financial year while complying with the SEC and CA Sri Lanka Corporate Governance guidelines. Members' attendance at these meetings is set out in the Corporate Governance Report. The Committee plans to meet at least bi-annually to review and give required recommendations to the Board on matters pertaining to remunerations of Directors and Key Executives of the company.

Conclusion

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

On behalf of the Committee

(Sgd.)
Ajit Jayaratne

Chairman of the Remuneration Committee

30th September, 2021

Audit Committee Report

Role of the Audit Committee

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

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

In the performance of its duties, the Committee has independent access to the services of Internal Audit and to the External Auditors, and may obtain outside professional advice as necessary.

Composition of the Audit Committee

The Audit Committee consists of the following two Independent Non-Executive Directors. Biographical details of whom are set out within the 'Profiles of the Directors' section.

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

Meetings and Attendance

The Committee met only four occasions in 2020/2021 timed duet to Covid-19 impact to coincide with the financial and reporting cycles of the Company. Members' attendance at these meetings is set out in the Corporate Governance Report. The Chairman, Managing Director, Group Financial Controller and Group Head of Risk & Control are invited to attend meetings whenever required as permanent invitees.

Financial Reporting

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2020/2021 published Financial Statements. For quarterly statements, the Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Interim Financial Statements.

External Auditors

The Audit Committee is responsible for the development, implementation and monitoring of the Company's policies on external audit. The policies, designed to maintain the objectivity and independence of the external auditors, regulate the appointment of former employees of the external audit firm to positions in the Group and set out the approach to be taken when using the external auditors for non-audit work.

As a general principle, the external auditors are excluded from consultancy work and cannot be engaged by ACL Plastics PLC for other non-audit work unless there are compelling reasons to do so. Any proposal to use the external auditors for non-audit work must be submitted to the Managing Director, via the Group Financial Controller and Group Head of Risk & Control, for approval prior to appointment.

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Plastics PLC, the re-appointment of Messrs. PricewaterhouseCoopers Chartered Accountants as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2020/2021 can be found in Note 8 to the financial statements.

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

Internal Control System

In 2020/2021 the Committee reviewed the effectiveness and efficiency of the Risk & Control team in terms of Internal Audit, Risk management, and other governance-related areas to assess the strength of the existing internal control and risk management systems.

On behalf of the Committee

(Sgd.)

Ajit Jayaratne
Chairman of the Audit Committee

30th September, 2021

Financial Information

FINANCIAL CALENDAR (2020/21)

01st Quarter Interim Financial Statements (30th June 2020 – Unaudited)	–	14th August 2020
02nd Quarter Interim Financial Statements (30th September 2020 – Unaudited)	–	16th November 2020
03rd Quarter Interim Financial Statements (31st December 2020 - Unaudited)	–	10th February 2021
04th Quarter Interim Financial Statements (31st March 2021 – Unaudited)	–	01th Jun 2021
Annual Report 2019/20	–	25th Aug 2020
29th Annual General Meeting	–	17th September 2020
Interim Dividends Proposed	–	29th July 2020
Interim Dividends Paid	–	28th Aug 2020

Directors' Responsibility for Financial Reporting

The Companies Act No.7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the financial statements and other statutory reports.

The Board accepts responsibility for the preparation and fair presentation of Financial Statements in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In discharging this responsibility, the Directors have instituted a system of internal financial controls and a system for monitoring its effectiveness. The system of controls provides reasonable and not absolute assurance of safeguarding of the Company's assets, maintenance of proper accounting records and the reliability of financial information.

The financial statements presented in the Annual Report for the year ended 31st March 2021, have been prepared based on the new Sri Lanka Accounting Standards (SLFRSs/LKASs) which came into effect for the financial periods commencing after 1st January 2012. The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the financial statements.

The Board of Directors confirm that the Company's and the Group's Consolidated Statements of Financial Position as at 31st March 2021 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2021 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 September, 2021.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30th September, 2021

Independent Auditor's Report

To the Shareholders of ACL Plastics PLC

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of ACL Plastics PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 March 2021, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

The financial statements of the Company and the consolidated financial statements of the Group, which comprise:

- the statement of financial position as at 31 March 2021;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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T U Jayasinghe FCA, H P V Lakdeva FCA, M D B Boyagoda ACA

Report on the audit of the financial statements (Contd.)

Key audit matters (Contd.)

The Company:

Key audit matter	How our audit addressed the Key audit matter
Valuation of freehold land and buildings (Refer Notes 2.8 and 14 in the consolidated financial statements for disclosure of related accounting policies and balances) The carrying value of the Company's freehold land and buildings as at 31 March 2021 was at a fair value of Rs 279.5 million. The Company recorded a gain on revaluation of Rs. 62.18 million for the year. The Company revalues its freehold land and buildings with sufficient regularity (at least once in every three years), to ensure that the carrying amounts do not differ materially from the fair values which would be determined using fair values at the reporting date. The Company engaged an external valuer to determine the fair value of its freehold land and buildings as at 31 March 2021. Freehold land and buildings are valued at market comparable and depreciated replacement cost methods respectively. We focused on this matter because of the: • Significance of the freehold land and building balances in the statement of financial position; • Quantum of revaluation gain recognised by the Company, that directly impact the other comprehensive income; and • Inherently subjective nature of freehold land and buildings valuations due to the use of estimates and judgements in the valuation methodology.	Our audit approach mainly included substantive audit procedures as follows: • assessed the experience, qualifications and independence of the external valuer; • checked the completeness and accuracy of the information provided to the valuer by management; • assessed the reasonableness of the land and building values considered by the valuer by comparing them to information publicly available of the property market considering factors such as location, access to main roads, size of the land extent and physical state of the buildings; • evaluated appropriateness of the valuation methodology adopted with methods used in general practice in the industry and assessed the reasonableness of the key assumptions used by the valuer; • inspected the final valuation reports and agreed the fair values to the accounting records and financial statements; and • checked the adequacy and appropriateness of management's disclosures in the financial statements. Based on our work performed, we found that the significant judgements and assumptions used to determine the fair values of freehold land and buildings as at 31 March 2021, to be appropriate.

Independent Auditor’s Report

To the Shareholders of ACL Plastics PLC (Contd.)

Report on the audit of the financial statements (Contd.)

Other information

Management is responsible for the other information. The other information comprises the information included in the ACL Plastics PLC’s Annual Report - 2020/21 but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the separate/ consolidated financial statements, management is responsible for assessing the Company’s/ Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor’s responsibilities for the audit of the financial statements (Contd.)

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s/ Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate/ consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company/ Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

To the Shareholders of ACL Plastics PLC (Contd.)

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CHARTERED ACCOUNTANTS

CA Sri Lanka membership number [2857]

COLOMBO

30th September, 2021

Statement of Profit or Loss

(all amounts in Sri Lanka Rupees)

Year ended 31st March	Note	Group Year ended 31 March 2021	Group Year ended 31 March 2020	Company Year ended 31 March 2021	Company Year ended 31 March 2020
Revenue from contracts with customers	6	1,900,004,892	1,580,780,286	1,900,004,892	1,580,780,286
Cost of sales	8	(1,707,765,865)	(1,349,272,049)	(1,707,765,865)	(1,349,272,049)
Gross profit		192,239,027	231,508,237	192,239,027	231,508,237
Other income	7	971,737	932,019	644,050	932,019
Administrative costs	8	(6,649,004)	(7,200,345)	(6,209,965)	(6,205,355)
Distribution costs		(347,303)	-	(347,303)	-
Operating profit		186,214,457	225,239,911	186,325,809	226,234,901
Finance income	10	28,403,793	8,175,186	26,449,051	5,940,186
Finance costs	10	(6,373,626)	(10,410,507)	(9,713,826)	(15,146,891)
Finance income - net	10	22,030,167	(2,235,321)	16,735,225	(9,206,705)
Profit before tax		208,244,624	223,004,590	203,061,034	217,028,196
Income tax expense	11	(28,955,725)	(67,239,413)	(27,684,939)	(65,208,945)
Profit for the year		179,288,899	155,765,177	175,376,095	151,819,251
Net profit attributable to shareholders of the Company		179,288,899	155,765,177	175,376,095	151,819,251
Basic / diluted earnings per share (Rs)	12	42.56	36.98	41.63	36.04
Dividend per share (Rs)	13	6.00	6.00	6.00	6.00

The notes on pages 45 to 83 form an integral part of these financial statements
Independent auditor's report - pages 34 - 38

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

Year ended 31st March	Note	Group Year ended 31 March		Company Year ended 31 March	
		2021	2020	2021	2020
Profit for the year		179,288,899	155,765,177	175,376,095	151,819,251
Other comprehensive income / (expense)					
Items that will not be reclassified to profit or loss					
Revaluation surplus on land and buildings	14	62,180,000	-	62,180,000	-
Deferred tax on revaluation surplus	25	(11,192,400)	-	(11,192,400)	-
Actuarial gain / (loss) on defined benefit obligation	24	1,003,676	(1,759,465)	1,003,676	(1,759,465)
Deferred tax on actuarial (gain) / loss	25	(180,662)	492,650	(180,662)	492,650
Deferred tax impact to the revaluation surplus on tax rate changes	25	17,529,186	-	17,529,186	-
Changes in the fair value of equity investments at fair value through other comprehensive income	17	26,591,736	(4,093,745)	26,591,736	(4,093,745)
Other comprehensive income / (expense) for the year, net of tax		95,931,535	(5,360,560)	95,931,535	(5,360,560)
Total comprehensive income for the year		275,220,434	150,404,618	271,307,630	146,458,692

The notes on pages 45 to 83 form an integral part of these financial statements
Independent auditor's report - pages 34 - 38

Statement of Financial Position

(all amounts in Sri Lanka Rupees)

	Note	Group As at 31 March		Company As at 31 March	
		2021	2020	2021	2020
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	329,862,202	280,958,118	329,862,202	280,958,118
Right-of-use assets	15.1	1,598,619	1,620,819	1,598,619	1,620,819
Investment in subsidiary	16	-	-	10,000,010	10,000,010
Financial assets at fair value through other comprehensive income (FVOCI)	17.3	43,383,934	16,792,198	43,383,934	16,792,198
Total Non-Current Assets		374,844,755	299,371,135	384,844,765	309,371,145
Current Assets					
Inventories	19	308,407,996	237,319,917	308,407,996	237,319,917
Trade and other receivables	20	927,521,150	896,441,034	883,566,417	871,441,043
Cash and cash equivalents	22	446,311,043	80,069,471	443,081,136	62,593,439
Total Current Assets		1,682,240,189	1,213,830,422	1,635,055,549	1,171,354,399
Total Assets		2,057,084,944	1,513,201,557	2,019,900,314	1,480,725,544
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated capital	27	79,974,555	79,974,555	79,974,555	79,974,555
Revaluation surplus	28	190,989,256	126,210,142	190,989,256	126,210,142
Revenue reserve	29.1	170,000,000	170,000,000	170,000,000	170,000,000
Financial assets at FVOCI reserve	29.2	30,085,978	3,494,242	30,085,978	3,494,242
Retained earnings		1,106,945,735	948,371,151	1,041,809,788	887,148,008
Total Equity		1,577,995,524	1,328,050,090	1,512,859,577	1,266,826,947
Non-Current Liabilities					
Defined benefit obligations	24	17,432,937	18,213,151	17,432,937	18,213,151
Deferred tax liability	25	51,943,962	68,795,156	51,943,963	68,795,156
Total Non-Current Liabilities		69,376,899	87,008,307	69,376,900	87,008,307
Current Liabilities					
Trade and other payables	23	327,519,924	42,064,545	384,293,927	98,546,861
Bank Over draft	22	39,176,442	-	39,176,441	-
Income tax payable	21	43,016,155	56,078,615	14,193,469	28,343,429
Total Current Liabilities		409,712,521	98,143,160	437,663,837	126,890,290
Total Liabilities		479,089,420	185,151,467	507,040,737	213,898,597
Total Equity and Liabilities		2,057,084,944	1,513,201,557	2,019,900,314	1,480,725,544

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board of Directors on 30th September 2021.

U. G. Madanayake
Chairman

Suren Madanayake
Managing Director

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

Nishantha Weerakoon
Group Chief Financial Officer

The notes on pages 45 to 83 form an integral part of these financial statements
Independent auditor's report - pages 34 - 38

Statement of Changes in Equity - Group

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Financial assets at FVOCI reserve	Retained earnings	Total
Balance at 1 April 2019		79,974,555	170,000,000	129,491,999	7,587,987	815,865,931	1,202,920,472
Profit for the year		-	-	-	-	155,765,177	155,765,177
Actuarial loss on defined benefit obligation	24	-	-	-	-	(1,759,465)	(1,759,465)
Deferred tax on actuarial loss	25	-	-	-	-	492,650	492,650
Changes in the fair value of equity investments at FVOCI	17	-	-	-	(4,093,745)	-	(4,093,745)
Total comprehensive income		-	-	-	(4,093,745)	154,498,363	150,404,618
Depreciation transfer - gross	28	-	-	(4,558,136)	-	4,558,136	-
Deferred tax on transfer	28	-	-	1,276,278	-	(1,276,278)	-
Dividend paid	13	-	-	-	-	(25,275,000)	(25,275,000)
Balance at 31 March 2020		79,974,555	170,000,000	126,210,142	3,494,242	948,371,151	1,328,050,090
Balance at 1 April 2020		79,974,555	170,000,000	126,210,142	3,494,242	948,371,151	1,328,050,090
Profit for the year		-	-	-	-	179,288,899	179,288,899
Revaluation surplus		-	-	62,180,000	-	-	62,180,000
Deferred tax on revaluation		-	-	(11,192,400)	-	-	(11,192,400)
Actuarial gain on defined benefit obligation	24	-	-	-	-	1,003,676	1,003,676
Deferred tax on actuarial loss	25	-	-	-	-	(180,662)	(180,662)
Deferred tax impact to the revaluation surplus on tax rate changes	25			17,529,186			17,529,186
Changes in the fair value of equity investments at FVOCI	17	-	-	-	26,591,736	-	26,591,735
Total comprehensive income		-	-	68,516,786	26,591,736	180,111,913	275,220,434
Depreciation transfer - gross	28	-	-	(4,558,136)	-	4,558,136	-
Deferred tax on transfer	28	-	-	820,464	-	(820,464)	-
Dividend paid	13	-	-	-	-	(25,275,000)	(25,275,000)
Balance at 31 March 2021		79,974,555	170,000,000	190,989,256	30,085,978	1,106,945,735	1,577,995,524

The notes on pages 45 to 83 form an integral part of these financial statements
Independent auditor's report - pages 34 - 38

Statement of Changes in Equity - Company

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Financial assets at FVOCI reserve	Retained earnings	Total
Balance at 1 April 2019		79,974,555	170,000,000	129,491,999	7,587,987	758,588,714	1,145,643,255
Profit for the year		-	-	-	-	151,819,251	151,819,251
Actuarial loss on defined benefit obligation	24	-	-	-	-	(1,759,465)	(1,759,465)
Deferred tax on actuarial loss	25	-	-	-	-	492,650	492,650
Changes in the fair value of equity investments at FVOCI	17	-	-	-	(4,093,745)	-	(4,093,745)
Total comprehensive income		-	-	-	(4,093,745)	150,552,437	146,458,692
Depreciation transfer - gross	28	-	-	(4,558,136)	-	4,558,136	-
Deferred tax on transfer	28	-	-	1,276,278	-	(1,276,278)	-
Dividend paid	13	-	-	-	-	(25,275,000)	(25,275,000)
Balance at 31 March 2020		79,974,555	170,000,000	126,210,142	3,494,242	887,148,008	1,266,826,947
Balance at 1 April 2020		79,974,555	170,000,000	126,210,142	3,494,242	887,148,008	1,266,826,947
Profit for the year		-	-	-	-	175,376,095	175,376,095
Revaluation surplus		-	-	62,180,000	-	-	62,180,000
Deferred tax on revaluation		-	-	(11,192,400)	-	-	(11,192,400)
Actuarial gain on defined benefit obligation	24	-	-	-	-	1,003,676	1,003,676
Deferred tax on actuarial loss	25	-	-	-	-	(180,662)	(180,662)
Deferred tax impact to the revaluation surplus on tax rate changes	25			17,529,186			17,529,185
Changes in the fair value of equity investments at FVOCI	17	-	-	-	26,591,736	-	26,591,736
Total comprehensive income		-	-	68,516,786	26,591,736	176,199,109	271,307,630
Depreciation transfer - gross	28	-	-	(4,558,136)	-	4,558,136	-
Deferred tax on transfer	28	-	-	820,464	-	(820,464)	-
Dividend paid	13	-	-	-	-	(25,275,000)	(25,275,000)
Balance at 31 March 2021		79,974,555	170,000,000	190,989,256	30,085,978	1,041,809,788	1,512,859,577

The notes on pages 45 to 83 form an integral part of these financial statements
Independent auditor's report - pages 34 - 38

Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

	Note	Group Year ended 31 March		Company Year ended 31 March	
		2021	2020	2021	2020
Operating activities					
Cash generated from / (used in) operations	30	224,031,029	(89,373,077)	243,388,810	(83,568,087)
Interest paid	10	(6,373,626)	(10,410,507)	(9,713,826)	(15,146,891)
Gratuity paid	24	(2,817,484)	(60,254)	(2,817,484)	(60,254)
Income tax paid	21	(52,713,254)	(33,262,794)	(52,529,968)	(33,262,794)
Net cash generated from / (used in) operating activities		162,126,665	(133,106,632)	178,327,532	(132,038,027)
Investing activities					
Interest received	10	10,199,023	2,235,000	8,244,281	-
Payments for property, plant and equipment	14	(2,942,673)	(21,508,023)	(2,942,673)	(21,508,023)
Dividend received	7	644,050	932,019	644,050	932,019
Net cash generated from / (used in) investing activities		7,900,400	(18,341,004)	5,945,658	(20,576,005)
Financing activities					
Dividend paid	13	(25,275,000)	(25,275,000)	(25,275,000)	(25,275,000)
Proceed from import loans		1,132,872,894	1,096,106,487	1,132,872,894	1,096,106,487
Repayments of import loans		(950,559,829)	(1,084,626,868)	(950,559,829)	(1,084,626,868)
Net cash generated from / (used in) financing activities		157,038,065	(13,795,382)	157,038,065	(13,795,382)
Increase / (decrease) in cash and cash equivalents		327,065,130	(165,243,017)	341,311,255	(166,409,415)
Movement in cash and cash equivalents					
At the beginning of the year		80,069,471	245,312,487	62,593,439	229,002,854
Increase / (decrease)		327,065,130	(165,243,017)	341,311,255	(166,409,415)
At the end of the year	22	407,134,601	80,069,471	403,904,694	62,593,439

The notes on pages 45 to 83 form an integral part of these financial statements

Independent auditor's report - pages 34 - 38

Notes to the Financial Statements

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 which was incorporated in 2005, is the wholly owned subsidiary of ACL Plastics PLC and the principal activity of which is manufacturing of various kinds of PVC compounds. The registered office and principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

2 Basis of preparation and Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation and statement of compliance.

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (SLFRSs), Sri Lanka Accounting Standards (LKASs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka; and comply with the requirements of the Companies Act, No.07 of 2007 and the listing rules of the CSE.These financial statements have been prepared under the historical cost convention except for financial assets & liabilities measured at fair values and land & buildings at revalued amounts. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 4 to the financial statements.

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Group's financial statements have been adopted by the Group (a) new standards and amendments that are effective for the first time for periods commencing on or after 01 April 2020 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 01 April 2021.

(a) New standards and amendments applicable from 01 April 2020

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2020:

i) Definition of Material – Amendments to LKAS 1 and LKAS 8

ii) Revised Conceptual Framework for Financial Reporting

The Group has changed its accounting policy and the new standard listed above did not have any impact on the amounts recognised in the prior periods and are not expected to significantly affect the current or future periods.

(i) Definition of Material – Amendments to LKAS 1 and LKAS 8

The amendments to LKAS 1 Presentation of Financial Statements and LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Sri Lanka Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in LKAS 1 about immaterial information.

In particular, the amendments clarify:

a) that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and;

b) the meaning of 'primary users of general-purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

This amendment is effective for the annual periods beginning on or after 1 April 2020.

(ii) Revised Conceptual Framework for Financial Reporting

The revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

a) increasing the prominence of stewardship in the objective of financial reporting

b) reinstating prudence as a component of neutrality

c) defining a reporting entity, which may be a legal entity, or a portion of an entity

d) revising the definitions of an asset and a liability

e) removing the probability threshold for recognition and adding guidance on derecognition

f) adding guidance on different measurement basis, and

g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

This amendment is effective for the annual periods beginning on or after 1 April 2020.

(b) **New accounting standards, amendments and interpretations issued but not yet adopted**

Following amendments to Sri Lanka Accounting Standards issued not yet effective as at the reporting date have not been applied in preparing the Consolidated Financial Statements. The Group plans to apply these amendments to the standards from their effective dates. These standards are not expected to have a material impact on the on the Company and the Group in the current or future reporting periods and on foreseeable future transactions.

(i) Property, Plant and Equipment: Proceeds before intended use – Amendments to LKAS 16

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

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

(ii) Onerous Contracts – Cost of Fulfilling a Contract Amendments to LKAS 37

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

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

(iii) Annual Improvements to SLFRS Standards 2018–2020

Annual improvements to following SLFRSs effective for accounting periods beginning on or after 1 January 2022;

SLFRS 9, 'Financial Instruments

- clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

SLFRS 1, 'First-time Adoption of International Financial Reporting Standards

- allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same SLFRS 1 exemption.

(vi) Classification of Liabilities as Currentor Non-Current - Amendements to IAS

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

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

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

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

2.2 Principles of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard - SLFRS 10 on '' Consolidated Financial Statements". Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to minority shareholders with non - controlling interest.

Subsidiaries

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 acquire 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 acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquirer's identifiable net assets.

Transaction costs are expensed as incurred. The consideration transferred does not include amounts related to the settlement of pre existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Inter-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Financial Statements

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('The functional currency'). The consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'Finance income or cost'.

2.4 Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred. However, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets that take a substantial period of time to get ready for its intended use or sale, are capitalized as part of the respective assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2.5 Taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations.

2.6 Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and the carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

2.7 Investments and other financial assets

2.7.1 Classification

"The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and

- those to be measured at amortised cost."

"This classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2.7.2 Recognition and derecognition

"Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

2.7.3 Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.7.4 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows;

(a) **Debt Instruments at amortized cost**

The Company measures financial assets at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recongised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes bank balances and short term deposits under current financial assets.

(b) **Financial assets classified under fair value through Other Comprehensive Income**

Financial assets at fair value through other comprehensive income (FVOCI) only includes the equity instruments, which the Company intends to hold for the foreseeable future and which the Company has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognised to profit or loss.

2.7.5 Impairment

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Property, plant and equipment

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 on property, plant and equipment. Initially property, plant and equipment are measured at cost excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted tor as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings. Buildings are depreciated and land are not depreciated due to the infinite nature of the useful life time. All other property plant and equipment are measured at cost model.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

2.8.1 Depreciation

Depreciation is calculated on a straight line basis over the useful lives of the assets using the following rates.

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
Tools and implements	4
Laboratory equipment	10 - 28

2.9 Intangible assets

Basis of Recognition

An intangible asset is recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 4 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These directly attributable costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 2 years.

Costs relating to development of software are carried in capital work in progress until the software is available for use.

Other development expenditures that do not meet the relevant criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Currently the Groups' computer software were fully amortised.

2.10 Impairment of non financial assets

The Group assesses at each

reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

For goodwill, recoverable amount is estimated at each balance sheet date or as and when an indication of impairment is identified.

Impairment losses are recognised in respect of subsidiaries acquired, are allocated first to reduce the carrying amount of any goodwill allocated to the entity and then to reduce the carrying amount of the other assets in the entity on a pro rata basis. Impairment losses are recognised in the income statement.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks other short term highly liquid investments with original maturities of three months or less. For the purpose of cash flow statement, cash and cash equivalents includes, cash in hand and investments with original maturities of three months or less net of outstanding bank overdrafts.

2.12 Investments in subsidiaries in separate Financial statements

In the Company's financial statements, investments in subsidiaries have been accounted for at cost, net of any impairment losses which are charged to the income statement. Income from these investments is recognised only to the extent of dividends received.

2.13 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Group applies the simplified approach permitted by SLFRS 09, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. However, no any impairment losses were identified in the current financial year as well as previous financial years.

2.15 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Interest bearing loans

Interest bearing loans are recognised initially at fair value, net of transaction costs incurred. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

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.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognised as an interest expense.

2.18 Defined benefit plans - gratuity

All the employees of the Group are eligible for gratuity under the Gratuity Act No. 12 of 1983. The Group measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit Method. The actuarial valuation involves making assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Accordingly, the employee benefit liability is based on the actuarial valuation carried out by Messrs Actuarial and Management Consultants (Pvt) Ltd.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to comprehensive income in the year in which they arise.

Past service costs are recognised immediately in income, unless the change to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case the past service costs are amortised on straight line basis over the vesting period.

The liability is not externally funded.

2.19 Defined contribution plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contribution and Employees Trust Fund contribution in line with respective statutes and regulations. The company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.20 Provisions, contingent assets and contingent liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

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

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

2.21 Revenue recognition

"Revenue from contracts with customers", establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. sales taxes) and variable consideration (e.g. discounts and rebates). As the number of products returned has been less for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Credit term provided for the Internal customers and external customers are on average 90 days & 60 days respectively from the sale of goods.

2.22 Other income

Interest income is recognised on an accrual basis. Dividend income is recognised when the shareholder's right to receive the payment is established.

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in the income statement, 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.

2.23 Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

2.24 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.25 Comparatives

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

2.26 Segment reporting

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. However, no reportable segments as only the Company is engaged with manufacturing process (PVC Compounds) and subsidiary transactions are not material to the Group.

Notes to the Financial Statements

2.27 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.

2.28 Statement of cash flows

The statement of cash flows is prepared using the indirect method as stipulated in LKAS 7 Statement of Cash Flows. Cash and cash equivalents for the purpose of statement of cash flows comprise cash in hand, balances at banks, short term deposits with a maturity of three months or less net of outstanding bank overdrafts, if any.

2.29 Directors' responsibilities statement

Directors acknowledge the responsibilities for the true and fair presentation of the financial statements in accordance with the books of accounts and the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007.

2.30 Materiality and aggregation

Each material class of similar items is presented separately. Items of dissimilar nature of function are presented Separately unless they are immaterial.

3 Financial risk management

3.1 Financial risk factors

The Board of Directors of the 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 Company's exposure to interest rate fluctuations and exchange rate fluctuations in the market. Based on the economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

The 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 Company's operations. The Company has various financial assets such as trade and other receivables, other investments, loans and cash balances, which arise directly and indirectly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's profit or equity. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

(i) Foreign exchange risk

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Sri Lanka Rupees, was as follows:

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Trade Payables - USD	(23,635,160)	(47,504,358)	(23,635,160)	(47,504,358)
Bank balances - USD	442,930,135	5,773,335	442,930,135	5,773,335
	419,294,975	(41,731,024)	419,294,975	(41,731,024)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Net foreign exchange gain/(loss) included in finance cost	18,204,770	5,940,186	18,204,770	5,940,186
Total net foreign exchange (losses) recognised in profit before income tax for the period	18,204,770	5,940,186	18,204,770	5,940,186

The group exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The risk is measured through a forecast of highly probable US dollar expenditures.

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/LKR exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial assets and liabilities. The following table demonstrates the sensitivity of the cumulative changes in fair value of the assets and liabilities denominated in currencies other than Sri Lankan rupees to reasonably possible changes in exchange rates, with all other variables held constant. The effect of decreases in exchange rates is expected to be equal and opposite to the effect of the increase shown.

	Impact on post - tax profit			
	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
USD/LKR exchange rate – increase 5% (2020 – 5%)	20,964,749	(2,086,551)	20,964,749	(2,086,551)
USD/LKR exchange rate – decrease 5% (2020 – 5%)	(20,964,749)	2,086,551	(20,964,749)	2,086,551

Profit is more sensitive to movements in the LKR/ USD exchange rates in 2021 than 2020 because of the increased amount of US dollar denominated bank balances compared to the borrowings . No any other exposures to foreign exchange movements.

(ii) Interest rate risk

The group's main interest rate risk arises from short term borrowings with variable rates, which expose the group to cash flow interest rate risk. During 2021 and 2020, the group's borrowings at variable rate were denominated in Sri Lanka Rupees.

The group's borrowings and receivables are carried at amortised cost.

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Interest rate – increase 5% (2020 – 5%)	9,115,653	1,685,166	9,115,653	1,685,166
Interest rate – decrease 5% (2020 – 5%)	(9,115,653)	(1,685,166)	(9,115,653)	(1,685,166)

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Variable rate borrowings	(239,313,065)	(33,748,416)	(182,313,065)	(90,748,416)

Variable rate borrowings are consists of import loans and loans from subsidiary. Import loans have short term maturity of less than 6 months and subsidiary loans are granted on the terms of "payable on demand".

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 Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions. Please refer note 17 for exposure.

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.

	Change in equity price	Effect on other comprehensive income	Effect on equity
		Rs.	Rs.
Group			
31 March 2021 Quoted shares – (Colombo Stock Exchange)	10%	4,338,393	4,338,393
31 March 2020 Quoted shares – (Colombo Stock Exchange)	10%	1,679,220	1,679,220

	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
Company			
31 March 2021 Quoted shares – (Colombo Stock Exchange)	10%	4,338,393	4,338,393
31 March 2020 Quoted shares – (Colombo Stock Exchange)	10%	1,679,220	1,679,220

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

(b) Liquidity risk

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

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

Analysis of financial liabilities by remaining contractual maturities:

Group

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables					
(excluding statutory liabilities)	327,010,758	-	-	-	327,010,758
Total financial liabilities	327,010,758	-	-	-	327,010,758

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables					
(excluding statutory liabilities)	41,446,988	-	-	-	41,446,988
Total financial liabilities	41,446,988	-	-	-	41,446,988

Company

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables					
(excluding statutory liabilities)	383,784,760	-	-	-	383,784,760
Total financial liabilities	383,784,760	-	-	-	383,784,760

Notes to the Financial Statements

At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade and other payables					
(excluding statutory liabilities)	6,462,065	-	-	-	6,462,065
Total financial liabilities	6,462,065	-	-	-	6,462,065

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A(lka)' are accepted.

If customers are independently rated, these ratings are used. Otherwise, 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 compliance with credit limits by customers is regularly monitored by line management.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group has trade receivables for sales of inventory that are subject to the expected credit loss model. Cash and cash equivalents are also subject to the impairment requirements of SLFRS 9, the identified impairment loss was immaterial.

Trade receivables

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 March 2021 or 1 April 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 March 2021 and 31 March 2020 was determined to be nil for trade receivables.

3.2 Capital risk management

Capital comprises of equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2021.

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

As at 31 March 2021 and 31 March 2020, the Group and the Company operated as non geared.

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 Company's assets and liabilities that are measured at fair value.

As at 31 March 2021	Level 1	Total balance
Group		
Assets		
Financial assets at fair value through other comprehensive income	43,383,934	43,383,934
	43,383,934	43,383,934
Company		
Assets		
Financial assets at fair value through other comprehensive income	43,383,934	43,383,934
	43,383,934	43,383,934

As at 31 March 2020	Level 2	Total balance
Group		
Assets		
Financial assets at fair value through other comprehensive income	16,792,198	16,792,198
	16,792,198	16,792,198
Company		
Assets		
Financial assets at fair value through other comprehensive income	16,792,198	16,792,198
	16,792,198	16,792,198

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

Last trading prices were considered as level 2 inputs due to un-availability of an active and orderly market at year end due to the Covid-19 pandemic.

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 Company determines the appropriate discount rate at the end of each year as explained in the accounting policies note 2.12. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note 24.

(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 Company's current best estimate.

(e) Fair value of financial instruments

'The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions. During the current financial year, last trading prices were considered as level 2 inputs due to unavailability of an active and orderly market at year end due to the Covid-19 pandemic.

(f) Deferred tax assets

'Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(g) Income tax

The Group is subject to income taxes and other taxes. Significant judgement was required to determine the total provision for current, deferred and other taxes.

(h) Useful life-time of the property, plant and equipment

The Group reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Judgement of the management estimates these values, rates, methods and hence they are subject to uncertainty.

(i) Impairment of assets

The Group recognises loss allowances for financial assets measured at amortised cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information. The majority of the trade receivables are from related parties with strong financial positions which do not require a loss allowance.

(j) Fair value of property, plant and equipment

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

(k) Useful life-time of the intangible assets

Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 4 years.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 2 years.

(l) Net realisable value of inventory items

When assessing the net realisable value of inventory items company has used estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Impact of COVID-19 (Coronavirus) pandemic

The COVID-19 outbreak has developed rapidly in 2021, with a significant number of infections. As at 31 December 2020 no infections were reported in Sri Lanka but by mid March 2021 number of cases were reported in Sri Lanka. Measures taken by the Sri Lankan government to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of the COVID-19 virus, such as safety and health measures for our people (such as social distancing and working from home). The impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. As we operate in manufacturing, dealing and marketing of PVC compound utilised inter alia for the sheathing and insulation of electric cables, we have found no significant change in demand for our services considering the post pandemic situation in in Sri Lanka. We expect this to continue at least until end of 2021. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. Accordingly, no significant events have occurred which would require adjustments to, or disclosure in the financial statements other than the matters disclosed above in critical accounting estimates and assumptions.

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 from contracts with customers

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Local sales from contracts with customers	1,900,004,892	1,580,780,286	1,900,004,892	1,580,780,286
Net revenue	1,900,004,892	1,580,780,286	1,900,004,892	1,580,780,286

7 Other income

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Dividend income	971,737	932,019	644,050	932,019
	971,737	932,019	644,050	932,019

8 Expenses by nature

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Directors' emoluments (Note 31.6 (e)]	660,000	510,000	660,000	510,000
Auditor's remuneration	934,588	933,960	746,799	540,000
Depreciation (Note 14)	16,218,589	15,541,634	16,218,589	15,541,634
Staff costs (Note 9)	67,957,714	69,830,065	67,957,714	69,830,065
Raw material consumption	1,583,641,403	1,223,169,698	1,583,641,403	1,223,169,698
Distribution costs	347,303	-	347,303	-
Other costs	45,002,575	46,487,039	44,751,325	45,886,009
Total cost of sales, administrative costs and distribution costs	1,714,762,172	1,356,472,395	1,714,323,133	1,355,477,405

Other costs mainly consist of electricity expenses amounting to Rs. 25,446,082 (2020 - Rs. 24,730,630), repairs and maintenance expenses amounting to Rs. 6,274,181 (2020 - Rs. 9,592,162) for both Group and Company.

Notes to the Financial Statements

9 Staff costs

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Wages and salaries	50,826,742	51,247,636	50,826,742	51,247,636
Defined contribution plan	4,149,507	3,802,052	4,149,507	3,802,052
Defined benefit plan (Note 24)	2,037,271	4,366,732	2,037,271	4,366,732
Other staff costs	10,944,193	10,413,644	10,944,193	10,413,644
	67,957,714	69,830,065	67,957,714	69,830,065
Average number of employees during the year	55	52	55	52

Group other staff costs mainly include bonus cost amounting to Rs 5,207,885 (2020 -Rs 3,701,273) and staff welfare expenses amounting to Rs 3,673,791 (2020 - Rs 4,403,597).

10 Finance costs- net

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Finance income :				
Interest income	10,199,023	2,235,000	8,244,281	-
Exchange gain	18,204,770	5,940,186	18,204,770	5,940,186
	28,403,793	8,175,186	26,449,051	5,940,186
Finance costs :				
Interest expense	(6,373,626)	(10,410,507)	(9,713,826)	(15,146,891)
	(6,373,626)	(10,410,507)	(9,713,826)	(15,146,891)
Net finance cost	22,030,167	(2,235,321)	16,735,225	(9,206,705)

The Company's exchange gain was previously presented under the finance costs. However, management considers it to be more relevant if exchange gain is presented in the finance income. Accordingly, prior year comparatives as at 31st March 2020 have been restated by reclassifying Rs.5,940,186 from finance cost to finance income.

11 Income tax

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Current tax	39,650,794	65,319,353	38,380,008	65,245,765
Deferred tax (release) / charge	(10,695,068)	1,920,060	(10,695,069)	(36,820)
	28,955,725	67,239,413	27,684,939	65,208,945

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

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Profit before tax	208,244,624	223,004,590	203,061,034	217,028,196
Consolidation adjustments	(5,183,590)	(5,976,394)	-	-
	203,061,034	217,028,196	203,061,034	217,028,196
Tax calculated at effective tax rate of 18% (28% - 2020)	36,550,986	60,767,895	36,550,986	60,767,895
Tax effect of income not subject to tax	(1,623,660)	260,965	(1,599,900)	260,965
Tax effect of expenses not deductible	4,723,469	4,290,493	3,428,923	4,216,905
Deferred tax charge / (release)	(10,695,068)	1,920,060	(10,695,068)	(36,820)
Tax charge	28,955,725	67,239,413	27,684,939	65,208,945

12 Earnings per share

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

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Net profit attributable to shareholders	179,288,899	155,765,177	175,376,095	151,819,251
Weighted average number of ordinary shares in issue (Note 30)	4,212,500	4,212,500	4,212,500	4,212,500
Basic earnings per share	42.56	36.98	41.63	36.04

13 Dividend per share

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Interim dividend paid	25,275,000	25,275,000	25,275,000	25,275,000
	25,275,000	25,275,000	25,275,000	25,275,000
Number of ordinary shares in issue (Note 30)	4,212,500	4,212,500	4,212,500	4,212,500
Dividend per share	6.00	6.00	6.00	6.00

Notes to the Financial Statements

14 Property, plant and equipment - Group

(a)	Land and buildings	Plant machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
At 1 April 2019						
Cost / valuation	231,000,000	203,176,411	19,188,235	3,102,381	21,110,426	477,577,452
Accumulated depreciation	(4,560,000)	(160,742,125)	(14,747,893)	(2,388,943)	(20,146,762)	(202,585,723)
Net book amount	226,440,000	42,434,286	4,440,341	713,437	963,664	274,991,729
Year ended 31 March 2020						
Opening net book amount	226,440,000	42,434,286	4,440,341	713,437	963,664	274,991,729
Additions	-	11,060,679	8,694,478	352,866	1,400,000	21,508,023
Depreciation charge (Note 8)	(4,560,000)	(8,739,583)	(1,007,028)	(127,904)	(1,107,119)	(15,541,634)
Closing net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
At 31 March 2020						
Cost / valuation	221,880,000	233,513,158	27,882,712	3,455,247	22,510,427	509,241,544
Accumulated depreciation	-	(188,757,776)	(15,754,922)	(2,516,848)	(21,253,881)	(228,283,425)
Net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
Year ended 31 March 2021						
Opening net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
Additions	-	2,418,386	197,800	326,487	-	2,942,673
Revaluation surplus	62,180,000	-	-	-	-	62,180,000
Depreciation charge (Note 8)	(4,560,000)	(9,416,225)	(1,804,772)	(157,594)	(279,998)	(16,218,589)
Closing net book amount	279,500,000	37,757,543	10,520,818	1,107,292	976,548	329,862,202
At 31 March 2021						
Cost / valuation	279,500,000	255,207,612	28,080,512	3,781,734	22,510,427	589,080,286
Accumulated depreciation	-	(217,450,069)	(17,559,694)	(2,674,442)	(21,533,879)	(259,218,084)
Net book amount	279,500,000	37,757,543	10,520,818	1,107,292	976,548	329,862,202

14 Property, plant and equipment - Company

(a)	Land and buildings	Plant machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
At 1 April 2019						
Cost / valuation	231,000,000	145,348,208	19,188,234	3,102,380	21,110,426	419,749,248
Accumulated depreciation	(4,560,000)	(102,913,922)	(14,747,893)	(2,388,943)	(20,146,762)	(144,757,520)
Net book amount	226,440,000	42,434,286	4,440,341	713,437	963,664	274,991,729
Year ended 31 March 2020						
Opening net book amount	226,440,000	42,434,286	4,440,341	713,437	963,664	274,991,729
Additions	-	11,060,679	8,694,478	352,866	1,400,000	21,508,023
Depreciation charge (Note 8)	(4,560,000)	(8,739,583)	(1,007,028)	(127,904)	(1,107,119)	(15,541,634)
Closing net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
At 31 March 2020						
Cost / valuation	231,000,000	156,408,887	27,882,712	3,455,246	22,510,426	441,257,271
Accumulated depreciation	(9,120,000)	(111,653,505)	(15,754,922)	(2,516,846)	(21,253,880)	(160,299,153)
Net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
Year ended 31 March 2021						
Opening net book amount	221,880,000	44,755,382	12,127,790	938,399	1,256,546	280,958,118
Additions	-	2,418,386	197,800	326,487	-	2,942,673
Revaluation surplus	62,180,000	-	-	-	-	62,180,000
Depreciation charge (Note 8)	(4,560,000)	(9,416,225)	(1,804,772)	(157,594)	(279,998)	(16,218,589)
Closing net book amount	279,500,000	37,757,543	10,520,818	1,107,292	976,548	329,862,202
At 31 March 2021						
Cost / Valuation	279,500,000	158,827,273	28,080,512	3,781,732	22,510,426	492,699,944
Accumulated depreciation	-	(121,069,730)	(17,559,694)	(2,674,440)	(21,533,878)	(162,837,742)
Net book amount	279,500,000	37,757,543	10,520,818	1,107,292	976,548	329,862,202

14 Property, plant and equipment

(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 2021 by an Independent Professional Valuer Mr. J.M. Senanayaka Bandara BSc. (Hon) (Estate Management and Valuation), FIV Sri Lanka, IRRV (UK).

a. Fair value of the land and buildings is determined based on Level 2 and Level 3 inputs respectively

Notes to the Financial Statements

(d) Property, plant and equipment includes assets at valuation on 31 March 2021 as follows,

Company / Group Asset	Valued amount
Land	148,000,000
Buildings	131,500,000

(e) Property, plant and equipment include fully depreciated assets, the gross carrying amount of which amounted to Rs 84.3 Mn (2020 - Rs 84.2 Mn).

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

	Company / Group	
	Land	Building
Cost at 31 March 2021	3,740,925	35,312,748
Accumulated depreciation at 31 March 2021	-	(31,265,961)
Net book value	3,740,925	4,046,787

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

(h) The directors considered the carrying amount of the balance approximates its fair value.

Fair value hierarchy	At 31 March 2021 Level 2	At 31 March 2021 Level 3	At 31 March 2020 Level 2	At 31 March 2020 Level 3
Land	148,000,000	-	117,000,000	-
Buildings	-	131,500,000	-	114,000,000
Total value	148,000,000	131,500,000	117,000,000	114,000,000

Valuation techniques used to determine fair values

The group obtains independent valuations for its freehold land and buildings related to manufacturing sites (classified as property, plant and equipment) at least every three years. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. The level 2 fair value of land held for resale has been derived using the sales comparison approach based on recent sales of comparable properties in the area. Further, the key inputs under this approach are the price per perch from current year sales of comparable lots of land in the area (location and size).The buildings are valued based on the depreciated replacement cost method and considered as level 3 inputs to the valuation. Please refer below for the level 3 inputs of the buildings and sensitivity.

Effective date of valuation	Location	Extent	Value per Sq.ft	Total revalued amount of building	Sensitivity of fair value measurement to inputs
31-Mar-21	Lot 1 - Part of OTS Idama, ACL Staff Quarters, Sand Piper Road, Nivasipura, Ekala - Kurunduwatta, Kotugoda, Jaela	1690 sq.ft.	Rs. 6,213	10,500,000	Positively correlated sensitivity
31-Mar-21	Assesment Nos. 52 & 52/1, ACL Plastics Factory Premises, Temple Road, Ekala, Jaela.	447 sq.ft - 14,480 sq.ft and other construction	Rs.1,850 - Rs. 3,750	121,000,000	Positively correlated sensitivity

15 Right-of-use assets

15.1 Right-of-use assets

(i) Amounts recognised in the balance sheet

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Balance at 1 April	1,620,819	1,643,022	1,620,819	1,643,022
Depreciation during the year	(22,200)	(22,203)	(22,200)	(22,203)
Balance at 31 March	1,598,619	1,620,819	1,598,619	1,620,819

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

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

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2021	2020	2021	2020
Depreciation charge of right-of-use assets	22,200	22,203	22,200	22,203
	22,200	22,203	22,200	22,203

15.2 The group's leasing activities and how these are accounted for

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

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, lease of property was classified as operating leases. From 1 April 2019, lease was recognised as a right-of-use asset. No lease liability is recognised as all the lease payments were done in advance.

Right-of-use assets are measured at cost comprising the lease payments made at or before the commencement date. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use assets held by the group.

16 Investment in subsidiary

Investment in subsidiary wholly consists of Rs 10,000,010 (2020 - Rs 10,000,010) invested in ordinary shares of ACL Polymers (Private) Limited, representing 100% of its issued share capital.

17 Financial assets at fair value through other comprehensive income

17. 1 Classification of financial assets at fair value through other comprehensive income

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

Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

17. 2 Equity investments at fair value through other comprehensive income

Equity investments at FVOCI comprise the following individual investments:

	31 March 2021			31 March 2020		
	Number of shares	Cost	Market value	Number of shares	Cost value	Market value
Diversified holdings						
Hayleys PLC	389,070	2,952,614	23,655,456	38,907	2,952,614	4,808,905
Banking finance and insurance						
Nations Trust Bank PLC	26,826	512,005	1,483,478	26,826	512,005	1,695,403
People's Insurance PLC	585,500	8,782,500	17,916,300	585,500	8,782,500	10,012,050
Plantations						
Maskeliya Plantations PLC	8,200	374,258	90,200	8,200	374,258	50,840
Kotagala Plantations PLC	45,000	676,580	238,500	45,000	676,580	225,000
Total cost of investments by the Company		13,297,957	43,383,934		13,297,957	16,792,198
Total cost of investments by the Group		13,297,957	43,383,934		13,297,957	16,792,198

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

17.3 Movement in financial assets at fair value through other comprehensive income

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Balance at 1 April	16,792,198	20,885,943	16,792,198	20,885,943
Net change in fair value	26,591,736	(4,093,745)	26,591,736	(4,093,745)
Balance at 31 March	43,383,934	16,792,198	43,383,934	16,792,198

18 Financial instruments by category

(a) Financial instruments

Group	Financial assets at amortised cost	Financial assets at FVOCI income (FVOCI)	Total
31 March 2021			
Assets as per the statement of financial position			
Equity instruments	Nil	43,383,934	43,383,934
Trade and other receivables (excluding pre-payments)	860,025,181	Nil	860,025,181
Cash and cash equivalents	446,311,043	Nil	446,311,043
	1,306,336,224	43,383,934	1,349,720,158

Group	Financial Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2021			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	Nil	327,010,758	327,010,758
	Nil	327,010,758	327,010,758

Company	Financial assets at amortised cost	Financial assets at FVOCI income (FVOCI)	Total
31 March 2021			
Assets as per the statement of financial position			
Equity instruments	Nil	43,383,934	43,383,934
Trade and other receivables (excluding pre-payments)	816,070,448	Nil	816,070,448
Cash and cash equivalents	443,081,136	Nil	443,081,136
	1,259,151,584	43,383,934	1,302,535,518

18 Financial instruments by category (Cond.)

Group	Financial Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2021			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	Nil	383,784,760	383,784,760
	Nil	383,784,760	383,784,760

Group	Financial assets at amortised cost	Financial assets at FVOCI income (FVOCI)	Total
31 March 2020			
Assets as per the statement of financial position			
Equity instruments	Nil	16,792,198	16,792,198
Trade and other receivables (excluding pre-payments)	895,756,434	Nil	895,756,434
Cash and cash equivalents	80,069,471	Nil	80,069,471
	975,825,905	16,792,198	992,618,103

Group	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2021			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	Nil	41,446,988	41,446,988
	Nil	41,446,988	41,446,988

Company	Financial assets at amortised cost	Financial assets at FVOCI income (FVOCI)	Total
31 March 2020			
Assets as per the statement of financial position			
Equity instruments	Nil	16,792,198	16,792,198
Trade and other receivables (excluding pre-payments)	870,756,434	Nil	870,756,434
Cash and cash equivalents	62,593,439	Nil	62,593,439
	933,349,873	16,792,198	950,142,071

Company	at fair value through profit or loss	Liabilities at amortised cost	Total
31 March 2020			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	Nil	6,462,065	6,462,065
	Nil	6,462,065	6,462,065

19 Inventories

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Raw materials	277,637,064	144,946,748	277,637,064	144,946,748
Work-in-progress	134	2,553,808	134	2,553,808
Finished goods	30,189,854	89,569,593	30,189,854	89,569,593
Other stocks	580,944	249,767	580,944	249,767
	308,407,996	237,319,917	308,407,996	237,319,917

20 Trade and other receivables

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Trade receivables	10,748,485	13,786,959	10,748,485	13,786,959
Loss allowance for trade and other receivables	-	-	-	-
	10,748,485	13,786,959	10,748,485	13,786,959
Receivable from related companies [Note 31.6 (b)]	775,441,371	804,114,387	773,486,629	804,114,396
Loan given to holding Company [Note 31.6 (c)]	42,000,000	25,000,000	-	-
Advances and prepayments	67,495,969	51,190,246	67,495,969	51,190,246
Other receivables	31,835,325	2,349,441	31,835,334	2,349,441
	927,521,150	896,441,034	883,566,417	871,441,043

The average interest rate (based on 90 days treasury bill rates) on loan given to holding company is 5.86% (2020 - 8.07%).

As of 31 March 2021, trade receivables of Rs. 10,748,485 (2020 - Rs. 13,786,959) were fully performing.

The trade receivable balances and intercompany receivables not impaired are as follows.

20 Trade and other receivables (Contd.)

	Group 31 March		Company 31 March	
	2021	2020	2021	2020
Up to 3 months	732,457,640	346,308,546	730,502,898	346,308,546
3 to 6 months	53,202,039	292,971,203	53,202,039	292,971,203
More than 6 months	530,177	178,621,598	530,177	178,621,607
	786,189,856	817,901,347	784,235,114	817,901,356

Past due but not impaired

Debtors with a carrying amount of Rs 530,177 (2020 - Rs 178,621,607), which are past due (more than 6 months) for the Group and the Company respectively at the end of the reporting period but the Company has not impaired as there have not been a significant change in credit quality and the Directors of the Company believe that overdue amounts are fully recoverable.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

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

	Group 31 March		Company 31 March	
	2021	2020	2021	2020
US dollars	3,236,337	6,074,708	3,236,337	6,074,708
Sri Lankan Rupees	924,284,812	890,366,326	880,330,079	865,366,335
	927,521,150	896,441,034	883,566,417	871,441,043

21 Income tax payable / (refund due)

	Group 31 March		Company 31 March	
	2021	2020	2021	2020
Balance at 1 April	56,078,615	24,022,056	28,343,429	(3,639,542)
Provision for the current year	39,650,794	65,319,353	38,380,008	65,245,765
	95,729,409	89,341,409	66,723,437	61,606,223
Payments made during the year	(52,713,254)	(33,262,794)	(52,529,968)	(33,262,794)
Balance at 31 March	43,016,155	56,078,615	14,193,469	28,343,429

22 Cash and cash equivalents

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Cash at bank	443,393,218	79,918,471	442,930,136	62,442,439
Cash in hand	2,917,825	151,000	151,000	151,000
	446,311,043	80,069,471	443,081,136	62,593,439

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

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Cash at bank and in hand	446,311,043	80,069,471	443,081,136	62,593,439
Bank overdrafts	(39,176,442)	-	(39,176,442)	-
	407,134,601	80,069,471	403,904,694	62,593,439

23 Trade and other payables

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Trade payables	137,489,037	1,012,888	137,489,038	1,012,889
Payables to related parties [Note 32.6 (a)]	36,000	12,777	-	12,777
Loans from related parties [Note 32.6 (d)]	-	-	57,000,000	57,000,000
Payroll related payables and other taxes	509,166	1,709,167	509,167	1,381,482
Accrued expenses and other payables	7,172,655	5,626,397	6,982,656	5,436,398
Import loans	182,313,066	33,703,316	182,313,066	33,703,316
	327,519,924	42,064,546	384,293,927	98,546,861

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Notes to the Financial Statements

24 Defined benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
At beginning of year	18,213,151	13,906,673	18,213,151	13,906,673
Expense recognised in statement of profit and loss (Note 24.1)	3,040,946	2,607,268	3,040,946	2,607,268
Actuarial (gain) / loss recognised in OCI	(1,003,676)	1,759,465	(1,003,676)	1,759,465
	20,250,421	18,273,405	20,250,421	18,273,405
Payments made during the year	(2,817,484)	(60,254)	(2,817,484)	(60,254)
At end of year	17,432,937	18,213,151	17,432,937	18,213,151

24.1 Expense recognised in income statement

	Group		Company	
	31 March		31 March	
	2021	2020	2021	2020
Current service cost	1,219,631	1,008,001	1,219,631	1,008,001
Interest cost	1,821,315	1,599,267	1,821,315	1,599,267
	3,040,946	2,607,268	3,040,946	2,607,268

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

As at 31 March 2021, 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	
	2021	2020
Rate of discount	8.3%	10%
Salary increment rate	10%	10%
Retirement age	55 years	55 years

24.2 Sensitivity of the actuarial assumptions

		31 March 2021			
		Group		Company	
	Change	Financial Position-Liability	Comprehensive income-(Charge) / Credit	Financial Position-Liability	Comprehensive income - (Charge) / Credit
Discount rate	+1	15,824,208	1,608,729	15,824,208	1,608,729
	-1	19,292,180	(1,859,243)	19,292,180	(1,859,243)
Future salary increases	+1	19,269,124	(1,836,187)	19,269,124	(1,836,187)
	-1	15,812,923	1,620,014	15,812,923	1,620,014

		31 March 2020			
		Group		Company	
	Change	Financial Position-Liability	Comprehensive income-(Charge) / Credit	Financial Position-Liability	Comprehensive income - (Charge) / Credit
Discount rate	+1	16,831,730	1,381,421	16,831,730	1,381,421
	-1	19,776,279	(1,563,128)	19,776,279	(1,563,128)
Future salary increases	+1	19,785,131	(1,571,980)	19,785,131	(1,571,980)
	-1	16,799,790	1,413,361	16,799,790	1,413,361

24.3 Maturity analysis

The weighted average duration of the defined benefit obligation is 10.65 years (2020 – 8.79 years). The expected maturity analysis of defined benefit obligation is as follows:

Group 31 March 2021	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation	229,149	442,653	3,229,792	13,531,343	17,432,937

Group 31 March 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation	239,067	468,990	7,016,048	10,489,046	18,213,151

Company 31 March 2021	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation	229,149	442,653	3,229,792	13,531,343	17,432,937

Company 31 March 2020	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation	239,067	468,990	7,016,048	10,489,046	18,213,151

25 Deferred income tax

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 18% (2020 - 28%).

25.1 Movement in net deferred tax liability (non-current)

	Group 31 March		Company 31 March	
	2021	2020	2021	2020
Balance at the beginning of the year	68,795,156	69,324,626	68,795,156	69,324,626
Reversal of temporary differences recognized in profit or loss	(10,695,069)	(36,820)	(10,695,069)	(36,820)
Origination / (reversal) of temporary differences recognized in other comprehensive income	(6,156,124)	(492,650)	(6,156,124)	(492,650)
	51,943,962	68,795,156	51,943,963	68,795,156

25.1.(b) Detailed Movement in net deferred tax liability (non-current)

	Group & Company			
	Provision for slow moving inventory	Defined benefit obligations	Property, plant and equipment	Total
At 01 April 2020	(576,169)	(5,099,682)	74,471,006	68,795,156
Charged/(credited)				
- to profit or loss	85,257	1,781,092	(12,561,417)	(10,695,068)
- to other comprehensive income	-	180,662	(6,336,786)	(6,156,124)
At 31 March 2021	(490,911)	(3,137,929)	55,572,803	51,943,963

25.2 Composition of net deferred tax liability (non-current)

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Property, plant and equipment	55,572,802	74,471,006	55,572,803	74,471,006
Provision for slow moving inventory	(490,911)	(576,169)	(490,911)	(576,169)
Defined benefit obligations	(3,137,929)	(5,099,682)	(3,137,929)	(5,099,682)
	51,943,962	68,795,156	51,943,963	68,795,156

25.3 Movement in net deferred tax asset (current)

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
Balance at the beginning of the year	-	(1,956,880)	-	-
(Reversal) / origination of temporary differences recognized in profit or loss	-	(1,956,880)	-	-
	-	-	-	-

26 Commitments

Financial commitments

The Group and the Company have commitments on letters of credit as at 31 March 2021 as follows:

Company	75,294,853
Group	75,294,853

Capital commitments

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

27 Stated capital

	Group 31 March 2021	Group 31 March 2020	Company 31 March 2021	Company 31 March 2020
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

Notes to the Financial Statements

27.1 Float adjusted market capitalization 363,165,901

The Company complies with option 4 of the Listing Rules 7.13.1 (a) - leas than Rs 2.5 Billion Float Adjusted Market Capitalization which requires 10% minimum Public Holding and 500 public share holders.

28 Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of land and buildings. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings, see accounting policy note 2.8 for details.

	Group 31 March		Company 31 March	
	2021	2020	2021	2021
At beginning of year	126,210,142	129,491,999	126,210,142	129,491,999
Additions to the revaluation surplus	62,180,000	-	62,180,000	-
Deferred tax on revaluation gain	(11,192,400)	-	(11,192,400)	-
Deferred tax impact to the revaluation surplus on tax rate changes	17,529,186		17,529,186	
Depreciation transfer - gross	(4,558,136)	(4,558,136)	(4,558,136)	(4,558,136)
Deferred tax on transfer	820,464	1,276,278	820,464	1,276,278
At end of year	190,989,256	126,210,142	190,989,256	126,210,142

29 Reserves

29.1 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.

29.2 Financial assets at FVOCI

The following table shows a breakdown of the balance sheet line item 'Financial assets at FVOCI' and the movements in this reserve during the year. A description of the nature and purpose of the reserve is provided below the table.

29.2(a) Movement of other reserve

	Financial assets at FVOCI	Total
At 1 April 2019	7,587,987	7,587,987
Changes in the fair value of equity investments at FVOCI	(4,093,745)	(4,093,745)
At 31 March 2020	3,494,242	3,494,242
Changes in the fair value of equity investments at FVOCI	26,591,736	26,591,736
At 31 March 2021	30,085,978	30,085,978

29.2(b) Nature and purpose of other reserve

Financial assets at FVOCI

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

30 Cash used in operations

Reconciliation of profit before tax to cash used in operations:

	Group 31 March		Company 31 March	
	2021	2020	2021	2020
Profit before tax	208,244,624	223,004,590	203,061,034	217,028,196
Adjustments for:				
Depreciation of property, plant and equipment (Note 14)	16,218,589	15,541,634	16,218,589	15,541,634
Dividend income (Note 7)	(644,050)	(932,019)	(644,050)	(932,019)
Retirement benefit obligation reversal	-	-	-	-
Interest expense (Note 10)	6,373,626	10,410,507	9,713,826	15,146,891
Interest income (Note 10)	(10,199,023)	(2,235,000)	(8,244,281)	-
Amortization of leasehold properties (Note 15.1)	22,200	22,203	22,200	22,203
Provision for defined benefit obligations (Note 24.1)	3,040,946	2,607,268	3,040,946	2,607,268
Changes in working capital:				
Increase / (decrease) in inventories	(71,088,079)	1,103,502	(71,088,079)	1,103,502
Increase in receivables and prepayments	(31,080,116)	(338,985,257)	(12,125,373)	(338,985,257)
Increase in trade and other payables	103,142,312	89,498	103,433,999	4,899,497
Cash used in operations	224,031,029	(89,373,077)	243,388,810	(83,568,087)

31 Directors' interests in contracts and related party transactions

31.1 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.

31.2 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.

31.3 Mr. U.G. Madanayake, Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited, ACL Kelani Magnet Wire (Private) Limited, Ceylon Copper (Pvt) Ltd, ACL Electric (Pvt) Ltd and Resus Energy PLC.

31.4 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, Ceylon Bulbs and Electricals Ltd and Lanka Olex Cables (Pvt) Ltd.

Notes to the Financial Statements

		Relationship	Company Year ended 31 March 2021	2020
31.5	(a) Sale of goods (inclusive of taxes)			
	ACL Cables PLC	Parent entity	954,408,988	929,748,015
	Kelani Cables PLC	Affiliate	865,590,062	732,621,770
	Cable solutions (Private) Limited	Affiliate	394,429	698,189
			1,820,393,479	1,662,369,785
	(b) Purchase of goods (inclusive of taxes)			
	ACL Cables PLC	Parent entity	-	469,672
	Kelani Cables PLC	Affiliate	-	249,755
			-	719,427
	(c) Interest income from loans			
	ACL Cables PLC	Parent entity	-	-
			-	-
	(d) Loan settled from related party			
	ACL Cables PLC	Parent entity	-	-
			-	-
	(e) Interest expenses on borrowings			
	ACL Polymers (Private) Limited	Subsidiary	3,340,200	4,736,384
			3,340,200	4,736,384

(f) Interest income

	Group 31 March 2021	2020
ACL Cables PLC	1,954,742	2,235,000

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

(a) Payable to related parties

	Relationship	Group 31 March 2021	2020	Company 31 March 2021	2020
Kelani Cables PLC	Affiliate	-	12,777	-	12,777
		-	12,777	-	12,777

(b) Receivable from related parties

		Group 31 March		Company 31 March	
	Relationship	2021	2020	2021	2020
ACL Cables PLC	Parent entity	523,898,364	625,797,181	521,943,622	625,797,181
Kelani Cables PLC	Affiliate	251,543,007	178,317,216	251,507,007	178,317,216
ACL Polymers (Private) Limited	Subsidiary	36,000	-	36,000	-
		775,441,371	804,114,396	773,486,629	804,114,396

(c) Receivable on loans

		Group 31 March		Company 31 March	
	Relationship	2021	2020	2021	2020
ACL Cables PLC	Parent entity	42,000,000	25,000,000	-	-
		42,000,000	25,000,000	-	-

(d) Payable on loans

		Group 31 March		Company 31 March	
	Relationship	2021	2020	2021	2020
ACL Polymers (Private) Limited	Subsidiary	-	-	57,000,000	57,000,000
		-	-	57,000,000	57,000,000

Terms and conditions

Transactions relating to dividends were on the same terms and conditions for all the shareholders.

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 5.86% (2020 - 8.07%).

Related party transactions disclosed above are based on the price lists approved by the board of directors.

There were no other related parties or related party transactions during the year ended 31 March 2021 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	
	2021	2020	2021	2020
Directors' emoluments	660,000	510,000	660,000	510,000

32 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 2021

Category	Number of Shareholders	% Rs.	Number of Ordinary Shares
1 - 1,000 shares	809	4%	148,052
1,001 - 5,000 shares	122	7%	277,012
5,001 - 10,000 shares	29	5%	219,171
10,001 - 50,000 shares	27	13%	555,683
50,001 - 100,000 shares	4	6%	265,613
100,001 - 500,000 shares	1	10%	404,600
500,001 - 1,000,000 shares	-	0%	-
Over 1,000,000 shares	1	56%	2,342,369
Total	993	100%	4,212,500

Analysis Report of Shareholders as at 31st March 2021

Category	Number of Shares	Total Holdings %
Institutional	3,111,550	73.86%
Individuals	1,100,950	26.14%
Total	4,212,500	100%

Twenty Largest Shareholders

Category	2021		2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	2,746,969	65.21%	2,746,969	65.21%
Saraswathi V & Vasudevan S	100,000	2.37%	-	0.00%
Sithampalam A	57,687	1.37%	-	0.00%
Bansei securities capital (pvt) ltd/ d. gangadhar	55,000	1.31%	44,537	1.06%
Seylan Bank PLC/Emil Joseph	52,926	1.26%	52,926	1.26%
Peoples Leasing Finance PLC /Mr.H.M. Abdulhuss	37,045	0.88%	37,045	0.88%
Mizver M.M.M	35,524	0.84%	-	0.00%
HNB PLC /Sashimal Ruhash	33,396	0.79%	-	0.00%
Abdulhussein R.H.	27,000	0.64%	27,000	0.64%
Peoples Leasing & Finance PLC/ Thaprobain	25,001	0.59%	-	0.00%
Corea E.	24,751	0.59%	24,751	0.59%
Gautam R.	24,400	0.58%	26,700	0.63%
Costa D.S.J.V	24,354	0.58%	30,395	0.72%
Corea Gihan Ahoka	23,625	0.56%	23,625	0.56%
Durga S.	21,000	0.50%	-	0.00%
Madanayaka H.A.S	20,801	0.49%	20,801	0.49%
Abdulhussein Y.H.	20,000	0.47%	20,000	0.47%
Hatton National Bank/ Arunasalam	20,000	0.47%	20,000	0.47%
Raaymakers M.A.T	19,829	0.47%	19,944	0.47%
Ariff M.M	19,535	0.46%	-	0.00%

Information to Shareholders

Information to Shareholders

		2021	2020
Company			
a)	Earnings per share (Rs)	41.63	36.04
b)	Dividend per share (Rs)	6.00	6.00
c)	Dividend payout ratio	0.14	0.17
d)	Net assets value per share (Rs)	359.14	300.73
e)	Market value per share (Rs)		
	- Highest value (Rs)	359.75	170
	- Lowest value (Rs)	220.00	115
	- Value as at the end of financial year (Rs)	254.50	115
f)	No of tradings for the year	2,284	501
g)	Total No of shares traded	512,011	95,440
h)	Total turnover (Rs)	152,689,329	14,906,492
i)	Percentage of Shares held by the public	33.87%	33.87%
j)	Number of Public shareholders	989	844
k)	No. of foreign Shareholders	14	12
l)	Float adjusted market capitalization	363,165,901	164,387,866

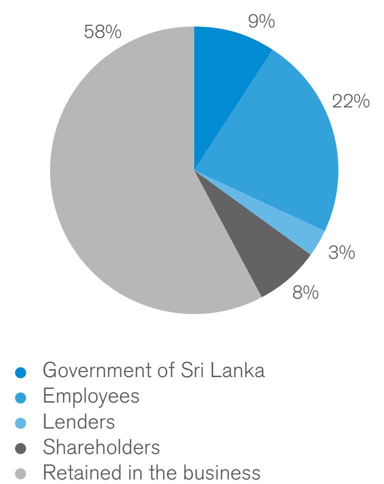
The Company complies with option 4 of the Listing Rules 7.13.1 (a) - leas than Rs 2.5 Billion Float Adjusted Market Capitalization which requires 10% minimum Public Holding and 500 public share holders.

		2021	2020
Group			
a)	Earnings per share (Rs.)	42.56	36.98
b)	Dividend per share (Rs.)	6	6
c)	Dividend payout ratio	0.14	0.16
d)	Net assets value per share (Rs.)	374.60	315.26

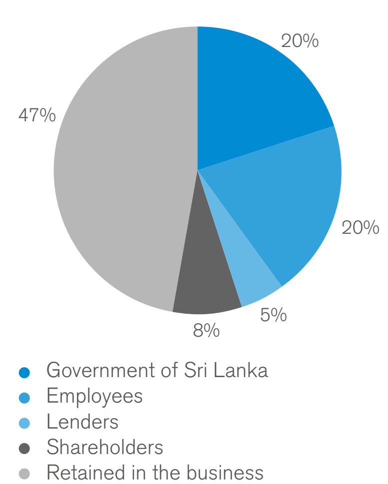
Statement of Value Added - Group

	%	2020/21 Rs. '000	%	2019/20 Rs. '000
Total revenue		1,900,005		1,580,780
Other operating & interest income		29,376		3,167
		1,929,381		1,583,947
Cost of material and services bought in		(1,621,529)		(1,254,840)
Total value added by the group		307,852		329,108
Value added shared with				
Government of Sri Lanka	9%	28,956	20%	67,239
(Taxes)				
Employees	22%	68,961	20%	65,689
(Salaries and other costs)				
Lenders	3%	9,714	5%	15,139
(Interest on loan capital)				
Shareholders	8%	25,275	8%	25,275
(Dividends)				
Retained in the business	58%	179,289	47%	155,765
(Depreciation & retained profits)				
	100%	312,195	100%	329,108

2020/21



2019/20



Five Year Summary - Group

Trading Results

Year ended 31st March	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000
Turnover	1,900,005	1,580,780	1,487,779	1,355,597	1,449,361
Operating profit	186,214	225,240	75,929	106,259	255,131
Profit before tax	208,245	223,005	57,361	95,380	244,715
Taxation	28,956	67,239	27,563	21,049	75,064
Profit after tax	179,289	155,765	29,798	74,330	169,651

Balance Sheet

As at 31st March	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000
Share capital	79,974	79,974	79,974	79,974	79,974
Capital reserve	190,989	126,210	129,492	132,774	112,935
Revenue reserves	170,000	170,000	170,000	170,000	170,000
Other Reserves	30,086	3,494	7,588	9,559	9,985
Retained profit	1,106,946	948,372	815,866	807,205	754,931
	1,577,995	1,328,051	1,202,920	1,199,512	1,127,825
Property plant & equipment	329,862	280,958	274,992	290,636	239,201
Operating lease prepayment	1,599	1,621	1,621	1,643	1,665
Investments (AFS financial assets)	43,384	16,792	20,886	22,856	23,083
Deferred tax asset	-	-	1,957	3,960	1,774
Current assets	1,682,240	1,213,830	1,044,853	1,058,201	962,210
Current & non current liabilities	(409,712)	(185,151)	(141,388)	(177,784)	(100,108)
Capital employed	1,577,995	1,328,050	1,202,920	1,199,512	1,127,825

Notice of Meeting

NOTICE is hereby given that the 30th Annual General Meeting of the shareholders of A C L PLASTICS PLC will be centered from the Registered Office of the Company at No. 60, Rodney Street, Colombo 8, by Audio or Audio Visual means on 28th October 2021 at 11.30 a.m., for the purpose of considering and if thought fit passing the following resolutions as Ordinary Resolutions :-

AGENDA

01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2021 with the report of the Auditors thereon.

02. To re–elect Dr. D G Kamal Edger Weerapperuma, who retires by rotation in terms of article No. 85 of the Articles of Association, as a Director

03. To consider and if thought fit to pass the following Ordinary Resolutions, of which special notice has been given by a Shareholder of the Company.

(a) "that Mr. U. G. Madanayake, who has passed the age of 70 years, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(b) "that Mrs. N. C. Madanayake, who has passed the age of 70 years, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to her"

(c) "that Mr. Das Miriyagalla, who has passed the age of 70 years, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(d) "that Dr. D G Kamal Edger Weerapperuma, who has passed the age of 70 years , be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

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

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

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

30th September 2021

NOTE:

(a) The Board of Directors, having considered the constraints of conducting meetings in the midst of the COVID – 19 pandemic, in conformity with the national health and safety guidelines have decided to hold the Annual General Meeting by Audio or Audio / Visual means. Hence, details required for the online registration accompanies this Notice.

(b) Shareholders who wish to participate at the Annual General Meeting through the online platform are kindly requested to complete and forward the Annexure (1) provided with the Annual Report to the email address : investor.relations@acl.lk or post it to the registered address of the Company stated below not less than three (03) days prior to the holding of the meeting. It is important that the shareholders should provide their respective email addresses in the space provided in the Annexure in order to forward the web link if they wish participate at the Annual General Meeting through an online platform.

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

(d) The date fixed for the Annual General Meeting will not be affected even if a public holiday is declared on such date since the arrangements will be in place to proceed via online platform.

(e) Shareholders are kindly requested to hand-over the duly perfected and signed Attendance Slip attached to this Report, 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 represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28th October 2021 at 11.30 a.m. and at any adjournment thereof.

I / We hereby authorize my/our proxy to vote for me/us and on my/our behalf in accordance with the preferences indicated below.

		FOR	AGAINST
1	To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2021with the report of the Auditors thereon.		
2	To re–elect Dr. D G Kamal Edger Weerapperuma, who retires by rotation in terms of Article No. 85 of the Articles of Association, as a Director		
3	To re-elect as director Dr. Kamal Weerapperuma , who retires by rotation		
	(a) To re-appoint Mr. U G Madanayake, who has passed the age of 70 years, as a Director of the Company		
	(b) To re-appoint Mrs. N. C. Madanayake, who has passed the age of 70 years, as a Director of the Company		
	(c) To re-appoint Mr. Das Miriyagalla, who has passed the age of 70 years, as a Director of the Company		
	(d) To re-appoint Dr. D G Kamal Edger Weerapperuma, who has passed the age of 70 years, as a Director of the Company		
4	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and authorize the Directors to determine their remuneration.		
5	To authorize the Directors to determine donations to charities.		

Signed this...day of...2021

SIGNATURE..

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

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy legibly, and by signing in the space provided.
2. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney should accompany the Proxy Form, if such Power of Attorney has not already been registered with the Company.
3. For a corporate shareholder, the Form of Proxy must be completed under the Seal of the Company which should be affixed and attested in the manner prescribed by the Articles of Association.
4. The instrument appointing Proxy along with the registration of shareholder details for online connection enclosed herewith should reach the Registered Office of the Company at No. 60, Rodney Street, Colombo 08, or emailed to investor.relations@acl.lk not less than forty eight (48) hours prior to the time fixed for the meeting.
5. A Shareholder is entitled to appoint a Proxy to attend and vote is entitled to appoint a Proxy to attend and vote online in his stead and a Form of Proxy is attached to this Report for that purpose. A Proxy need not be a Shareholder of the Company.
6. Only the registered shareholders and registered proxy-holders will be permitted to log in and participate in the virtual Annual General Meeting.

Annexure (1)

A C L PLASTICS PLC

Annual General Meeting to be held on 28th October 2021

Registration of Shareholder details for audio or audio and visual (online) platform

1. Full name of the Shareholder ....

2. Shareholder's address ....

....

....

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

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

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

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

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

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

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

Corporate Information

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

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

Board of Directors
Mr. U. G. Madanayake - Chairman

Mr. Suren Madanayake - Managing Director

Mrs. N. C. Madanayake

Mr. Das Miriyagalla

Dr. Kamal Weerapperuma

Group Chief Financial Officer
Nishantha Weerakoon
BSc. Bus. Admin. (Sri J), MBA (Sri J),
FCA (SL), FCMA (SL), FCMA (UK)

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

Group Chief Financial Officer
Nishantha Weerakoon (ACA,ACMA)

Auditors
PricewaterhouseCoopers

Chartered Accountants

Bankers
Standard Chartered Bank

Hatton National Bank

Nations Trust Bank

Designed & produced by
emagewise
Printed by Gunaratne Offset

ACL
PLASTICS

www.acl.lk