NO.01 CABLE IN SRI LANKA

ANNUAL REPORT 2014-2015

ACL CABLES PLC

Our Vision and Mission

Our Vision

To be the preferred brand of electric cables in the region, whilst strengthening the dominant position in Sri Lanka.

Our Mission

- To expand our range of products and services in the fields of electrification.
- To be the most competitive in chosen global markets and to achieve continuous growth.
- To create an environment that will inculcate a feeling of ownership in our people and their families.
- To create a Company that will be in the forefront of technology and win the admiration of our customers, suppliers, shareholders and the community.

Our Values

We strive to do our best for our stakeholders in the following ways;

Our Customers

- We reach out to our customers and give them a fair deal.
- We build enduring customer relationships without trying to maximize short term profits.
- We always make it easier for customers to do business with us.
- We communicate regularly with our customers.
- We never forget to say thank you.

Our People

- We respect each other as individuals and motivate our people to work as a team.
- We provide opportunities for personal and professional development.
- We recognize and reward individual initiative and performance of our people.
- We inculcate family culture and togetherness.

Our Suppliers

- We treat our suppliers as valuable business partners and maintain a mutually beneficial relationship.

Our Shareholders

- We ensure superior returns to our shareholders through sustained growth of profitability.

Our Community

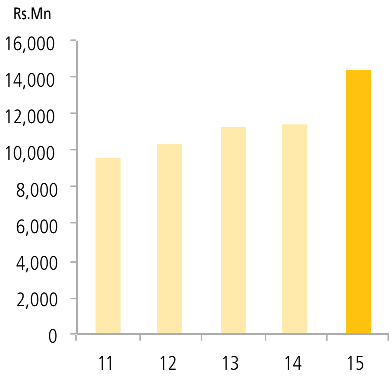
- We carry out our activities in an environment friendly manner, contributing towards a safer and healthier community.
- We maintain ethical standards.

Contents

Group Financial Highlights

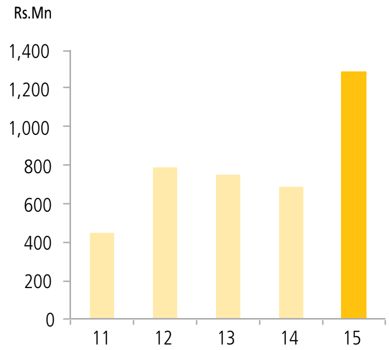
Revenue

for the year ended 31 March



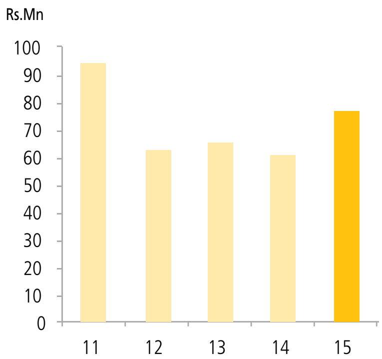
Net Profit before Tax

for the year ended 31 March



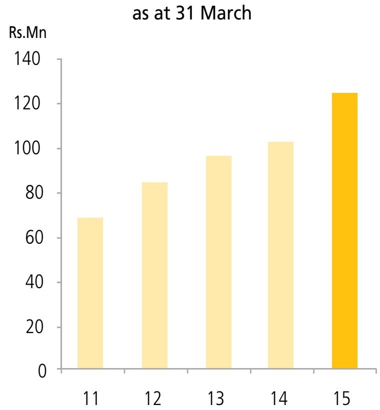
Market Value per Share

as at 31 March



Net Assets per Share

as at 31 March



	2015 LKR Million	2014 LKR Million
Operations		
Turnover	14,427	11,447
Gross Profit	2,550	1,924
Finance Costs-net	388	284
Profit before Tax	1,255	688
Profit after Tax	954	511
Total Equity	8,260	6,845

	2015	2014
Key Financial Indicators		
Gross Profit Margin	17.67%	16.81%
Net Profit Margin before Tax	8.70%	6.01%
Interest Cover (Times)	4.24	3.42
Return on Equity	11.55%	7.47%
Current Ratio (Times)	1.84	1.85

Chairman's Message

It indeed gives me great pleasure to welcome you to the 53rd Annual General Meeting of ACL Cables PLC and to present to you the Annual Report and Audited Financial Statements for the year 2014/2015.

I am pleased to inform you that the year 2014/15 showed satisfactory results as a Group in many areas. During the year we diversified our activities into a new business sector as well.

Economic Outlook

During the year under consideration the growth momentum was maintained and the GDP as you know grew by 7.4% which is well above the average experienced by the World and the region. This 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 Investment Goods and Consumer Goods.

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 ACL to increase its turnover. The current political instability is understandable and it should ease off by September 2015. Due to this there is a wait and see approach by many institutional investors which has resulted in a slight stagnation of the market. I am more than hopeful that the market would catapult into a new phase of growth once a Government is formed after the elections.

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.

The current stimulus package 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. However, we at ACL have managed to contain almost all of the purchases of Electrical Cables needed by local consumers within the country itself due to exceptionally high standards of quality and innovative products of ours – which has made imports irrelevant. Therefore, we are happy we have supported the Sri Lankan economy to mitigate the demand for foreign exchange in our sphere of activity.

Group Performance

ACL as a Group has performed exceptionally well and achieved a Turnover of Rs.14.43 billion compared to the previous year's figure of Rs.11.4 billion. Profit before tax has increased to Rs.1,255 million compared to Rs.688 million in the previous year. This is mainly due to the performance of ACL and its subsidiaries. In the year under consideration CEB activities remained at a very high level and it helped the ACL Group.

The possibility of achieving GSP Plus status is very real and this should further increase exports of very high domestic value addition. This will have a favorable impact both to the economy and our industry.

Challenges

The current political instability and its resolution is a matter of concern for the next financial year. It is our firm belief that it would be resolved in manner favorable to all Sri Lankans and the economy. Furthermore, the current pressure on devaluation of exchange rate of the Sri Lankan rupee is a matter of concern since we import all our raw-materials. We sincerely believe that it would stabilize with the introduction of correct economic policies in the latter part of 2015. The possibility of achieving GSP Plus status is very real and this should further increase exports of very high domestic value addition. This will have a favorable impact both to the economy and our industry.

New Developments

I am pleased to announce to our shareholders that ACL has diversified into Power Generation by the acquisition of Hemas Power which has now been renamed as RESUS Energy PLC. ACL holds a 35% stake of the organization and it is treated as an associate in our Consolidated Accounts. Furthermore, RESUS Energy holds 29.9% of Pan Asia Power PLC. We believe that the Renewable Energy sector will play a big role in the Power sector with the prevailing global conditions and local realities. We believe that this adds more value to our shareholders in terms of maximization of their share value in the future.

We believe that the Renewable Energy sector will play a big role in the Power sector with the prevailing global conditions and local realities.

New Board Appointment

I am pleased to inform you that Dr. Sivakumar Selliah has joined the Board of Directors of ACL Cables PLC with effect from June 2015.

Appreciations

I take this opportunity to thank our valued Customers including the Ceylon Electricity Board for the continuous support in our journey to enhance shareholder value and our contribution to the nation. I wish to record our appreciation to all Government Institutions which continued to extend enormous support in facilitating a conducive business environment for local industries. I also wish to thank all our past and present employees for their dedication and commitment without which it would have been impossible for us to be at the helm of the Sri Lankan market for 53 years.

It is my pleasant duty to thank the Board of Directors for their guidance and supporting role during the year. I also wish to thank all other stakeholders including Banks, Suppliers of Goods and Services. Finally, I wish to thank all our shareholders past and present for their confidence placed in us.

Mr. U. G. Madanayake
Chairman
24 July 2015

Managing Director's Review

I am glad to announce the Excellent Performance of ACL Cables PLC in the year 2014/15. As was communicated by me in the Annual Report 2013/14, we were able to secure many large orders from our regular Customers to boost the turnover and enhance profitability for the year 2014/15.

Company Performance

Your Company has achieved a turnover of Rs 7.9 billion in 2014/15 compared to Rs 6.3 billion in the previous financial year. This is a 25.4 % growth in Company turnover. Profit after tax stood at Rs. 492 million compared to Rs. 98.2 million in the previous year. This is an increase of 401%.

Lower rates of interest also helped ACL to increase profitability and made the Company feel comfortable in investing in its strategy of continuous diversification.

Factors which were Favorable

During the second half of 2014/15, there was a surge in sales in the Dealer market and in the Institutional market including the Ceylon Electricity Board which is our most important Customer. This was mainly due to the increase in infrastructure development activities of the Government as well as those of the Private sector. Continued lowering of interest rates led to an expansion of credit in the marketplace and this in turn helped the Company to increase its turnover. Lower rates of interest also helped ACL to increase profitability and made the Company feel comfortable in investing in its strategy of continuous diversification. Stability of metal prices also played a favorable role in increasing profitability. Gains made due to Re-valuation of Land & Buildings and Investment Properties were added to the Re-Valuation Reserves as well as to the Profitability of the Company.

Challenges Faced

We have continued to face a huge disadvantageous position in supplying Transmission Line Conductors to the CEB due to the fact that they are bought using Turn-key project tenders. Tenders are never called for the supply of Conductors alone and we have to participate through a Transmission Line Building Contractor bidding for those Turn-key projects. If the Turn-key tenders are split into two tenders, one for the supply of Conductors and the other for the rest of the work, local manufacturers will have a very good opportunity to supply Conductors to the CEB. ACL will continue to lobby the relevant Authorities to correct the situation.

Another challenge we faced during the year was capacity constraint to supply enhanced demand. This however, was rectified to a great extent by securing new machinery as necessary.

Continued Progress and Pioneering Spirit

In our continued effort to improve safety standards of the country, we continued our development in Fire Rated Cables into the year 2014/15 as well. Being true to the pioneering spirit of ACL, we launched for the first time in Sri Lanka, Fire RESISTANT Cables which could supply electricity even in the midst of a fire - to important equipment such as Water Pumps, Fire Alarms, Escape Lights, Smoke Exhausters, Water sprinklers etc. which contribute immensely to Fire Fighting and Rescue operations as and when a building catches fire.

We sincerely believe that these products will have a great future in the Sri Lankan market with the growth in High rise buildings and increase in usage of complex electrical wiring systems. ACL remains the only Sri Lankan manufacturer to manufacture and test these Cables comprehensively. Furthermore, since we deliver these products conforming to highest international standards, we are proud that we can make Sri Lankan buildings as safe as those in the developed world.

ACL also introduced a very high quality range of Miniature Circuit Breakers (MCB) and related equipment during the year to strengthen the product range of the Company.

I am also pleased to inform you that ACL has invested in 35% of the shares of Hemas Power PLC which is now renamed as RESUS Energy PLC. This investment is a result of a Consortium of investors which was instrumental in buying 75% of shares of Hemas Power PLC. This consortium of investors included NDB Capital Holdings PLC and Trydan Partners (Private) Limited who in total control 75% of RESUS.

I strongly believe that this investment made in the Renewable and Sustainable energy sector will have a great future in Sri Lanka since the Government and the CEB believes that future energy security can only be achieved through Sustainable Energy.

Future Outlook

The stimulus package of the Government by way of increased salaries and reduced prices of essentials has boosted the demand for House Wiring Cables and we expect it to be maintained in the coming year as well.

The instability in the political arena has slowed the demand for cables temporally in certain segments of the market. This however, is likely to be corrected from September 2015 onwards. The CEB will embark on major upgrading of its network this year and we should see the results in the last quarter.

ACL intends to launch its new Logo in the year 2015/16. The new Logo will project modernity and a futuristic approach of ACL to the market. Furthermore, it will be symbolic of the core values of ACL Cables PLC which it has cherished for more than 5 decades. We sincerely believe that the public will welcome the new Logo favorably and our Customers would connect themselves better with the Company.

Appreciation

It is my pleasure and duty to thank the Chairman and the Board of Directors for the immense support and guidance given to me in steering the Company towards its goals. I also extend my sincere appreciation to all employees past and present who worked and continue to work tirelessly towards the success of your Company. I wish to extend my appreciation to the valued Customers of ACL including the Ceylon Electricity Board, without whom it would not have been possible to achieve this level of performance.

ACL intends to launch its new Logo in the year 2015/16. The new Logo will project modernity and a futuristic approach of ACL to the market.

It is my duty to thank all the Ministries, the Departments and the Corporations for support extended in resolving many Policy issues and related matters which were helpful in developing the local industry. I also wish to thank all other stakeholders for support given to us in their own ways.

Mr. Suren Madanayake
Managing Director
24 July 2015

Board of Directors

Left to Right :

Mr. U. G. Madanayake, Mrs. N. C. Madanayake, Mr. Suren Madanayake, Mr. Ajit Jayaratne, Mr. Hemaka Amarasuriya, Mr. Daya Wahalatantiri, Mr. Rajiv Casie Chitty, Dr. Sivakumar Selliah

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.

He joined the Board of Associated Motorways Ltd, and subsequently became the Deputy Chairman of the Company. He became a Director of ACL Cables PLC (then Associated Cables Ltd.) in January 1963, its Managing Director in July 1978 and Chairman cum Managing Director in May 1990. He relinquished his duties as Managing Director in September 2005 after appointing Mr. Suren Madanayake as Managing Director. With the acquisition of Kelani Cables PLC, by the ACL Group in October 1999, he was appointed as Chairman of Kelani Cables PLC.

Mr. U.G Madanayake is also the Chairman of Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd., ACL Plastics PLC 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 Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd which is the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC. In 2014, he was appointed as a Chairman of Resus Energy PLC.

He also serves as the Managing Director of ACL Plastics PLC and Director of Ceylon Bulbs & 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 Trustee of CCC Foundation of Sri Lanka, which is an approved charity.

Mrs. N. C. Madanayake
Director

Mrs. N.C. Madanayake was appointed to the Board of ACL Cables PLC in July 1980. She is also a Director of Kelani Cables PLC, ACL Plastics PLC, Ceylon Bulbs & 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. Ajit Jayaratne
Director

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 in November 2005.

Mr. Hemaka Amarasuriya
Director

Mr. Hemaka Amarasuriya is a fellow member of the Institute of Chartered Accountants of Sri Lanka and of the Chartered Institute of Management Accountants, U.K. He also holds an Honorary Fellowship from the Chartered Institute of Marketing, U.K. and a Diploma in Marketing Strategy from the University of New York.

He is currently the Chairman of Sri Lanka Insurance Corporation Limited and is on the directorate of several other listed and unlisted private companies. While he held the chair of the Singer Group in Sri Lanka, he built this institution to regularly be among LMD's top 20 Corporates in Sri Lanka for an unbroken sequence of 12 years, while earning the status for Singer as the "Most Powerful Brand in Sri Lanka" and the vote as the "Most Popular Brand" for 8 consecutive years by Peoples' Choice.

He was recognized by the Asia Retails Congress 2007 with the "Retail Leadership Award" for his contribution to retailing in Asia and by the Chartered Institute of Marketing U.K. as a "Visionary Business Leader" for his invaluable contribution to the Marketing Profession in initiating revolutionary changes in the Consumer Market. His association with local industry goes back to 1992 from which time he has chaired the Regional Industry Service Committee – Southern Province of the Ministry of Industrial Development, responsible for developing Industrial Estates in the Southern Province. He is a former Chairman of the Employers' Federation of Ceylon and was previously responsible for the Human Resource Development Function of Singer Asia and for the procurement function of Singer Global and also chaired the Singer Worldwide Business Council, the policy implementation body of one of the oldest multinationals.

Mr. Daya Wahalatantiri
Director

Mr. Daya Wahalatantiri had his early education at Holy Cross College, Kalutara and Royal College, Colombo. He is a Graduate in Chemistry (Special) from the University of Ceylon, Peradeniya. In 1990, he obtained his Masters in Business Administration from the University of Sri Jayewardenepura. Having gained sufficient exposure in marketing of industrial products to institutional customers, he joined ACL Cables PLC as its first Marketing Manager in 1982. In 1999, with the acquisition of Kelani Cables PLC, he was promoted as the Group Marketing Manager. He was appointed to the Board of Directors of ACL Cables PLC in November 2005.

Mr. Rajiv Casie Chitty
Director

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 as a Director of ACL Cables PLC 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 the ACCA Sri Lanka panel.

Dr. Sivakumar Selliah
Director

Dr. Selliah was appointed to the ACL Cables PLC Board in June 2015. Dr Selliah holds an MBBS Degree and a Master's Degree (M.Phil), and has over 23 years of experience in diverse fields, which include manufacturing, healthcare, plantations, packaging, insurance, retail and logistics.

Dr. Selliah is the Deputy Chairman of Asiri Hospitals PLC, Asiri Surgical Hospital PLC and Central Hospital Private Ltd. He is a Director of Lanka Tiles PLC, Horana Plantations PLC, Softlogic Holdings PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, ODEL PLC and HNB Assurance PLC. He is the Chairman of JAT Holdings Private Ltd and Cleanco Lanka Private Ltd. He has served on the Remuneration Committee and the Audit Committee of some of the companies listed above.

Senior Management Team

Left to Right :

Champika Coomasaru – Group Financial Controller, Rohitha Amarasekara – General Manager Operation, Sumudu Thanthirigoda - General Manager Marketing, Lakshman Bandaranayake – Marketing Manager Distribution

Left to Right :

Mrs.Senila Rupasingha – Import/Export Manager, Manohara De Zoysa – Group Logistic Manager, Mrs. Helen De Fonseka – Systems Manager, Padmana Wijesundara – Quality Assurance Manager

Senior Management Team (Contd.)

Left to Right :

Mrs.Shyamalee De Silva – Credit Control Manager, R Nandakumara – Mechanical Engineer, A G U K Abeynayake – Electrical Engineer

Left to Right :

Indunil Perera – Security Manager, S M Welihinda – Plant Manager Copper Cable Factory, Daham Binduhewa – Legal Officer

Sustainability Report

ACL Cables PLC lives on the resources of Mother Earth as well as the valuable human resource gathered from various parts of Sri Lanka. The sustenance of this Company in its journey to the generations beyond will depend on the ecological balance it will have with its natural stakeholders and its community.

As a globalized entity we depend on the raw material provided by international suppliers and the Sri Lankan talent to give back an essential requirement to the livelihood of the 21st Century. As the sun is our source of energy, electric cables are its final means of transportation in the use of that energy.

In the year 2014/15, the Company took a big leap in the investment of its interest in the renewable energy sector with the buying of a major share of Resus Energy PLC. We have been keeping a keen eye on Renewable and Sustainable Power Generation for as long as a decade. Becoming the largest shareholder of a major hydro power company in Sri Lanka is a result of that commitment to sustainability.

Environmental Commitment on Sustainability

ACL Cables PLC is proud to pronounce its contribution in becoming a Green Company with its investment in the Renewable and Sustainable Energy sector. We have also looked at the optimum utilization of waste and scrap as recyclable material whenever possible, the most significant being the disbursement of the scrap stocks at the ACL Plastics Factory. The plastic scrap was not used for cables and instead was given for recycling. This same principle is applied to every industrial by-product and we make sure that we do not contaminate our environment with our industrial produce.

Scrap Recycling

Maintaining a pleasant and clean environment has been a priority and special attention was given to clean any possible breeding grounds for mosquitoes. ACL has in its ISO standards manual, to maintain the plant and equipment to the approved environmental safety levels.

Mr. Javier Manuel (Austria) and Mr. Andreas Tarnutzer (Austria) of UNIDO and Mr. Samantha Kumarasena – Deputy Director of National Cleaner Production Center (NCPC) visited the ACL Cables PLC factory complex in Piliyandala on the 11th of September 2014.

Mr. Javier Manuel said that

"ACL has taken fantastic efforts to recycling of all stages of production scraps… Congratulation ACL, keep improving and (it is) nice to see that there are no jokes with resistance of conductors. ACL is a good example for all other manufactures. "

Visit of National Cleaner Production Centre representatives

Human Resource Commitment on Sustainability

Life at ACL for an employee is as joining a family. There are a number of employees who complete 25 years of service at ACL every year. The reason for such long-serving employees is said to have been the culture at ACL and the management.


Gold Coin for 25 years of service


Factory trip to Trincomalee

The highlight of the employee welfare calendar is the annual trip where even the families of the employees are allowed to participate. The factory trip becomes a parade of over 23 large buses containing 960 participants and looks on the road as if it is a national event. The Factory trip was to Trincomalee this year. The Head Office employees with their families went to Aliya Resort in Dambulla.


ACL Head Office trip to Aliya Resort in Dambulla

The annual Avurudu Festivals and departmental cricket fiestas are organized as other events of the calendar. We provide meals, uniforms, children education scholarships, insurance and other benefits to all employees of ACL. We have a non-discrimination policy for our workers, but believe that the employees should conduct themselves according to high moral standards. Any illegal activity will be discouraged and corrected on first identification. All the employees will be trained on our values which are to be 'ethical, apolitical and law abiding'.

New Year Festival

ACL Cricket Fiesta

The ACL Group believes in promoting good management of resources and rise in economic prosperity through smart economic living. This philosophy is communicated to the employees of ACL by its daily affairs to set an example. Most of the employees who have joined ACL and with long careers would agree that their change in lifestyle has contributed to personal economic prosperity throughout the years. We hope to promote the same principle to the newly joined employees too. ACL believes in giving wealth to its employees in more ways than one. The human resource is empowered with morals, practices and knowledge so that their personal lives will be as good as their professional lives.

ACL won the BRONZE MEDAL for 'SOCIAL DIALOGUE & WORKPLACE COOPERATION AWARD 2013 at a ceremony held in May 2014 presented by the Ministry of Labour Affairs.

Customer Commitment on Sustainability

ACL Cables PLC has for many decades been conscious of the quality of the products that we supply to the local and international market. The cables running across most parts of Sri Lanka have been locally manufactured and the Sri Lankan people are confident on the safety of the electrification network. Thanks to a longstanding partnership with the Ceylon Electricity Board (CEB) and Lanka Electricity Company (Pvt) Ltd (LECO) and their reliable workforce we are proud to be a part of the safety of Sri Lanka.

Rural Electrification projects demand high cable quantities and it is a great challenge to provide that demand in a short span of time. We put down no challenge and thanks to our dedicated workforce a great volume of cables was supplied to CEB during the last financial year. Once again we satisfied the quality standards expected and also supplied the cables through an efficient system in logistics. The ability of our production and fleet to adjust to quick demands and requirements is noteworthy and the last financial year bore evidence to the potential of our crew.

Even though our website www.acl.lk was re-launched in 2013, the new online inquiry system bought many orders in the year 2014/15. This was introduced for the general consumer to order cables as well as gather knowledge. The customer care unit took time off their busy schedules to reply even to household quantities since we believe in a customer commitment to that extent.

We sent delegations to Tanzania and Maldives in the last financial year and established new relationships with customers to whom we had successfully sent cables manufactured in Sri Lanka. Our local consumers have consistently kept the relationship we have with each other and it continues strong.

Social Commitment on Sustainability

There is no doubt that we provide for an essential social necessity in our service. Doing so in a responsible way is our social commitment. One of such projects done by our marketing department is the Electricians Seminar:

Electrician Seminar

Vocational Training Authority – Factory Visit

Student Factory Visit

We continuously conduct seminars for house wiring technicians, Island-wide. We believe that however much the cables are safe to the consumer, the house wiring professional needs to be informed and updated on the safety standards and the quality of house wiring. Our seminars are intended to serve that purpose. We have a dedicated unit called the POWER PACK Electricians Club. There is a 24 hour hotline for electricians to get in touch with the dedicated staff on a requirement of the electrician.

Apart from the management the ACL Welfare Society also takes part in organizing events for the benefit of the society such as the Blood Donation Campaign:

Blood Donation

The ACL Cables PLC Head Office Welfare Society organized a blood donation campaign in collaboration with the Sri Lanka Blood Bank of the Colombo General Hospital in May 2014. The participants were mainly employees of the ACL Cables Group which consists of more than 1000 workers. Staff of the Head Office and staff from factories situated in Ja-Ela, Piliyandala, Kelaniya, Ekala, Horana and Rathmalana participated in this event. The event was a great success and commended by the medical staff attending the event as a well organized function.

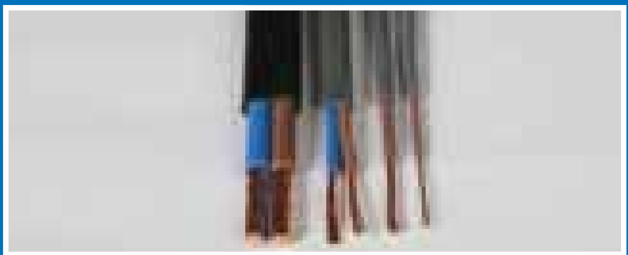
ACL
CABLES

Isolator

RCD

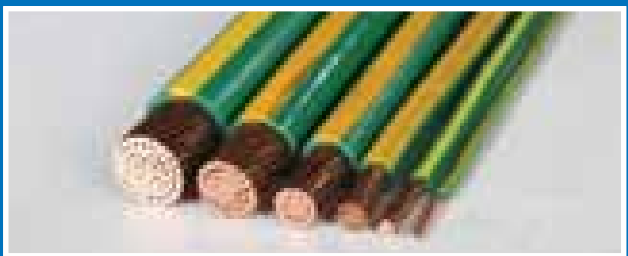
MCB

Product Portfolio



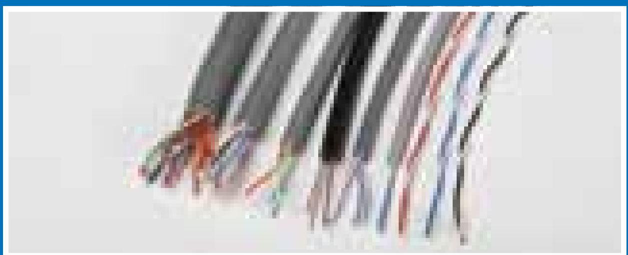
House Wiring Cables

Flexible Cables



Earth Cables

Auto Cables



Telecommunication Cables

Low Voltage – Aerial Bundled Cables

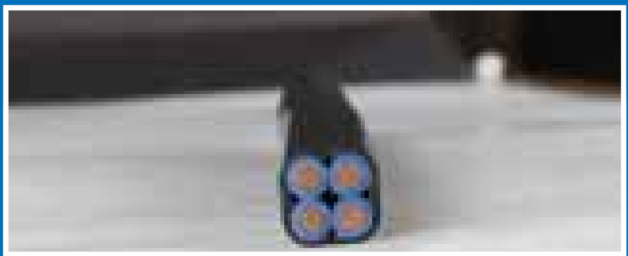
Fire Resistance Circuit Integrity Power Cables.(LSHF-CI)

Fire Retardant Power Cables

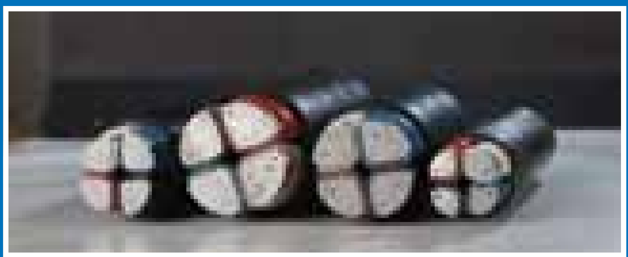
33KV Covered Conductors

ACSR & AAAC Conductors

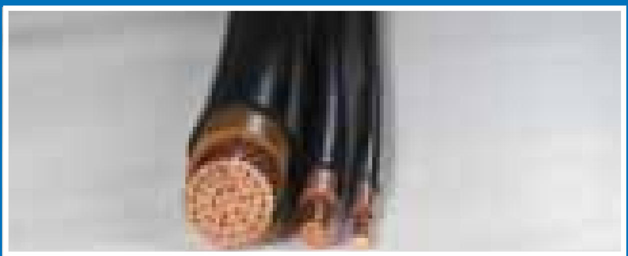
All Aluminum Conductors


Customized Cu Power Cables

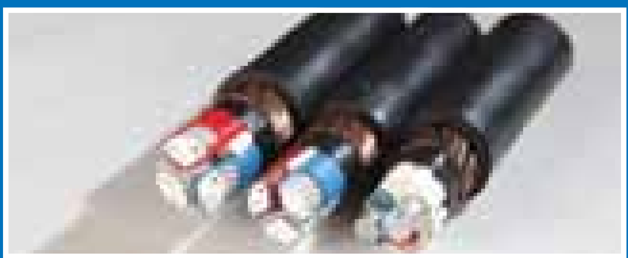

Multi Core Armored Cu Power Cables

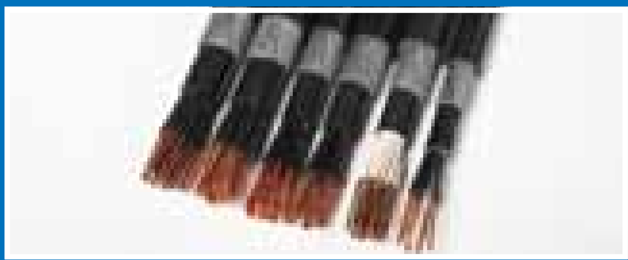

Multi Core Unarmored Al Power Cables


Single Core Armored Cu Power Cable

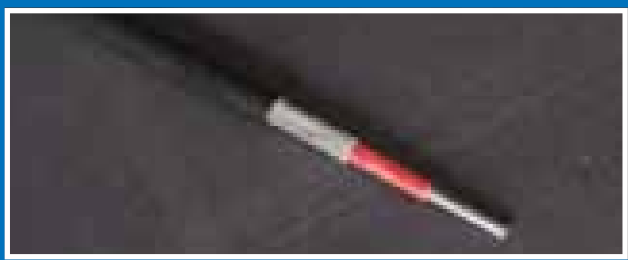

Single Core Unarmored Cu Power Cables


Unsheathed Cu Power Cables


Multi Core Al Power Cables with Cu Wire Screen


Armored Control Cables


Unarmored Control Cables


Single Phase Al Concentric Cable


Three Phase Cu Concentric Cable


ACL SAX AMO 33kV Covered Conductor

Product Portfolio (Contd.)

One Gang One Way Switch

Two Gang One Way Switch

Three Gang One Way Switch

Four Gang One Way Switch

Five Gang One Way Switch

5A Switched Socket

5A Switched Socket with Neon

13A Switched Socket

13A Switched Socket with Neon

15A Switched Socket

15A Switched Socket with Neon

Blank Plate

Bell Press (20A, AC 250V)

Telephone Socket (4Wire, RJ11)

TV Outlet (750hm, co-axial)

Light Dimmer (500W)

Double Pole (20A, AC 250V)

Data Socket

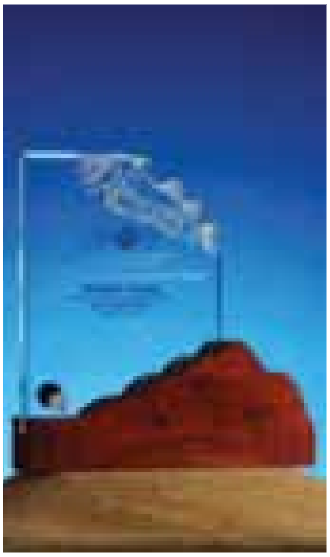
Group Structure

Description / Company	ACL Cables PLC	Kelani Cables PLC	ACL Plastics PLC	Ceylon Bulbs & Electricals Ltd
Registration Number	PQ 102	PQ 117	PQ 87	PB 1283
Date of Incorporation	10.03.1962	18.12.1972	17.07.1991	16.10.1957
Corporate Status	Public Limited Company	Public Limited Company	Public Limited Company	Limited Company
ACL Cables PLC's Effective Shareholding in the Company	Parent Company	79.30%	65.20%	95.30%
Directors	U. G. Madanayake Chairman	U. G. Madanayake Chairman	U. G. Madanayake Chairman	U.G.Madanayake Director
	Suren Madanayake Managing Director	Suren Madanayake Deputy Chairman	Suren Madanayake Managing Director	Suren Madanayake Director
	Mrs. N. C. Madanayake Director	Mrs. N. C. Madanayake Director	Mrs. N. C. Madanayake Director	Mrs. N. C. Madanayake Director
	Ajit Jayaratne Director	Dr. C. T. S. B. Perera Director	Das Miriyagalle Director	
	Hemaka Amarasuriya Director	Dr. L. J. R. Cabral Director	Dr. Kamal Weerapperuma Director	
	Daya Wahalatantiri Director			
	Rajiv Casie Chitty Director Dr. Sivakumar Selliah Director			
Principal Activity	Manufacturing and Selling of Power Cables & Conductors, Armored Cables, Aerial Bundled Cables, Control Cables, Telephone Cables & Auto Cables	Manufacturing and selling of Power Cables, Telecommunication Cables & Enameled Winding Wires	Manufacturing Cable grade PVC Compound	Dormant
Auditors	PricewaterhouseCoopers, Chartered Accountants	KPMG Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	A. I. Macan Marker & Co. Chartered Accountants
Secretaries	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd
Total Number of Employees as at 31st March 2015	642	473	50	None

Lanka Olex Cables (Pvt) Ltd	ACL Kelani Magnet Wire (Pvt) Ltd	ACL Polymers (Pvt) Ltd	ACL Metals & Alloys (Pvt) Ltd	Ceylon Copper (Pvt) Ltd	ACL Electric (Pvt) Ltd	RESUS Energy PLC
PV 20493	PV 11996	PV 3371	PV 3811	PV 79466	PV 89241	PV 415 PB PQ
22.02.1993	29.06.2000	06.09.2005	05.09.2005	17.06.2011	08.11.2012	11.06.2003
Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Public Limited Company
100%	93.79%	65.20%	100%	100%	100%	34.51%
U.G.Madanayake Chairman	U.G.Madanayake Director	U. G. Madanayake Director	U. G. Madanayake Director	U. G. Madanayake Director	U. G. Madanayake Director	Suren Madanayake Chairman
Suren Madanayake Managing Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director	Krishantha Nanayakkara Director
Mrs. N. C. Madanayake Director	Mrs. Maya Weerapura Director					Vajira Kulatilaka Director
						Isuru Somaratne Director
						Kusal Jayawardana Director
Investing Company	Manufacturing and export of Enameled Winding Wires	Manufacturing of PVC compounds	Manufacturing and selling Aluminium rods, Alloys of Aluminium and Other Metals	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market	Manufacturing of electrical accessories	Power & enery Generation
PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	Ernst & Young, Chartered Accountants
Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Management Applications (Pvt) Ltd	Management Applications (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	S S P Corporates Services (Pvt) Ltd
None	54	13	27	31	90	60

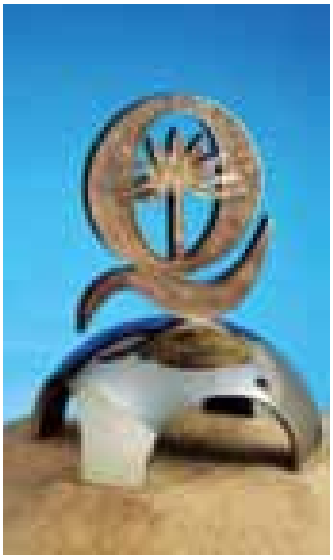
Awards & Certifications

Crystal Award 2009
Award for the Winner of the Gold Awards over three Consecutive Years by the Ceylon National Chamber of Industries



Asia Pacific Quality Award 2008
Won the highest award, beating participants from 46 countries, and ACL recognized as a world-class Company.

"Provincial Productivity
Awards - 1st Place" 2007
organized by the National Productivity Secretariat.



National Quality Award
Winner 2007

Certification	Description
ISO 9001 : 2008	Quality Management System
ISO 14001 : 2004	Environment Management System
SLS 733	"ACL" Brand PVC Insulated Non-Armored Cables With Copper Conductors
SLS 1143	"ACL" Brand PVC Insulated Flexible Cords
SLS 750	"ACL" Brand All Aluminium Stranded Conductors
SLS 1186	"ACL" Brand XLPE Insulated Armored Electric Cables

Risk Management

ACL Cables 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, is regularly reviewed to ensure the related risks are minimized where the complete elimination is not possible.

Also, we have categorized each risk exposure under high, moderate or low based on the level of the significance to the entity and mitigating actions are being taken accordingly.

Risk Exposure	Company Objectives	Company Initiatives
Financial Risk Management 1. Liquidity & Cash Management *Risk Rating – Moderate*	• 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 liquidity position through several financial institutions.
2. Interest Rate Risk *Risk Rating – High*	• 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 *Risk Rating – High*	• To minimise exposure to fluctuations in foreign currency rates of foreign currency receipts and payments.	• Use export proceeds to settle import payments wherever possible.
Business Risk Management 1. Credit Risk *Risk Rating – Moderate*	• To minimise risk associated with debtors defaults.	• Export sales are done on letters of credit and advance TT remittances as much as possible. • Obtain bank guarantees as collateral from local distributors. • Demarcate the areas of operations in local market and monitor the exposure levels of distributors regularly. • Appoint new distributors to reduce the exposure. • Disallowing credit sales for new customers initially. • Follow an assessment procedure to ensure credit worthiness of customers. • Company maintains a comprehensive policy to adequately review and provide for doubtful debts.

Risk Exposure	Company Objectives	Company Initiatives
2. Asset Risk *Risk Rating – Low*	• 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 *Risk Rating – Low*	• To maintain a sound system of internal controls to safeguard Company assets.	• Carry out continuous internal audits by an independent firm.
4. Human Resources *Risk Rating – Low*	• 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.
5. Technological and Quality Related Risk *Risk Rating – Low*	• 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. • Obtain certifications from relevant authorities and ensure products comply with most of the local and international standards. • Already, the equipment required to test the quality of products is in place.
6. Inventory Management Risk *Risk Rating – Low*	• 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. • Carry out sales promotions to reduce slow moving stocks. • 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.

Risk Exposure	Company Objectives	Company Initiatives
7. Risk of Competition *Risk Rating – Moderate*	• 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. • Maintain product availability in various parts of the country.
8. Investment in Capital *Risk Rating – Moderate*	• 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 *Risk Rating – Low*	• To minimise possible risks associated with data security, hardware, software and communication systems.	• Data backups are taken regularly and stored in external 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 *Risk Rating – Low*	• 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 *Risk Rating – Low*	• 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. • Obtain advice from the Employers' Federation of Ceylon when necessary.

Corporate Governance

ACL Cables PLC is committed to best practices in the area of Corporate Governance. Corporate Governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders. Good governance facilitates effective management and control of the business, while maintaining a high level of business ethics and optimizing the value for all stakeholders. Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a healthy Board culture 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 Cables 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 Eight Directors of whom five are Non-Executive Directors. The names and profiles of the Directors are given on pages 10 to 13 of this 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 five Non-Executive Directors and four of them are Independent Non-Executive Directors. The Board has determined that the four independent Non-Executive Directors satisfy the criteria for "Independence" set out in the Listing Rules.

Directors' Attendance Record

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

Name of Director	Board (12 Meetings)	Audit Committee (4 meetings)	Remuneration Committee (1 meeting)
Executive Directors			
Mr. U. G Madanayake – Chairman	10		
Mr. Suren Madanayake – Managing Director	10		
Mr. Daya Wahalatantiri – Director Exports	09		
Non-Executive Directors			
Mrs. N. C Madanayake	08		
Independent Non-Executive Directors			
Mr. Ajit Jayaratne	10	04	01
Mr. Hemaka Amarasuriya	08		
Mr. Rajiv Casie Chitty	10	04	01
Dr. Sivakumar Selliah (appointed w.e.f. June 15)	N/A		

Dedication of Adequate Time and Effort

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

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

Training for the Directors

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

Re-election of Directors

All Directors are required to submit themselves for re-election at regular intervals and at least every three years. According to the Articles of Association, Directors Mrs. N C Madanayake, Mr. Hemaka Amarasuriya and Mr. Ajit Jayaratne retire by rotation and are required to stand for re-election by shareholders at the Annual General Meeting.

Availability of a Nomination Committee

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

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

Accountability and Audit

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

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

The Report of the Directors is provided on pages 42 to 44 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 45 and 49 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 43 of this Annual Report.

Internal Control

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

A summary of those risks which could have a material impact on the performance of the Group is given within the Risk Management section in the Annual Report. The objective of the Group's risk management process is to ensure the sustainable development of ACL Cables 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 consists exclusively of Non-Executive Directors who are Independent of Management. The members of the Remuneration Committee are listed each year in the Board's remuneration report to the shareholders. The Remuneration Committee comprises of the following two Independent Non-Executive Directors.

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

Further details of the Remuneration Committee are given in their report on page 48.

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 comprises of the following two Independent Non-Executive Directors.

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

Further details of the Audit Committee are given in their report on page 46 & 47.

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 Cables 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

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.5	Remuneration Committee (RC)	A listed Company shall have a RC.	✓	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee (RC)	• RC shall comprise of a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NED shall be appointed as the Chairman of the Committee.	✓ ✓	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of executive directors and CEO.	✓	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report Relating to Remuneration Committee (RC)	• Names of Directors comprising the RC. • Statement of Remuneration Policy • Aggregated remuneration paid to EDs and NEDs. • Corporate Governance and Remuneration Committee Report	✓ ✓ ✓ ✓	Corporate Governance and Remuneration Committee Roport
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

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

Financial Information

Financial Calendar (2014/15)

01st Quarter Interim Financial Statements (30th June 2014 – Unaudited)	–	14th August 2014
02nd Quarter Interim Financial Statements (30th September 2014 – Unaudited)	–	12th November 2014
03rd Quarter Interim Financial Statements (31st December 2014 - Unaudited)	–	12th February 2015
04th Quarter Interim Financial Statements (31st March 2015 – Unaudited)	–	28th May 2015
Annual Report 2014/15	–	24th July 2015
53rd Annual General Meeting	–	26th August 2015
First Interim Dividends Paid (Rs. 1.00 per Share)	–	22nd September 2014

Report of the Directors

The Directors have pleasure in presenting their 53rd Annual Report together with the Audited Statements of Financial Position, Income Statement and Consolidated Financial Statements of the Group for the year ended 31 March 2015.

Review of the Year

The Chairman's Message and Managing Director's Review set out the state of affairs and performance of the Company during the year.

Principal Activities of the Group

Description of the nature of the operations and principal activities of the Company and its subsidiaries are given on pages 28 to 29.

Future Developments

An overview of the future developments of the Company is given in the Managing Director's Review on page 9.

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 49 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 50 to 96 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 45.

Directors

Directors of the Company are listed on pages 10 to 13 and their respective shareholdings are given below.

	Number of Shares as at 31.03.2015	% Holding as at 31.03.2015	Number of Shares as at 31.03.2014	% Holding as at 31.03.2014
U. G. Madanayake - Chairman	22,837,216	38.13	22,837,216	38.13
Suren Madanayake - Managing Director	13,302,396	22.21	13,302,396	22.21
Dr. Sivakumar Selliah**	-	-	-	-
Mrs. N. C. Madanayake	1,032,100	1.72	1,032,100	1.72
A. M. S. De S. Jayaratne	-	-	-	-
Hemaka Amarasuriya	-	-	-	-
D. D. Wahalatantiri	-	-	-	-
P. S. R. Casie Chitty	-	-	-	-

** Appointed w.e.f. June 2015

Accounting policies and changes during the year

The Company and the Group prepared the financial statements in accordance with the Sri Lanka Accounting Standards (SLFRS /LKAS). The significant accounting policies adopted in the preparation of the financial statements of the Company and the Group are given in pages 56 to 66.

The accounting policies adopted by the Group are consistent with those adopted in the previous financial year.

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 as at 31 March 2015 was Rs.299 million 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 39 to the Financial Statements.

Statutory Payments

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

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

Directors' Retirement by rotation

The Directors retiring by rotation in terms of Article 85 will be Mrs. N.C. Madanayake, Mr. Hemaka Amarasuriya and Mr. Ajith Jayaratne, who being eligible are recommended for re-election.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 38 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on pages 34 to 39 under the Corporate Governance section of the Annual Report.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of LKR1.00 per share was paid on 22 September 2014 to the holders of the Ordinary Shares for the financial year 2014/2015.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to LKR 89 million and LKR 202 million respectively, details of which are given in notes 12,13 and 15 to the Financial Statements.

Property, Plant and Equipment

Details of property, plant and equipment are given in note 12(a) and note 12(b) to the Financial Statements. The Freehold properties (land and buildings) of the Group have been revalued based on independent professional valuations and written-up in the books of account to conform to market value of such properties. Further, details of such revaluations are given in Note 12 (c) and (d) to the financial statements.

Donations

Donations amounting to LKR 4 million (Group amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets and market price per share is given in the Information to Shareholders on page 98 of the Annual Report.

Shareholdings

As at 31 March 2015 there were 2,252 shareholders. The distribution is indicated on page 98 of the Annual Report. The twenty largest shareholders of the Company as at 31 March 2015, together with an analysis is given on page 99 of the Annual Report.

Related Party Transactions

The Directors have also disclosed the transactions if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard-LKAS 24 "Related Party Disclosures" which is adopted in the preparation of the Financial Statements. Those transactions disclosed by the Directors are given in Note 38 to the Financial Statements forming part of the Annual Report of the Board.

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.

Corporate Governance

In the management of the Company, the Directors have placed emphasis in conforming to the best corporate governance practices and procedures. Accordingly, systems and structures have been introduced / improved from time to time to enhance risk management measures and to improve accountability and transparency. A separate report on corporate governance is given on pages 34 to 39 of the Annual Report.

Compliance with Laws and Regulations

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

Appointment of Auditors

The Company's auditors during the period under review were Messrs. PricewaterhouseCoopers, Chartered Accountants, who also were the auditors of certain subsidiaries of the Company. Audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to LKR 597,448/- and LKR 1,821,476/-respectively. Audit fees payable to other auditors of other subsidiaries by the Group amounted to LKR 637,750/-.

Notice of Meeting

The 53rd Annual General Meeting of the Company is convened on 26 August 2015, at 9.30 am, at the Auditorium of ACL Cables PLC, No.60, Rodney Street, Colombo – 08. The Notice of the 53rd Annual General Meeting is on page 105 of the Annual Report.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries
24 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 provides reasonable and not absolute assurance of safeguarding of the Company's assets, maintenance of proper accounting records and the reliability of financial information.

The financial statements presented in the Annual Report for the year ended 31st March 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 Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the financial statements.

The Board of Directors confirm that the Company's and the Group's Consolidated Statements of Financial Position as at 31st March 2015 and the Comprehensive Income Statements 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
24 July 2015

Audit Committee Report

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

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

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.

Role

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 systems. 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 four occasions in 2014/2015 timed to coincide with the financial and reporting cycles of the Company. Members' attendance at these meetings is set out in the Corporate Governance Report. The Chairman, Managing Director and Group Financial Controller are invited to attend meetings whenever required.

Financial Reporting

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2014/2015 published Financial Statements. For quarterly statements, the Committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the Interim Financial Statements.

External Auditors

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

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

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Cables 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 can be found in Note 6 to the financial statements.

Internal Control System

In 2014/2015 the Committee reviewed the results of the audits undertaken by Internal Auditors, Messrs. Ernst & Young Advisory Services (Pvt) Ltd., and considered the adequacy of management's response to the matters raised, including the implementation of any recommendations made.

On behalf of the Committee

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

Remuneration Committee Report

The Remuneration Committee comprises of the two Independent Non-Executive Directors, namely

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

The members of the Committee and the chairman of the Committee shall be appointed from time to time by a resolution of the Board, from amongst the Non-Executive Directors. The Remuneration Committee formally met once in the last financial year.

Role

The Remuneration Committee formulates the Group's policy for the remuneration of the Executive Directors of ACL Cables PLC. It reviews the policy annually and recommends any changes to the Board for formal approval.

The Remuneration Committee determines the Company's Remuneration Policy of Executive Directors, with regard to performance standard and existing industry practice. No Executive Director is involved in deciding his own remuneration package.

Activities

The Committee considered a range of issues including,

- A review of the Directors remuneration and severance policies
- Determining the fees of Directors and
- A formal evaluation of its own performance.

Members' attendance at meetings of the Remuneration Committee in 2014/2015 is set out in the table in the Corporate Governance Report.

Executive Directors

ACL's remuneration policy for Executive Directors is designed to attract, retain and motivate them to ensure that the Group is managed successfully to the benefit of shareholders. To achieve this, a competitive package of incentives and rewards linked to performance is provided.

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

In conclusion, my sincere thanks to Mr. Rajiv Casie Chitty, member of the Committee for his valuable contribution to the work of the Committee.

On behalf of the Committee

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

Independent Auditor's Report

To the Shareholders of ACL Cables PLC

Report on the financial statements

1 We have audited the accompanying financial statements of ACL Cables PLC ("the Company"), the consolidated financial statements of the Company and its subsidiaries ("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 50 to 96.

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 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. 7 of 2007.

CHARTERED ACCOUNTANTS
COLOMBO
24 July 2015

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

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

Income Statements

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March 2015	Group 31 March 2014	Company 31 March 2015	Company 31 March 2014
Revenue	4	14,427,236	11,446,862	7,895,398	6,328,771
Cost of sales	6	(11,877,468)	(9,522,924)	(6,740,484)	(5,636,344)
Gross profit		2,549,768	1,923,938	1,154,914	692,427
Other income	5	192,604	27,565	163,905	68,027
Distribution costs	6	(747,307)	(636,653)	(285,642)	(263,545)
Administrative costs	6	(398,554)	(342,776)	(214,465)	(157,936)
Operating profit		1,596,511	972,074	818,712	338,973
Finance income		11,576	29,669	1,857	10,359
Finance costs		(399,296)	(314,118)	(208,349)	(231,197)
Finanace costs - net	8	(387,720)	(284,449)	(206,492)	(220,838)
Share of profit of investments accounted for using the equity method	18 (b)	45,947	-	-	-
Profit before income tax		1,254,738	687,625	612,220	118,135
Income tax expenses	9	(300,651)	(176,412)	(120,445)	(19,891)
Profit for the year		954,087	511,213	491,775	98,244
Profit attributable to :					
- Owners of the parent		859,572	441,495	491,775	98,244
- Non-controlling interests		94,515	69,718	-	-
		954,087	511,213	491,775	98,244
Earnings per share - basic	10	14.35	7.37	8.21	1.64
Dividends per share	11	1.00	1.00	1.00	1.00

The notes on pages 56 to 96 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Comprehensive Income

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March 2015	Group 31 March 2014	Company 31 March 2015	Company 31 March 2014
Profit for the year		954,087	511,213	491,775	98,244
Other comprehensive income;					
Subsequently re-classified to profit and loss					
Change in value of available-for-sale financial assets		4,313	(1,516)	892	(596)
Subsequently not re-classified to profit and loss					
Gains on revaluation of land and buildings		594,491	-	260,034	-
Re-measurements of defined benefit obligations	27 (c)	13,284	-	11,121	-
Share of other comprehensive income of					
equity accounted investee, net of tax	18 (b)	(258)	-	-	-
Tax impact on re-measurement of defined benefit obligation	28 (a)	(3,719)	-	(3,114)	-
Tax impact on gains on revaluation of land and buildings	28 (a)	(90,147)	-	(40,858)	-
Other comprehensive income for the year, net of tax		517,964	(1,516)	228,075	(596)
Total comprehensive income for the year, net of tax		1,472,051	509,697	719,850	97,648
Attributable to;					
- Owners of the parent		1,337,102	440,299	719,850	97,648
- Non-controlling interests		134,949	69,398	-	-
Total comprehensive income for the year, net of tax		1,472,051	509,697	719,850	97,648

The notes on pages 56 to 96 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Financial Position

(all amounts in Sri Lanka Rupees thousands)

		Group			Company		
		31 March		1 April	31 March		1 April
	Note	2015	2014 (Restated)	2013	2015	2014 (Restated)	2013
ASSETS							
Non-current assets							
Property, plant and equipment	12	3,535,210	2,949,216	2,917,485	1,473,239	1,223,398	1,247,508
Work in progress	13	64,127	49,764	37,952	25,911	8,028	4,015
Investment property	14	493,000	317,000	317,000	285,000	187,000	187,000
Intangible assets	15	13,689	14,060	5,994	6,572	8,066	-
Prepaid lease rentals	16	1,710	1,732	1,754	-	-	-
Investment in subsidiaries	17	-	-	-	576,243	611,472	621,472
Investment in equity accounted investee	18	823,749	-	-	778,060	-	-
Available-for-sale financial assets	19	30,145	25,832	26,925	11,581	10,689	10,861
		4,961,630	3,357,604	3,307,110	3,156,606	2,048,653	2,070,856
Current assets							
Inventories	20	5,099,276	3,940,054	3,230,029	2,032,571	1,722,317	1,610,490
Trade and other receivables	21	4,968,387	3,985,324	3,356,419	3,380,427	2,649,321	2,337,708
Prepaid lease rentals	16	22	22	22	-	-	-
Cash and cash equivalents	22	1,038,758	765,469	1,015,585	353,347	281,372	393,775
		11,106,443	8,690,869	7,602,055	5,766,345	4,653,010	4,341,973
Total assets		16,068,073	12,048,473	10,909,165	8,922,951	6,701,663	6,412,829
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	32	299,488	299,488	299,488	299,488	299,488	299,488
Capital reserve	33	1,818,019	1,357,957	1,361,902	795,582	576,406	576,406
General reserve	34	1,123,825	1,123,825	1,123,825	680,266	680,266	680,266
Available-for-sale reserve	35	10,528	(3,739)	(2,543)	2,056	(9,981)	(9,385)
Retained earnings		4,138,163	3,322,179	2,935,689	1,838,647	1,398,760	1,360,410
Equity attributable to owners of the parent		7,390,023	6,099,710	5,718,361	3,616,039	2,944,939	2,907,185
Non-controlling interests		870,373	745,123	683,959	-	-	-
Total equity		8,260,396	6,844,833	6,402,320	3,616,039	2,944,939	2,907,185
Non-current liabilities							
Defined benefit obligations	27	242,719	227,933	209,928	150,109	145,613	141,834
Deferred income tax liabilities	28	310,450	210,260	201,232	139,186	99,594	98,356
Borrowings	24	1,232,841	77,841	100,000	1,177,000	-	100,000
		1,786,010	516,034	511,160	1,466,295	245,207	340,190
Current liabilities							
Trade and other payables	23	3,288,814	1,381,692	879,183	2,123,150	1,417,380	1,093,340
Current income tax liabilities	26	463,029	294,440	202,014	138,626	84,369	97,788
Finance lease obligations	25	-	-	53	-	-	53
Borrowings	24	2,269,824	3,011,474	2,914,435	1,578,841	2,009,768	1,974,273
		6,021,667	4,687,606	3,995,685	3,840,617	3,511,517	3,165,454
Total liabilities		7,807,677	5,203,640	4,506,845	5,306,912	3,756,724	3,505,644
Total equity and liabilities		16,068,073	12,048,473	10,909,165	8,922,951	6,701,663	6,412,829

It is certified that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 7 of 2007.

Champika Coomasaru
Group Financial Controler

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 24 July 2015.

U.G.Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 56 to 96 form an integral part of these financial statements. Figures in brackets indicate deductions.

Statement of Changes in Equity - Group

(all amounts in Sri Lanka Rupees thousands)

	Note	Stated capital	Capital reserve	General reserve	Available for sale reserve	Retained earnings	Total	Non-controlling interest	Total equity
		Attributable to owners of the parent							
Balance as at 01 April 2013		299,488	1,443,836	1,123,825	(2,543)	2,853,755	5,718,361	683,959	6,402,320
Error in classification of Investment property in property plant and equipment previously		-	(81,934)	-	-	81,934	-	-	-
Balance as at 1 April 2013 (Restated)		299,488	1,361,902	1,123,825	(2,543)	2,935,689	5,718,361	683,959	6,402,320
Profit for the year		-	-	-	-	441,495	441,495	69,718	511,213
Fair value adjustment for available for sale financial assets	35	-	-	-	(1,196)	-	(1,196)	(320)	(1,516)
Total comprehensive (expenses) / income for the year		-	-	-	(1,196)	441,495	440,299	69,398	509,697
Transfer from revaluation reserve	33 (a)	-	(4,889)	-	-	4,889	-	-	-
Deferred tax on transfer	33 (a)	-	944	-	-	-	944	-	944
Dividends		-	-	-	-	(59,894)	(59,894)	(8,233)	(68,127)
Balance as at 31 March 2014		299,488	1,357,957	1,123,825	(3,739)	3,322,179	6,099,710	745,123	6,844,833
Balance at 1 April 2014		299,488	1,357,957	1,123,825	(3,739)	3,322,179	6,099,710	745,123	6,844,833
Profit for the year		-	-	-	-	859,572	859,572	94,515	954,087
Fair value adjustment for available-for-sale financial assets	35	-	-	-	3,122	-	3,122	1,191	4,313
Re-measurements of post employement benefit obligation	27 (a)	-	-	-	-	13,284	13,284	-	13,284
Deferred tax on re-measurement of post employment benefit obligation	28 (a)	-	-	-	-	(3,719)	(3,719)	-	(3,719)
Revaluation surplus	33 (a)	-	546,052	-	-	-	546,052	48,439	594,491
Deferred tax on revaluation surplus	28 (a)	-	(80,951)	-	-	-	(80,951)	(9,196)	(90,147)
Share of other comprehensive income of equity accounted investee, net of tax	18 (b)	-	-	-	-	(258)	(258)	-	(258)
Total comprehensive income for the year		-	465,101	-	3,122	868,879	1,337,102	134,949	1,472,051
Transfer from revaluation reserve	33 (a)	-	(7,000)	-	-	7,000	-	-	-
Deferred tax on transfer from revaluation reserve	33 (a)	-	1,960	-	-	-	1,961	-	1,961
Dividends		-	-	-	-	(59,894)	(59,894)	(9,699)	(69,593)
Impairment for available for sale financial assets		-	-	-	11,145	-	11,145	-	11,145
Balance as at 31 March 2015		299,488	1,818,019	1,123,825	10,528	4,138,163	7,390,023	870,373	8,260,396

The notes on pages 56 to 96 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Changes in Equity - Company

(all amounts in Sri Lanka Rupees thousands)

	Note	Stated capital	Capital reserve	General reserve	Available for sale reserve	Retained earnings	Total
Balance as at 1 April 2013		299,488	658,340	680,266	(9,385)	1,278,476	2,907,185
Error in classification of Investment property in property plant and equipment previously		-	(81,934)	-	-	81,934	-
Balance at 1 April 2013 (Restated)		299,488	576,406	680,266	(9,385)	1,360,410	2,907,185
Profit for the year		-	-	-	-	98,244	98,244
Fair value adjustment for available-for-sale financial assets	35	-	-	-	(596)	-	(596)
Total comprehensive income for the year		-	-	-	(596)	98,244	97,648
Dividends		-	-	-	-	(59,894)	(59,894)
Balance as at 31 March 2014		299,488	576,406	680,266	(9,981)	1,398,760	2,944,939
Balance at 1 April 2014		299,488	576,406	680,266	(9,981)	1,398,760	2,944,939
Profit for the year		-	-	-	-	491,775	491,775
Fair value adjustment for available-for-sale financial assets	35	-	-	-	892	-	892
Re-measurements of post employement benefit obligation	27 (c)	-	-	-	-	11,121	11,121
Deferred tax on re-measurement of post employment benefit obligation	28 (a)	-	-	-	-	(3,114)	(3,114)
Revaluation surplus	33 (a)	-	260,034	-	-	-	260,034
Deferred tax on revaluation surplus	28 (a)	-	(40,858)	-	-	-	(40,858)
Total comprehensive income for the year		-	219,176	-	892	499,782	719,850
Dividends		-	-	-	-	(59,894)	(59,894)
Impairment for available-for-sale financial assets		-	-	-	11,145	-	11,145
Balance as at 31 March 2015		299,488	795,582	680,266	2,056	1,838,647	3,616,039

The notes on pages 56 to 96 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Cash Flows

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March 2015	Group 31 March 2014	Company 31 March 2015	Company 31 March 2014
Cash flows from operating activities					
Cash generated from operations	36	1,431,237	346,347	475,842	285,114
Interest paid	8	(399,296)	(314,118)	(208,349)	(231,197)
Defined benefit obligations paid	27	(14,696)	(27,243)	(9,047)	(21,950)
Income tax paid less refund received	26	(115,196)	(66,650)	(70,568)	(32,072)
WHT on dividend paid by subsidiary	9	(7,088)	(6,934)	-	-
Net cash generated from / (used in) operating activities		894,961	(68,598)	187,878	(105)
Cash flows from investing activities					
Interest received	8	11,576	29,669	1,857	10,359
Purchase of property, plant and equipment	12	(127,205)	(207,449)	(29,478)	(49,699)
Purchase of intangible assets	15	(2,659)	(8,318)	(586)	(8,318)
Cost incurred on capital work in progress	13	(71,923)	(15,397)	(58,851)	(6,285)
Dividend received	5	221	690	61,177	60,787
Investments in available for sale financial assets		-	(424)	-	(424)
Investment in equity accounted investee	18	(778,060)	-	(778,060)	-
Proceeds on disposal of property, plant and equipment		1,859	13,012	1,859	5,734
Proceeds on disposal of capital work in progress		762	-	-	-
Net cash (used in) / generated from investing activities		(965,429)	(188,217)	(802,082)	12,154
Cash flows from financing activities					
Lease installment paid		-	(53)	-	(53)
Short-term borrowings net of payments		(697,992)	258,762	(401,562)	69,351
Long-term borrowings net of payments		1,155,000	(22,159)	1,177,000	(100,000)
Dividend paid by the Company		(59,894)	(59,894)	(59,894)	(59,894)
Dividend paid by subsidiary to non-controlling interests		(9,699)	(8,233)	-	-
Net cash generated from/ (used in) financing activities		387,415	168,423	715,544	(90,596)
Net increase / (decrease) in cash and cash equivalents		316,947	(88,392)	101,340	(78,547)
Cash and cash equivalents at beginning of year		313,885	402,277	(24,187)	54,360
Cash and cash equivalents at end of the year	22	630,832	313,885	77,153	(24,187)

The notes on pages 56 to 96 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Consolidated Financial Statements

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

1. General Information

ACL Cables PLC is a public limited liability company registered under the Companies Act, No. 7 of 2007. ACL Cables PLC was incorporated on 1 March 1962 under the Companies Ordinance No. 51 of 1938 as Associated Cables Ltd and on 8 January 1991 the name was changed to ACL Cables Limited. At present, ACL Cables PLC is a Public Limited Liability Company listed on the Colombo Stock Exchange and domiciled in Sri Lanka. The registered office and the principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

The principal activities of ACL Cables PLC are manufacturing cables and conductors.

The Company's and the Group's financial statements were authorised for issue by the Board of Directors on 24 July 2015.

2. Basis of preparation and summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (SLFRSs), Sri Lanka Accounting Standards (LKASs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC). These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value and revaluation of Property, plant and equipment and Investment property. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 2.7 to the financial statements.

2.2 Changes in accounting policy and disclosures

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

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

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 Group 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 LKAS 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 LKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no significant impact on the Group 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.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that company liability is within the scope of LKAS 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 Group is not currently subjected to significant levies so the impact on the Group is not material.

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

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 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 Group, except the following set out below:

SLFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of SLFRS 9 was issued in July 2014. It replaces the guidance in LKAS 39 that relates to the classification and measurement of financial instruments. SLFRS 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 profit and loss. 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 LKAS 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. SLFRS 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 LKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess SLFRS 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 LKAS 18 'Revenue' and LKAS 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 Group is assessing the impact of IFRS 15.

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

2.3 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are 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. 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 a liability is recognised in accordance with LKAS 39, in the statement of comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

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

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

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is 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.

(d) Associates

Associates are companies, partnerships or other entities in which the Group exercises significant influence, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is power to participate in financial and operating policy decisions of the associates, but not power to exercise control or jointly control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the post-acquisition results and changes of the associate's reserves in the consolidated statement of comprehensive income after the date of acquisition and net off with any accumulated impairment loss, if any. The Group's investment in associates includes goodwill identified on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Profits and losses resulting from transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Equity accounting is discontinued when the Group ceases to have significant influence over the associates. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income in the consolidated statement of comprehensive income is reclassified to profit or loss in the consolidated statement of comprehensive income where appropriate. The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not re-measured. Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of comprehensive income. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the difference in the consolidated statement of comprehensive income.

2.4 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.5 Statement of compliance

The Company and the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards.

2.6 Going concern

The Directors have made an assessment of the Company's and the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

2.7 Significant accounting judgements

The Group's financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with SLFRS are best estimates undertaken in accordance with the applicable standards.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. Accounting policies and management's judgements for certain items are especially critical for the Group's results and financial situation due to their materiality.

(a) Impairment of available-for-sale equity investments

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the volatility in share price. In addition, objective evidence of impairment may be deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

Had all the declines in fair value below cost been considered significant or prolonged, the Group would have recognised an additional loss in its financial statements.

(b) Fair value of financial instruments / Non financial instruments

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar financial instruments or using models. Where market observable inputs are not available, they are estimated based on appropriate assumptions.

(c) Deferred tax assets

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

(d) Income tax

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

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

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

(f) Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates, etc. All assumptions are reviewed at each reporting date.

2.8 Borrowing costs

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

2.9 Taxation

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

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

2.10 Deferred taxation

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

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

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

2.11 Financial assets and liabilities

'In accordance with LKAS 39, all financial assets and liabilities – including derivative financial instruments at Fair value through profit and loss – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.11.1 Financial assets

The Group allocates financial assets to the following LKAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise of financial assets held for trading. A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or re-purchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial assets held for trading consist of equity instruments. They are recognised in the statement of financial position as 'Financial assets held for trading'.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value are included directly in the income statement and are reported as 'Net gains/(losses) on financial instruments classified as held for trading'. Interest income and expenses and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are de-recognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership and the transfer qualifies for de-recognising.

Financial assets for which the fair value option is applied are recognised in the statement of financial position as 'Financial assets designated at fair value'. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains on financial instruments designated at fair value through profit or loss'.

(b) Trade and other receivables

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

(i) those that the Group 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;

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

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

Trade and other receivables are initially recognised at fair value. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of trade and other receivables and recognised in the income statement.

(c) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

(i) those that the Group upon initial recognition designates as at fair value through profit or loss;

(ii) those that the Group designates as available-for-sale; and

(iii) those that meet the definition of trade and other receivables.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Interest on held-to-maturity investments is included in the statement of comprehensive income statement and reported as 'Interest and similar income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the statement of comprehensive income statement as 'Net gains/(losses) on investment securities'.

The Group does not have any "Held to Maturity investments" at the year end.

(d) Available-for-sale financial assets

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

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

2.11.2 Re-classification of financial assets

The Group may re-classify financial assets within the framework of LKAS 39 at the election of management.

(1) Re-classify Fair Value Through Profit & Loss (FVTP&L) financial assets other than those designated as FVTP&L upon initial recognition, only in limited circumstances as per para 50B or 50D of LKAS 39 out of the FVTP&L category and into the available-for-sale, loans and receivable or held to maturity.

(2) As per para 50E of LKAS 39, a financial asset classified as available-for-sale may be reclassified out of the available-for-sale category to loans and receivable if the entity has the intention and ability to hold the financial asset for the foreseeable future.

2.11.3 Financial liabilities

The Group's holding in financial liabilities is at amortised cost. Financial liabilities are de-recognised when extinguished.

(a) Other liabilities measured at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities measured at amortised cost are loans from banks, debt securities in issue for which the fair value option is not applied.

(b) Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices.

A financial instrument is regarded as quoted in an active market 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.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the reporting dates.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risks, liquidity risk and counterparty credit risk.

Based on the established fair value model governance policies, and related controls and procedures applied, management believes that these valuation adjustments are necessary and appropriate to fairly state the values of financial instruments carried at fair value in the statement of financial position. Price data and parameters used in the measurement procedures applied are generally reviewed carefully and adjusted, if necessary – particularly in view of the current market developments.

In cases when the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost less impairment. The fair value for loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The fair values of contingent liabilities and irrevocable loan commitments correspond to their carrying amounts.

2.11.4 De-recognition of financial assets

Financial assets are de-recognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are de-recognised when they have been redeemed or otherwise extinguished.

2.11.5 Impairment of financial assets

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

(a) Financial assets carried at amortised cost

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

(b) Write off of trade and other receivables

The Group writes off certain trade and other receivables when they are determined to be uncollectible.

(c) Available-for-sale financial investments

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

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

2.12 Property, plant and equipment

Property, plant and equipment of the Company includes both owned assets and leased hold assets;

2.12.1 Initial recognition

(a) Owned assets

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

(b) Leased assets

Property, plant & equipment on finance leases, which effectively transfer to the Group substantially all of the risk and benefits incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased property, plant & equipment, or if lower, at the present value of the minimum lease payments. Capitalised leased assets are disclosed as property, plant and equipment and depreciated consistently with that of owned assets.The corresponding principal amount payable to the lessor together with the interest payable over the period of the lease is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

2.12.2 Subsequent measurement

Expenditure incurred to replace a component of an item of property, plant and equipment is accounted for separately, including major inception & overhaul expenditure and capitalized only when it increases the future economic benefits embodied in the item of property, plant & equipment. All other expenditure is recognized in the income statement as an expense incurred.

2.12.3 Depreciation

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

Asset	Years
Factory buildings	25 - 40
Plant, machinery and accessories	8 - 45
Factory equipment	8 - 10
Electrical fittings	8 - 10
Furniture, fixtures and fittings	4 - 10
Office equipment	4 - 10
Motor vehicles	4 - 5
Tools and implements	4 - 10

The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

2.13 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included under intangible assets. Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and carried at less than costs less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to 'Cash-Generating Units' (CGU) for the purpose of impairment testing. Each CGU or a group of CGUs represents the lowest level within the Group at which goodwill is monitored for internal management purposes and which are expected to benefit from the synergies of the combination.

(b) Computer software

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

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

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

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

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

2.14 Investment properties

Properties held to earn rental income or properties held for capital appreciation or both and not occupied substantially for the supply of goods or services or in administration, and not intended for sale in the ordinary course of business have been classified as investment property. Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair value, which reflects market conditions as at balance sheet date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise.

Investment properties are de-recognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

Where the Group occupies a significant portion of the investment property, such investment properties are treated as property, plant and equipment in the financial statements and accounted for as per LKAS - 16, Property, plant and equipment.

2.15 Impairment of non-financial assets

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

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

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

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

2.16 Cash and cash equivalents

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

2.17 Goodwill

Goodwill represents the excess or the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill acquired in a business combination is tested annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired and carried at cost less accumulated impairment losses.

Negative goodwill arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Negative goodwill is recognised immediately in the income statement.

2.18 Investments in subsidiaries in separate Financial statements

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

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.20 Trade and other receivables

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

2.21 Interest bearing loans

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are de-recognised as well as through the effective interest rate method (EIR) amortisation process.

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

2.22 Provisions

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

2.23 Defined benefit plans - gratuity

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

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

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

The liability is not externally funded.

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

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

2.25 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans,under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (for example, an entity's share price);
– excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
– including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.
The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2.26 Provisions, Contingent assets and Contingent liabilities

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

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

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

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

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

Other income is recognised on an accrual basis.

2.28 Dividends on ordinary shares

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

2.29 Comparatives

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

2.30 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business / industry segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The segment information has been prepared in accordance with the accounting policies adopted for preparing and presenting the financial statements.

2.31 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.

2.32 Statement of cash flows

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

2.33 Directors' responsibilities statement

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

2.34 Restatemet of Financial statements

Financial statements are restated due to the error in classification of Investment property under Property, plant and equipment previously. As a result, property, plant and equiptments, Investment properties and revaluation reserve/ retained earnings were adjusted restrospectively. Management believes that the correction of such error gives a fairer view.

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.

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.

	Change in equity price	Effect on profit	Effect on equity
Group			
31 March 2015	10%	-	3,015
31 March 2014	10%	-	2,583
1 April 2013	10%	-	2,692

	Change in equity price	Effect on profit	Effect on equity
Company			
31 March 2015	10%	-	1,158
31 March 2014	10%	-	1,069
1 April 2013	10%	-	1,086

(iv) 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. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. 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 or using major credit cards.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. See note 20 (b) for further disclosure on credit risk.

(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 assets and liabilities by remaining contractual maturities

Group At 31 March 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial assets					
Trade & other receivables (excluding pre-payments)	4,925,180	-	-	-	4,925,180
Available-for-sale financial assets	30,145	-	-	-	30,145
Cash and cash equivalents	1,038,758	-	-	-	1,038,758
Total financial assets	5,994,083	-	-	-	5,994,083
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	3,271,461	-	-	-	3,271,461
Borrowings	1,861,898	1,232,841	-	-	3,094,739
Bank overdrafts	407,926	-	-	-	407,926
Total financial liabilities	5,541,285	1,232,841	-	-	6,774,126

Company At 31 March 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial assets					
Trade & other receivables (excluding pre-payments)	3,360,496	-	-	-	3,360,496
Available for sale financial assets	11,581	-	-	-	11,581
Cash and cash equivalents	353,347	-	-	-	353,347
Total financial assets	3,725,424	-	-	-	3,725,424
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	2,114,412	-	-	-	2,114,412
Borrowings	1,302,647	1,177,000	-	-	2,479,647
Bank overdrafts	276,194	-	-	-	276,194
Total financial liabilities	3,693,253	1,177,000	-	-	4,870,253

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.

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.

Borrowings

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Total borrowings (Note 23)	3,502,665	3,089,315	3,014,435	2,755,841	2,009,768	2,074,273
Less : Cash and cash equivalents (Note 21)	(1,038,758)	(765,469)	(1,015,585)	(353,347)	(281,372)	(393,775)
Net debt	2,463,907	2,323,846	1,998,850	2,402,494	1,728,396	1,680,498
Total equity	8,260,396	6,844,833	6,402,320	3,616,039	2,944,939	2,907,185
Total capital	10,724,303	9,168,679	8,401,170	6,018,533	4,673,335	4,587,683
Gearing ratio	22.97%	25.35%	23.79%	39.92%	36.98%	36.63%

The decrease in the gearing ratio during 2015 resulted primarily from the increse of the profit during the year.

			Group				Company	
				Total				
As at 31 March 2015	Level 1	Level 2	Level 3	balance	Level 1	Level 2	Level 3	
Assets								
Financial assets								
- Held for trading	-	-	-	-	-	-	-	-
Available-for-sale								
financial assets	30,145	-	-	30,145	11,581	-	-	11,581
Investment propety	-	493,000	-	493,000	-	285,000	-	285,000
	30,145	493,000	-	523,145	11,581	285,000	-	296,581
Liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

			Group				Company	
				Total				
As at 31 March 2014	Level 1	Level 2	Level 3	balance	Level 1	Level 2	Level 3	
Assets								
Financial assets								
- Held for trading	-	-	-	-	-	-	-	-
Available-for-sale								
financial assets	25,832	-	-	25,832	10,689	-	-	10,689
Investment propety	-	317,000	-	317,000	-	187,000	-	187,000
	25,832	317,000	-	342,832	10,689	187,000	-	197,689
Liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
As at 1 April 2013								
Assets								
Financial assets								
- Held for trading	-	-	-	-	-	-	-	-
Financial assets								
- Available-for-sale	26,925	-	-	26,925	10,861	-	-	10,861
Investment propety	-	317,000	-	317,000	-	187,000	-	187,000
	26,925	317,000	-	343,925	10,861	187,000	-	197,861
Liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(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. Revenue

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Geographical segment turnover				
Local	12,241,403	9,450,052	6,914,912	5,406,328
Export	2,185,833	1,996,810	980,486	922,443
Net revenue	14,427,236	11,446,862	7,895,398	6,328,771

5. Other income

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Dividend income	221	690	61,177	60,787
Profit on disposal of property, plant and equipment	1,859	12,573	1,859	5,734
Gain on revaluation of investment property	176,000	-	98,000	-
Gain on revaluation of property, plant and equipments recognised in income statement	872	-	-	-
Sundry income	13,652	14,302	2,869	1,506
	192,604	27,565	163,905	68,027

6. Expenses by nature

The following items have been charged / (credited) in arriving at operating profit:

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Directors emoluments	32,970	30,180	31,080	28,140
Auditors remuneration	2,459	2,381	597	516
Legal fees	3,065	3,370	3,065	2,647
Depreciation on property, plant and equipment (Note 12)	191,746	178,864	80,639	76,081
Amortization charge on intangible assets (Note 15)	2,080	252	2,080	252
Cost of raw material consumed	10,142,918	7,849,158	5,722,126	4,684,486
Repairs and maintenance	130,978	110,592	60,850	61,950
Donations	3,857	2,112	3,695	1,961
Impairment of investment	11,146	-	46,375	10,000
Amortisation of leasehold properties (Note 16)	-	22	-	-
Impairment of trade and other receivables [Note 21(a)]	39,641	12,053	535	5,854
Staff costs (Note 7)	1,087,355	967,709	519,442	465,968
Impairment of inventories [Note 20(a)]	47,775	63,631	43,304	45,774
Revaluation loss on property, plant and equipment	1,625	-	-	-
Other expenses	1,325,714	1,282,029	726,803	674,196
Total cost of sales, distribution costs and administrative costs	13,023,329	10,502,353	7,240,591	6,057,825
Classified as:				
Cost of sales	11,877,468	9,522,924	6,740,484	5,636,344
Distribution cost	747,307	636,653	285,642	263,545
Administrative costs	398,554	342,776	214,465	157,936
Total	13,023,329	10,502,353	7,240,591	6,057,825

7. Staff costs

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Salaries, wages and related cost	973,269	857,901	459,069	406,550
Defined contribution plan	71,320	64,560	35,709	33,689
Defined benefit plan (Note 27)	42,766	45,248	24,664	25,729
	1,087,355	967,709	519,442	465,968
Average number of employees during the year	1,440	1,326	642	627

8. Finance income and costs

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Finance income:				
Interest income	(10,369)	(6,833)	(1,857)	(2,074)
Exchange gain	(1,207)	(22,836)	-	(8,285)
Finance income	(11,576)	(29,669)	(1,857)	(10,359)
Finance cost:				
Interest on bank borrowings, concern loans and current accounts	289,901	311,501	186,770	231,197
Exchange loss	109,395	2,617	21,579	-
Finance cost:	399,296	314,118	208,349	231,197
Net finance costs	387,720	284,449	206,492	220,838

9. Income tax

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Current tax	283,785	159,076	124,825	18,653
Unclaimed ESC written-off	1,495	430	-	-
Deferred tax charge/(release) (Note 28.1)	8,283	9,972	(4,380)	1,238
WHT on dividend paid by subsidiaries	7,088	6,934	-	-
	300,651	176,412	120,445	19,891

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Profit before tax	1,254,738	687,625	612,220	118,135
Tax calculated at effective tax rate of 28%	351,327	192,535	171,422	33,078
Tax effect of income liable at concessionary rate	(25,826)	(9,710)	(9,507)	(1,695)
Tax effect of income not subject to tax	(104,068)	(27,438)	(72,436)	(18,907)
Tax effect of expenses not deductible	114,808	90,658	60,610	47,764
Tax effect of allowable deductions	(54,122)	(71,763)	(25,263)	(41,587)
Utilisation of previously unrecognised tax losses	(42)	(36)	-	-
Unclaimed ESC written-off	1,494	430	-	-
WHT on dividend paid by subsidiaries	7,088	6,934	-	-
Deferred tax charge / (reversal)	8,283	9,972	(4,380)	1,238
Tax effect of adjustment on consolidation	1,709	(15,170)	-	-
Tax charge	300,651	176,412	120,445	19,891

10. Earnings per share

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

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Net profit attributable to equity holders	859,572	441,495	491,775	98,244
Weighted average number of ordinary shares in issue	59,893,680	59,893,680	59,893,680	59,893,680
Basic earning per share	14.35	7.37	8.21	1.64

11 . Dividend per share

	Group 31 March		Company 31 March	
	2015	2014	2015	2014
Dividends paid	59,894	59,894	59,894	59,894
Number of ordinary shares in issue	59,893,680	59,893,680	59,893,680	59,893,680
Dividends issued in general per share	1.00	1.00	1.00	1.00

12. Property, plant and equipment

(a) Group	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	2,429,578	1,524,262	115,996	107,552	116,557	4,293,945
Accumulated depreciation	(122,440)	(850,164)	(67,804)	(75,153)	(73,899)	(1,189,460)
Net book amount	2,307,138	674,098	48,192	32,399	42,658	3,104,485
Error in clasification of investment property in property, plant and equipment previously	(187,000)	-	-	-	-	(187,000)
	2,120,138	674,098	48,192	32,399	42,658	2,917,485
Year ended 31 March 2014						
Opening net book amount	2,120,138	674,098	48,192	32,399	42,658	2,917,485
Additions	100,931	51,045	13,842	9,673	31,958	207,449
Transfer from WIP (Note 13)	3,071	-	-	-	514	3,585
Disposal / transfers						
- cost	-	-	(131)	-	(11,715)	(11,846)
- depreciation	-	-	131	-	11,276	11,407
Depreciation charge (Note 06)	(41,926)	(109,258)	(6,048)	(7,859)	(13,773)	(178,864)
Closing net book amount	2,182,214	615,885	55,986	34,213	60,918	2,949,216
At 31 March 2014						
Cost / valuation	2,346,580	1,575,307	129,707	117,225	137,314	4,306,133
Accumulated depreciation	(164,366)	(959,422)	(73,721)	(83,012)	(76,396)	(1,356,917)
Net book amount	2,182,214	615,885	55,986	34,213	60,918	2,949,216
Year ended 31 March 2015						
Opening net book amount	2,182,214	615,885	55,986	34,213	60,918	2,949,216
Additions	-	91,606	5,561	6,565	23,473	127,205
Transfer from WIP (Note 13)	6,082	50,716	-	-	-	56,798
Revaluation surplus	593,737	-	-	-	-	593,737
Disposals / transfers						
- cost	-	-	-	-	(2,961)	(2,961)
- depreciation	-	-	-	-	2,961	2,961
Depreciation charge (Note 06)	(42,042)	(115,374)	(7,114)	(7,847)	(19,368)	(191,746)
Closing net book amount	2,739,991	642,833	54,443	32,931	65,023	3,535,210
At 31 March 2015						
Cost / valuation	2,740,148	1,717,629	135,268	123,790	160,787	4,877,621
Accumulated depreciation	(157)	(1,074,796)	(80,835)	(90,859)	(95,764)	(1,342,411)
Net book amount	2,739,991	642,833	54,443	32,931	65,023	3,535,210

12. Property, plant and equipment

(b) Company	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	1,084,262	763,695	12,279	61,748	57,269	1,979,253
Accumulated depreciation	(18,848)	(437,756)	(9,077)	(40,218)	(38,846)	(544,745)
Net book amount	1,065,414	325,939	3,202	21,530	18,423	1,434,508
Error in clasification of investment property in property, plant and equipment previously	(187,000)	-	-	-	-	(187,000)
	878,414	325,939	3,202	21,530	18,423	1,247,508
Year ended 31 March 2014						
Opening net book amount	878,414	325,939	3,202	21,530	18,423	1,247,508
Additions	478	29,629	840	4,978	13,774	49,699
Transfer from WIP (Note 13)	2,272	-	-	-	-	2,272
Disposals / transfers						
- cost	-	-	-	-	(10,757)	(10,757)
- depreciation	-	-	-	-	10,757	10,757
Depreciation charge (Note 06)	(19,518)	(45,348)	(530)	(5,637)	(5,048)	(76,081)
Closing net book amount	861,646	310,220	3,512	20,871	27,149	1,223,398
At 31 March 2014						
Cost / valuation	900,012	793,324	13,119	66,726	60,286	1,833,467
Accumulated depreciation	(38,366)	(483,104)	(9,607)	(45,855)	(33,137)	(610,069)
Net book amount	861,646	310,220	3,512	20,871	27,149	1,223,398
Year ended 31 March 2015						
Opening net book amount	861,646	310,220	3,512	20,871	27,149	1,223,398
Additions	-	16,202	490	5,272	7,514	29,478
Transfer from WIP (Note 13)	-	40,968	-	-	-	40,968
Revaluation surplus	260,034	-	-	-	-	260,034
Disposals / transfers						
- cost	-	-	-	-	(2,961)	(2,961)
- depreciation	-	-	-	-	2,961	2,961
Depreciation charge (Note 06)	(19,624)	(47,307)	(626)	(5,342)	(7,740)	(80,639)
Closing net book amount	1,102,056	320,083	3,376	20,801	26,923	1,473,239
At 31 March 2015						
Cost / valuation	1,102,056	850,494	13,609	71,998	64,839	2,102,996
Accumulated depreciation	-	(530,411)	(10,233)	(51,197)	(37,916)	(629,757)
Net book amount	1,102,056	320,083	3,376	20,801	26,923	1,473,239

12. Property, plant and equipment (Contd)

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

Company

Assets	Valued on	Name of the valuer	Valued amount
Land	31 March 2015	Mr J M Senanayaka Bandara	526,611
Buildings	31 March 2015	Mr J M Senanayaka Bandara	575,445

Group

Land			
ACL Cables PLC	31 March 2015	Mr J M Senanayaka Bandara	526,611
Kelani Cables PLC	31 March 2015	Mr J M Senanayaka Bandara	266,000
ACL Plastics PLC	31 March 2015	Mr J M Senanayaka Bandara	87,438
Ceylon Bulbs and Electricals Limited	31 March 2015	Mr J M Senanayaka Bandara	590,500
ACL Kelani Magnet Wire (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	88,000
Ceylon Copper (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	36,388
ACL Electric (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	16,987

Buildings			
ACL Cables PLC	31 March 2015	Mr J M Senanayaka Bandara	575,445
Kelani Cables PLC	31 March 2015	Mr J M Senanayaka Bandara	194,000
ACL Plastics PLC	31 March 2015	Mr J M Senanayaka Bandara	90,741
ACL Kelani Magnet Wire (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	123,000
Acl Metals and Alloys (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	85,085
Ceylon Copper (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	24,310
ACL Electric (Private) Limited	31 March 2015	Mr J M Senanayaka Bandara	35,640

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

Company		31 March 2015		
	Valued on	Cost	Accumulated depreciation	Net book value
Land	31 March 2015	250,972	-	250,972
Building	31 March 2015	207,024	87,375	119,649

Group		31 March 2015		
	Valued on	Cost	Accumulated depreciation	Net book value
Land				
ACL Cables PLC	31 March 2015	250,972	-	250,972
Kelani Cables PLC	31 March 2015	56,447	-	56,447
ACL Plastics PLC	31 March 2015	16,410	-	16,410
Ceylon Bulbs and Electricals Limited	31 March 2015	296	-	296
ACL Kelani Magnet Wire (Private) Limited	31 March 2015	38,227	-	38,227
Buildings				
ACL Cables PLC	31 March 2015	207,024	87,375	119,649
Kelani Cables PLC	31 March 2015	40,162	20,524	19,638
ACL Plastics PLC	31 March 2015	41,084	23,019	18,065
Ceylon Bulbs and Electricals Limited	31 March 2015	1,625	1,625	-
ACL Kelani Magnet Wire (Private) Limited	31 March 2015	57,518	22,113	35,405
ACL Metals & Alloys (Private) Limited	31 March 2015	33,298	8,966	24,332

12. Property, plant and equipment (Contd)

(e) The initial cost of fully depreciated property, plant and equipment which are still in use at the balance sheet date are as follows;

	31 March 2015	31 March 2014	1 April 2013
ACL Cables PLC	558,535	120,642	126,333
ACL Plastics PLC	44,161	44,161	41,503
Kelani Cables PLC	102,604	85,068	79,335
Ceylon Bulbs & Electricals Limited	14,064	14,064	14,064
ACL Kelani Magnet Wire (Private) Limited	24,295	20,178	5,176
ACL Metals & Alloys (Private) Limited	276	276	218

(f) Group motor vehicles include the following amounts where the Group is a lessee under a finance lease.

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013
Cost - capitalised finance lease	-	100	2,000
Accumulated depreciation	-	(100)	(1,900)
Net book amount	-	-	100

13. Work in progress

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Balance as at 1 April	49,764	37,952	58,475	8,028	4,015	31,265
Cost incurred during the year	71,923	15,397	24,133	58,851	6,285	21,513
Amount transferred to property, plant and equipment (Note 12)	(56,798)	(3,585)	(44,656)	(40,968)	(2,272)	(24,443)
Disposal of Capital Work in Progress	(762)	-	-	-	-	(24,320)
Balance as at 31 March	64,127	49,764	37,952	25,911	8,028	4,015

14 . Investment property

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Balance as at 1 April	317,000	317,000	317,000	187,000	187,000	187,000
Revaluation surplus	176,000	-	-	98,000	-	-
Balance as at 31 March	493,000	317,000	317,000	285,000	187,000	187,000

(a) Details of land and buildings under investment property

Location	Extent	Carrying value
Piliyandala	13A. 0R. 2.5P	66,000
Piliyandala	1A. 0R. 32.8P	53,000
Piliyandala	0A. 0R. 17P	7,000
Piliyandala	2A. 2R. 28.27P	100,000
Kalutara	2A. 3R. 1P	59,000
Total of the Comapny		285,000
Ekala	13A. 0R. 2P	208,000
Total of the Group		493,000

(b) Market Value

Investment properties of the Group are accounted for on the revaluation value model.The value has been determined on fair value basis using market evidence. The last Valuation was carried out by an independent professional Valuer Mr. Senanayake Bandara ,a Fellow Member of the Institute of Valuers of Sri Lanka, as at 31st March 2015.

(c) Income earned from investment property

Total rent income earned by the Group and the Company from the investment property during the year was LKR 1.3 million (2013/2014 -LKR 0.1 million) . There were no direct operating expenses arising on any of the above investment properties.

15. Intangible assets

(a) Group

	31 March 2015			31 March 2014			1 April 2013		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total	Goodwill	Computer software	Total
At 31 March									
Balance at 1 April	38,945	26,113	65,058	38,945	17,795	56,740	38,945	17,795	56,740
Additions	-	2,659	2,659	-	8,318	8,318	-	-	-
Balance at 31 March	38,945	28,772	67,717	38,945	26,113	65,058	38,945	17,795	56,740
Accumulated amortisation									
Balance at 1 April	32,951	18,047	50,998	32,951	17,795	50,746	32,951	17,795	50,746
Amortization charge	-	3,030	3,030	-	252	252	-	-	-
Balance at 31 March	32,951	21,077	54,028	32,951	18,047	50,998	32,951	17,795	50,746
Net book amount	5,994	7,695	13,689	5,994	8,066	14,060	5,994	-	5,994

(b) Company

	31 March 2015			31 March 2014			1 April 2013		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total	Goodwill	Computer software	Total
At 31 March									
Balance at 1 April	-	22,363	22,363	-	14,045	14,045	-	14,045	14,045
Additions	-	586	586	-	8,318	8,318	-	-	-
Balance at 31 March	-	22,949	22,949	-	22,363	22,363	-	14,045	14,045
Accumulated amortisation									
Balance at 1 April	-	14,297	14,297	-	14,045	14,045	-	14,045	14,045
Amortization charge	-	2,080	2,080	-	252	252	-	-	-
Balance at 31 March	-	16,377	16,377	-	14,297	14,297	-	14,045	14,045
Net book amount	-	6,572	6,572	-	8,066	8,066	-	-	-

Goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Goodwill on consolidation
1994/95	ACL Plastics PLC	6,090
1995/96	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	26,035
1997/98	Ceylon Bulbs and Electricals Limited	459
2004/05	ACL Kelani Magnet Wire (Private) Limited	917
2006/07	Ceylon Bulbs and Electricals Limited	5,441
2007/08	Ceylon Bulbs and Electricals Limited	2

Goodwill arising from business combinations after 1 June 2005, is no longer amortised but tested for impairment annually as per SLFRS 3.

Gain on bargain purchase arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Gain on bargain purchase arising on consolidation
1998/99	ACL Plastics PLC	5,127
1999/00	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	17,502
1999/00	Ceylon Bulbs and Electricals Limited	2
2009/10	Ceylon Bulbs and Electricals Limited	6,265

Negative goodwill arising from business combinations after 1 June 2005, is no longer amortised but charged to Income Statement fully in the year of acquisition.

16. Prepaid lease rentals

	Group		
	31 March		1 April
	2015	2014	2013
Balance as at 1 April	1,754	1,776	1,798
Amortisation during the year	(22)	(22)	(22)
Balance as at 31 March	1,732	1,754	1,776
Amount to be amortised within one year	22	22	22
Amount to be amortised after one year	1,710	1,732	1,754
	1,732	1,754	1,776

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

17. Investment in subsidiaries

Company	31 March 2015 Number of shares	Cost	Market value	31 March 2014 Number of shares	Cost	Market value	1 April 2013 Number of shares	Cost	Market value
Quoted									
ACL Plastics PLC	2,746,969	33,300	297,222	2,746,969	33,300	227,998	2,746,969	33,300	271,675
Kelani Cables PLC	933,756	10,753	74,700	933,756	10,752	74,700	933,756	10,752	59,854
Total investment in quoted companies		44,053	371,923		44,052	302,699		44,052	331,529
Unquoted									
Ceylon Bulbs and Electricals Limited	1,051,345	58,515		1,051,345	58,515		1,051,345	58,515	
Lanka Olex Cables (Private) Limited									
"A" Class ordinary shares	99			99			99		
"B" Class ordinary shares	3,065,610	291,180		3,065,610	291,181		3,065,610	291,181	
Preference shares	161,818			161,818			161,818		
ACL Kelani Magnet Wire (Private) Limited	11,950,000	119,500		11,950,000	119,500		11,950,000	119,500	
ACL Metals and Alloys (Private) Limited	2,500,000	25,000		2,500,000	25,000		2,500,000	25,000	
Ceylon Copper (Pvt) Limited	3,000,001	30,000		3,000,001	30,000		3,000,001	30,000	
ACL Electric (Pvt)Ltd	10,000,001	100,000		10,000,001	100,000		10,000,001	100,000	
Total investment in unquoted companies		624,196			624,196			624,196	
Provision for impairment [17(a)]		(92,005)			(56,776)			(46,776)	
Total investment in unquoted companies		532,190			567,420			577,420	
Total cost of investments in subsidiaries		576,243			611,472			621,472	

ACL Cables PLC acquired a controlling interest in Lanka Olex Cables (Private) Limited in October 1999. Kelani Cables PLC is a subsidiary of Lanka Olex Cables (Private) Limited.

(a) Provision for impairment for investment

	Company 31 March 2015	31 March 2014	1 April 2013
Balance as at 1 April	56,776	46,776	46,776
Provision for the year	35,229	10,000	-
Balance as at 31 March	92,005	56,776	46,776

The provision for impairment has been made for the investment made in ACL Kelani Magnet Wire (Pvt) Ltd due to the carrying amount of the investment being higher than its recoverable value as evidenced by the lower net asset base.

The percentages of ownership held by the Company in each quoted and unquoted subsidiary as at balance sheet date are as follows;

Quoted	2015	2014	2013
ACL Plastics PLC	65.20%	65.20%	65.20%
Kelani Cables PLC	79.30%	79.30%	79.30%
Unquoted			
Ceylon Bulbs and Electricals Limited	95.30%	95.30%	95.30%
Lanka Olex Cables (Private) Limited			
"A" Class ordinary shares	99%	99%	99%
"B" Class ordinary shares	100%	100%	100%
Preference shares	100%	100%	100%
ACL Kelani Magnet Wire (Private) Limited	93.79%	93.79%	93.79%
ACL Metals and Alloys (Private) Limited	100%	100%	100%
Ceylon Copper (Private) Limited	100%	100%	100%
ACL Electric (Private) Limited	100%	100%	100%

18. Investment in equity accounted investee

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Investment in equity accounted investee (at cost)	778,060	-	-	778,060	-	-
Gain on bargain purchase [Note 18 (a)]	49,029	-	-	-	-	-
Share of proift/(loss) [Note 18 (b)]	(3,083)	-	-	-	-	-
Share of other comprehensive income [Note 18 (b)]	(258)	-	-	-	-	-
Carrying amount of interest in associates	823,749	-	-	778,060	-	-

In December 2014, ACL Cables PLC acquired 34.51% of the voting rights of Resus Energy PLC. The acquisition has been accounted for using the equity method.

Provisional fair values of the identifiable assets and liabilities of Resus Energy PLC were used when arriving to the results of the acquisition.

(a) Gain on Bargain Purchase as a result of the acquisition is recognised as follows;

	Group		
	31 March		1 April
	2015	2014	2013
Fair value of consideration paid	778,060	-	-
Fair value of identifiable net assets acquired	827,089	-	-
Resulted gain on bargain purchase	49,029	-	-
(b) Total comprehensive income from equity accounted investee			
Gain on bargain purchase	49,029	-	-
Share of profit/(loss)	(3,083)	-	-
Amount recognised in the income statement	45,947	-	-
Other comprehensive income for the year (net of tax)	(258)	-	-
Total comprehensive income for the year	45,689	-	-

	Resus Energy PLC		
	31 March		1 April
(c) Summarised financial information of equity accounted investee	2015	2014	2013
Revenue and loss			
Revenue	111,770	-	-
Loss	(8,933)	-	-
Assets and liabilities			
Total assets	2,667,845	-	-
Total liabilities	(278,360)	-	-
Non-controlling interest	(2,500)	-	-
Net assets	2,386,985	-	-

19. Available for sale financial assets

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Equity securities at fair value - listed	30,145	25,832	26,925	11,581	10,689	10,861
	30,145	25,832	26,925	11,581	10,689	10,861

(a) Company

	31 March 2015 Number of shares	31 March 2015 Cost	31 March 2015 Market value	31 March 2014 Number of shares	31 March 2014 Cost	31 March 2014 Market value	1 April 2013 Number of shares	1 April 2013 Cost	1 April 2013 Market value
Banking finance and insurance									
Merchant Bank of Sri Lanka PLC	18,379	1,546	290	18,379	1,546	248	18,379	1,546	296
Nations Trust Bank PLC	18,432	450	1,845	18,432	450	1,196	18,432	450	1124
Telecommunication									
Dialog Axiata PLC	390,000	4,143	4,056	390,000	4,143	3,510	390,000	4,143	3510
Diversified holdings									
John Keells Holdings PLC	18,182	1,281	3,626	18,182	1,281	4,127	15,758	857	3,892
Lanka Century Investments PLC	130,700	13,250	1,764	130,700	13,250	1,608	130,700	13,250	2,039
Total cost of investments by the Company		20,670	11,581		20,670	10,689		20,246	10,861

(b) Investments by subsidiary companies

	31 March 2015 Number of shares	31 March 2015 Cost	31 March 2015 Market value	31 March 2014 Number of shares	31 March 2014 Cost	31 March 2014 Market value	1 April 2013 Number of shares	1 April 2013 Cost	1 April 2013 Market value
Banking finance and insurance									
Nations Trust Bank PLC	25,592	512	2,562	25,592	512	1,661	25,592	512	1,561
DFCC Bank	13	2	3	13	2	2	13	2	2
Plantation									
Maskeliya Plantations PLC	8,200	375	81	8,200	375	82	8,200	375	99
Watawala Plantations PLC	200,000	1,252	4,000	200,000	1,252	1,960	200,000	1,252	2,240
Kotagala Plantations PLC	10,000	477	247	10,000	477	350	10,000	477	540
Diversified holdings									
Hayleys PLC	38,907	2,953	11,671	38,907	2,953	11,088	38,907	2,953	11,622
Total cost of investments by subsidiaries		5,571	18,564		5,571	15,143		5,571	16,064
Total cost of investment by Group		26,241	30,145		26,241	25,832		25,817	26,925

20. Inventories

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Raw materials	1,828,555	1,353,361	862,410	494,646	453,757	455,019
Work-in-progress	851,804	685,932	709,590	534,569	436,583	403,778
Finished goods	2,167,276	1,750,481	1,501,464	966,729	832,473	727,333
Goods in transit	144,810	101,799	69,264	-	797	245
Other stocks	275,174	210,237	186,914	134,517	94,481	74,115
	5,267,619	4,101,810	3,329,642	2,130,461	1,818,091	1,660,490
Provision for obsolete stock [20(a)]	(168,343)	(161,756)	(99,613)	(97,890)	(95,774)	(50,000)
Net book amount	5,099,276	3,940,054	3,230,029	2,032,571	1,722,317	1,610,490

(a) Provision for obsolete stock

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance as at 1 April	161,756	99,613	69,604	95,774	50,000	30,000
Provision for the year	47,775	63,631	30,009	43,304	45,774	20,000
Inventories written off	(41,188)	(1,488)	-	(41,188)	-	-
Balance as at 31 March	168,343	161,756	99,613	97,890	95,774	50,000

21. Trade and other receivables

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Trade receivables	4,227,166	3,241,817	2,837,634	2,341,932	1,928,737	1,706,014
Provision for impairment of trade and other receivables [Note 21(a)]	(131,888)	(148,633)	(136,580)	(34,774)	(89,780)	(83,926)
Trade receivables - net	4,095,278	3,093,184	2,701,054	2,307,158	1,838,957	1,622,088
Receivable from related companies [Note 38.13(b)]	775	6,213	4,996	548,232	325,756	327,162
Loan given to related companies [Note 38.13(c)]	-	-	-	32,075	32,075	32,075
Advance and prepayments	43,207	155,417	102,134	19,931	21,168	23,772
Other receivables	829,127	730,510	548,235	473,031	431,365	332,611
	4,968,387	3,985,324	3,356,419	3,380,427	2,649,321	2,337,708

Value of book debts of ACL Cables PLC and Kelani Cables PLC have been pledged as security for bank facilities obtained.

(a) Impairment of trade and other receivables

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance as at 1 April	148,633	136,580	134,385	89,780	83,926	83,944
Provision for the year	39,641	12,053	3,443	535	5,854	(18)
Debtors written off	(56,386)	-	(1,248)	(55,541)	-	-
Balance as at 31 March	131,888	148,633	136,580	34,774	89,780	83,926

(b) Trade receivables, receivables from related parties and other receivables by credit quality:

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Neither past due nor impaired	3,924,989	3,109,000	2,321,217	2,683,212	2,094,139	1,698,088
Past due but not impaired	1,000,191	720,907	933,068	677,284	534,014	615,848
Impaired	131,888	148,633	136,580	34,774	89,780	83,926
	5,057,068	3,978,540	3,390,865	3,395,270	2,717,933	2,397,862

Past due but not impaired

Debtors with a carrying amount of LKR 1,000 million (2013/2014 - LKR 721 million) and LKR 677 million (2013/2014 - LKR 534 million), which are past due for the Group and the Company respeceively at the end of the reporting period but which the Company has not impaired as there has not been a significant change in credit quality and the Directors of the Company believe that overdue amounts are fully recoverable. The Company does not hold any collateral over these balances.

Impaired

The trade receivables impaired were LKR 132 million (2013/2014 - LKR 149 million) and LKR 35 million (2013/2014 - LKR 90 million) for the Group and the Company respeceively at the end of the reporting period and the Directors believe that the amounts are not recoverable as of 31 March 2015.

22. Cash and cash equivalents

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Cash at bank and in hand	308,677	88,982	110,610	34,096	33,108	44,523
Cash in transit	11	-	-	-	-	-
Short term deposits	730,070	676,487	904,975	319,251	248,264	349,252
	1,038,758	765,469	1,015,585	353,347	281,372	393,775

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

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Cash at bank and in hand	1,038,758	765,469	1,015,585	353,347	281,372	393,775
Bank overdraft (Note 24)	(407,926)	(451,584)	(613,307)	(276,194)	(305,559)	(339,415)
	630,832	313,885	402,278	77,153	(24,187)	54,360

23. Trade and other payables

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Trade payables	3,007,274	1,175,908	660,615	333,026	422,517	100,751
Payables to related parties [Note 38.13 (a)]	-	77	-	1,567,302	790,942	769,555
Loans from related parties [Note 38.13 (d)]	-	-	-	123,193	123,193	123,193
Accrued expenses and other payable	281,541	205,707	218,568	99,629	80,728	99,841
	3,288,815	1,381,692	879,183	2,123,150	1,417,380	1,093,340

24. Borrowings

	Group 31 March 2015	Group 31 March 2014	Group 1 April 2013	Company 31 March 2015	Company 31 March 2014	Company 1 April 2013
Long term borrowings						
Interest bearing loans	1,232,841	77,841	100,000	1,177,000	-	100,000
	1,232,841	77,841	100,000	1,177,000	-	100,000
Short term borrowings						
Bank borrowings	730,000	1,648,000	1,124,000	730,000	1,630,000	1,124,000
Short term loans	1,131,898	911,890	1,177,128	572,647	74,209	510,858
Bank overdraft (Note 22)	407,926	451,584	613,307	276,194	305,559	339,415
	2,269,824	3,011,474	2,914,435	1,578,841	2,009,768	1,974,273

(a) Analysed by lenders

		Group			
		31 March		1 April	
Lender	Interest Rate	2015	2014	2013	Security
Hatton National Bank PLC	Linked to AWPLR	832,841	77,841	-	Land and Board resolution
Nations Trust Bank PLC	Linked to AWDR	-	-	100,000	Stocks and book debts
State Bank of India	Linked to AWPLR	400,000	-	-	Land, building and stocks
Total long-term borrowings		1,232,841	77,841	100,000	
Standard Chartered Bank	Linked to AWPLR	900,778	1,679,212	1,673,521	Stocks and Book Debts/ Lien over call account funds
Hatton National Bank PLC	Linked to AWPLR	1,247,527	983,761	361,206	Demand promissory note/ Stocks and book debts
Nations Trust Bank PLC	Linked to AWPLR	12,233	114,396	494,147	Stocks and book debts
National Development Bank PLC	Linked to AWPLR	3,199	232,336	3,289	No assets pledged
Hongkong and Shanghai Banking Corporation	Linked to AWPLR	6,087	1,558	382,272	No assets pledged
Peoples' Bank	Linked to AWPLR	-	211	-	No assets pledged
State Bank of India	Linked to AWPLR	100,000	-	-	Land, building and stocks
Total short-term borrowings		2,269,824	3,011,474	2,914,435	
Total borrowings		3,502,665	3,089,315	3,014,435	

		Company			
		31 March		1 April	
Lender	Interest Rate	2015	2014	2013	Security
Nations Trust Bank PLC	Linked to AWDR	-	-	100,000	Stocks and book debts
State Bank of India	Linked to AWPLR	400,000	-	-	Land,Building and stocks
Hatton National Bank PLC	Linked to AWPLR	777,000	-	-	Board resolution
Total long-term borrowings		1,177,000	-	100,000	
Standard Chartered Bank	Linked to AWPLR	751,789	976,410	1,321,240	Stocks and Book Debts/ Lien over call account funds
Hatton National Bank PLC	Linked to AWPLR	711,620	686,626	155,597	Demand promissory note/ Stocks and book debts
Nations Trust Bank PLC	Linked to AWPLR	12,233	114,396	494,147	Stocks and book debts
National Development Bank PLC	Linked to AWPLR	3,199	232,336	3,289	No assets pledged
State Bank of India	Linked to AWPLR	100,000	-	-	Land,Building and stocks
Total short-term borrowings		1,578,841	2,009,768	1,974,273	
Total borrowings		2,755,841	2,009,768	2,074,273	

25. Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Gross finance lease liabilities	-	-	55	-	-	55
Future finance charge on finance lease	-	-	(2)	-	-	(2)
Present value of finance lease liabilities	-	-	53	-	-	53
	-	-	-	-	-	-
Present value of finance lease liabilities						
No later than 1 year	-	-	53	-	-	53
Later than 1 year	-	-	-	-	-	
	-	-	53	-	-	53

26. Income tax payable

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance as at 1 April	294,440	202,014	149,961	84,369	97,788	89,164
Provision for the current year (Note 9)	283,785	159,076	159,587	124,825	18,653	51,815
Under provision in respect of previous years	-	-	236	-	-	-
Payments made during the year	(115,196)	(66,650)	(107,770)	(70,568)	(32,072)	(43,191)
Balance as at 31 March	463,029	294,440	202,014	138,626	84,369	97,788

27. Defined benefit obligations

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

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance as at 1 April	227,933	209,928	178,028	145,613	141,834	121,580
Current service cost	26,298	45,248	45,745	8,647	25,729	28,171
Interest cost	16,468	-	-	16,017	-	-
Actuarial gain during the year	(13,284)	-	-	(11,121)	-	-
	257,415	255,176	223,773	159,156	167,563	149,751
Benefits paid	(14,696)	(27,243)	(13,845)	(9,047)	(21,950)	(7,917)
Balance as at 31 March	242,719	227,933	209,928	150,109	145,613	141,834

(b) The amounts recognised in the income statement are as follows:

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Current service cost	26,298	45,248	45,745	8,647	25,729	28,171
Interest cost	16,468	-	-	16,017	-	-
Recognised in income statement	42,766	45,248	45,745	24,664	25,729	28,171

(c) The amounts recognised in the statement of comprehensive income are as follows:

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Actuarial (gain)/ loss	(13,284)	-	-	(11,121)	-	-
Recognised in statement of comprehensive income	(13,284)	-	-	(11,121)	-	-

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.

(d) The key assumptions used by the actuary include the following :

	Group / Company		
	31 March		1 April
	2015	2014	2013
Rate of discount	10%	11%	11%
Salary increment rate	10%	10%	10%
Retirement age	55 years	55 years	55 years

Sensitivity analysis :

The following table demonstrates the sensitivity to reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

(e) The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligation for the year.

		Group		Company	
		Comprehensive		Comprehensive	
	Change	Financial position-liability	income-(charge) / credit for the year	Financial position-liability	income-(charge) / credit for the year
Discount rate	+1	(16,823)	16,823	(9,346)	9,346
	-1	19,549	(19,549)	10,568	(10,568)
Future salary increases	+1	20,101	(20,101)	10,796	(10,796)
	-1	(17,839)	17,839	(10,194)	10,194

28. Deferred income tax liability

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 28%.

(a) Movement in deferred income tax liability

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance at the beginning of the year	210,260	201,232	203,493	99,594	98,356	107,737
Origination/(reversal) of temporary differences recognized in Income Statement	8,283	9,972	(1,317)	(4,380)	1,238	(9,381)
Origination/(reversal) of temporary differences recognized in Other Comprehensive Income	3,720	-	-	3,114	-	-
Deferred tax on revaluation of buildings	90,147	-	-	40,858	-	-
Deferred tax on depreciation transfered from retained earnings	(1,960)	(944)	(944)	-	-	-
Balance at the end of the year	310,450	210,260	201,232	139,186	99,594	98,356

(b) Composition of deferred income tax liabilities

Property, plant and equipment	424,319	314,413	298,651	219,253	179,069	175,569
Defined benefit obligations	(67,354)	(62,800)	(58,295)	(42,031)	(40,337)	(39,714)
Provision for inventories	(14,265)	(15,665)	(15,003)	(12,125)	(14,000)	(14,000)
Provision for impairment of trade receivables	(151)	(25,137)	(23,499)	(151)	(25,138)	(23,499)
Provision for impairment of investments	(25,761)	-	-	(25,761)	-	-
Provision for payment in lieu of employee share issue scheme	(484)	(551)	(622)	-	-	-
Tax losses carried forward	(5,855)	-	-	-	-	-
	310,450	210,260	201,232	139,186	99,594	98,356

29. 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					
Available-for-sale financial assets	-	-	30,145	-	30,145
Trade and other receivables (excluding pre-payments)	4,925,180	-	-	-	4,925,180
Cash and bank balances	1,038,758	-	-	-	1,038,758
	5,963,938	-	30,145	-	5,994,083

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	3,271,461	3,271,461
Other borrowed funds	-	3,502,665	3,502,665
	-	6,774,126	6,774,126

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					
Available-for-sale financial assets	-	-	11,581	-	11,581
Trade and other receivables (excluding pre-payments)	3,360,496	-	-	-	3,360,496
Cash and bank balances	353,347	-	-	-	353,347
	3,713,843	-	11,581	-	3,725,424

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2015			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	2,114,412	2,114,412
Other borrowed funds	-	2,755,841	2,755,841
Finance lease obligation	-	-	-
	-	4,870,253	4,870,253

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					
Available-for-sale financial assets	-	-	25,832	-	25,832
Trade and other receivables					
(excluding pre-payments)	3,829,907	-	-	-	3,829,907
Cash and bank balances	765,469	-	-	-	765,469
	4,595,376	-	25,832	-	4,621,208

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2014			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,368,382	1,368,382
Other borrowed funds	-	3,089,315	3,089,315
Finance lease obligation	-	-	-
	-	4,457,697	4,457,697

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					
Available-for-sale financial assets	-	-	10,689	-	10,689
Trade and other receivables					
(excluding pre-payments)	2,628,153	-	-	-	2,628,153
Cash and bank balances	281,372	-	-	-	281,372
	2,909,525	-	10,689	-	2,920,214

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2014			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,411,389	1,411,389
Other borrowed funds	-	2,009,768	2,009,768
Finance lease obligation	-	-	-
	-	3,421,157	3,421,157

Group

	Loans and receivables	Fair value through profit or loss	Available-for-sale	Held to maturity investments	Total
1 April 2013					
Assets as per the statement of financial position					
Available-for-sale financial assets	-	-	26,925	-	26,925
Trade and other receivables					
(excluding pre-payments)	3,254,285	-	-	-	3,254,285
Cash and bank balances	1,015,585	-	-	-	1,015,585
	4,269,870	-	26,925	-	4,296,795

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	858,638	858,638
Other borrowed funds	-	3,014,435	3,014,435
	-	3,873,073	3,873,073

Company

	Loans and receivables	Fair value through profit or loss	Available-for-sale	Held to maturity investments	Total
1 April 2013					
Assets as per the statement of financial position					
Financial assets - Available-for-sale	-	-	10,861	-	10,861
Trade and other receivables					
(excluding pre-payments)	2,313,936	-	-	-	2,313,936
Cash and bank balances	393,775	-	-	-	393,775
	2,707,711	-	10,861	-	2,718,572

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,076,904	1,076,904
Other borrowed funds	-	2,074,273	2,074,273
	-	3,151,177	3,151,177

(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:

	Group				Company			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total	Neither past due nor impaired	Past due but not impaired	ndividually impaired	Total
31 March 2015								
Available for sale financial assets	30,145	-	-	30,145	11,581	-	-	11,581
Trade and other receivables (excluding pre -payments)	3,924,989	1,000,191	131,888	5,057,068	2,683,212	677,284	34,774	3,395,270
Cash and bank balances	1,038,758	-	-	1,038,758	353,347	-	-	353,347
	4,993,892	1,000,191	131,888	6,125,971	3,048,140	677,284	34,774	3,760,198

30. Contingent Liabilities

Company

(a) The Department of Inland Revenue raised assessments on income tax for the year of assessments 2006/2007,2007/2008 and 2008/2009 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 assessments within the stipulated time frame in accordance with the Inland Revenue Act. The matter pertaining to the year of assessment 2006/2007 and 2007/2008 are referred to the Court of Appeal for their opinion. The year of assessment 2008/2009 is pending before the Tax Appeal Commission for their determination. Management of the Company is of the view that no liability would arise since the Company is entitled for the Income Tax exemption under section 17 of the Inland Revenue Act No. 10 of 2006.

(b) The Company has issued corporate guarantees to secure the banking facilities obtained by the following Companies from Standard Chartered Bank.
- ACL Kelani Magnet Wire (Pvt) Ltd amounting to USD 2 million or equivalent in LKR
- ACL Metals & Alloys (Pvt) Ltd amounting LKR 365 million
- ACL Electric (Pvt) Ltd amounting to LKR 200 million

Group

(a) ACL Metals & Alloys (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 exemption under section 17 of the Inland Revenue Act No. 10 of 2006.

(b) 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 exemption under section 17 of the Inland Revenue Act No. 10 of 2006.

(c) Kelani Cables PLC
Kelani Cables PLC has given guarantees to third parties amounting to LKR 187 million (2013/2014 LKR 92 million).

31. 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.

32. Stated capital

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Number of ordinary shares issued and fully paid						
Balance at 31 March	59,893,680	59,893,680	59,893,680	59,893,680	59,893,680	59,893,680
Stated capital						
Balance at 1 April	299,488	299,488	299,488	299,488	299,488	299,488
Balance at 31 March	299,488	299,488	299,488	299,488	299,488	299,488

33. Capital reserve

(a) Capital reserve comprises profit on sale of property, plant and equipment and investments, Capital Redemption Reserve Fund (CRRF) created consequent to redemption of shares and revaluation surplus arising from net surplus on revaluation of property plant and equipment in 2015.

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance at 1 April			1,447,781			658,340
Error in classification of Investment property in property plant and equipment previousely			(81,934)			(81,934)
Balance at 1 April 2013 (Restated)	1,357,957	1,361,902	1,365,847	576,406	576,406	576,406
Revaluation surplus	546,052			260,034		
Deferred tax on revaluation surplus	(80,951)			(40,858)		
Transfer to retained earnings from revaluation reserve	(7,000)	(4,889)	(4,889)	-	-	-
Deferred tax on transfer	1,960	944	944	-	-	-
Balance on 31 March	1,818,019	1,357,957	1,361,902	795,582	576,406	576,406

(b) Group capital reserve as at balance sheet date consists of the following;

Capital redemption reserve fund	2,625	2,625	2,625
Surplus on revaluation of property, plant and equipment	1,813,584	1,353,522	1,357,467
Profit on sale of property, plant and equipment and investment	1,810	1,810	1,810
	1,818,019	1,357,957	1,361,902

34. General reserve

General reserve consists of such amounts that have been from time to time transferred from retained earnings as resolved at General Meetings of the Company/Group for general applications.

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance at 1 April	1,123,825	1,123,825	1,123,825	680,266	680,266	680,266
Balance at 31 March	1,123,825	1,123,825	1,123,825	680,266	680,266	680,266

35. Reserve of fair value of available for sale assets

	Group			Company		
	31 March		1 April	31 March		1 April
	2015	2014	2013	2015	2014	2013
Balance at 1 April	(3,739)	(2,543)	(2,151)	(9,981)	(9,385)	(10,453)
Fair value adjustment for available-for-sale financial assets	3,122	(1,196)	(392)	892	(596)	1,068
Impairment for available-for-sale financial assets	11,145	-	-	11,145	-	-
Balance at 31 March	10,528	(3,739)	(2,543)	2,056	(9,981)	(9,385)

36. Cash generated from operations

	Group		Company	
	31 March		31 March	
	2015	2014	2015	2014
Profit before tax	1,254,738	687,625	612,220	118,135
Adjustments for:				
Depreciation of property, plant and equipments (Note 12)	191,746	178,864	80,639	76,081
Share of profit from equity accounted investee, net of tax [Note 18 (b)]	(45,947)	-	-	-
Amortization of intangible assets (Note 15)	3,030	252	2,080	252
Dividend income (Note 5)	(221)	(690)	(61,177)	(60,787)
Interest expense (Note 8)	399,296	314,118	208,349	231,197
Interest income (Note 8)	(11,576)	(29,669)	(1,857)	(10,359)
Profit on disposal of property, plant and equipments (Note 5)	(1,859)	(12,573)	(1,859)	(5,734)
Amortization of leasehold properties (Note 16)	22	22	-	-
Impairment of investments in subsidiaries[Note 17(a)]	-	-	35,229	10,000
Impairment of avalible-for-sale financial assets	11,145	-	11,1145	-
Gain on revaluation of investment property (Note 14)	(176,000)	-	(98,000)	-
Loss on revaluation of property, plant and equipments (Note 6)	1,625	-	-	-
Defined benefit obligations [Note 27 (b)]	42,766	45,248	24,664	25,729
Changes in working capital:				
Increase in inventories	(1,159,222)	(710,025)	(310,254)	(111,827)
Increase in receivables and prepayments	(985,429)	(629,334)	(731,107)	(311,613)
Increase in trade and other payables	1,907,123	502,509	705,770	324,040
Cash generated from operations	1,431,237	346,347	475,842	285,114

37. Segment information

(a) Business Segment information

Revenue	Manufacturing cables 2015	Manufacturing PVC compound 2015	Others 2015	Group 2015	2014	2013
Total revenue	14,319,377	1,165,991	4,152,628	19,637,996	15,824,383	13,637,480
Inter-segment sales	(724,247)	(1,075,731)	(3,410,782)	(5,210,760)	(4,377,521)	(2,310,959)
External sales	13,595,130	90,260	741,847	14,427,236	11,446,862	11,326,521
Results						
Profit before other income and finance cost	1,059,802	132,085	212,021	1,403,908	944,509	1,073,829
Other income	191,266	1,338	-	192,604	27,565	15,963
Finance cost	(251,408)	(13,462)	(122,850)	(387,720)	(284,449)	(336,354)
Share of profit of equity accounted investee and gain on bargain purchase (Power and energy)	-	-	-	45,947	-	-
Taxation	(240,370)	(33,531)	(26,750)	(300,651)	(176,412)	(162,954)
Profit after taxation	759,290	86,430	62,421	954,087	511,213	590,484

	2015	2015	2015	2015	2014	2013
Assets						
Segment assets	12,759,174	493,395	2,224,345	15,476,914	11,524,017	10,904,169
Unallocated corporate assets				591,159	524,456	524,510
Total assets				16,068,073	12,048,473	11,428,679
Liabilities						
Segment liabilities	5,383,782	139,326	2,279,447	7,802,555	5,197,947	4,500,476
Unallocated corporate liabilities				5,122	5,693	6,369
Total liabilities				7,807,677	5,203,640	4,506,845
Capital expenditure						
Segment capital expenditure	134,563	46,220	21,004	201,787	231,164	229,115
Total capital expenditure				201,787	231,164	229,115
Depreciation and amortisation						
Segment depreciation and amortisation	153,108	13,599	25,039	191,746	178,864	163,894
Total depreciation and amortisation				191,746	178,864	163,894

(b) Geographical segment information

Geographical segment turnover is given in Note 4.

38. Directors' interests in contracts and related party transactions

38.1 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of ACL Plastics PLC which is a 65.2% owned subsidiary of ACL Cables PLC.

38.2 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company are also the Directors of Lanka Olex Cables (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

38.3 Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs.N.C.Madanayake who are Directors of the Company are also the Directors of Kelani Cables PLC which is a 79.2% owned subsidiary of ACL Cables PLC .

38.4 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 which is a 93.79% owned subsidiary of ACL Cables PLC.

38.5 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 which is a 100% owned subsidiary of ACL Cables PLC.

38.6 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 65.2% owned subsidiary of ACL Cables PLC.

38.7 Mr U.G. Madanayake, Mr. Suren Madanayake and Mrs N. C. Madanayake who are Directors of the Company are also the Directors of Ceylon Bulbs and Electricals Limited which is a 95.3% owned subsidiary of ACL Cables PLC.

38.8 Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Ceylon Copper (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.

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

38.10 Mr. Suren Madanayake who is a Director of the Company is also a Director of S M Lighting (Private) Limited.

38.11 Mr. Suren Madanayake who is a Directors of the Company is also a Director of Resus PLC which is a 34.51% owned associate of ACL Cables PLC.

38.12 The Company had the following business transactions in the ordinary course of business during the year :

		Company 31 March	
(a)	Sales of goods and services (inclusive of taxes)	2015	2014
	Kelani Cables PLC	427,569	137,464
	ACL Metals and Alloys (Private) Limited	41,616	485
	ACL Plastics PLC	1,744	38
	ACL Kelani Magnet Wire (Private) Limited	97,655	151,747
	Ceylon Copper (Private) Limited	54,954	30,370
	ACL Electric (Private) Limited	278	223
		623,816	320,327

		Company 31 March	
(b)	Purchase of goods and services (inclusive of taxes)	2015	2014
	ACL Kelani Magnet Wire (Private) Limited	13,206	-
	ACL Plastics PLC	655,883	701,230
	Kelani Cables PLC	176,431	46,022
	Ceylon Bulbs and Electricals Limited	1,200	1,224
	ACL Metals and Alloys (Private) Limited	1,739,039	1,039,445
	Ceylon Copper (Private) Limited	1,563,536	1,641,552
	S M Lighting (Private) Limited	4	5,047
	ACL Electric (Private) Limited	4	-
		4,149,299	3,434,520

(c) Interest on loans from related party	Company 31 March 2015	2014
ACL Plastics PLC	3,491	4,746
Kelani Cables PLC	2,621	3,564
ACL Polymers (Private) Limited	1,565	2,129
	7,677	10,439

(d) Key management compensation	Group 31 March 2015	2014	1 April 2013	Company 31 March 2015	2014	1 April 2013
Short-term benefits	32,970	30,180	28,640	31,080	28,140	27,150
	32,970	30,180	28,640	31,080	28,140	27,150

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

(a) Payable to related parties	Group 31 March 2015	2014	1 April 2013
Kelani Cables PLC	60,223	12,501	14,367
ACL Metals and Alloys (Private) Limited	717,829	263,199	289,457
ACL Polymers (Private) Limited	-	-	695
ACL Plastics PLC	276,208	326,653	201,681
Ceylon Copper (Private) Limited	513,042	188,512	261,979
ACL Electric (Private) Limited	-	-	1,376
S M Lighting (Private) Limited	-	77	-
	1,567,302	790,942	769,555

(b) Receivable from related parties	Group 31 March 2015	2014	1 April 2013
Kelani Cables PLC	128,759	15,228	57,403
ACL Kelani Magnet Wire (Private) Limited	170,093	151,736	246,801
Ceylon Bulbs and Electricals Limited	4,817	5,407	6,090
ACL Plastics PLC	-	-	4,636
Ceylon Copper (Private) Limited	3,132	-	7,236
ACL Electric (Private) Limited	240,656	147,172	-
S M Lighting (Private) Limited	775	6,213	4,996
	548,232	325,756	327,162

(c) Receivable on loans	Group 31 March 2015	2014	1 April 2013
ACL Kelani Magnet Wire (Private) Limited	32,075	32,075	32,075
	32,075	32,075	32,075

(d) Payable on loans	Group 31 March 2015	2014	1 April 2013
Kelani Cables PLC	41,854	41,854	41,854
ACL Plastics PLC	55,745	55,745	55,745
ACL Polymers (Private) Limited	25,000	25,000	25,000
Lanka Olex Cables (Private) Limited	594	594	594
	123,193	123,193	123,193

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

38.14 All the transactions with related parties are carried out in the ordinary course of business, on an arms' length basis and charge interest at quarterly review Treasury Bill rate. These are to be settled on demand.

39. Events after the reporting period

Company

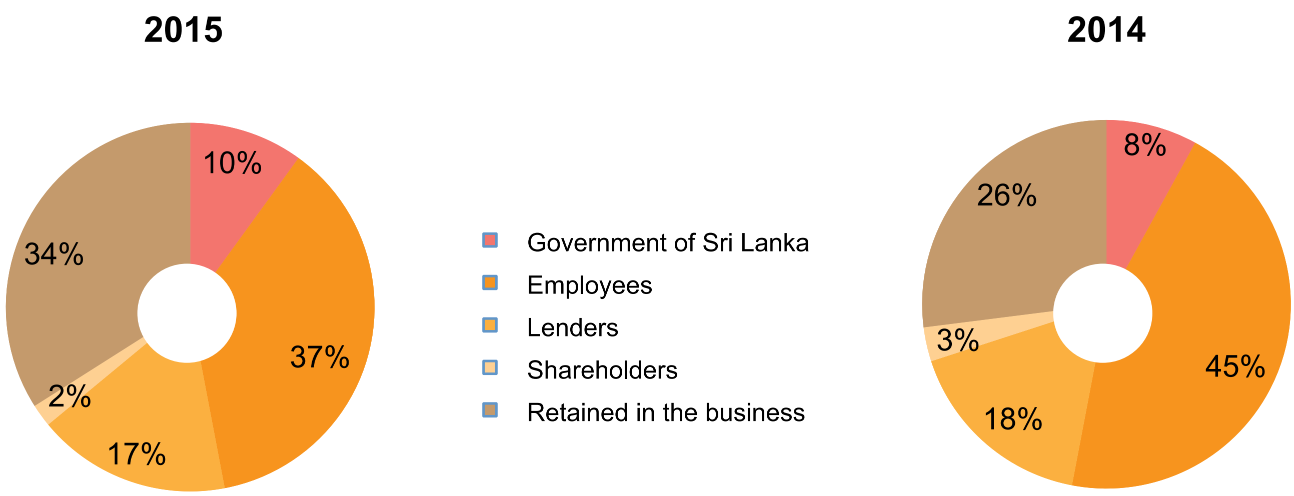
No circumstances have arisen since the balance sheet date, which would require adjustments to, or disclosure in, the financial statements.

Group

No circumstances have arisen since the balance sheet date, which would require adjustments to, or disclosure in, the financial statements.

Statement of Value Added - Group

		2015 LKR '000		2014 LKR '000
Total revenue		14,427,236		11,446,862
Other operating & interest income		250,126		57,234
		14,677,362		11,504,096
Cost of material and services bought in		(11,744,227)		(9,355,780)
Total value added by the Group		2,933,135		2,148,316
Value added shared with				
Government of Sri Lanka (Taxes)	10%	300,651	8%	176,412
Employees (Salaries and other costs)	37%	1,087,355	45%	967,709
Lenders (Interest on loan capital & minority interest)	17%	493,811	18%	383,836
Shareholders (Dividends)	2%	59,894	3%	59,894
Retained in the business (Depreciation & retained profits)	34%	991,424	26%	560,465
	100%	2,933,135	100%	2,148,316



Information to Shareholders

(a) Distribution of shareholders as at 31 March 2015

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	1,428	426,175	0.71
1,001 to 5,000	509	1,354,896	2.26
5,001 to 10,000	128	965,673	1.61
10,001 to 50,000	131	2,879,582	4.81
50,001 to 100,000	24	1,722,062	2.88
100,001 to 500,000	21	4,563,948	7.62
500,001 to 1,000,000	5	3,618,637	6.04
Over 1,000,000	6	44,362,707	74.07
Total	2,252	59,893,680	100.00

(b) Analysis report of shareholders as at 31 March 2015

	Number of shares	% of holding
Institutional	15,595,169	26.04
Individuals	44,298,511	73.96
Total	59,893,680	100.00

(c) Market and other information

		2015	2014
Company			
a)	Earnings per share (LKR)	8.21	1.64
b)	Dividends per share (LKR)	1.00	1.00
c)	Net assets value per share (LKR)	60.37	49.17
d)	Market value per share		
	- Highest value (LKR)	83.60	74.00
	- Lowest value (LKR)	74.00	60.00
	- Value as at the end of financial year (LKR)	76.00	61.00
e)	Number of trades	4,387	1,859
f)	Total number of shares traded	10,434,064	3,755,325
g)	Total turnover (LKR)	797,570,010	262,278,282
h)	Percentage of shares held by the public	37.94%	37.93%
i)	Number of foreign shareholders	29	26
Consolidated			
a)	Earnings per share (LKR)	14.35	7.37
b)	Net assets value per share (LKR)	123.39	101.84

(d) Twenty largest shareholders list as at 31 March 2015

	Share Holder Name	As at 31 March 2015		As at 31 March 2014	
		No. Shares	%	No. Shares	%
01.	Mr. U. G. Madanayake	22,837,216	38.13	22,837,216	38.13
02.	Mr. Suren Madanayake	13,302,396	22.21	13,302,396	22.21
03.	Employees Provident Fund	3,148,091	5.26	3,247,926	5.42
04.	National Savings Bank	2,059,267	3.44	1,275,200	2.13
05.	Seylan Bank Ltd/Govindasami Ramanan	1,983,637	3.31	1,232,153	2.06
06.	Mrs. N.C. Madanayake	1,032,100	1.72	1,032,100	1.72
07.	Deutsche Bank AG -National Equity Fund	959,157	1.60	959,157	1.60
08.	FAB Foods (Private) Ltd	767,520	1.28	767,520	1.28
09.	Bank of Ceylon-No 2 A/C	741,900	1.24	541,900	0.90
10.	Mas Capital (Private) Limited	591,503	0.99	-	-
11.	Sri Lanka Insurance Corporation Limited - Life Fund	558,557	0.93	2,100,200	3.51
12.	Deutsche Bank AG AS Trustee for Namal Acuity	500,000	0.83	500,000	0.83
13.	Bank of Ceylon, No.01 Account	456,324	0.76	201,419	0.34
14.	R.D.M.Perera	350,932	0.59	350,932	0.59
15.	Sir Cyril De Zoysa Trust	341,036	0.57	341,036	0.57
16.	E.W. Balasuriya & Co. (Pvt) Ltd	335,400	0.56	-	-
17.	Trading Partners (Pvt) Ltd	225,824	0.38	-	-
18.	Seylan Bank PLC/Capital Trust Holdings (Pvt) Ltd	225,644	0.38	225,790	0.38
19.	Ramanayake G.C.S. & Ramanayake K.M.	210,000	0.35	-	-
20.	V.A.D.L.W.Perera	188,500	0.31	188,500	0.31

Five Year Summary - Group

(all amounts in Sri Lanka Rupees thousands)

Trading Results

Year Ended	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Turnover	14,427,236	11,446,862	11,326,520	10,306,180	9,569,771
Profit before tax	1,254,738	687,625	753,438	771,728	449,700
Taxation	(300,651)	(176,412)	(162,954)	(206,275)	(162,960)
Profit after tax	954,087	511,213	590,484	565,453	286,740

Balance Sheet

As At	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Stated capital	299,488	299,488	299,488	299,488	299,488
Capital reserve	1,818,019	1,357,957	1,443,836	1,447,781	863,320
Revenue reserve	5,272,515	4,442,265	3,975,037	3,495,789	3,057,050
	7,390,022	6,099,710	5,718,361	5,243,059	4,219,858
Minority interest	870,374	745,123	683,959	634,878	528,264
Non-current liabilities	1,786,010	516,034	513,383	584,100	585,687
	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809
Property, plant & equipment	3,535,210	2,949,216	3,104,485	3,019,097	2,242,226
Leasehold properties pre-payments	1,710	1,732	1,754	1,776	1,798
Capital work in progress	64,127	49,764	37,952	58,475	133,226
Intangible assets	13,689	14,060	5,994	5,994	5,994
Investment property	493,000	317,000	130,000	130,000	125,000
Available-for-sale financial assets	30,145	25,832	26,925	28,097	43,561
Investments in equity accounted investee	823,749	-	-	-	-
Current assets	11,106,443	8,690,869	7,602,055	6,324,309	6,709,445
Current liabilities	(6,021,668)	(4,687,606)	(3,993,462)	(3,105,713)	(3,927,440)
Capital employed	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809

Ratios

	2015	2014	2013	2012	2011
Gross profit margin	17.67%	16.81%	16.46%	16.61%	13.47%
Net profit margin after tax	6.61%	4.47%	5.21%	5.49%	4.70%
Sales growth	26.04%	11.07%	9.90%	7.70%	32.13%
Profit growth	82.47%	-10.90%	-2.37%	71.61%	129.11%
Current ratio	1.84	1.85	1.90	2.04	1.71
Net assets per share	123.39	101.84	95.48	87.54	70.45
Dividend per share	1.00	1.00	1.00	0.70	-
Earning per share	14.35	7.37	8.93	8.17	3.88
Market value per share	76	61.00	65.50	62.60	94.00
Price earning ratio	5	8.28	7.34	7.66	24.21
Dividend cover ratio	14.35	7.37	8.93	11.67	-
Dividend payout ratio	0.07	0.14	0.11	0.09	-

Real Estate Portfolio - Group

Name of the Owning Company and Location	Land (Acres) Freehold	Buildings (Sq. Ft)	Net Book Value 2015 LKR 000	2014 LKR 000
ACL Cables PLC				
Welithotuwa Road, Batakettara, Piliyandala	16.93	244,216	1,125,557	883,058
Sarabhoomi Housing Scheme, Batakettara, Piliyandala	0.11	1,107	7,000	5,372
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	53,000	40,000
AMW Premises, Nagoda, Kaluthara	2.76	-	59,000	12,000
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	66,000	48,000
60, Rodney Street, Colombo 08	-	15,288	76,500	60,216
	34.01	260,611	1,387,057	1,048,646
Kelani Cables PLC				
Wewelduwa, Kelaniya	6.16	96,360	389,500	283,270
Mahena Road, Siyambalape	1.08	25,350	70,500	37,660
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-	208,000	130,000
	20.24	121,710	668,000	450,930
ACL Plastics PLC				
Temple Road, Ekala, Ja-Ela	3.21	36,039	167,022	133,068
Niwasipura, Ekala, Ja-Ela	0.06	1,690	11,000	9,524
	3.28	37,729	178,022	142,592
ACL Kelani Magnet Wire (Pvt) Ltd				
No.07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,074	211,000	174,900
Ceylon Bulbs & Electricals Ltd				
60, Rodney Street, Colombo 08	1.69	24,506	590,501	523,848
ACL Metals & Alloys (Pvt) Ltd				
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	85,085	71,287
Ceylon Copper (Pvt) Ltd				
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	60,698	39,796
ACL Electric (Pvt) Ltd				
Miriseatte Estate, Millewa, Moragahahena, Horana	1.51	12,960	52,627	47,215
Total value of land and buildings - (Note 12 and 14)	65.25	538,200	3,232,990	2,499,214

Glossary of Financial Terms

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Available-for-Sale
Any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

AWDR
The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest bearing deposits of commercial banks and the corresponding interest rates.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basic Earnings Per Share
Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Borrowings
All interest bearing liabilities.

Capital Employed
Total equity, minority interest and interest bearing borrowings.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Cash Equivalents
Liquid investments with original maturity period of three months or less.

Contingent Liability
A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the enterprise.

Credit Rating
An evaluation of a corporate's ability to repair its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk
Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance to the agreed terms and conditions.

Corporate Governance
The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of the entity, the supervision of executive action and accountability to owners and others.

Current Ratio
Current assets divided by current liabilities. A measure of liquidity.

Debt /Equity
Debt as a percentage of total equity less minority interest if any.

Deferred Taxation
The tax effect of temporary differences deferred to/from another period, which would only qualify for inclusion on a tax return at a future date.

Dividends
Distribution of profits to holders of equity investment.

Dividend Cover
Profit attributable to ordinary shareholders divided by dividend. Measures the number of times dividend is covered by distributable profit.

Dividend Yield
Dividend per share as a percentage of the market price. A measure of return on investment

Derivatives
Financial contracts whose values are derived from the values of underlying assets.

Earnings per Share
Earnings Per Ordinary Share (EPS) Profits attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

Effective Tax Rate
Income tax expenses divided by profit from ordinary activities before tax.

Equity
Shareholders' funds.

Fair Value
The amount at which an asset is exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair Value Through Profit or Loss (FVPL)
Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset
Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favorable.

Financial Instruments
Any contract that gives rise to a financial assets of one entity and financial liability or equity instrument of another entity.

Financial Liability
A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

Gearing
Proportion of total interest bearing borrowings to capital employed.

Held-to-Maturity
A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

Impairment
Occurs when recoverable amount of an asset is less than its carrying amount.

Interest Cover
Profit before tax plus net finance cost divided by net finance cost. Measure of an entity's debt service ability.

Liquidity Risk
The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Loans and receivables
A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Market Capitalization
Number of shares in issue multiplied by the market value of a share at the report date.

Market Risk
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Net Assets Per Share
Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation.

Net Worth
Total equity less minority interest if any.

Operating Profit
Profit before tax, share of profit of associates and net finance cost.

Price Earnings Ratio
Market price of a share divided by earnings per share as reported at that date.

Prudence
Inclusion of a degree of caution in the exercise of judgment needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.

Related Parties
Parties who could control or significantly influence the financial and operating policies of the business.

Return on Equity
Profit before tax divided by total equity less minority interest if any.

Return on Total Assets
Profit before tax plus finance cost divided by total average assets.

Revenue Reserves
Reserves considered as being available for distribution and investments.

Segments
Constituent business units grouped in terms of similarity of operations.

Stated Capital
The total amount received by the Company or due and payable to the Company in respect of issue and calls of shares are referred to as stated capital.

Value Addition
The quantum of wealth generated by the activities of the Group measured as the difference between turnover and the cost of material and services bought in.

Working Capital
Capital required to finance day-to-day operations computed as the excess of current assets over current liabilities.

Milestones

1962
In March 1962, Associated Motorways Ltd (AMW) incorporated Associated Cables Ltd as a Subsidiary for the manufacture of electric cables.

1963
Within a period of one year, manufacture of electric cables commenced in Sri Lanka for the first time with Japanese technical assistance within the AMW Industrial complex at Kalutara.

1976
The Company became a public quoted Company under the rules of Colombo Brokers Association.

1978
Facilities for drawing of Copper wires were added.

1980
The Company moved out of AMW Group.
Aluminium Conductor plant was set up for the manufacture of AAC and ACSR.

1981
Joint Venture with Aluminium Industries Ltd, India for the manufacture of 1400 M/Ts of Aluminium conductors.

1982
Establishment of own distribution network island wide.

1986
Production of Armored cable commenced at Piliyandala Factory.

1988
Company entered into a technical collaboration agreement with Nokia Cables Finland, for manufacturing of Aerial Bundled Cables and XLPE Insulated Cables.

1990
The name of the Company was changed from Associated Cables Ltd. to ACL Cables Ltd, in order to establish an independent identity for the Company.

1991
ACL Plastics Limited was incorporated for the manufacture of PVC compound.

1993
Second technical collaboration agreement with NOKIA Cables of Finland for drawing and ageing Aluminium Alloy conductors.

Commenced manufacturing of PVC compound at ACL Plastics Ltd, Ekala.

1995
Export of Cables commenced to Bangladesh and Maldives.
Acquisition of Ceylon Bulbs & Electricals Ltd.

1999
Acquisition of Kelani Cables Ltd.
Introduction of Power - X and Flexi cables.

2006
Incorporation of ACL Metals & Alloys (Private) Ltd and ACL Polymers (Private) Ltd.

Introduction of Fireguard and other fire rated range of Products.

2007
Winning the Achievers Gold Award for Performance Excellence awarded by the Ceylon National Chamber of Industries, Sri Lanka, National Quality Award and Taiki Akimoto Award on 5S.

2008
ACL Cables PLC awarded the highest award of Asia Pacific Quality Organization beating participants from 46 countries. Recognized as a world-class Company.
Awarded Super Brand status for the ACL brand.

2012
Incorporation of Ceylon Copper (Pvt) Ltd. to manufacture copper rods.

ACL secured SLS Certification for Armored Cables this year for the first time in Sri Lanka.

2013
Incorporation of ACL Electric (Pvt) Ltd. to manufacture electrical accessories.

2014
Introduction of Fire Resistance Circuit Intergrity Power Cables.

2015
ACL Cables PLC acquired 35% stake of Hemas Power PLC and renamed the Company as RESUS Energy PLC.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifty Third Annual General Meeting of ACL Cables PLC will be held at the Auditorium of ACL Cables PLC, No. 60, Rodney Street, Colombo - 08, on Wednesday, 26th August 2015, at 9.30 a.m. for the following purposes.

01. 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.

02. To re–elect as Directors Mrs. N C Madanayake, Mr. Hemaka Amarasuriya and Mr. Ajit Jayaratne who retire by rotation in terms of article No. 85 and being eligible for re-election in terms of Article No. 86 of Articles of Association of the Company.

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

04. 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 a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

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

(c) "that Mr. Ajit Jayaratne, who has passed the age of 70 years in April 2010, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

(d) "that Mr. Hemaka Amarasuriya, who has passed the age of 70 years in November 2013, be and is hereby appointed a Director of the Company and that the age limit of 70 years referred to in Section 210 of Companies Act No. 07 of 2007 shall not apply to him"

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

BY ORDER OF THE BOARD

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

Note:

(a) FORM OF PROXY

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 that purpose. A Proxy need not be a Shareholder of the Company.

(b) ATTENDANCE SLIP

Shareholders are kindly requested to hand-over the duly perfected and signed Attendance Slip attached to this Report for that purpose, to the Registration Counter.

Notes

Form of Proxy ACL Cables PLC

I/We...of………………………………………………………… being a Shareholder/ Shareholders of the above Company hereby appoint …………………………………………………. or failing him/ her ……………………………… ………………….............…of………………………………….…………………………...……… as my/ our Proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 26th of August 2015 at 9.30 a.m. and at any adjournment thereof.

		IN FAVOR	NOT IN FAVOR
01.	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.		
02.	(a) To re–elect as Director Mrs. N C Madanayake who retires by rotation		
	(b) To re–elect as Director Mr. Hemaka Amarasuriya who retires by rotation		
	(c) To re–elect as Director Mr. Ajit Jayaratne who retires by rotation		
03.	To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and authorize the Directors to determine their remuneration.		
04.	(a) Ordinary Resolution (a) relating to the appointment of Mr. U. G. Madanayake		
	(b) Ordinary Resolution (b) relating to the appointment of Mrs. N. C. Madanayake		
	(c) Ordinary Resolution (c) relating to the appointment of Mr. Ajit Jayaratne		
	(d) Ordinary Resolution (d) relating to the appointment of Mr. Hemaka Amarasuriya		
05.	To authorize the Directors to determine donations to charities.		

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

..............…………………………

Signature

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

ACL CABLES PLC – ATTENDANCE AT ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the Fifty Third Annual General meeting of ACL CABLES PLC

01.	Name of Shareholder	: ………………………………………………………………………………..........................…………..
	Name of Proxy (If Applicable)	: ………………………………………………………………………………..........................…………..
02.	Shareholder's NIC Number	: ………………………………………………………………………………..........................…………..
	Proxy's NIC Number (If Applicable)	: ………………………………………………………………………………..........................…………..
03.	Signature of Shareholder	: ………………………………………………………………………………..........................…………..
	Signature of Proxy (If Applicable)	: ………………………………………………………………………………..........................…………..

Shareholders are kindly requested to bring this Attendance Slip with them when attending the Meeting and hand over same 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 Form of Proxy should be deposited at No. 60, Rodney Street, Colombo 08, not less than 48 hours before the scheduled starting time of the Meeting.

Corporate Information

COMPANY NAME
ACL Cables PLC

REGISTRATION NUMBER
PQ 102

REGISTERED OFFICE
60, Rodney Street, Colombo 08

CONTACT DETAILS

Tel	:	+94 11 2697652
Fax	:	+94 11 2699503
E-mail	:	info@acl.lk
Website	:	www.acl.lk

BOARD OF DIRECTORS
U. G. Madanayake - Chairman
Suren Madanayake - Managing Director
Mrs. N. C. Madanayake
A. M. S. De S. Jayaratne
Hemaka Amarasuriya
D. D. Wahalatantiri
P. S. R. Casie Chitty
Sivakumar Selliah

GROUP FINANCIAL CONTROLLER
Champika Coomasaru

SECRETARIES
Messrs. Corporate Affairs (Private) Limited
68/1, Dawson Street, Colombo 02.

AUDITORS
Messrs. PricewaterhouseCoopers
Chartered Accountants
100, Braybrooke Place, Colombo 02

BANKERS
Standard Chartered Bank
Hatton National Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Sampath Bank PLC
Commercial Bank of Ceylon PLC
People's Bank
Hongkong & Shanghai Banking Corporation

ACL CABLES

www.acl.lk