Unmatched Quality

ANNUAL REPORT
2014-2015
ACL PLASTICS PLC

Contents

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

OUR LEADERSHIP

Mr. U.G. Madanayake
Chairman

Mr. Suren Madanayake
Managing Director

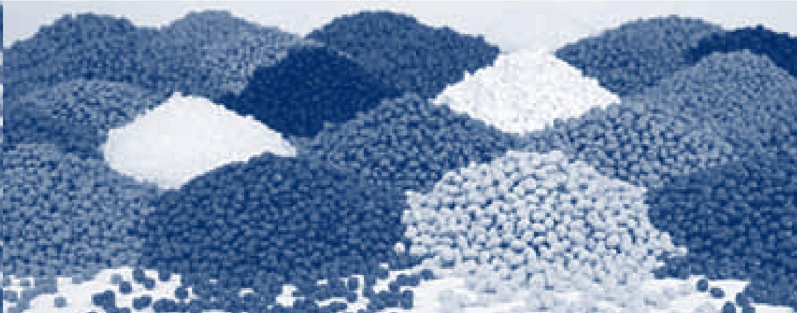
Mrs. N.C. Madanayake
Director

Mr. Das Miriyagalla
Director

Dr. Kamal Weerapperuma
Director

Unmatched Quality

"Quality is never an accident;
it is always the result of high
intention, sincere effort, intelligent
direction and skillful execution; it
represents the wise choice of many
alternatives."



Group Financial Highlights

Performance	2014/15 Rs. Mn	2013/14 Rs. Mn
Turnover	1,166.0	1,140.0
Gross Profit	138.0	106.3
Finance Cost	18.5	7.5
Profit Before Tax	120.0	107.7
Profit After Tax	86.4	77.6
Total Equity	795.2	682.5
Key Financial Indicators		
Gross Profit Margin	11.8%	9.3%
Net Profit Margin Before Tax	10.3%	9.4%
Interest Cover (Times)	14.0	26.8
Return on Equity	10.9%	11.4%
Current ratio (Times)	6.6	3.1

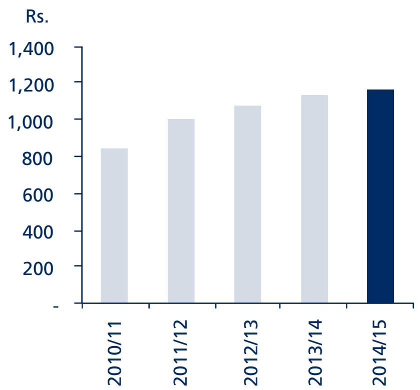
Rs. 86.4 million
Profit After Tax

Rs. 934.5 million
Total Assets

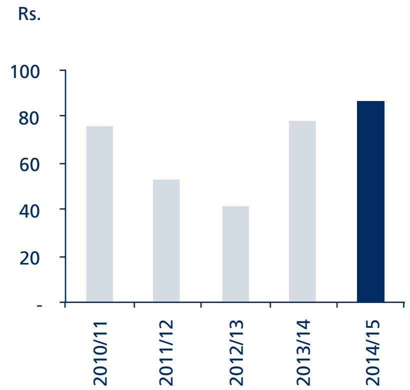
Rs. 1,166 million
Turnover

Rs. 795 million
Shareholders' Funds

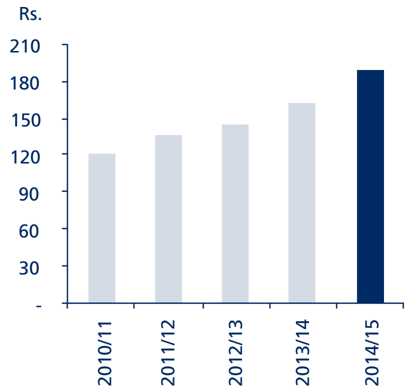
Revenue
for the year ended 31st March



Net Profit After Tax
for the year ended 31st March

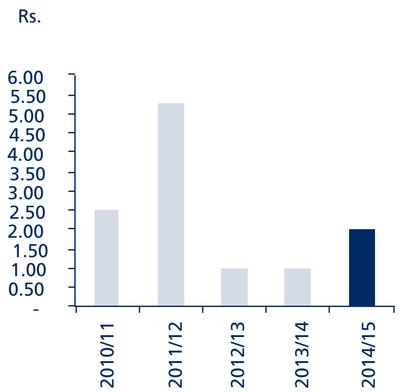


Net Assets per Share
for the year ended 31st March

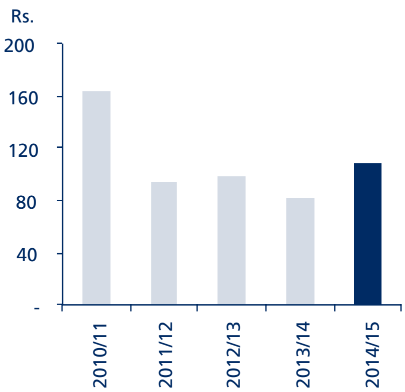


Earnings per Share
for the year ended 31st March

Dividends per Share
for the year ended 31st March



Market Value per Share
as at 31st March



Chairman's Statement

It gives me great pleasure to welcome you to the 24th 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 2015.

2014/15 was another successful year for ACL Plastics both for sales and profitability. 2014/15 will be characterized as a year of record sales and net earnings, significant increase in shareholder value and strategic progress. It was the fourth year in a row that the ACL Plastics Group passed the milestone of Rupees one billion turnover and the second consecutive year that we set a net earnings record by achieving the Rupees one hundred million profit before tax.

The growth momentum of the Sri Lankan economy was maintained reasonably well throughout the year and the GDP grew by 7.4% which is well above the average experienced by the World and the region which was affected by the disruptive socio-economic and political changes that continued to affect growth in many parts of the world. This growth was mainly due to the focused economic policy of the Government and policy makers, which helped Sri Lanka to maintain a lower interest rate which in turn helped to create demand for both investment goods and consumer goods.

We welcome the good governance measures that are being proposed and implemented at present. The current stimulus packages of the Government has increased demand for Consumer items which are mainly imported and this has widened the balance of trade deficit applying pressure on the exchange rate of the Sri Lankan Rupee against the US Dollar. The enhancement of purchasing power of Government Servants by way of salary increments and reduced prices of fuel, electricity and some essential items helped to increase demand for construction-related items amongst many other items in the domestic market. This in turn helped the ACL Plastics Group to increase its turnover. We look forward to a more consistent policy framework, which gives the private sector the freedom to operate and the guidance to plan ahead in the second half of 2015, resolving the current political instability.

Group Performance and Growth

During the year under review, your Group achieved a revenue growth of 2.3% over the previous year, recording Rupees 1.2 billion which is the highest in its history. This was mainly due to the boost of the business activities of our downstream players of the supply chain, most of which are our Group companies. Along with this growth in sales, the Group also achieved a strong growth in external sales, serving to strengthen and expand our external customer base.

The Group's Gross Profit has increased to Rs. 138 Mn, which is 12% of the total turnover compared to Rs. 106 Mn Gross Profit in the previous year. This was achieved by the effective and efficient utilization of production capacity coupled with the careful planning of raw material imports. The price declines of some raw materials in the world market experienced in the latter part of the year concerned also helped to maintain the profitability at a higher level. The Profit before tax has increased to Rs. 120 Mn recording the second highest in the history of the Group. The profit before tax of the Group has increased by 11.5% compared to the profit before tax of Rs. 107 Mn in the last year. There is no doubt, 2014/15 was a banner year for ACL Plastics. Every employee in the Group contributed to this success. They are the people who "make it happen" 365 days a year. We are optimistic that our business strategies would enable us to maintain the current market leadership in the coming years too.

Strengthening our manufacturing operations was another key theme in 2014/15. We spent approximately Rs. 44 Mn in capital expenditure throughout the year, mostly on capacity additions, to ensure we can support our continued growth. The Group added a new production line worth Rs. 35 Mn to support the forecasted market growth in 2015/16 and beyond. We took significant strategic steps to plan our fund requirements to get the advantage of low interest rates and managed our borrowings as the cheapest source of funds, to support most of our capital investments. However, the higher exchange rates which prevailed throughout the year contributed to increase the finance costs in the year concerned which slightly deteriorated the bottom line of the Group. Nevertheless we are confident of seeing a recovery in the depreciation of the local currency through the remedial measures that are being implemented.

Balancing Liquidity and Profitability

Having cash and other funding sources on hand is a blessing; putting it to work requires discipline. We have been focused on improving working capital over the past few years. We were able to make the capital investments without facing working capital problems, in part because of the effort of our management teams to keep our working capital under control in day to day businesses activities. The combination of receivables - payables and levels of inventories were maintained well throughout the year thereby enabling the gearing levels to be at the optimum without compromising our growing business activities. The Group's current ratio has gone up again to 6 times compared to the slight drop down to 3 times in the last year. This was mainly due to the reduction in borrowings in the latter part of the year. We have identified changes that would fully utilize the capabilities of our systems in the management of working capital. With the changes being implemented, we expect better results over the next few years in terms of profitability and growth.

Shareholder Returns

Despite the temporary fluctuations in the share market, the overall performance of the ACL Plastics PLC share during the year has been reasonably good. The growth of the Group's net assets value per share has kept on improving which is Rs. 189 for this year compared to that of Rs. 162 in the last year. The Company paid a dividend of Rs. 2 per share which is double the previous dividend, and you will be pleased to note that the Board has approved an interim dividend of Rs. 4.00 per share to be paid out of this year's profits.

Future Outlook

Every employee in the Group contributed to our success. They are the people who have driven this business through years of record setting performance. I am pleased they are always on our side. We now put 2014/15 in our rear view mirror and are setting our sights on 2015/16 and beyond. We have once again raised the bar and are focused on higher levels of performance. Our business is led by a management team that is passionate about and intimately familiar with their products and how those products serve the needs of their customers. Forecasts for the next year are positive for the Group with the addition of the new production line. New product developments are on the cards for a number of different markets. Nevertheless the current political instability and pressure on devaluation of the exchange rate of the Sri Lankan rupee is a matter of concern for the next financial year. We are hopeful that it would stabilize with the introduction of correct economic policies in the latter part of 2015 and are confident about our ability to deliver enhanced value to our stakeholders.

2014/15 was another successful year for ACL Plastics both for sales and profitability. 2014/15 will be characterized as a year of record sales and net earnings, significant increase in shareholder value and strategic progress. It was the fourth year in a row that the ACL Plastics Group passed the milestone of Rupees one billion turnover and the second consecutive year that we set a net earnings record by achieving the Rupees one hundred million profit before tax.

Appreciations

I thank all the employees of the ACL Plastics Group for their support throughout the year, and for being part of the ACL Plastics success story. In particular, I thank our valued customers for their continued loyalty. I also take this opportunity to thank all our suppliers for their continued support. My sincere appreciation of the insightful support and direction of all the Directors. Finally, I would like to thank all the shareholders for their confidence in the Board, and look forward to deliver enhanced value to all our stakeholders.

U.G.Madanayake
Chairman
24th July 2015

Board of Directors

Mr. U. G. Madanayake
Chairman

Mr. U.G. Madanayake had his early education at Ananda College, Colombo. He graduated from the University of Cambridge - England in 1958, and had his M.A. (Cantab) conferred on him in 1962. He is a Barrister-at-law (Lincoln's Inn) and an Attorney-at-law of the Supreme Court of Sri Lanka. He started his working life managing family-owned plantations until most of the lands were taken over by the State under the Land Reform Law of 1972. He still continues to have an active interest in agriculture.

Mr. U.G Madanayake has been the Chairman of ACL Plastics PLC from its inception in 1991. He is also the Chairman of ACL Cables PLC, Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd. and Lanka Olex Cables (Pvt.) Ltd. He is also a Director of ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt) Ltd., Ceylon Copper (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., and ACL Electric (Pvt.) Ltd. He has over 50 years experience in the cable Industry.

Mr. Suren Madanayake
Managing Director

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

He also serves as the 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.

Mr. Das Miriyagalla
Independent Non-Executive Director

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

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

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

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

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

Dr. Kamal Weerapperuma
Independent Non-Executive Director

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

He currently serves as an examiner/scrutineer for Chartered Engineer (UK) and Fellowship reviews of the Institute of Materials, Mining, and Minerals (UK). In addition, he serves on the Ethics review committee of the Sri Lanka Medical Association and the Ethics committee of Asiri Group of Hospitals. Dr. Weerapperuma served as consultant to several Industries and Banks. Further, he 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, and in the Ministry of Industry.

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

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

Members of the Audit Committee and Remuneration Committee

Mr. Ajit Jayaratne

Independent Non-Executive Director – ACL Cables PLC

Chairman of the Audit Committee and Remuneration Committee

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

Mr. Rajiv Casie Chitty

Independent Non-Executive Director – ACL Cables PLC

Member of the Audit Committee and Remuneration Committee

Mr. Rajiv Casie Chitty had his education at Royal College, Colombo. He became a fellow of the Association of Chartered Certified Accountants (ACCA), UK and Associate Member of the Chartered Institute of Management Accountants (CIMA), UK and a Chartered Financial Analyst, USA. He obtained his Masters in Economics from the University of Colombo and won the Janashakthi Gold at the 2006 CIMA Pinnacle Awards. Mr. Casie Chitty was appointed a Director of ACL Cables PLC (Parent Company) in November 2005. He is Chief Operating Officer of Commercial Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC, Kalamazoo Industries PLC and Office Equipment PLC. He is the immediate past president of ACCA Sri Lanka panel.

Corporate Governance

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

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

The Board of Directors

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met. Specific responsibilities reserved to the Board include:

- To enhance shareholder value.
- Reviewing of corporate objectives, budgets and forecasts.
- Reviewing of operational and functional performance.
- Approving capital investments.
- Ensuring the implementation of an effective internal control system.
- Ensuring compliance with highest ethical and legal standards.
- Approval of the Annual and Interim Financial Statements prior to publication.
- Recommending Dividends for approval by the shareholders.

The Board comprises of five Directors out of whom three are Non-Executive Directors. The names and profiles of the Directors are given on pages 04 to 05 of this Annual Report. The Board recognizes the need for a clear division of responsibilities in running the Company business. Accordingly, the positions of Chairman and Managing Director have been separated.

The Board Balance

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

Directors' / Committee members' Attendance Records

The attendance of Directors / Committee members at relevant meetings of the Board and of the Audit and Remuneration Committees held during 2014/2015 was as follows,

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

Dedication of Adequate Time & Effort

Every Director dedicates adequate time and effort to matters of the Board and the Company. Adequate time is devoted at every meeting to ensure that the Board's responsibilities are discharged satisfactorily.

In addition, the Executive Directors of the Board have regular meetings with the Management when required.

Training for the Directors

Every Director receives appropriate training on the first occasion that he or she is appointed to the Board of the Company and subsequently as necessary. The policy on Directors training is, to provide adequate opportunities for continuous development subject to requirements and relevance for each Director.

Re-Election of Directors

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

Availability of a Nomination Committee

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

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

Accountability and Audit

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

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

The Report of the Directors is provided on pages 14 to 16 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 17 and 23 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the Report of the Directors on page 14 of this Annual Report.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place which optimize the Group's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Audit Committee responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are to be managed. In addition to the internal audits carried out by an external professional body, members of the Audit Committee are expected to report to the Board as necessary, the occurrence of any material control issues, serious accidents or events that have had a major commercial impact, or any significant new risks which have been identified.

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

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

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

Remuneration Committee

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

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

Further details of the Remuneration Committee are given in their report on page 20.

Audit Committee

The Audit Committee shall comprise of a minimum of two Independent Non-Executive Directors or of Non-Executive Directors, a majority of whom shall be independent, whichever is higher. One Non-Executive Director shall be appointed as Chairman of the committee by the Board of Directors.

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

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

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

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics for the Directors and members of the senior management.

The table below indicates the manner and extent to which ACL Plastics PLC complies with the Code of Best Practice in Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Corporate Governance Check List

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

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.5 (c)	Disclosure in the Annual Report Relating to Remuneration Committee (RC)	• Names of Directors comprising the RC. • Statement of Remuneration Policy • Aggregated remuneration paid to EDs and NEDs.	✓	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Corporate Governance
7.10.6 (a)	Composition of Audit Committee (AC)	• AC shall comprise a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NED shall be appointed as the Chairman of the Committee. • MD and Chief Financial Officer shall attend AC meetings. • The Chairman of the AC or one member should be a member of a recognized professional accounting body.	✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6(b)	Functions of Audit Committee (AC)	Overseeing of the – • Preparation, presentation and adequacy of disclosures in the financial statements in accordance with Sri Lanka Accounting Standards. • Compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. • Processes to ensure that the internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. • Assessment of the independence and performance of the external auditors. • Make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, and approve the remuneration and terms of engagement of the external auditor.	✓ ✓ ✓ ✓ ✓	Corporate Governance and the Audit Committee Report
7.10.6 (c)	Disclosure in Annual Report Relating to Audit Committee (AC)	• Names of Directors comprising the AC. • The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination. • The AR shall contain a Report of the AC setting out the manner of compliance with their functions.	✓	Audit Committee Report

Risk Management

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

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

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

Report of the Directors

The Directors have pleasure in presenting their Annual Report together with the Audited Statement of Financial Position as at 31st March 2015, Income Statement and Statement of Comprehensive Income for the year then ended.

The Company commenced commercial production in March 1993.

Review of the Year

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

Principal Activities - Parent Company

ACL Plastics PLC

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

Principal Activities - Subsidiary Company

ACL Polymers (Pvt) Ltd.

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

Future Developments

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

Independent Auditor's Report

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

Financial Statements

The Financial Statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on pages 24 to 55 in this Annual Report.

Accounting Policies

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 30 to 39. Where neccessary, the Accounting Policies adopted by the Company have been adjusted to comply with the new Sri Lanka Accounting Standards (SLFRSs / LKASs).

Directors' Responsibilities for Financial Statements

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

Going Concern

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

Stated Capital

The Stated Capital of the Company on 31st March 2015 was Rs. 79,974,555/= and was unchanged during the year.

Events Occurring After the Balance Sheet Date

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

Statutory Payments

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

Financial Results & Appropriations	31/03/2015	31/03/2014
	Rs.	Rs.
Total turnover	1,165,990,966	1,139,994,702
Profit before taxation	119,960,540	107,656,277
Profit after taxation	86,429,879	77,634,570
Profit attributable to shareholders of ACL Plastics PLC	86,429,879	77,634,570
Unappropriated surplus brought forward from previous year	331,346,771	255,687,500
Transfer from revaluation reserve	3,212,801	2,237,201
Other adjustments	280,909	-
Surplus available for appropriation	421,270,360	335,559,271
Your Directors recommend:		
Dividends paid	(8,425,000)	(4,212,500)
Transfer to general reserve	-	-
Unappropriated surplus carried forward	412,845,360	331,346,771

Directors

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

	Number of shares			
	31.03.2015	% Holding	31.03.2014	% Holding
Mr. U. G. Madanayake	1	-	1	-
Mr. Suren Madanayake	20,801	0.49	20,801	0.49
Mrs. N. C. Madanayake	17,751	0.42	17,751	0.42
Mr. Piyadasa Miriyagalla	-	-	-	-
Dr. Kamal Weerapperuma	-	-	-	-

Interest Register

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

Directors' Interest in Contracts

Directors' interests in contracts of the Company are disclosed in Note 34 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Remuneration

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

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of Rs. 2.00 per share was paid on 09th September 2014 to the shareholders of the Ordinary Shares for the financial year 2013/14.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 44,603,192, details of which are given in notes 14 to the Financial Statements.

Property, Plant and Equipment

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

Donations

Donations amounting to Rs. 40,000/- (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 56 of the Annual Report.

Environmental Protection

The Company has used its best endeavors to comply with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

Appointment of Auditors

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

Audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to Rs. 488,324 and Rs. 631,127 respectively.

Notice of Meeting

The Notice of the 24th Annual General Meeting is on page 60 of the Annual Report.

By Order of the Board

(Sgd.)
M/s. Corporate Affairs (Pvt) Ltd
Secretaries
24th July 2015

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 mis-statement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In discharging this responsibility, the Directors have instituted a system of internal financial controls and a system for monitoring its effectiveness. The system of controls provide reasonable and not absolute assurance of safeguarding of 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 2015, have been prepared based on the new Sri Lanka Accounting Standards (SLFRSs/LKASs) which came into effect for the financial periods commencing after 1st January 2012.

The Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2015 and Income Statement and the Statement of Comprehensive Income for the Company and the Group for the financial year ended 31st March 2015 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 24th July 2015.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries
24th July 2015

Financial Information

Financial Calendar (2014/15)

01st Quarter Interim Financial Statements – 14th August 2014
(30th June 2014 – Unaudited)

02nd Quarter Interim Financial Statements – 12th November 2014
(30th September 2014 – Unaudited)

03rd Quarter Interim Financial Statements – 12th February 2015
(31st December 2014 - Unaudited)

04th Quarter Interim Financial Statements – 28th May 2015
(31st March 2015 – Unaudited)

Annual Report 2014/15 – 24th July 2015

24th Annual General Meeting – 26th August 2015

Interim Dividends Proposed – 19th August 2014

Interim Dividends Paid – 09th September 2014

Remuneration Committee Report

Committee Composition

The Remuneration Committee of the parent company functions as the Remuneration Committee of ACL Plastics PLC and consists of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page 06.

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

Role

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

Executive Directors

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

On behalf of the Committee

(Sgd.)
Mr. Ajit Jayaratne
Chairman of the Remuneration Committee
24th July 2015

Audit Committee Report

Committee Composition

The Audit Committee of the parent company functions as the audit committee of ACL Plastics PLC which comprises of the following two Independent Non-Executive Directors of the Parent Company, brief profiles of whom are set out on page 06.

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

The above members have significant recent and relevant financial experience as required by the Code of Best Practice in Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange. Their financial knowledge and business acumen are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Role of the Committee

The primary role of the Audit Committee, which reports its findings to the Board of Directors, is to ensure the integrity of the financial reporting and audit processes and the maintenance of sound internal controls and risk management system. The Committee`s responsibilities include monitoring and reviewing the following:

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

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

Meetings and attendance

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

Financial Reporting system

The Audit Committee reviewed the financial reporting system adopted and related matters in respect of the 2014/2015 Financial Statements to ensure the reliability of the Financial Statements. The Committee also reviewed the interim financial statements for the adequacy and accuracy of the content of the reports.

External Audit

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

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Plastics PLC, the re-appointment of Messrs. PricewaterhouseCoopers as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2014/2015 are given in Note 08 to the financial statements.

Internal Audit

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

Conclusion

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

On behalf of the Committee

(Sgd.)
Mr. Ajit Jayaratne
Chairman of the Audit Committee
24th July 2015

Independent Auditor's Report

To the shareholders of ACL Plastics PLC

Report on the consolidated financial statements

1 We have audited the accompanying financial statements of ACL Plastics PLC ("the Company"), the consolidated financial statements of the Company and its subsidiary ("the Group") which comprise the statements of financial position as at 31 March 2015, and the statements of income, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information as set out in pages 24 to 55.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

6 In our opinion, the financial statements of the Company and the consolidated financial statements of the Group give a true and fair view of the financial positions of the Company and the Group as at 31 March 2015, and of their financial performance and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

CHARTERED ACCOUNTANTS
COLOMBO

24th July 2015

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

Consolidated Income Statement

(all amounts in Sri Lanka Rupees)

	Note	Group Year ended 31 March 2015	Group Year ended 31 March 2014	Company Year ended 31 March 2015	Company Year ended 31 March 2014
Revenue	6	1,165,990,966	1,139,994,702	1,150,232,966	1,127,134,977
Cost of sales	8	(1,028,002,307)	(1,033,725,588)	(1,017,875,059)	(1,023,268,971)
Gross profit		137,988,659	106,269,114	132,357,907	103,866,006
Other income	7	1,338,119	7,928,450	5,838,124	10,012,905
Administrative expenses	8	(5,904,468)	(5,891,312)	(5,592,558)	(5,469,622)
Operating profit		133,422,310	108,306,252	132,603,473	108,409,289
Finance expenses		(18,518,956)	(7,530,917)	(22,169,392)	(12,630,988)
Finance income		5,057,186	6,880,942	3,491,561	4,752,192
Net finance expenses	10	(13,461,770)	(649,975)	(18,677,831)	(7,878,796)
Profit before tax		119,960,540	107,656,277	113,925,642	100,530,493
Income tax	11	(33,530,661)	(30,021,707)	(30,755,551)	(27,146,486)
Profit for the year		86,429,879	77,634,570	83,170,091	73,384,007
Net profit attributable to shareholders of the Company		86,429,879	77,634,570	83,170,091	73,384,007
Earnings per share (Rs)	12	20.52	18.43	19.74	17.42
Dividend per share (Rs)	13	2.00	1.00	2.00	1.00

The notes on pages 30 to 55 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees)

	Note	Group Year ended 31 March 2015	 2014	Company Year ended 31 March 2015	 2014
Profit/(loss) for the period		86,429,879	77,634,570	83,170,091	73,384,007
Other comprehensive income/(expenses)					
Gains on revaluation of land and buildings	31	37,568,350	-	37,568,350	-
Deferred tax on revaluation	27	(7,455,616)	-	(7,455,616)	-
Re-measurements of defined benefit obligations	26	390,151	-	502,317	-
Tax impact on re-measurements of defined benefit obligations		(109,242)	-	(140,648)	-
Net change in fair value of available for sale financial assets		3,420,623	(920,436)	3,420,623	(920,436)
Other comprehensive income for the period, net of tax		33,814,266	(920,436)	33,895,026	(920,436)
Total comprehensive income for the period		120,244,145	76,714,134	117,065,117	72,463,571
Profit attributable to:					
- Owners of the parent		120,244,145	76,714,134	117,065,117	72,463,571

The notes on pages 30 to 55 form an integral part of these financial statements.

Consolidated Statement of Financial Position

(all amounts in Sri Lanka Rupees)

		Group		Company	
		As at 31 March		As at 31 March	
	Note	2015	2014	2015	2014
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	260,893,415	191,451,665	258,965,809	187,596,452
Capital work in progress	15	2,370,231	753,266	2,370,231	753,266
Prepaid lease rentals	16	1,709,631	1,731,834	1,709,631	1,731,834
Investment in subsidiary	17	-	-	10,000,010	10,000,010
Available-for-sale financial assets	18	18,562,038	15,141,416	18,562,038	15,141,416
		283,535,315	209,078,181	291,607,719	215,222,978
Current Assets					
Inventories	20	142,664,101	187,744,460	142,664,101	187,744,460
Trade and other receivables	21	457,643,466	549,834,785	431,773,739	522,072,747
Prepaid lease rentals	16	22,203	22,203	22,203	22,203
Cash and cash equivalents	23	50,684,732	8,378,503	45,007,525	6,281,404
		651,014,502	745,979,951	619,467,568	716,120,814
Total Assets		934,549,817	955,058,132	911,075,287	931,343,792
Equity and Liabilities					
Capital and Reserves					
Stated capital	30	79,974,555	79,974,555	79,974,555	79,974,555
Revaluation reserve	31	119,361,031	91,561,514	119,361,031	91,561,514
Revenue reserve	32.1	170,000,000	170,000,000	170,000,000	170,000,000
Other reserve	32.2	12,994,541	9,573,918	12,994,541	9,573,918
Retained earnings		412,845,359	331,346,770	342,364,348	264,044,787
Shareholders' funds		795,175,486	682,456,757	724,694,475	615,154,774
Non-Current Liabilities					
Defined benefit obligations	26	10,000,911	9,047,952	8,640,416	7,982,453
Deferred tax liability	27	30,617,690	22,781,702	30,458,899	22,000,582
		40,618,601	31,829,654	39,099,315	29,983,035
Current Liabilities					
Trade and other payables	24	57,988,390	87,656,966	137,157,108	163,367,565
Income tax payable	22	40,767,340	48,466,380	10,124,389	18,190,043
Borrowings	25	-	104,648,375	-	104,648,375
		98,755,730	240,771,721	147,281,497	286,205,983
Total Liabilities		139,374,331	272,601,375	186,380,812	316,189,018
Total Equity and Liabilities		934,549,817	955,058,132	911,075,287	931,343,792

The Board of Directors is responsible for the preparation and presentation of these financial statements. These financial statements were authorised for issue by the Board of Directors on 24th July 2015.

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

U.G. Madanayake
Chairman

Suren Madanayake
Managing Director

Champika Coomasaru
Group Financial Controller

The notes on pages 30 to 55 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Other reserve	Retained earnings	Total Equity
Balance at 1 April 2013		79,974,555	170,000,000	93,172,299	10,494,354	255,687,499	609,328,707
Profit for the year		-	-	-	-	77,634,570	77,634,570
Net change in fair value of AFS Investments		-	-	-	(920,436)	-	(920,436)
Total comprehensive income		-	-	-	(920,436)	77,634,570	76,714,134
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	27	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	(4,212,500)
Balance at 31 March 2014		79,974,555	170,000,000	91,561,514	9,573,918	331,346,770	682,456,757
Balance at 1 April 2014		79,974,555	170,000,000	91,561,514	9,573,918	331,346,770	682,456,757
Net profit		-	-	-	-	86,429,879	86,429,879
Revaluation surplus	31	-	-	37,568,350	-	-	37,568,350
Deferred tax on revaluation	27	-	-	(7,455,616)	-	-	(7,455,616)
Re-measurements of defined benefit obligations	26	-	-	-	-	390,151	390,151
Tax impact on re-measurements of defined benefit obligations		-	-	-	-	(109,242)	(109,242)
Net change in fair value of AFS Investments		-	-	-	3,420,623	-	3,420,623
Total comprehensive income		-	-	30,112,734	3,420,623	86,710,788	120,244,145
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	899,584	-	-	899,584
Dividend paid	13	-	-	-		(8,425,000)	(8,425,000)
Balance at 31 March 2015		79,974,555	170,000,000	119,361,031	12,994,541	412,845,359	795,175,486

The notes on pages 30 to 55 form an integral part of these financial statements.

Statement of Changes in Equity - Company

(all amounts in Sri Lanka Rupees)

	Note	Stated capital	Revenue reserve	Revaluation reserve	Other reserve	Retained earnings	Total Equity
Balance at 1 April 2013		79,974,555	170,000,000	93,172,299	10,494,354	192,636,079	546,277,287
Net profit		-	-	-	-	73,384,007	73,384,007
Net change in fair value of AFS Investments		-	-	-	(920,436)	-	(920,436)
Total comprehensive income		-	-	-	(920,436)	73,384,007	72,463,571
Transfer from revaluation reserve	31	-	-	(2,237,201)	-	2,237,201	-
Deferred tax on transfer	27	-	-	626,416	-	-	626,416
Dividend paid	13	-	-	-	-	(4,212,500)	(4,212,500)
Balance at 31 March 2014		79,974,555	170,000,000	91,561,514	9,573,918	264,044,787	615,154,774
Balance at 1 April 2014		79,974,555	170,000,000	91,561,514	9,573,918	264,044,787	615,154,774
Net profit		-	-	-	-	83,170,091	83,170,091
Revaluation surplus	31	-	-	37,568,350	-	-	37,568,350
Deferred tax on revaluation	27	-	-	(7,455,616)	-	-	(7,455,616)
Re-measurements of defined benefit obligations	26		-	-	-	502,317	502,317
Tax impact on re-measurements of defined benefit obligations		-	-	-	-	(140,648)	(140,648)
Net change in fair value of AFS Investments		-	-	-	3,420,623	-	3,420,623
Total comprehensive income		-	-	30,112,734	3,420,623	83,531,760	117,065,117
Transfer from revaluation reserve	31	-	-	(3,212,801)	-	3,212,801	-
Deferred tax on transfer	27	-	-	899,584	-	-	899,584
Dividend paid	13	-	-	-	-	(8,425,000)	(8,425,000)
Balance at 31 March 2015		79,974,555	170,000,000	119,361,031	12,994,541	342,364,348	724,694,475

The notes on pages 30 to 55 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

(all amounts in Sri Lanka Rupees)

		Group		Company	
		31 March		31 March	
	Note	2015	2014	2015	2014
Operating activities					
Cash generated from / (used in) operations	33	246,212,695	(48,282,283)	240,298,614	(46,945,257)
Interest paid	10	(9,257,116)	(4,171,973)	(12,907,552)	(9,272,047)
Gratuity paid	26	(354,017)	(563,828)	(303,407)	(563,828)
Income tax paid	22	(39,558,987)	(12,281,889)	(37,059,568)	(8,790,439)
WHT on dividend paid by subsidiary		(500,000)	(250,000)	-	-
Net cash generated from / (used in) operating activities		196,542,575	(65,549,973)	190,028,087	(65,571,571)
Investing activities					
Interest received	10	5,057,186	6,880,942	3,491,561	4,752,192
Purchase and construction of property, plant and equipment	14	(44,603,192)	(11,041,549)	(44,603,192)	(11,041,549)
Cost incurred on capital work in progress	15	(1,616,965)	-	(1,616,965)	-
Dividend received	7	-	513,565	4,500,005	2,763,570
Sale proceeds on disposal of property, plant and equipment		-	7,257,589	-	7,257,589
Net cash (used in) / generated from investing activities		(41,162,971)	3,610,547	(38,228,591)	3,731,802
Financing activities					
Dividend paid	13	(8,425,000)	(4,212,500)	(8,425,000)	(4,212,500)
Net proceeds / (repayments) of import loans	25	(37,199,725)	37,199,725	(37,199,725)	37,199,725
Net cash (used in) / generated from financing activities		(45,624,725)	32,987,225	(45,624,725)	32,987,225
Increase / (decrease) in cash and cash equivalents		109,754,879	(28,952,201)	106,174,771	(28,852,544)
Movement in cash and cash equivalents					
At the beginning of the year		(59,070,147)	(30,117,946)	(61,167,246)	(32,314,702)
Increase / (decrease)		109,754,879	(28,952,201)	106,174,771	(28,852,544)
At the end of the year	23	50,684,732	(59,070,147)	45,007,525	(61,167,246)

The notes on pages 30 to 55 form an integral part of these financial statements.

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

1. General Information

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

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

Parent company

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

Subsidiary company

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

2 Basis of preparation and summary of significant accounting policies

2.1 Basis of Preparation

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

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

2.2 Changes in accounting policies and disclosures

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

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the Company:

The following note is a complete reiteration of a large number of possible accounting policies. Management should only present information that relates directly to the business and should avoid boilerplate disclosure.

Amendment to LKAS 1 'Financial Statement Presentation', regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'Other Comprehensive Income' (OCI) on the basis of whether they are potentially re-classifiable to profit or loss subsequently (re-classification adjustments).

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

Amendments to LKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of SLFRS 13.

Amendment to LKAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Company has applied the amendment and there has been no significant impact on the Company financial statements as a result.

SLFRS 10 'Consolidated Financial Statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

SLFRS 11 'Joint Arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operators account for its share of the assets, liabilities, revenue and expenses. Joint ventures are accounted for under equity method. Proportional consolidation of joint arrangements is no longer permitted.

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

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

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

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Company.

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

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

2.3 Consolidation

(a) Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

(b) Disposal of subsidiaries

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

2.4 Foreign currency transactions

Transactions and balances

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

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

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

2.5 Taxation

(a) Current taxes

Provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

(b) Deferred income taxes

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

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

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

2.6 Valuation of assets and their bases of measurement

2.6.1. Property, plant and equipment

(a) Recognition and measurement

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

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

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

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

(b) Depreciation

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

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

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

The estimated useful life of the assets are as follows;

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

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

(c) Borrowing costs

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

(d) Revaluation of property, plant and equipment

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

2.6.2 Financial assets

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

a. Loans and receivables

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

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

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

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

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

b. Available-for-sale financial assets

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

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

2.6.3 Impairment of non-financial assets

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

2.6.4 Impairment of financial assets

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

a. Financial assets carried at amortised cost

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

b. Available-for-sale financial investments

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

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

2.7 Inventories

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

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

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

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

2.8 Trade and other receivables

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

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

2.9 Cash and cash equivalents

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

2.10 Trade and other payables

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

2.11 Borrowings

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

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

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

2.12 Employee benefits

(a) Defined benefit obligation

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

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

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

Past-service costs are recognised immediately in income.

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

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

(b) Defined contribution plans

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

(c) Short-term employee benefits

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

2.13 Provisions

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

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

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

2.14 Revenue recognition

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

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

Interest Income is recognised on accrual basis.

Dividend income is recognised when the shareholders right to receive the payment is established.

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

Other income is recognised on an accrual basis.

2.15 Comparatives

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

2.16 Segment reporting

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

2.17 Earnings per share

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

2.18 Leases

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

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

3. Financial risk management

3.1 Financial risk factors

The Board of Directors of the Company regularly reviews its exposure to various kinds of risk factors with the ultimate objective to deliver superior shareholder value between risk and return. The Board oversees market risk, operational risk, credit risk and liquidity risk giving special consideration in broader aspects to the Company's exposure to interest rate fluctuations and exchange rate fluctuations in the market. Based on the economic outlook and the Company's exposure to these risks, the Board of the Company approves various risk management strategies from time to time.

The Company's principal financial liabilities comprise short-term borrowings, trade and other payables and bank overdrafts. The main purpose of these financial liabilities is to raise finances for the Company's operations. The Company has various financial assets such as trade and other receivables, other investments, loans and cash balances, which arise directly and indirectly from its operations.

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

(a) Market risk

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

(i) Foreign exchange risk

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

(ii) Interest rate risk

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

(iii) Price risk

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

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

Group	Change in equity price	Effect on other comprehensive income (Rs.)	Effect on equity (Rs.)
31 March 2015	10%	1,856,204	1,856,204
31 March 2014	10%	1,514,142	1,514,142

Company	Change in equity price	Effect on other comprehensive income (Rs.)	Effect on equity (Rs.)
31 March 2015	10%	1,856,204	1,856,204
31 March 2014	10%	1,514,142	1,514,142

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

(b) Liquidity risk

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

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

Analysis of financial liabilities by remaining contractual maturities:

At 31 March 2015	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)	55,938,008	-	-	-	55,938,008
Total financial liabilities	55,938,008	-	-	-	55,938,008

At 31 March 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Borrowings (ex finance lease liabilities)	104,648,375	-	-	-	104,648,375
Trade and other payables (excluding statutory liabilities)	86,870,326	-	-	-	86,870,326
Total financial liabilities	191,518,701	-	-	-	191,518,701

(c) Credit risk

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

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. See note 21 for further disclosure on credit risk.

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 2015.

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

	Group		Company	
	2015	2014	2015	2014
Total borrowings (Note 25)	-	104,648,375	-	104,648,375
Less: cash and cash equivalents (Note 23)	(50,684,732)	(8,378,503)	(45,007,525)	(6,281,404)
Net debt	-	96,269,872	-	98,366,971
Total equity	795,175,486	682,456,757	724,694,475	615,154,774
Total capital	795,175,486	778,726,629	724,694,475	713,521,745
Gearing ratio	-	12%	-	14%

As at 31st March 2015 the Company operated as a non-geared Company.

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 2015

Group Assets	Level 1	Level 2	Level 3	Total balance
Available-for-sale financial assets	18,562,038	-	-	18,562,038
Land and building	-	178,020,800	-	178,020,800
	18,562,038	178,020,800	-	196,582,838
Company				
Assets				
Available-for-sale financial assets	18,562,038	-	-	18,562,038
Land and building	-	178,020,800	-	178,020,800
	18,562,038	178,020,800	-	196,582,838

As at 31 March 2014

Group Assets	Level 1	Level 2	Level 3	Total balance
Available-for-sale financial assets	15,141,416	-	-	15,141,416
Land and building	-	142,592,430	-	142,592,430
	15,141,416	142,592,430	-	157,733,846
Company				
Assets				
Available-for-sale financial assets	15,141,416	-	-	15,141,416
Land and building	-	142,592,430	-	142,592,430
	15,141,416	142,592,430	-	157,733,846

(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.

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

4. Critical accounting estimates and judgments

4.1 Critical accounting estimates and assumptions

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

(a) Estimated impairment of non-current assets

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

(b) Defined benefit plan - Gratuity

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

(c) Provisions

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

5. 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 re-classified to conform with the changes in presentation in the current year.

6 . Revenue

	Group Year ended 31 March		Company Year ended 31 March	
	2015	2014	2015	2014
Local Sales	1,138,724,224	1,069,843,221	1,122,966,224	1,056,983,496
Deemed exports	27,292,687	70,173,411	27,292,687	70,173,411
Revenue taxes	(25,945)	(21,930)	(25,945)	(21,930)
Net revenue	1,165,990,966	1,139,994,702	1,150,232,966	1,127,134,977

7 . Other income

	Group Year ended 31 March		Company Year ended 31 March	
	2015	2014	2015	2014
Dividend income	-	513,565	4,500,005	2,763,570
Profit on sale of fixed assets	-	6,818,354	-	6,818,354
Surplus on revaluation of property, plant and equipment recognised in income statement	871,650	-	871,650	-
Sundry income	466,469	596,531	466,469	430,981
	1,338,119	7,928,450	5,838,124	10,012,905

8 . Expenses by nature

	Group Year ended 31 March 2015	2013	Company Year ended 31 March 2015	2014
Directors' emoluments	240,000	420,000	240,000	420,000
Auditor's remuneration	631,127	604,770	488,324	450,450
Depreciation (Note 14)	13,601,442	10,977,338	11,673,835	9,049,731
Staff costs (Note 9)	49,142,095	45,779,111	41,371,597	37,513,216
Raw material consumption	941,485,941	935,171,658	920,920,311	935,171,658
Other expenses	28,806,170	46,664,023	48,773,550	46,133,538
Total cost of sales and administrative expenses	1,033,906,775	1,039,616,900	1,023,467,617	1,028,738,593

Other expenses mainly consist of electricity expenses amounting to Rs. 28,848,204 (2014 - Rs. 27,432,742) and other production overheads.

9. Staff cost

	Group Year ended 31 March 2015	2014	Company Year ended 31 March 2015	2014
Wages and salaries	33,074,500	30,448,121	30,122,773	26,922,271
Defined contribution plan	2,680,951	2,467,538	2,254,730	2,036,331
Defined benefit plan (Note 26)	1,697,127	1,997,763	1,463,687	1,805,955
Other staff costs	11,689,517	10,865,689	7,530,407	6,748,659
	49,142,095	45,779,111	41,371,597	37,513,216

Group other staff costs mainly include bonus cost amounting to Rs 2,788,093 (2014 - Rs 2,589,360) and staff welfare expense amounting to Rs 3,465,990 (2014 - Rs 3,022,509).

10 . Finance income and costs

	Group Year ended 31 March 2015	2014	Company Year ended 31 March 2015	2014
Interest expense :				
Interest on bank borrowings, concern loans and current accounts	(9,257,116)	(4,171,973)	(12,907,552)	(9,272,047)
Exchange gain/(loss)	(9,261,840)	(3,358,944)	(9,261,840)	(3,358,941)
Finance costs	(18,518,956)	(7,530,917)	(22,169,392)	(12,630,988)
Finance income:				
Interest income	5,057,186	6,880,942	3,491,561	4,752,192
Finance income	5,057,186	6,880,942	3,491,561	4,752,192
Net finance costs	(13,461,770)	(649,975)	(18,677,831)	(7,878,796)

11. Income tax

	Group Year ended 31 March 2015	2014	Company Year ended 31 March 2015	2014
Current tax	31,859,947	29,057,226	28,993,914	26,513,231
Deferred tax (release)/ charge	1,170,714	714,481	1,761,637	633,255
WHT on dividend paid by subsidiary	500,000	250,000	-	-
	33,530,661	30,021,707	30,755,551	27,146,486

11. Income tax (Contd)

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

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2015	2014	2015	2014
Profit before tax	119,960,540	107,656,277	113,925,642	100,530,493
Consolidation adjustments	4,500,005	2,250,005	-	-
	124,460,545	109,906,282	113,925,642	100,530,493
Profit before tax after adjustments at tax rate	34,848,953	30,773,759	31,899,180	28,148,538
Tax impact of profit not subject to tax	(1,504,210)	(1,219,853)	(1,504,210)	(1,219,853)
Expenses not deductible for tax purposes	5,498,868	4,946,075	5,484,698	4,271,413
Tax effect of allowable deductions	(5,427,858)	(3,799,269)	(4,739,025)	(3,124,607)
Tax effect of the income taxable at concessionary rates	(385,092)	(929,005)	(385,092)	(929,005)
WHT on dividend paid by subsidiary	500,000	250,000	-	-
Tax charge	33,530,661	30,021,707	30,755,551	27,146,486

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	
	2015	2014	2015	2014
Net profit attributable to shareholders	86,429,879	77,634,570	83,170,091	73,384,007
Weighted average number of ordinary shares in issue	4,212,500	4,212,500	4,212,500	4,212,500
Basic earnings per share	20.52	18.43	19.74	17.42

13 . Dividend per share

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2015	2014	2015	2014
Interim dividend - 2013 / 2014 - Rs. 2.00 per share	8,425,000	-	8,425,000	-
Interim dividend - 2012 / 2013 - Rs. 1.00 per share	-	4,212,500	-	4,212,500
	8,425,000	4,212,500	8,425,000	4,212,500
Number of ordinary shares in issue	4,212,500	4,212,500	4,212,500	4,212,500
Dividend per share	2.00	1.00	2.00	1.00

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 2013						
Cost / Valuation	148,678,949	110,548,313	14,720,978	2,234,330	6,922,181	283,104,752
Accumulated depreciation	(3,074,889)	(71,573,135)	(10,591,338)	(1,718,914)	(4,319,786)	(91,278,062)
	145,604,060	38,975,178	4,129,640	515,416	2,602,395	191,826,690
Year ended 31 March 2014						
Opening net book amount	145,604,060	38,975,178	4,129,640	515,416	2,602,395	191,826,690
Additions	-	287,192	98,729	71,550	10,584,078	11,041,549
Disposals - Cost	-	-	-	-	(958,333)	(958,333)
- Acc. depreciation	-	-	-	-	519,097	519,097
Depreciation charge (Note 8)	(3,011,630)	(6,565,752)	(584,908)	(108,515)	(706,533)	(10,977,338)
Closing net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
At 31 March 2014						
Cost / Valuation	148,678,949	110,835,505	14,819,707	2,305,880	16,547,926	293,187,968
Accumulated depreciation	(6,086,519)	(78,138,887)	(11,176,246)	(1,827,429)	(4,507,222)	(101,736,303)
Net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
Year ended 31 March 2015						
Opening net book amount	142,592,430	32,696,618	3,643,461	478,451	12,040,704	191,451,665
Additions	-	35,570,917	556,675	215,600	8,260,000	44,603,192
Revaluation surplus	38,440,000	-	-	-	-	38,440,000
Depreciation charge (Note 8)	(3,011,630)	(6,886,768)	(601,221)	(95,625)	(3,006,198)	(13,601,442)
Closing net book amount	178,020,800	61,380,767	3,598,915	598,426	17,294,506	260,893,415
At 31 March 2015						
Cost / Valuation	178,178,949	146,406,422	15,376,382	2,521,480	24,807,926	367,291,160
Accumulated depreciation	(158,149)	(85,025,655)	(11,777,467)	(1,923,054)	(7,513,420)	(106,397,745)
Net book amount	178,020,800	61,380,767	3,598,915	598,426	17,294,506	260,893,415

14. Property, plant and equipment - Company

(b)	Land and buildings	Plant machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 1 April 2013						
Cost / Valuation	148,678,948	91,272,244	14,720,977	2,234,330	6,922,181	263,828,680
Accumulated depreciation	(3,074,888)	(58,079,885)	(10,591,337)	(1,718,914)	(4,319,786)	(77,784,810)
	145,604,060	33,192,359	4,129,640	515,416	2,602,395	186,043,870
Year ended 31 March 2014						
Opening net book amount	145,604,060	33,192,359	4,129,640	515,416	2,602,395	186,043,870
Additions	-	287,192	98,729	71,550	10,584,078	11,041,549
Disposals - Cost	-	-	-	-	(958,333)	(958,333)
- Acc. depreciation	-	-	-	-	519,097	519,097
Depreciation charge (Note 8)	(3,011,630)	(4,638,145)	(584,908)	(108,515)	(706,533)	(9,049,731)
Closing net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
At 31 March 2014						
Cost / Valuation	148,678,948	91,559,436	14,819,706	2,305,880	16,547,926	273,911,896
Accumulated depreciation	(6,086,518)	(62,718,030)	(11,176,245)	(1,827,429)	(4,507,222)	(86,315,444)
Net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
Year ended 31 March 2015						
Opening net book amount	142,592,430	28,841,406	3,643,461	478,451	12,040,704	187,596,452
Additions	-	35,570,917	556,675	215,600	8,260,000	44,603,192
Revaluation surplus	38,440,000	-	-	-	-	38,440,000
Depreciation charge (Note 8)	(3,011,630)	(4,959,161)	(601,221)	(95,625)	(3,006,198)	(11,673,835)
Closing net book amount	178,020,800	59,453,162	3,598,915	598,426	17,294,506	258,965,809
At 31 March 2015						
Cost / Valuation	178,178,948	127,130,353	15,376,381	2,521,480	24,807,926	356,955,088
Accumulated depreciation	(158,148)	(67,677,191)	(11,777,466)	(1,923,054)	(7,513,420)	(97,989,279)
Net book amount	178,020,800	59,453,162	3,598,915	598,426	17,294,506	258,965,809

(c) The Group's land (extent - 3 A - 0 R - 44 P, location - Ekala) and buildings (No. of buildings 09) were last revalued on 31 March 2015 by an Independent Professional Valuer Mr. J.M. Senanayaka Bandara BSc. (Hon) (Estate Management & Valuation), FIV Sri Lanka, IRRV (UK).

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

Company / Group

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

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

Cost at 31 March 2015	41,083,724
Accumulated depreciation at 31 March 2015	(24,432,436)
Net book value	16,651,288

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

15 . Capital work in progress

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
At beginning of year	753,266	753,266	753,266	753,266
Cost incurred during the year	1,616,965	-	1,616,965	-
At end of year	2,370,231	753,266	2,370,231	753,266

16 . Prepaid lease rentals

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Balance at 1 April	1,754,037	1,776,240	1,754,037	1,776,240
Amortisation during the year	(22,203)	(22,203)	(22,203)	(22,203)
Balance at 31 March	1,731,834	1,754,037	1,731,834	1,754,037
Amount to be amortised within one year (Current)	22,203	22,203	22,203	22,203
Amount to be amortised after one year (Non current)	1,709,631	1,731,834	1,709,631	1,731,834
	1,731,834	1,754,037	1,731,834	1,754,037

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

17. Investment in subsidiary

Investment in subsidiary wholly consists of Rs 10,000,010 (2014 - Rs 10,000,010) invested in ordinary shares of ACL Polymers (Private) Limited, representing 100% of its issued share capital.

18. Available-for-sale financial assets

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

	31 March 2015			31 March 2014		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Diversified holdings						
Hayleys PLC	38,907	2,952,614	11,672,100	38,907	2,952,614	11,088,495
Banking, finance and insurance						
Nations Trust Bank PLC	25,592	512,005	2,561,758	25,592	512,005	1,660,921
Plantations						
Maskeliya Plantations PLC	8,200	374,258	81,180	8,200	374,258	82,000
Watawala Plantations PLC	200,000	1,252,041	4,000,000	200,000	1,252,041	1,960,000
Kotagala Plantations PLC	10,000	476,580	247,000	10,000	476,580	350,000
Total cost of investments by the Company		5,567,498	18,562,038		5,567,498	15,141,416
Total cost of investments by the Group		5,567,498	18,562,038		5,567,498	15,141,416

19. Financial instruments by category

(a) Financial instruments

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

	Financial Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade & other payables	-	57,988,390	57,988,390
Borrowings	-	-	-
	-	57,988,390	57,988,390

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

	Financial Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade & other payables	-	137,157,108	137,157,108
Borrowings	-	-	-
	-	137,157,108	137,157,108

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

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

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

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

(b) Credit quality by class of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

31 March 2015	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Group				
Available-for-sale financial assets	18,562,038	-	-	18,562,038
Trade and other receivables (gross)	375,974,892	81,668,574	531,429	458,174,895
Total financial assets	402,187,780	46,691,412	531,429	449,410,621
Company				
Available-for-sale financial assets	18,562,038	-	-	18,562,038
Trade and other receivables (gross)	350,105,165	81,668,574	531,429	432,305,168
Total financial assets	368,667,203	81,668,574	531,429	450,867,206

Cash at bank and short-term bank deposits	Group As at 31 March		Company As at 31 March	
	2015	2014	2015	2014
AA-(lka)	15,070,583	5,406,615	9,397,506	3,314,897
AAA(lka)	33,716,404	1,070,668	33,712,274	1,070,287
A(lka)	1,819,543	1,795,220	1,819,543	1,795,220
Total	50,606,530	8,272,503	44,929,323	6,180,404

20. Inventories

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Raw materials	110,093,872	154,589,159	110,093,872	154,589,159
Work-in-progress	3,686,111	4,520,500	3,686,111	4,520,500
Finished goods	30,244,756	30,614,075	30,244,756	30,614,075
Goods in transit	-	35,556	-	35,556
Other stocks	697,107	42,915	697,107	42,915
Less - Provision for slow moving stocks	(2,057,745)	(2,057,745)	(2,057,745)	(2,057,745)
	142,664,101	187,744,460	142,664,101	187,744,460

21. Trade and other receivables

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Trade receivables	12,494,332	18,778,083	11,819,635	16,249,378
Less : provision for impairment of trade receivables	(531,429)	(531,429)	(531,429)	(531,429)
	11,962,903	18,246,654	11,288,206	15,717,949
Receivable from related companies [Note 34.12 (b)]	360,409,815	438,566,675	360,409,815	438,566,675
Loan given to holding Company-Current [Note 34.12 (c)]	80,745,077	80,745,055	55,745,055	55,745,055
Advance and prepayments	2,740,716	2,500,398	2,545,708	2,287,665
Other receivables	1,784,955	9,776,003	1,784,955	9,755,403
	457,643,466	549,834,785	431,773,739	522,072,747

Other receivables of the Group include Value Added Tax receivable amounting to Rs. Nil (2014 - Rs 7,564,470).

The average interest rate (linked to Treasury Bill rate) on loan given to holding company is 6.26% (2014 - 8.5%). This is to be settled on demand.

As of 31 March 2015, trade receivables of Rs. 11,962,903 (2014 - Rs. 18,246,654) were fully performing.

The aging of the receivable balances impaired are as follows.

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
less than 1 year	-	-	-	-
Over 1 year	531,429	531,429	531,429	531,429
	531,429	531,429	531,429	531,429

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

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
US Dollars - Exchange rate exposure	17,486,951	28,821,558	17,486,951	28,821,558
Sri Lankan Rupees	440,156,515	521,013,227	414,286,788	493,251,189
	457,643,466	549,834,785	431,773,739	522,072,747

22. Income tax payable

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Balance at 1 April	48,466,380	31,691,043	18,190,043	467,251
Provision for the current year	31,859,947	29,057,226	28,993,914	26,513,231
	80,326,327	60,748,269	47,183,957	26,980,482
Payments made during the year	(39,558,987)	(12,281,889)	(37,059,568)	(8,790,439)
Balance at 31 March	40,767,340	48,466,380	10,124,389	18,190,043

23. Cash and cash equivalents

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Cash at bank and in hand	50,684,732	8,378,503	45,007,525	6,281,404
	50,684,732	8,378,503	45,007,525	6,281,404

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Cash at bank and in hand	50,684,732	8,378,503	45,007,525	6,281,404
Bank overdraft (Note 25)	-	(67,448,650)	-	(67,448,650)
	50,684,732	(59,070,147)	45,007,525	(61,167,246)

24. Trade and other payables

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Trade payables	51,109,566	82,079,141	51,109,566	82,079,141
Payables to related parties [Note 34.12 (a)]	48,388	-	20,649,889	17,114,512
Loans from related parties [Note 34.12 (d)]	-	-	59,100,000	59,100,000
Payroll related payable and other taxes	2,292,549	783,837	1,903,762	478,837
Accrued expenses and other payable	4,537,887	4,793,988	4,393,891	4,595,075
	57,988,390	87,656,966	137,157,108	163,367,565

The average interest rate (linked to Treasury Bill rate) on loan from related parties is 6.26% (2014 - 8.5%). This is to be settled on demand.

25 . Borrowings

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Short term Import loans	-	37,199,725	-	37,199,725
Bank overdraft	-	67,448,650	-	67,448,650
	-	104,648,375	-	104,648,375

Securitizations and bank facilities

Group

Lender	Type of the loan	Interest rates	31 March 2015	31 March 2014	Securities pledged
Standard Chartered Bank	Short-term Import Loans	Linked to AWPLR	-	19,734,846	-
	Overdraft	Linked to AWPLR	-	67,448,650	-
Hatton National Bank PLC	Short-term Import Loans	Linked to AWPLR	-	17,464,879	-
	Overdraft	Linked to AWPLR	-	-	-

Company

Lender	Type of the loan	Interest rates	31 March 2015	31 March 2014	Securities pledged
Standard Chartered Bank	Short-term Import Loans	Linked to AWPLR	-	19,734,846	-
	Overdraft	Linked to AWPLR	-	67,448,650	-
Hatton National Bank PLC	Short-term Import Loans	Linked to AWPLR	-	17,464,879	-
	Overdraft	Linked to AWPLR	-	-	-

26. Defined benefit obligations

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

	Group		Company	
	31 March		31 March	
	2015	2014	2015	2014
At beginning of year	9,047,952	7,614,017	7,982,453	6,740,326
Expense recognised in income statement (Note 26.1)	1,697,127	1,997,763	1,463,687	1,805,955
Actuarial (gain) / loss recognised in other comprehensive income	(390,151)	-	(502,317)	-
	10,354,928	9,611,780	8,943,823	8,546,281
Payments made during the year	(354,017)	(563,828)	(303,407)	(563,828)
At end of year	10,000,911	9,047,952	8,640,416	7,982,453

26.1 Expense recognised in income statement

	Group		Company	
	31 March		31 March	
	2015	2014	2015	2014
Current service cost	701,852	1,997,763	585,617	1,805,955
Interest cost	995,275	-	878,070	-
	1,697,127	1,997,763	1,463,687	1,805,955

The Company maintains an unfunded defined benefit plan providing for gratuity benefits payable to employees expressed in terms of final monthly salary and service.

As at 31 March 2015, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm Actuarial & Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company	
	31 March	
	2015	2014
Rate of discount	10%	11%
Salary increment rate	10%	10%
Retirement age	55 years	55 years

26.2 Sensitivity of the actuarial assumptions

		Group		Company	
	Change	Financial Position Liability	Comprehensive income (Charge) / Credit for the year	Financial Position-Liability	Comprehensive income - (Charge) / Credit for the year
Discount rate	+1	(998,135)	998,135	(825,481)	825,481
	-1	1,154,435	(1,154,435)	949,696	(949,696)

27. Deferred income tax

Deferred income taxes are calculated on temporary differences under the liability method using the future effective tax rate of 28%. (2014 - 28%) .

		Group 31 March		Company 31 March	
		2015	2014	2015	2014
27.1	Movement in deferred tax liabilities				
	Balance at the beginning of the year	22,781,702	22,693,637	22,000,582	21,993,743
	Origination/(reversal) of temporary differences	1,279,956	714,481	1,902,285	633,255
	Deferred tax on amount transferred from				
	- revaluation reserve (Note 30)	(899,584)	(626,416)	(899,584)	(626,416)
	Effect of revaluation of buildings	7,455,616	-	7,455,616	-
		30,617,690	22,781,702	30,458,899	22,000,582
27.2	Composition of deferred tax liabilities				
	Property, plant & equipment	33,994,113	25,891,297	33,454,383	24,811,837
	Provision for slow moving inventory	(576,168)	(576,169)	(576,168)	(576,169)
	Defined benefit obligations	(2,800,255)	(2,533,426)	(2,419,316)	(2,235,086)
		30,617,690	22,781,702	30,458,899	22,000,582

28. Contingent liabilities

Company

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

Group

ACL Polymers (Pvt) Ltd

The Department of Inland Revenue raised an assessment on income tax for the year of assessment 2007/2008 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted an appeal against the said assessment within the stipulated time frame in accordance with the Inland Revenue Act. The matter is referred to the Court of Appeal for their opinion. Management of the Company is of the view that no liability would arise since the Company is entitled for the Income Tax exempt under section 17 of the Inland Revenue Act No. 10 of 2006.

29. Commitments

Financial commitments

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

Capital commitments

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

30. Stated capital

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Number of ordinary shares issued and fully paid				
Balance at 31 March	4,212,500	4,212,500	4,212,500	4,212,500
Stated capital				
Balance at 1 April	79,974,555	79,974,555	79,974,555	79,974,555
Balance at 31 March	79,974,555	79,974,555	79,974,555	79,974,555

31. Revaluation reserve

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
At beginning of year	91,561,514	93,172,299	91,561,514	93,172,299
Revaluations during the year	37,568,350	-	37,568,350	-
Deferred tax on revaluation	(7,455,616)	-	(7,455,616)	-
Transfer to retained earnings	(3,212,801)	(2,237,201)	(3,212,801)	(2,237,201)
Deferred tax on transfer	899,584	626,416	899,584	626,416
At end of year	119,361,031	91,561,514	119,361,031	91,561,514

32. Reserves

32.1 Revenue Reserve

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Revenue reserve	170,000,000	170,000,000	170,000,000	170,000,000

32.2 Other reserve

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Other reserve	12,994,541	9,573,918	12,994,541	9,573,918

33. Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Profit before tax	119,960,540	107,656,277	113,925,642	100,530,493
Adjustments for:				
Depreciation of property, plant & equipment (Note 14)	13,601,442	10,977,338	11,673,835	9,049,731
Dividend income (Note 7)	-	(513,565)	(4,500,005)	(2,763,570)
Interest expense (Note 10)	9,257,116	4,171,973	12,907,552	9,272,047
Interest income (Note 10)	(5,057,186)	(6,880,942)	(3,491,561)	(4,752,192)
Profit on disposal of fixed assets (Note 7)	-	(6,818,354)	-	(6,818,354)
Amortization of leasehold properties (Note 16)	22,203	22,203	22,203	22,203
(Gain) / loss on revaluation of property,plant & equipment				
charged to income statement	(871,650)	-	(871,650)	-
Provision for Defined benefit obligations (Note 26)	1,697,127	1,997,763	1,463,687	1,805,955
Changes in working capital:				
Inventories	45,080,359	(74,951,114)	45,080,359	(74,951,115)
Receivables and prepayments	92,191,319	(129,900,777)	90,299,008	(128,043,353)
Trade and other payables	(29,668,575)	45,956,915	(26,210,456)	49,702,898
Cash generated from operations	246,212,695	(48,282,283)	240,298,614	(46,945,257)

34. Directors' interests in contracts and related party transactions

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

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

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

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

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

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

34.7 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of Lanka Olex Cables (Pvt) Ltd.

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

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

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

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

		Company Year ended 31 March	
		2015	2014
(a)	Sales of goods		
	ACL Cables PLC	655,882,985	701,229,762
	ACL Kelani Magnet Wire (Private) Limited	1,039,047	658,240
	Kelani Cables PLC	572,485,289	520,349,539
		1,229,407,321	1,222,237,541
(b)	Purchase of goods		
	ACL Cables PLC	1,744,405	38,537
	Kelani Cables PLC	103,917	74,201
		1,848,322	112,738
(c)	Interest income from loans		
	ACL Cables PLC	3,491,035	4,746,691
		3,491,035	4,746,691
(d)	Loan taken from / (settled to) related party		
	ACL Polymers (Private) Limited	-	(1,000,000)
		-	(1,000,000)
(e)	Interest on borrowings		
	ACL Polymers (Private) Limited	3,650,436	5,100,074
		3,650,436	5,100,074

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

(a) Payable to related parties

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
ACL Polymers (Pvt) Ltd	-	-	20,601,498	17,114,512
Kelani Cables PLC	48,388	-	48,391	-
	48,388	-	20,649,889	17,114,512

(b) Receivable from related parties

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
ACL Cables PLC	276,207,597	326,652,822	276,207,597	326,652,822
Kelani Cables PLC	84,202,218	111,913,853	84,202,218	111,913,853
	360,409,815	438,566,675	360,409,815	438,566,675

(c) Receivable on loans

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
ACL Cables PLC	80,745,055	80,745,055	55,745,055	55,745,055
	80,745,055	80,745,055	55,745,055	55,745,055

(d) Payable on loans

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
ACL Polymers (Private) Limited	-	-	59,100,000	59,100,000
	-	-	59,100,000	59,100,000

There were no other related parties or related party transactions during the year ended 31 March 2015 other than those disclosed above.

(e) Key management compensation

Key management includes Directors (executive and non-executive), the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Directors' emoluments	240,000	420,000	240,000	420,000

35. Events after the reporting period

The Board of Directors declared on 30th June 2015 payment of an interim dividend of Rs. 4.00 per share for the year ended 31st March 2015.

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

Information to Shareholders

Distribution of Shares as at 31st March 2015

Category	Number of Shareholders	%	Number of Ordinary Shares
1 - 1,000 shares	465	2.73	114,995
1,001 - 5,000 shares	74	4.19	176,337
5,001 - 10,000 shares	10	1.75	73,675
10,001 - 50,000 shares	19	9.33	392,951
50,001 - 100,000 shares	1	1.94	81,600
100,001 - 500,000 shares	4	24.46	1,030,573
500,001 - 1,000,000 shares	-	-	-
Over 1,000,000 shares	1	55.61	2,342,369
Total	574	100	4,212,500

Analysis Report of Shareholders as at 31st March 2015

	Number of Shares	Total Holdings %
Institutional	3,564,695	84.62
Individuals	647,805	15.38
Total	4,212,500	100

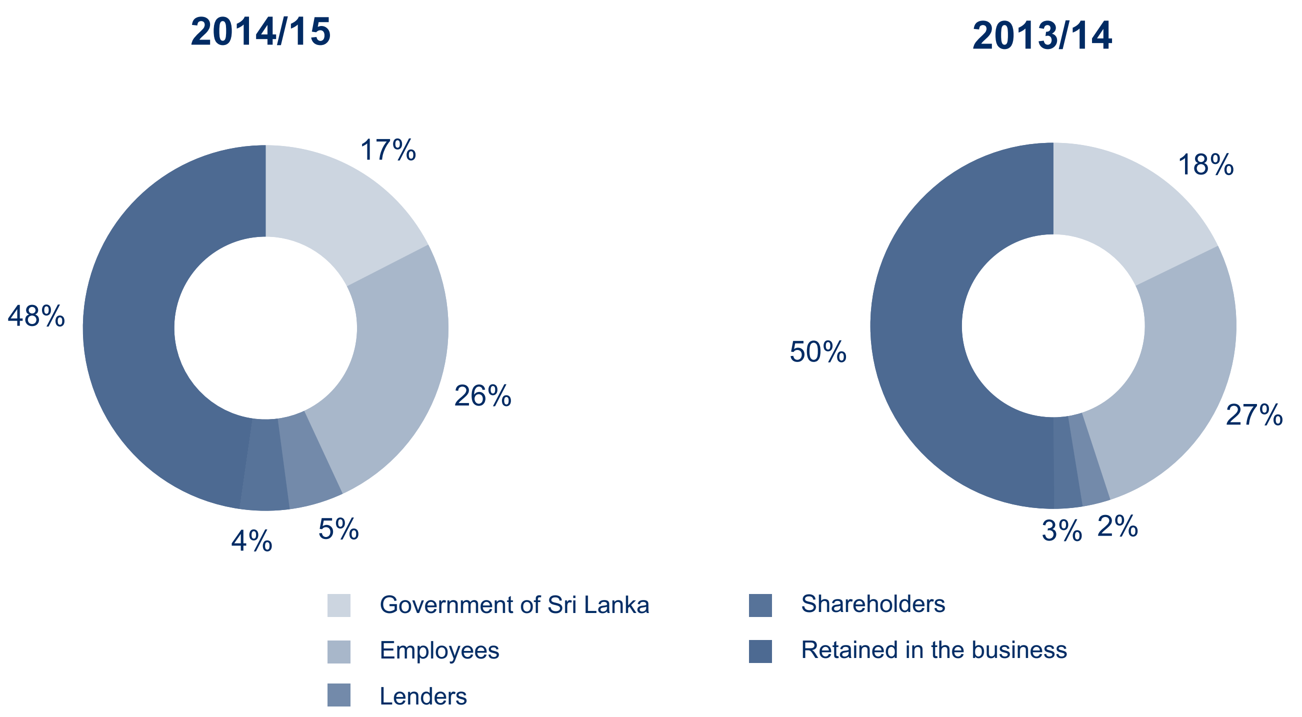
Twenty Largest Shareholders

As at 31st March	2015		2014	
	Number of Shares	% of Holding	Number of Shares	% of Holding
ACL Cables PLC	2,746,969	65.21	2,746,969	65.21
Employees Provident Fund	404,600	9.60	203,800	4.84
Seylan Bank PLC / Janashakthi Linmited	229,582	5.45	200,373	4.76
Raaymakers M.A.T.	113,703	2.70	107,491	2.55
Corporate Druids (Pvt) Limited	81,600	1.94	81,600	1.94
Peoples Leasing & Finance PLC/ L.P. Hapangama	45,549	1.08	66,200	1.57
Janashakthi PLC, Account No. 1	45,468	1.08	47,693	1.13
Yaddehige S.	32,000	0.76	16,900	0.40
Costa D.S.J.V	31,421	0.75	-	-
Corea E.	24,751	0.59	24,751	0.59
Corea Gihan Asoka	23,625	0.56	23,625	0.56
Samarawickrema N.D.	22,000	0.52	22,000	0.52
Madanayake H.A.S	20,801	0.49	20,801	0.49
Madanayake N.C.	17,751	0.42	17,751	0.42
Dee Sanda Holdings (Pvt) Ltd	16,662	0.40	31,752	0.75
Weerasooriya R.P.	15,000	0.36	-	-
Suriyabandara U.I.	14,496	0.34	-	-
J.B. Cocoshell (Pvt) Ltd	12,611	0.30	26,599	0.63
Rifki A.S.M	12,287	0.29	-	-
Merchant Bank of Sri Lanka A/c No. 1	12,200	0.29	-	-

	2015	2014
Company		
a) Earnings per share (Rs)	19.74	17.42
b) Dividend per share (Rs)	2.00	1.00
c) Dividend payout ratio	0.10	0.06
d) Net assets value per share (Rs)	172.03	146.03
e) Market value per share (Rs)		
- Highest value (Rs)	138.80	94.80
- Lowest value (Rs)	108.20	77.00
- Value as at the end of financial year (Rs)	108.20	83.00
f) No. of tradings for the year	65	312
g) Total No. of shares traded	11,928	202,096
h) Total turnover (Rs)	1,473,371	17,220,290
i) Percentage of Shares held by the public	33.87%	33.87%
j) No. of foreign Shareholders	2	2
Group		
a) Earnings per share (Rs.)	20.52	18.43
b) Dividend per share (Rs.)	2	1
c) Dividend payout ratio	0.10	0.06
d) Net assets value per share (Rs.)	188.77	162.01

Statement of Value Added - Group

		2014/15 Rs. '000		2013/14 Rs. '000
Total revenue		1,165,991		1,139,995
Other operating & interest income		6,395		14,809
		1,172,386		1,154,804
Cost of material and services bought in		(980,425)		(986,219)
Total value added by the Group		191,961		168,585
Value added shared with				
Government of Sri Lanka (Taxes)	17%	33,531	18%	30,022
Employees (Salaries and other costs)	26%	49,172	27%	45,779
Lenders (Interest on loan capital)	5%	9,257	2%	4,172
Shareholders (Dividends)	4%	8,425	2%	4,212
Retained in the business (Depreciation & retained profits)	48%	91,606	50%	84,400
	100%	191,991	100%	168,585



Five Year Summary - Group

	2015 Rs.'000	2014 Rs.'000	2013 Rs.'000	2012 Rs.'000	2011 Rs.'000
Trading Results					
Year ended 31st March					
Turnover	1,165,991	1,139,995	1,070,045	1,004,478	843,079
Operating profit	133,422	108,306	73,196	94,997	122,205
Profit before tax	119,961	107,656	57,791	72,775	122,567
Taxation	33,531	30,022	16,581	19,902	47,258
Profit after tax	86,430	77,635	41,210	52,874	75,310
Balance Sheet					
As at 31st March					
Share capital	79,974	79,974	79,974	79,974	79,974
Capital reserve	119,361	91,562	93,172	94,783	57,546
Revenue reserves	170,000	170,000	170,000	170,000	170,000
Other Reserves	12,995	9,574	10,494	12,735	18,161
Retained profit	412,845	331,347	255,688	216,453	183,457
	795,175	682,457	609,328	573,945	509,138
Property plant & equipment	263,263	192,205	192,580	199,799	147,459
Operating lease prepayment	1,710	1,732	1,754	1,776	1,798
Investments (AFS financial assts)	18,562	15,141	16,061	18,303	23,729
Current assets	651,014	745,980	545,633	594,645	624,399
Current & non current liabilities	(139,374)	(272,601)	(146,700)	(240,578)	(288,247)
Capital employed	795,175	682,457	609,328	573,945	509,138

Notice of Meeting

NOTICE IS HEREBY GIVEN that,
the Twenty Fourth Annual General Meeting of ACL Plastics PLC will be held on 26th August 2015, at No. 60, Rodney Street, Colombo 8, at 11.30 a.m. for the following purposes:-

(i) To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2015 with the Report of the Auditors thereon.

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

(iii) To re-elect as Director, Mr. Piyadasa Miriyagalla, who retires by rotation in terms of Article 85 and being eligible for re-election in terms of Article 86, of the Articles of Association of the Company.

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

a) "That Mr. U G Madanayake, who has passed the age of 70 years in May 2006, be and is hereby appointed as a Director of the Company and that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007, shall not apply to him"

b) "That Mrs. N.C. Madanayake, who has passed the age of 70 years in August 2013, be and is hereby appointed as a Director of the Company and that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007, shall not apply to her"

c) "That Mr. Piyadasa Miriyagalla, who has passed the age of 70 years in March 2009, be and is hereby appointed as a Director of the Company and that the age limit of 70 years referred to in section 210 of the Companies Act No. 07 of 2007, shall not apply to him"

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

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

24th July 2015

NOTE:

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

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

Form of Proxy - ACL Plastics PLC

I/WE……………………………………………………………….of ………………………..………………………........……………………………………
……………………………..……………………………………………………………………………….…………....being a member/ members of the above Company hereby appoint ……………………………………………………..…………………………………..………..of ...…………………………..or failing him……….……..………………………………………………………...……………………………….………...of …………………………
…………………………………………………………………………………………… as my/our Proxy to represent me/us, to speak and vote wherther 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 26th August 2015 at 11.30 a.m. and at any adjournment thereof.

Ordinary Resolution set out in the Notice of Meeting:	IN FAVOUR	NOT IN FAVOUR
1. To receive & adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2015 with the Report of the Auditors thereon,	☐	☐
2. To re-appoint PricewaterhouseCoopers, Chartered Accountants as Auditors and to authorise the Directors to determine their remuneration	☐	☐
3. To re-elect as director Mr. Piyadasa Miriyagalla, who retires by rotation	☐	☐
4. Ordinary Resolution relating to the appointment of Mr U G Madanayake	☐	☐
5. Ordinary Resolution relating to the appointment of Mrs N C Madanayake	☐	☐
6. Ordinary Resolution relating to the appointment of Mr Piyadasa Miriyagalla	☐	☐
7. To authorise Directors to determine donations to charity	☐	☐

Signed this…………...………………....……………………day of……….....………………………2015

SIGNATURE………………………………………………….

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

ACL PLASTICS PLC

ATTENDANCE SLIP - ANNUAL GENERAL MEETING

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

01). NAME OF SHAREHOLDER : ……………………………………………………………………..

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

02). SHAREHOLDER'S NIC NUMBER : ……………………………………………………………………..

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

03). SHAREHOLDER'S SIGNATURE : ……………………………………………………………………..

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

SHAREHOLDERS ARE KINDLY REQUESTED TO HAND-OVER THIS ATTENDANCE SLIP TO THE REGISTRATION COUNTER.

INSTRUCTIONS FOR COMPLETION

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

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

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

4. The completed Forms of Proxy should be deposited at No. 60, Rodney Street, Colombo 8, not less than 48 hours before the scheduled starting time of the Meeting.

Corporate Information

Name
ACL Plastics PLC

Legal Form
A 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
U. G. Madanayake - Chairman
Suren Madanayake - Managing Director
Mrs. N. C. Madanayake
Piyadasa Miriyagalla
Dr. Kamal Weerapperuma

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

Group Financial Controller
Champika Coomasaru

Auditors
PricewaterhouseCoopers
Chartered Accountants

Bankers
Standard Chartered Bank
Hatton National Bank
Nations Trust Bank

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