Responsibility Certified

ACL Cables PLC

Annual Report 2012/13

Quality guaranteed. Responsibility certified.

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.

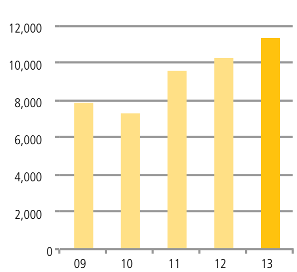
Our Community

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

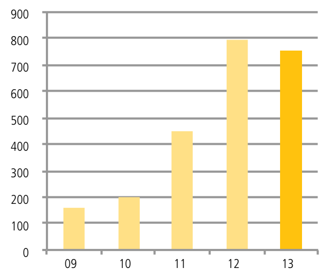
Contents

Group Financial Highlights

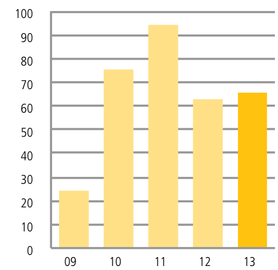
Revenue
for the year ended 31 March
Rs.Mn



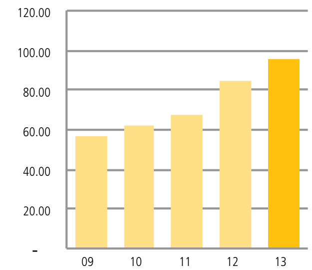
Net Profit before Tax
for the year ended 31 March
Rs.Mn



Market value per Share
as at 31 March
Rs.Mn



Net Assets per Share
as at 31 March
Rs.



	2013 Rs. Mn	2012 Rs. Mn
Operations		
Turnover	11,327	10,306
Gross Profit	1,864	1,711
Finance Cost	336	249
Profit Before Tax	753	772
Profit After Tax	590	565
Total Equity	6,402	5,878

Key Financial Indicators

Gross Profit Margin	16.46%	16.61%
Net Profit Margin Before Tax	6.65%	7.49%
Interest Cover (Times)	3.24	4.10
Return on Equity	9.22%	9.62%
Current Ratio (Times)	1.90	2.04

Chairman's Message

It indeed is a pleasure to welcome you to the 51st Annual General meeting of ACL Cables PLC on behalf of the Board of Directors and present to you the Annual Report and the Audited Financial Statements for the year 2012/13. As a Group our vision in the coming decade is to project the ACL Group of Companies as an collection of international brands well known in the region and beyond whilst strengthening the dominant position in Sri Lanka.

Economic Outlook

Despite the slowdown of economies of the developed world, Sri Lanka has been able to maintain a reasonable growth rate though we could have done better. Since Sri Lanka is an agriculture-based economy the growth of GDP was adversely affected by the drought that prevailed during the latter part of 2012. This drought also affected power generation and increased cost of production of electricity substantially and the Government was forced to pass part of those costs to the public and the industry in early 2013. This would have had a negative effect on our industry. However, continued investment on low cost power generation adding 1600 MW in the near future will help to reduce costs and boost the economy. This is good news to the entire manufacturing industry and especially for the Cable industry.

"Even though there has been a slowdown in the world economy, by and large it did not have a significant impact on the Cable industry in Sri Lanka."

Growth of the economy is dependent on rate of investment and technological advancement. The current rate of investment is around 30.6 as a percentage of GDP as per the Annual Report of the Central Bank for 2012 and in order to achieve a double digit growth rate, Sri Lanka should have an investment rate of 40% or so. In order to achieve this level of investment, a major role is to be played by the Local private sector in addition to investments by the Government and Foreign Direct Investors. At present a factor that is hampering private sector investment is the prevailing high rates of interest. However, the Government is taking initiatives to bring down the interest rates and has also allowed the private sector to engage in foreign currency borrowing in order to promote investments.

High interest rates have also reduced consumption in the domestic market which had and continues to have, a negative impact on the demand for cables and other hardware items in the short term. This situation should correct itself when interest rates come down.

Even though there has been a slowdown in the world economy, by and large it did not have a significant impact on the Cable industry in Sri Lanka.

The present Government policy which promotes infrastructure development and tourism will help to sustain a demand for cables in the medium term. Furthermore, the tax incentives granted by the Government to invest on Research & Development will help the private sector to develop new products and technologies so that they can be more competitive in world markets. Whist appreciating the initiative taken by the Government, I would like to suggest that further encouragement be given to Research & Development by way of incentives, grants and establishment of Research Centers must be extended in the future.

Chairman's Message (Cont.)

Performance

ACL as a Group achieved a turnover of Rs. 11.3 billion compared to Rs. 10.3 billion in the last financial year reflecting an increase of approximately 10%. Profit before tax of the Group has marginally come down to Rs 753 million from last year's figure of Rs. 772 million. This drop in Profitability is due to high finance cost resulting from high interest rates. Group net financial costs have increased by 35% over the last year - from Rs 249 million in 2011/12 to Rs 336 million in 2012/13. However, Group profit after tax has increased to Rs. 590 million from last year's figure of Rs. 565 million.

"the Group has continued to maintain its dominance in the market by securing special orders and new markets"

Despite the above, the Group has continued to maintain its dominance in the market by securing special orders and new markets. The stiff competition in the domestic market continues to exert pressure on Group profitability.

Challenges

High interest rates and volatility of exchange rates are two challenges facing the Group and the industry since we are import dependent. Those will continue to remain so, unless the regulatory measures taken by the Government deliver results in the near future.

Another major challenge facing the industry is the entry of a few unscrupulous manufacturers who are bent on selling substandard products. Not only genuine cable manufacturers are affected by such activities but house builders as well since such cables used in houses pose a serious threat to life and property. We sincerely believe that the efforts made by the Sri Lanka Standards Institution and the Consumer Affairs Authority will be helpful to curb the activities of these manufacturers.

It is becoming more evident that continued development of new products and markets is an ever increasing challenge and therefore, both Marketing and Technical staff of the entire Group is encouraged to be innovative and be on the lookout for new markets.

New Development

I am pleased to state that your Board of Directors has decided to venture into the manufacture of wiring accessories and a new company ACL ELECTRIC PVT LTD. has been floated for this purpose, as part of the Group's diversification strategy. A wide range of products of superior quality will be provided by this Company, for customers who demand excellent performance and durability.

In Appreciation

I take this opportunity to thank our valued customers who have helped us to be what we are today. A special word of appreciation is due to the Ceylon Electricity Board which has continued to be our single largest customer.

"High interest rates and volatility of exchange rates are two challenges facing the Group and the industry since we are import dependent"

I also wish to thank all our present and past employees for their commitment and dedication without which it would have been impossible for us to be at the helm of the Sri Lankan market for 51 years. It is my pleasant duty to thank the board of directors for their guidance and the supporting role played even during times of difficulty. I would also like to thank all other stakeholders including the Government and all its departments, Banks, Suppliers, etc. Finally, I like to thank all our shareholders past and present for their confidence placed in us.

Mr. U. G. Madanayake
Chairman

16th August 2013

Managing Director's Review

It gives me great pleasure to present the Annual Report of ACL Cables PLC for the year 2012/13. Though we expected the year to be more profitable, tough market conditions made it difficult for us to achieve desired profit targets.

Company Performance

ACL Cables achieved a turnover of Rs 6.7 billion compared to Rs 5.5 billion last year. This reflects a 22% growth in turnover. Profit before tax was Rs 204 million compared to Rs 297 million made in the previous financial year. This is mainly due to the high interest rates which prevailed during the year and the increase in cost of raw material which was not passed to the consumer. Last year,the net financial cost was Rs 167 million and in the year under review rose toRs 285 million. Keeping in mind the volatility of the financial and foreign market which prevailed during the year under review and the competition, this performance can be classed reasonable.

Factors which Supported us during the Year

During the year, the demand for Cables in the Institutional sector continued to remain positive and therefore, we managed to achieve 22% growth in total revenue. We are pleased to announce that we managed to complete the single largest order which we received from ELTEL of Sweden, well in advance of the delivery target to the satisfaction of both the buyer and the end user, Ceylon Electricity Board (CEB). Towards the latter part of the year, we managed to secure another order worth nearly US$ 10 million from Shanghai Electric of China and this too helped, to boost the turnover during the year under review.

During the year, the demand for Cables in the Institutional sector continued to remain positive and therefore, we managed to achieve 22% growth in total revenue.

Continued buying of Cables and Conductors by CEB helped ACL to a great extent to improve turnover during the year.

The government must be congratulated for its inclination to develop the infrastructure of the country with massive investment in the Power sector, with the objective of providing reliable electricity to all parts of the island. The impact of these activities is likely to continue and will do well for the development of the local Cable industry.

During the year, ACL shifted its main warehouse which was situated at Borella to a modern warehouse located next to the Factory at Piliyandala. This helped ACL to cut down its costs by reducing unnecessary movement and handling of Finished Goods and also by effecting speedy delivery.

Challenges Faced by the Company

New entrants with substandard products and low prices exerted a tremendous pressure on our pricing and market share. ACL shall continue to fight such unfair competition from a platform of innovation and superior quality. Furthermore, ACL will continue to weaken such unscrupulous competition using the regulatory framework of the country in order to protect our valued customers and maintain very high standards of wiring in Sri Lanka.

High interest rates and its volatility continued to be a major challenge during the year under review as predicted and it affected not only the cable industry but also the other manufacturing sectors of the country. Mainly as a result of this, enormous pressure was exerted on the bottom line of ACL. The exchange rate too was very volatile during the year and its movements led to increase in cost of raw material which could not be passed on to the market in its entirety.

High interest rates and the credit squeeze by the Banks affected the demand for Cables inthe house builder market. We believe that many would have cut down investment on their housing due to increase in interest rates.Furthermore, purchases by our Distributors and dealers would have been affected by the credit squeeze which prevailed during the year.

Product Innovation

ACL continued to develop new products for the institutional and export markets which helped to keep the Company ahead of competition. Our technical teams will continue to improve existing products and innovate new productsin the years to come as it is a core strategy of our organization. The tax incentives granted by the Budget 2013 to encourage Research & Development is a welcome impetus to our continued efforts in innovation.

"ACL continued to develop new products for the institutional and export markets which helped to keep the Company ahead of competition"

Future Outlook of the Company

Judging by the development plans and the inclination of the Government we can foresee an increase in demand for Cables and Conductors in the next 5 years. We reliably understand that the CEB is planning a few large scale projects for the low and medium voltage distribution of electricity as part of its effort to strengthen the network and make it cost effective. Furthermore, planned coal power plants by courtesy of Chinese aid (2x300MW), Japanese aid (1x500MW) and Indian aid (1x500MW) to provide electricityat affordable rates to the people of Sri Lanka, is a welcome move and augur well for continued development of the Cable industry.

I am glad to announce our entry into manufacture and marketing of Switches and Sockets at our new subsidiary – ACL Electric Pvt Ltd with a state-of-the-art modern factory situated at Moragahahena, Horana

ACL is aware of the fact that the country's economy is improving and thiswill lead to an era where Quality Power would be demanded by a majority of Customers. These changes in demand will create new opportunities for advanced Cable and Conductor systems which will be more cost effective and reliable, as those that are in developed countries.

I am glad to announce our entry into manufacture and marketing of Switches and Sockets at our new subsidiary – ACL Electric Pvt Ltd with a state-of-the-art modern factory situated at Moragahahena, Horana. Very soon our valued customers will be able to purchase a range of High Quality Switches and Sockets under the ACL brand. This is the beginning of a long journey which will lead to continued launch of High Quality electrical accessories under your prestigious brand name - ACL. In fact, our efforts will be a big boon to customers who demand the best, when it comes to electrical accessories, just like ACL wires.

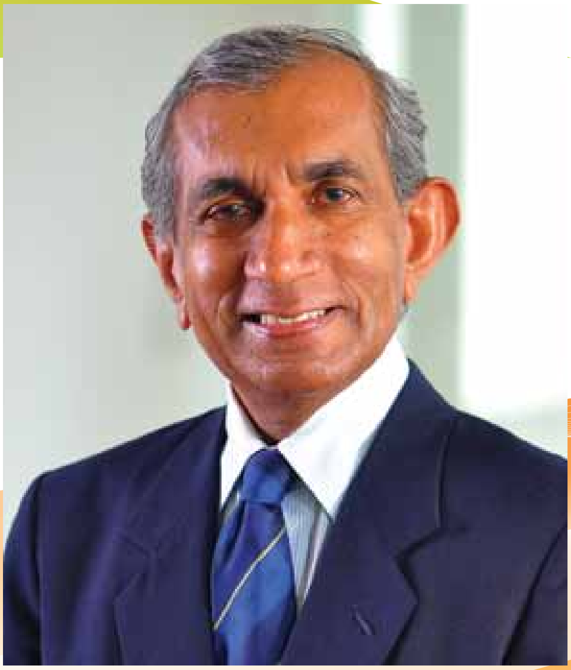
Acknowledgments

I take this opportunity to thank the Chairman and members of the Board of Directors for their continued guidance and advice given to me to do my best for the company. I also wish to extend my sincere appreciation to all employees past and present to work tirelessly to achieve excellence. I wish to express my sincere gratitude to all our valued customers including the Ceylon Electricity Board for their continued patronage. I would also like to thank all other stakeholders of ACL for their continued support in all our endeavors.

Mr. Suren Madanayake
Managing Director

16th August 2013

Board of Directors



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1. Mr. U.G. Madanayake - *Chairman*
2. Mr. Suren Madanayake - *Managing Director*
3. Mrs. N.C. Madanayake - *Director*
4. Mr. Ajit Jayaratne - *Director*
5. Mr. Hemaka Amarasuriya - *Director*
6. Mr. Daya Wahalatantiri - *Director*
7. Mr. Rajiv Casie Chitty - *Director*

Board of Directors

Mr. U. G. Madanayake
Chairman

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

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.

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 2012, he was appointed to the Board of Union Bank of Colombo PLC as an Independent Non-Executive Director. He also serves as Chairman of CCC Foundation 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 Singer Sri Lanka Ltd, Singer Industries Ltd., Colombo Fort Land & Building Co. Ltd., Colonial Motors Ltd., 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 currently the Chairman of the Singer Group of Companies in Sri Lanka. He 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 a Honorary Fellowship from the Chartered Institute of Marketing, U.K. and a Diploma in Marketing Strategy from the University of New York.

He is on the Directorate of other listed companies such as National Development Bank PLC, C.W. Mackie PLC and non-listed companies such as Bata Shoe Co. Ceylon, TNL Radio Network (Pvt) Limited, Amariya Resorts (Pvt) Ltd., Micro Cars (Pvt) Ltd. and NDB Capital Bangladesh. Since holding 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

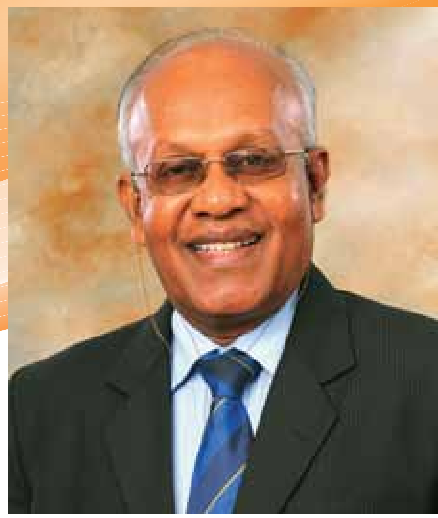
Mr. Daya Wahalatantiri had his early education at Holy Cross College, Kalutara and Royal College, Colombo. In 1990, he obtained his Masters in Business Administration from the University of Sri Jayewardenepura. He is a Graduate in Chemistry (Special) from the University of Ceylon, Peradeniya. Having gained sufficient exposure in marketing of industrial products to institutional customers, he joined ACL Cables PLC as its first Marketing Manager in 1982. 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 currently an Executive Director of Lanka Ceramics PLC, Managing Director / CEO of CT Plantations Limited and Horana Plantations PLC, Managing Director of Uni Dil Packaging Limited, Non-Executive Director of Lanka Walltiles PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC and Royal Palms Beach Hotels PLC.

Senior Management Team



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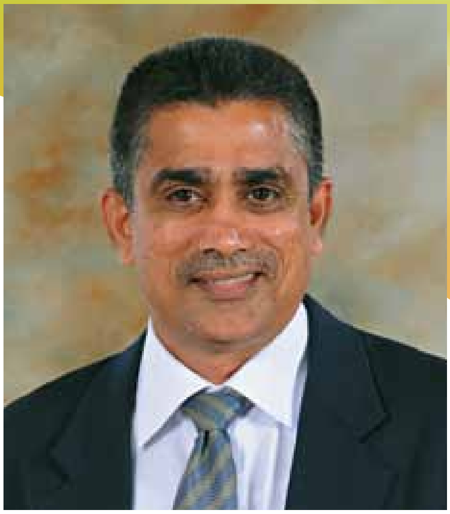
1. Champika Coomasaru - *Group Financial Controller*
2. Bandula Warnakulasooriya - *General Manager Administration*
3. Rohitha Amarasekara - *General Manager Operation*
4. Lalith Ranatunga - *Marketing Manager Institutional*
5. Lakshman Bandaranayake - *Marketing Manager Distribution*
6. Ms. Senila Rupasinghe - *Import/Export Manager*
7. Manohara De Zoysa - *Group Logistics Manager*








8. Mrs. Helen De Fonseka - *Systems Manager*
9. Padmana Wijesundara - *Quality Assurance Manager*
10. Mrs. Shyamalee De Silva - *Credit Control Manager*
11. R. Nandakumara - *Mechanical Engineer*
12. A.G.U.K. Abeynayake - *Electrical Engineer*
13. Indunil Perera - *Security Manager*
14. S.M. Welihinda - *Plant Manager Copper Cables Factory*

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Corporate Social Responsibility

ACL has been the pioneer in the Sri Lankan cable manufacturing sector since its humble beginnings in 1962. Over the past few decades, it has grown to become the leading manufacturer of cables in the country, with significant market share as a Company and a commanding market share as a Group. During the past year, ACL has taken giant strides in gaining market share to achieve and consolidate the dominant position held in the market today.

We take great pride in being a good corporate citizen of Sri Lanka, where all our business activities affect various stakeholders in many different ways. As such, we constantly strive to take initiatives to nurture and add value to the community around us, so that as they develop, it would in turn benefit the country as well as our Company. These ideologies are ingrained in the ACL Vision, Mission and Values, which have guided ACL to become a stalwart in the cable manufacturing industry.

Our Customers

For us, customer satisfaction is the key to survive in a highly competitive market which we have achieved thorough the provision of high quality and safe cables without maximizing short-term profits. As such, ACL's Value Statement has given the top priority to our customers describing how we are striving to satisfy our valued customers.

Over the last few decades, our products have been customized continuously to meet the requirements of our customers. In 2006, ACL successfully launched fireguard cables which stop the spread of fire, for the first time in the history of Sri Lanka. We always believe that customers should have a freedom to choose a quality product from the market. Our products are always certified with SLS and we believe that this will help them to choose the best product since there are certain unscrupulous cable products in the market.

Our distribution channel has catered for an unmatchable flow of products to the market than any competitor in the industry. Our products are available all over the country and currently we are having the largest cable distribution channel in Sri Lanka enabling our customers to reach for our products easily.

As a reliable business partner, we believe that constant dialogue with our customers is essential to identify their needs and innovate to meet their requirements. ACL Power Pack Electricians Club is playing a vital role in this regard. The club conducted a series of seminars throughout the year and provided a free technical advisory service to electricians. During the year, the club held eye clinics with specialist doctors and distributed spectacles among recommended electricians. The club has provided a dedicated hotline mobile service to its members which operates 24 hours to communicate with the Company.

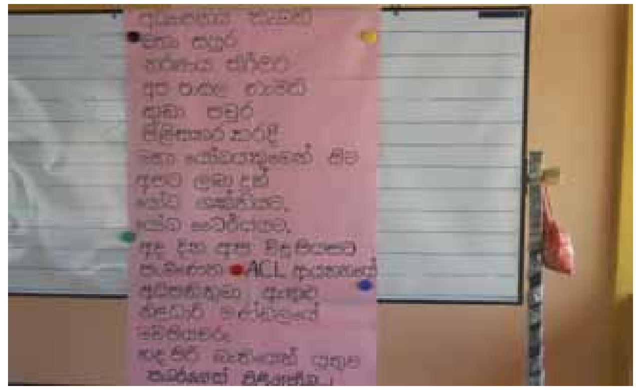
Large construction institutes are playing a key role in our customer base. ACL has taken part in all the major exhibitions held during

the year. Exhibitions organized by Sri Lanka Engineering Institute (TECHNO) and National Construction Associations are a few instances where ACL provided free technical advisory services to large constructers. ACL was the main sponsor for the Annual General Meeting of National Construction Association (Wayamba Branch) held during the year.

Our Community

ACL strives to understand and respect the cultural values and laws wherever we operate. We actively support important initiatives in those communities where our employees live and work. This commitment is evident from our contributions of equipment and financial and volunteer support.

During the year, ACL conducted a Blood Donation Campaign in collaboration with the National Blood Bank Sri Lanka and opportunity was given to all willing employees in the Group to take a part in the event. Our aim was successful and more than 100 employees participated to the event.



We understand that every human being in society should have an equal opportunity to achieve their fundamental needs. With this social view, we selected Athunadawala Primary School in Hambanthota and donated a pack of school items to every student. Also, ACL sponsored the repair and painting of their school buildings.

This year too, ACL donated to the “Ridhi Vihara Aloka Poojawa”. Apart from that, several other donations were granted to various social charities.

These activities create a platform from which ACL employees can interact with the surrounding communities and engage themselves in activities other than just their routine work.

Corporate Social Responsibility (Contd.)

Our People

We believe that availability of motivated, skilled and quality human capital is one of the key driving forces of any successful entity. At ACL, we recognize each and every human being as a valuable asset to the entity. Accordingly, our system has been built in a methodological way to get the maximum outflows from each individual while keeping employees' self-satisfaction at a maximum level.

The annual performance appraisal is the key to identify various training needs of the employees. Accordingly, employees are given adequate training opportunities both internally and externally.

The reward system of ACL is based on performance which is a part of annual performance appraisal.
Accordingly, the employees who meet the required level of performance will become a part of the annual promotion list. More importantly, the evaluators are required to highlight and take initiatives to bring under-performing employees to the required level.

We thoroughly believe that having a working environment with various social and cultural activities will create an atmosphere of togetherness amongst members of the ACL family. With this social view, The ACL Cables Welfare Society was established several years ago. The Committee of the society has overall responsibility to identify and perform such activities with the collaboration of employees. Accordingly, various social activities were successfully organized during the year by the society.

"ACL Gee Miyasiya" musical event was held during the year for giving opportunities to employees to show their singing talents. As we did for the last several years, "Vesak Bathi Gee Saraniya" social event was successfully held this year too, with several other cultural activities such as drama and art competitions, etc. One of the major events of the social event calendar is the "Annual

Trip" of the employees together with their families. The event was successfully held with various cultural activities.

Environmental Responsibility

Environmental sustainability at ACL begins with our pledge to provide innovative and high quality cables which are manufactured under guidance of best practices and in an energy efficient manner. ACL employees are encouraged to be committed towards creating and maintaining a cleaner and safer working environment within the factory premises so that all employees are able to work in more habitable surroundings.

One of the key challenges faced by the industry is the wastage and scrap. However, ACL has successfully mitigated this risk by investing in three main projects. In 1991, ACL Plastics PLC was incorporated with the intention of manufacturing PVC compounds while recycling PVC scrap of the industry. The Company has successfully operated more than 20 years. ACL Metals & Alloys (Pvt) Ltd which was incorporated in 2006, is manufacturing Aluminium and Alloy rods with the capability of recycling the wastage and scrap of the industry. Ceylon Copper (Pvt) Ltd was incorporated in 2011 as the first ever Sri Lankan Company to manufacture Copper Rods while enabling it to recycle the industry scrap. With this effort, we have ensured the efficient usage of resources in an environmentally friendly manner.

We continuously follow the strategy of training employees across the office and factory premises of the Company on the Japanese 5S concept, promoting it as a basic and compulsory productivity improvement standard to be implemented throughout the Company. Further, 5S audits were carried out during the year to ensure the effectiveness of the program.

The Company also falls in line with the environmental laws of the country through compliance licensing in our other operational areas.

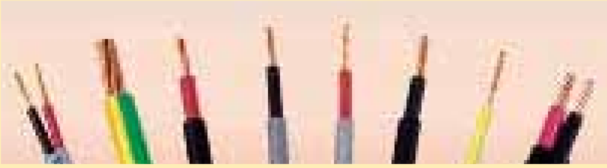
Product Portfolio

BARE CONDUCTORS

All Aluminum Conductors (AAC), All Aluminum Alloy Conductors (AAAC) and Aluminum Conductors Steel Reinforced (ACSR) to BS, ASTM, CSA and DIN standards. Sizes up to 750 mm^2. For low, medium and high voltage electricity, transmission and distribution.

HOUSE AND BUILDING WIRES

Cu/PVC and Cu/PVC/PVC Cables to BS, SLS, IS & IEC Standards in 300/500V, 450/750V, 1100V and 600/1000V sizes 1 mm^2 to 1000 mm^2. Single core up to 1000 mm^2, 2 core up to 70 mm^2, 3 or 3 ½ core up to 400 mm^2 and 4 core up to 400 mm^2. For wiring of houses / commercial buildings and distribution of electricity within factories.



FLEXIBLE CORDS AND CABLES

Cu/ PVC or Cu/ PVC/PVC Parallel Twin, Twisted Twin, Circular Multi Core Cables to BS, SLS, IS Standard 1000V, 300/500V and 450/750V. Single core, 2 core, 3 Core, 4 core and 5 core from 0.5 mm^2 to 240 mm^2. Also, control cables and earth wires with flexible conductors.

ARMOURED AND UNARMOURED POWER CABLES

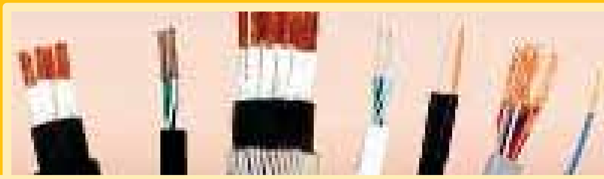
To BS, IEC, SLS Standards 600/1000V & IS 1100V – Cu or Al, PVC insulated and Cu or Al, XLPE insulated. Power cables single core up to 1000 mm^2, 2 core up to 400 mm^2, 3 or 3 ½ core up to 400 mm^2, 4 core up to 400 mm^2, 5 core up to 50 mm^2. For distribution of electricity within cities, factories and buildings.

XLPE INSULATED AERIAL BUNDLED CABLES (ABC)

To NFC 600/1000V and IS 1100V. Size 16 mm^2, 25 mm^2, 35 mm^2, 50 mm^2, 70 mm^2, 95 mm^2 120 mm^2 (2 core, 4 core, 5 core and 6 core). For rural and semi – urban low voltage electricity distribution.

CONTROL CABLES

Cu/ PVC control Cables sizes 1.5 mm^2, 2.5 mm^2 and 4 mm^2. Number of cores from 5 to 48 cores and conform to BS 600/1000V and IS 1100V. This can be armored or unarmored and either screened or unscreened.

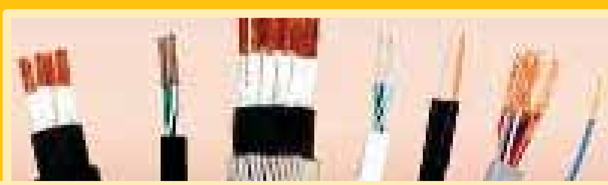


ACL – FIRE RATED CABLES

Flame Retardant Low Smoke cables and Flame Retardant Low Smoke Halogen free cables with high resistance to flame propagation and low emission of smoke and toxic fumes meeting the requirement of various international standards.

INSTRUMENTATION CABLES

Multicore, screened instrument cables, conductor of annealed solid / stranded / flexible copper / tinned copper, insulated with PVC/ PE , twisted pair / triode / quad, screened with mylar aluminum and provided with copper drain wire, laid up circular, overall screened and finally sheathed with PVC/ PE for data and singal transmission without external interference.



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			
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 Ford, Rhodes, Thornton & Co. 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 2013	627	442	46	None

* Appointed with effect from 11th February 2013
** Appointed with effect from 21st May 2013

	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
	PV 20493	PV 11996	PV 3371	PV 3811	PV 79466	PV 89241
	22.02.1993	29.06.2000	06.09.2005	05.09.2005	17.06.2011	18.11.2012
	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company
	100%	93.79%	65.20%	100%	100%	100%
	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 Managing Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director	Suren Madanayake Director
	Mrs. N. C. Madanayake Director	Mrs. Maya Weerapura Director				
	Investing Company	Manufacturing and export of Enameled Winding Wires	Manufacturing of PVC compounds	Manufacturing and Selling Aluminum rods, Alloys of Aluminum and Other Metals	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market	Manufacturing of electrical accessories
	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, 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
	None	57	16	27	17	6

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 Aluminum Stranded Conductors
SLS 1186	"ACL" Brand Armored 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 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 Management (Cont.)

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

The Corporate Governance Report, together with the Audit Committee Report and the Directors Remuneration Report, provides a description of the manner and extent to which ACL 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 seven Directors out of whom four are Non-Executive Directors. The names and profiles of the Directors are given on pages 12 to 15 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 four Non-Executive Directors and three of them are Independent Non-Executive Directors. The Board has determined that the three 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 2012/2013 was as follows.

Name of Director	Board (12 Meetings)	Audit Committee (4 meetings)	Remuneration Committee (1 meeting)
Executive Directors			
Mr. U. G Madanayake – Chairman	12		
Mr. Suren Madanayake – Managing Director	11		
Mr. Daya Wahalatantiri – Director Export	11		
Non-Executive Directors			
Mrs. N. C Madanayake	10		
Independent Non-Executive Directors			
Mr. Ajit Jayaratne	10	04	01
Mr. Hemaka Amarasuriya	10		
Mr. Rajiv Casie Chitty	10	04	01

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 Mr. Daya Wahalatantiri and Mr. Rajiv Casie Chitty 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.

Corporate Governance (Cont.)

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 38 to 40 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 41 and 45 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 38 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 misstatement 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 44.

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 42 & 43.

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

Corporate Governance (Cont.)

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.5	Remuneration Committee (RC)	A listed company shall have a RC.	√	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee (RC)	• RC shall comprise of a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. • A NED shall be appointed as the Chairman of the Committee.	√	Corporate Governance
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of executive directors and CEO.	√	Corporate Governance
7.10.5 (c)	Disclosure in the Annual Report Relating to Remuneration Committee (RC)	• Names of Directors comprising the RC. • Statement of Remuneration Policy • Aggregated remuneration paid to EDs and NEDs.	√	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	√	Corporate Governance
7.10.6 (a)	Composition of Audit Committee (AC)	• 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 (2012/13)

01st Quarter Interim Financial Statements (30th June 2012 – Unaudited)	-	13th August 2012
02nd Quarter Interim Financial Statements (30th September 2012 – Unaudited)	-	14th November 2012
03rd Quarter Interim Financial Statements (31st December 2012 - Unaudited)	-	14th February 2013
04th Quarter Interim Financial Statements (31st March 2013 – Unaudited)	-	27th May 2013
Annual Report 2012/13	-	16th August 2013
51st Annual General Meeting	-	18th September 2013
First Interim Dividends Paid (Rs. 0.50 per Share)	-	23rd May 2012
Second Interim Dividends Paid (Rs. 0.50 per Share)	-	17th September 2012

Report of the Directors

The Directors have pleasure in presenting their 51st Annual Report together with the Audited Balance Sheet, Income Statement and Consolidated Financial Statements of the Group for the year ended 31st March 2013.

Review of the Year

The Chairman's Statement 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 24 to 25.

Changes to the Group Structure

ACL Electric (Private) Limited was incorporated during the year which is a fully owned subsidiary of ACL Cables PLC.

Future Developments

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

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 45 in this Report.

Directors

Directors of the Company are listed on pages 12 to 15 and their respective shareholdings are given below.

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 46 to 99 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 41.

Convergence and adopting of Sri Lanka Accounting Standards (SLFRSs/LKASs)

The Company and the Group prepared their annual financial statements up to 31st March 2012 in accordance with Sri Lanka Accounting Standards which were in effect applicable for the said period. With Sri Lanka converging fully with the International Financial Reporting Standards (IFRS), the Institute of Chartered Accountants of Sri Lanka has issued new Sri Lanka Accounting Standards (commonly known as SLFRSs/LKASs) which is applicable for financial periods beginning on or after 1st January 2012.

The financial statements prepared for the year ended 31st March 2013 are the first financial statements which are prepared in accordance with these Sri Lanka Accounting Standards (SLFRSs/LKASs). As required by the standards, the Company and the Group have prepared their opening Statement of Financial Position (previously known as Balance Sheet) as at 1st April 2011

	Number of Shares as at 31.03.2013	% Holding as at 31.03.2013	Number of Shares as at 31.03.2012	% Holding as at 31.03.2012
U. G. Madanayake - Chairman	22,837,216	38.13	22,642,116	37.80
Suren Madanayake - Managing Director	13,302,396	22.21	13,302,396	22.21
Dr. S. K. Madanayake**	160,854	0.27	160,854	0.27
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	-	-	-	-

** Deceased

on the basis that these standards were applicable retrospectively with all the applicable adjustments directly recognised in the opening reserves. Accordingly the financial statements for the period ended 31st March 2012 were restated to be in accordance with SLFRS/LKAS.

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 31st March 2013 was Rs.299,488,400/- 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 40 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 39 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company. The Directors retiring by rotation in terms of Article 85 will be Mr. Daya Wahalatantiri and Mr. Rajiv Casie Chitty, who being eligible are recommended for re-election.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 39 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on pages 30 to 35 under the Corporate Governance section of the Annual Report.

Dividends

Having satisfied the compliance of the solvency test required by the Companies Act No. 07 of 2007, an interim dividend of Rs. 1.00 per share (Rs. 0.50 each) was paid on 23rd May 2012 and 17th September 2012 to the holders of the Ordinary Shares for the financial year 2012/13.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to Rs. 81,217,043/- and Rs. 229,114,457/- respectively, details of which are given in notes 11 and 12 to the Financial Statements.

Property, Plant and Equipment

Details of property, plant and equipment are given in note 11(a) and note 11(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 11 (c) and (d) to the financial statements.

Donations

Donations amounting to Rs. 2,132,813/- (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 101 of the Annual Report.

Report of the Directors (Cont.)

Shareholdings

As at 31st March 2013 there were 2,335 shareholders. The distribution is indicated on page 101 of the Annual Report. The twenty largest shareholders of the Company as at 31st March 2013, together with an analysis is given on page 102 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 39 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 30 to 35 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. The Management Officers responsible for compliance, table a report on compliance at the quarterly meetings of the Board Audit Committee.

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/non-audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to Rs. 523,000/- and Rs. 1,589,403/-respectively. Audit fees / non-audit fees payable to auditors of other subsidiaries by the Group amounted to Rs. 907,185/-.

Notice of Meeting

The 51st Annual General Meeting of the Company is convened on 18th September 2013, at 11.30 am, at the Auditorium of ACL Cables PLC, No.60, Rodney Street, Colombo – 08. The Notice of the 51st Annual General Meeting is on page 109 of the Annual Report.

By Order of the Board

(Sgd.)

Corporate Affairs (Private) Limited

Secretaries

16th August 2013

Directors' Responsibility for Financial Reporting

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

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

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

The financial statements presented in the Annual Report for the year ended 31st March 2013, 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 comparative figures for the year ended 31st March 2012 were restated based on the new accounting standards. 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 2013 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2013 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 16th August 2013.

By Order of the Board

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

16th August 2013

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 Committees' 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 2012/2013 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 2012/2013 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 2012/2013 can be found in Note 5 to the financial statements.

Internal Control System

In 2012/2013 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

16th August 2013

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 Director's 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 2012/2013 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

16th August 2013

Independent Auditor's Report

pwc

To the Members 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 ACL Cables PLC and its subsidiaries (the Group) which comprise the statements of financial position as at 31 March 2013, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 99.

Management's Responsibility for the Financial Statements

2 Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

4 In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 March 2013 and the financial statements give a true and fair view of the Company's state of affairs as at 31 March 2013 and of its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

5 In our opinion, the consolidated financial statements give a true and fair view of the Group's state of affairs as at 31 March 2013 and of the consolidated profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards, of the Group dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

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

CHARTERED ACCOUNTANTS
COLOMBO

16th August 2013

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

Income Statements

(all amounts in Sri Lanka Rupees)

	Notes	Group Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Revenue	3	11,326,520,709	10,306,180,165	6,734,982,234	5,553,012,411
Cost of sales	5	(9,462,167,652)	(8,594,825,273)	(5,962,857,024)	(4,828,324,282)
Gross profit		1,864,353,057	1,711,354,892	772,125,210	724,688,129
Other income	4	15,962,888	14,485,879	53,647,329	47,535,131
Distribution costs	5	(492,347,494)	(430,115,734)	(209,442,600)	(189,057,955)
Administrative costs	5	(298,176,269)	(275,048,304)	(127,909,954)	(118,861,218)
Operating profit		1,089,792,182	1,020,676,733	488,419,985	464,304,087
Net finance cost	7	(336,354,119)	(248,948,457)	(284,804,490)	(166,837,790)
Profit before income tax		753,438,063	771,728,276	203,615,495	297,466,297
Income tax	8	(162,954,207)	(206,275,279)	(42,433,820)	(71,714,058)
Profit for the year		590,483,856	565,452,997	161,181,675	225,752,239
Share of profit attributable to non-controlling interest		(55,839,109)	(76,102,196)	-	-
Net profit attributable to equityholders of the Company		534,644,747	489,350,801	161,181,675	225,752,239
Earnings per share	9	8.93	8.17	2.69	3.77
Dividend per share	10	1.00	0.70	1.00	0.70

The notes on pages 52 to 99 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statements of Comprehensive Income

(all amounts in Sri Lanka Rupees)

	Notes	Group Year Ended 31 March		Company Year Ended 31 March	
		2013	2012	2013	2012
Profit for the year		590,483,856	565,452,997	161,181,675	225,752,239
Other comprehensive income ;					
Revaluation of land and buildings		-	701,407,116	-	368,260,054
Net (loss) / gain on available-for-sale financial assets		(1,172,505)	(15,463,314)	1,068,327	(10,036,015)
Tax on other comprehensive income	27	-	(64,305,982)	-	(40,775,997)
Other comprehensive income for the year, net of tax		(1,172,505)	621,637,820	1,068,327	317,448,042
Total comprehensive income for the year, net of tax		589,311,351	1,187,090,817	162,250,002	543,200,281
Attributable to ;					
Equity holders of the parent		534,252,135	1,064,021,292	162,250,002	543,200,281
Non-controlling interest		55,059,216	123,069,525	-	-
Total comprehensive income for the year, net of tax		589,311,351	1,187,090,817	162,250,002	543,200,281

The notes on pages 52 to 99 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Financial Position

(all amounts in Sri Lanka Rupees)

	Notes	Group			Company		
		31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
ASSETS							
Non current assets							
Property, plant and equipment	11	3,104,485,298	3,019,097,025	2,242,225,512	1,434,508,043	1,419,715,627	1,013,590,593
Work in progress	12	37,951,718	58,475,348	133,225,619	4,015,243	31,265,261	106,399,394
Investment property	13	130,000,000	130,000,000	125,000,000	-	-	-
Intangible assets	14	5,993,702	5,993,702	5,993,702	-	-	-
Prepaid lease rentals	15	1,754,037	1,776,240	1,798,444	-	-	-
Investment in subsidiaries	16	-	-	-	621,471,450	521,471,440	491,471,431
Financial assets - available for sale at fair value	17	26,924,956	28,097,461	43,560,775	10,861,400	9,793,073	19,829,088
		3,307,109,711	3,243,439,776	2,551,804,052	2,070,856,136	1,982,245,401	1,631,290,506
Current assets							
Inventories	18	3,230,029,673	2,875,031,816	3,414,661,009	1,610,490,444	1,552,204,090	1,988,601,341
Trade and other receivables	19	3,356,419,057	2,783,952,292	2,912,669,843	2,337,707,793	1,868,358,061	1,927,480,259
Prepaid lease rentals	15	22,203	22,203	22,203	-	-	-
Cash and cash equivalents	20	1,015,584,792	665,302,569	382,091,877	393,775,058	476,911,023	233,369,068
		7,602,055,725	6,324,308,880	6,709,444,932	4,341,973,295	3,897,473,174	4,149,450,668
Total assets		10,909,165,436	9,567,748,656	9,261,248,984	6,412,829,431	5,879,718,575	5,780,741,174
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital	33	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400
Capital reserve	34	1,443,836,425	1,447,780,748	863,319,520	658,339,792	658,339,792	330,855,735
General reserve	35	1,123,825,080	1,123,825,080	1,123,825,080	680,265,800	680,265,800	680,265,800
Available for sale reserves	36	(2,543,226)	(2,150,614)	11,424,268	(9,384,949)	(10,453,276)	(417,261)
Retained earnings		2,853,754,955	2,374,114,939	1,921,800,765	1,278,475,940	1,177,187,945	993,361,282
Total equity attributable to equity holders of the Company		5,718,361,634	5,243,058,553	4,219,858,033	2,907,184,983	2,804,828,661	2,303,553,956
Non-controlling interest		683,959,183	634,877,619	528,264,361	-	-	-
Total equity		6,402,320,817	5,877,936,172	4,748,122,394	2,907,184,983	2,804,828,661	2,303,553,956
Non current liabilities							
Provision for payment in lieu of employee share issue scheme	25	2,223,061	2,532,666	2,775,329	-	-	-
Defined benefit obligations	26	209,927,815	178,027,585	144,798,835	141,833,903	121,579,660	99,735,854
Deferred income tax liability	27	201,231,762	203,493,235	137,572,499	98,356,216	107,737,630	63,849,852
Borrowings	22	100,000,000	200,000,000	300,000,000	100,000,000	200,000,000	300,000,000
Finance lease obligation	23	-	46,313	540,061	-	46,313	540,061
		513,382,638	584,099,799	585,686,724	340,190,119	429,363,603	464,125,767
Current liabilities							
Trade and other payables	21	876,960,407	1,029,929,347	1,208,950,827	1,093,340,256	1,148,323,590	1,375,542,570
Current income tax liability	24	202,014,117	149,961,130	137,819,611	97,788,296	89,164,262	72,514,020
Finance lease obligation	23	52,629	631,768	776,110	52,629	631,768	776,110
Dividend payable		-	9,367,810	-	-	-	-
Borrowings	22	2,914,434,828	1,915,822,630	2,579,893,318	1,974,273,148	1,407,406,691	1,564,228,751
		3,993,461,981	3,105,712,685	3,927,439,866	3,165,454,329	2,645,526,311	3,013,061,451
Total liabilities		4,506,844,619	3,689,812,484	4,513,126,590	3,505,644,448	3,074,889,914	3,477,187,218
Total equity and liabilities		10,909,165,436	9,567,748,656	9,261,248,984	6,412,829,431	5,879,718,575	5,780,741,174

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 Controller

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 16th August 2013.

U.G. Madanayake
Chairman

Suren Madanayake
Managing Director

The notes on pages 52 to 99 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)

		Attributable to equity holders of the Company							
	Notes	Stated capital	Capital reserve	General reserve	Available for sale reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 April 2011		299,488,400	863,319,520	1,123,825,080	11,424,268	1,921,800,765	4,219,858,033	528,264,361	4,748,122,394
Profit for the year		-	-	-	-	489,350,801	489,350,801	76,102,196	565,452,997
Fair value adjustment for financial assets - available for sale	36	-	-	-	(13,574,882)	-	(13,574,882)	(1,888,433)	(15,463,315)
Revaluation surplus	34	-	649,405,935	-	-	-	649,405,935	52,001,181	701,407,116
Deferred tax on revaluation	34	-	(61,160,563)	-	-	-	(61,160,563)	(3,145,419)	(64,305,982)
Total comprehensive income for the year		-	588,245,372	-	(13,574,882)	489,350,801	1,064,021,291	123,069,525	1,187,090,816
Transfer from revaluation reserve	34	-	(4,888,949)	-	-	4,888,949	-	-	-
Deferred tax on transfer	34	-	1,104,805	-	-	-	1,104,805	264,102	1,368,907
Dividends		-	-	-	-	(41,925,576)	(41,925,576)	(16,720,369)	(58,645,945)
Balance at 31 March 2012		299,488,400	1,447,780,748	1,123,825,080	(2,150,614)	2,374,114,939	5,243,058,553	634,877,619	5,877,936,172
Balance at 1 April 2012		299,488,400	1,447,780,748	1,123,825,080	(2,150,614)	2,374,114,939	5,243,058,553	634,877,619	5,877,936,172
Profit for the year		-	-	-	-	534,644,747	534,644,747	55,839,109	590,483,856
Fair value adjustment for financial assets - available for sale	36	-	-	-	(392,612)	-	(392,612)	(779,893)	(1,172,505)
Total comprehensive income for the year		-	-	-	(392,612)	534,644,747	534,252,135	55,059,216	589,311,351
Transfer from revaluation reserve	34	-	(4,888,949)	-	-	4,888,949	-	-	-
Deferred tax on transfer	34	-	944,626	-	-	-	944,626	-	944,626
Dividends		-	-	-	-	(59,893,680)	(59,893,680)	(5,977,652)	(65,871,332)
Balance at 31 March 2013		299,488,400	1,443,836,425	1,123,825,080	(2,543,226)	2,853,754,955	5,718,361,634	683,959,183	6,402,320,817

The notes on pages 52 to 99 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)

	Notes	Stated capital	Capital reserve	General reserve	Available for sale reserves	Retained earnings	Total
Balance at 1 April 2011		299,488,400	330,855,735	680,265,800	(417,261)	993,361,282	2,303,553,956
Profit for the year		-	-	-	-	225,752,239	225,752,239
Fair value adjustment for financial assets - available for sale	36	-	-	-	(10,036,015)	-	(10,036,015)
Revaluation surplus	34	-	368,260,054	-	-	-	368,260,054
Deferred tax on revaluation	34	-	(40,775,997)	-	-	-	(40,775,997)
Total comprehensive income for the year		-	327,484,057	-	(10,036,015)	225,752,239	543,200,281
Dividends		-	-	-	-	(41,925,576)	(41,925,576)
Balance at 31 March 2012		299,488,400	658,339,792	680,265,800	(10,453,276)	1,177,187,945	2,804,828,661
Balance at 1 April 2012		299,488,400	658,339,792	680,265,800	(10,453,276)	1,177,187,945	2,804,828,661
Profit for the year		-	-	-	-	161,181,675	161,181,675
Fair value adjustment for financial assets - available for sale	36	-	-	-	1,068,327	-	1,068,327
Total comprehensive income for the year		-	-	-	1,068,327	161,181,675	162,250,002
Dividends		-	-	-	-	(59,893,680)	(59,893,680)
Balance at 31 March 2013		299,488,400	658,339,792	680,265,800	(9,384,949)	1,278,475,940	2,907,184,983

The notes on pages 52 to 99 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Cash Flows

(all amounts in Sri Lanka Rupees)

	Notes	Group 31 March 2013	Group 31 March 2012	Company 31 March 2013	Company 31 March 2012
Operating activities					
Cash generated from / (used in) operations	37	208,832,653	1,700,899,126	(49,197,231)	778,243,425
Interest paid	7	(361,830,869)	(262,584,020)	(292,366,550)	(168,008,948)
Defined benefit obligations paid	26	(13,845,031)	(9,129,021)	(7,916,737)	(6,437,476)
Payment in lieu of employee share issue scheme	25	(309,605)	(242,663)	-	-
Income tax paid less refund received	24	(107,770,438)	(183,530,026)	(43,191,200)	(51,952,035)
WHT on dividend paid by subsidiary	8	(3,420,321)	(6,865,036)	-	-
Net cash (used in) / generated from operating activities		(278,343,611)	1,238,548,360	(392,671,718)	551,844,966
Investing activities					
Interest received	7	25,476,750	13,635,563	7,562,060	1,171,158
Purchase and construction of property, plant and equipment	11	(204,981,823)	(105,868,728)	(59,703,520)	(30,906,392)
Cost incurred on capital work in progress	12	(24,132,633)	(44,168,793)	(21,513,523)	(33,492,527)
Dividend received	4	145,449	631,640	52,523,157	44,099,326
Investments in subsidiary companies		-	-	(100,000,010)	(30,000,010)
Proceed on disposal of property, plant and equipment		2,679	3,787,372	-	40,211,160
Proceed on disposal of capital work in progress		-	-	24,320,263	-
Net cash used in investing activities		(203,489,578)	(131,982,946)	(96,811,573)	(8,917,285)
Financing activities					
Lease installment paid		(625,452)	(638,090)	(625,452)	(638,090)
Short term borrowings net of payments		913,261,479	(525,585,200)	529,117,744	(113,107,645)
Long term borrowings net of payments		(100,000,000)	(100,000,000)	(100,000,000)	(100,000,000)
Dividend paid by the company		(59,893,680)	(41,925,576)	(59,893,680)	(41,925,576)
Dividend paid by subsidiary to minorities		(5,977,652)	(16,720,369)	-	-
Net cash generated from/ (used in) financing activities		746,764,695	(684,869,235)	368,598,612	(255,671,311)
Increase / (decrease) in cash and cash equivalents		264,931,506	421,696,179	(120,884,679)	287,256,370
Movement in cash and cash equivalents					
At the beginning of the year		137,346,047	(284,350,131)	175,244,487	(112,011,883)
Increase / (decrease)		264,931,506	421,696,179	(120,884,679)	287,256,370
At the end of the year	20	402,277,553	137,346,048	54,359,808	175,244,487

The notes on pages 52 to 99 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

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

1 General Information

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.

2 Basis of preparation and summary of significant accounting policies

2.1.1 Basis of preparation

The Group prepares its financial statements in accordance with Sri Lanka Financial Reporting Standards issued by the Institute of Chartered Accountants of Sri Lanka. Sri Lanka Accounting Standards (SLASs) were revised to incorporate International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board, which requires all entities to apply these standards effective for years beginning on or after 1 January, 2012.

The financial statements of the Group has 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) which are collectively referred to as SLFRSs. The Group has consistently applied the accounting policies in the preparation of its opening SLFRS statement of financial position at 1 April, 2011 and throughout all periods presented, as if these policies had always been in effect. Note 41 to these accounts discloses the impact of the transition to SLFRSs on the Group's reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in the Group's financial statements for the year ended 31 March 2012 prepared under previous Sri Lanka Accounting Standards.

Significant accounting judgements in relation to the accounting policies have been discussed in detail under section 2.2.

2.1.2 Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions, balances and unrealised surplus and deficits on transactions between Group companies have been eliminated in the preparation of financial statements.

2.1.3 Functional and presentation currency

The financial statements are presented in Sri Lanka Rupees, except when otherwise is indicated. No adjustments have been made for inflationary factors.

2.1.4 Changes in accounting policies and disclosures

New accounting standards, amendments and interpretations issued but not effective for the financial year beginning 1 January, 2012 and not early adopted.

(i) SLFRS 13, 'Fair Value Measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across SLFRSs.

(ii) SLFRS 12, 'Disclosures 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. The Company and the Group is yet to assess SLFRS 12's full impact.

(iii) SLFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the areas of LKAS 39 which relate to classification and measurement of financial instruments. SLFRS 9 requires financial assets to be classified in to two measurement categories at initial recognition which are financial assets measured at fair value and financial assets measured at amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains majority of the IAS 39 requirements. The main change being the fair value option taken as financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income in the statement of comprehensive income, unless this creates an accounting mismatch. The Company and the Group is yet to assess SLFRS 9's full impact.

2.1.5 Statement of compliance

For all periods up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards. These financial statements for the year ended 31 March 2013 are the first financial statments, the Grup has prepared in accordance with SLFRS. Refer to Note 41 for information on how the Group adopted SLFRS.

2.1.6 Going concern

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

2.2 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 standard.

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

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. Deffered 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 review the residual values, useful lives and methods of depreciation of assets at each reporting date. judgement of the management estimate 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.

2.3 Summary of significant accounting policies

2.3.1 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.

2.3.2 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.

2.3.3 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.

2.3.4 Financial assets and liabilities

In accordance with LKAS 39, all financial assets and liabilities – which include derivative financial instruments – have to be recognised in the statement of financial position and measured in accordance with their assigned category.

2.3.4.1 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 repurchasing 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 expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising. 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;

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

(c) 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 financial assets 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 statement. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income statement in 'Dividend income' when the Group's right to receive payment is established.

2.3.4.2 Reclassification of Financial assets

The Group may reclassify financial assets within the frame work of LKAS 39 at the election of management.

a) Reclassify Fair Value Through Profit & Loss (FVTP&L) financial assets other than those designated at 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 aviailable for sale, loans and receivable or held to maturity.

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

2.3.4.3 Financial liabilities

The Group's holding in financial liabilities is at amortised cost. Financial liabilities are derecognised 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.

2.3.4.4 Derecognition of financial instruments

Financial assets are derecognised 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 derecognised when they have been redeemed or otherwise extinguished.

2.3.4.5 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 write offs 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 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.

2.3.5 Property, plant and equipment

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

2.3.5.1 Initial recognition

a) Owned assets

Property plant & eqiupments are recognised if is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 on property plant and equipment. Initially property plant and equipments 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 principle 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.

2.3.5.2 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.

2.3.5.3 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 - 05
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.

2.3.5.4 Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition 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 derecognised.

2.3.6 Intangible assets

The Group's intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

2.3.6.1 Useful Life of intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of the expense category Comprehensive Income in consistent with the function of the intangible asset.

2.3.6.2 Amortization

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives.

Intangible assets wholly consist of computer software acquisition cost of computer software is capitalized and amortised using the straight line method over the useful life of four years at the rate of 25%.

2.3.7 Investment properties

Properties held to earn rental income or properties held for capital appreciation or both and is not occupied substantially for the supply of goods or services or in administration, and is 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 derecognised 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.

2.3.8 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.

2.3.9 Cash and cash equivalants

Cash and cash equivalants 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 equivalants includes, cash in hand and investments with original maturities of three months or less net of outstanding bank overdrafts.

2.3.10 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.

2.3.11 Investments in subsidiiaries

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.

2.3.12 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 raw materials. 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.

2.3.13 Trade and other receivables

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

2.3.14 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 derecognised as well as through the effective interest rate method (EIR) amortisation process.

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

2.3.15 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.

2.3.16 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.

2.3.17 Defined contribution plans-employees' provident fund & 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.

2.3.18 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 out flow of resources and reliable estimate can be made of the quantum of the out flow.

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.

2.3.19 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 been 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.

2.3.20 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.

2.3.21 Comparatives

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

2.3.22 Segment Reporting

A segment is a distinguishable component of 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.

2.3.23 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.

2.3.24 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.

2.4 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.

3 Revenue

	Group Year Ended 31 March		Company Year Ended 31 March	
	2013	2012	2013	2012
Geographical segment turnover				
Local	9,908,797,697	8,808,380,363	6,016,202,811	5,081,936,567
Export	1,417,723,012	1,497,799,802	718,779,423	471,075,844
Net revenue	11,326,520,709	10,306,180,165	6,734,982,234	5,553,012,411

4 Other income

	Group Year Ended 31 March		Company Year Ended 31 March	
	2013	2012	2013	2012
Dividend income	145,449	631,640	52,523,157	44,099,326
(Loss) / profit on disposal of property, plant and equipment	(353,099)	3,751,372	(355,775)	1,337,411
Change in fair value of investment property (Note 13)	-	5,000,000	-	-
Sundry income	16,170,538	5,102,867	1,479,947	2,098,394
	15,962,888	14,485,879	53,647,329	47,535,131

5 Expenses by nature

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

	Group Year Ended 31 March		Company Year Ended 31 March	
	2013	2012	2013	2012
Directors emoluments	28,640,000	25,794,800	27,150,000	24,718,800
Auditors remuneration				
- audit	2,099,143	1,718,300	463,000	441,000
- non audit	397,445	188,000	60,000	30,000
Legal fees	1,422,693	852,489	725,093	716,539
Depreciation on property, plant and equipment (Note 11)	163,894,040	145,609,772	68,998,607	62,669,369
Cost of raw material consumed	7,605,890,879	6,829,190,696	4,986,913,168	4,055,734,670
Repairs and maintenance costs	126,102,664	109,887,415	60,695,311	60,923,242
Donations	2,132,813	1,649,028	2,044,195	1,125,399
Amortisation of leasehold properties (Note 15)	22,203	22,203	-	-
Bad debts written off [Note 19(a)]	1,247,883	1,375,192	-	-
Staff costs (Note 6)	858,633,797	746,061,860	452,323,184	393,032,805
Change in fair value of investment property (Note 13)	-	(5,000,000)	-	-
Inventories written off [Note 18(a)]	-	196,300	-	-
Loss on revaluation of property, plant and equipments	-	871,650	-	-
Other expenses	1,462,207,855	1,441,571,606	700,837,020	536,851,631
Total cost of sales, distribution costs and administrative costs	10,252,691,415	9,299,989,311	6,300,209,578	5,136,243,455
Classified as:				
Cost of sales	9,462,167,652	8,594,825,273	5,962,857,024	4,828,324,282
Distribution costs	492,347,494	430,115,734	209,442,600	189,057,955
Administrative costs	298,176,269	275,048,304	127,909,954	118,861,218
Total	10,252,691,415	9,299,989,311	6,300,209,578	5,136,243,455

6 Staff costs

	Group Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Salaries, wages and related cost	756,871,085	653,444,087	392,155,785	335,796,075
Defined contribution plan	56,017,451	50,260,001	31,996,419	28,955,448
Defined benefit plan (Note 26)	45,745,261	42,357,772	28,170,980	28,281,282
	858,633,797	746,061,860	452,323,184	393,032,805
Average number of employees during the year	1,238	1,166	627	620

7 Net finance cost

	Group Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Interest income	(25,476,750)	(13,635,563)	(7,562,060)	(1,171,158)
Interest expense	361,830,869	262,584,020	292,366,550	168,008,948
	336,354,119	248,948,457	284,804,490	166,837,790

8 Income tax

	Group Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Current tax	159,587,586	196,379,480	51,815,234	68,602,277
Under/ (over) provision in respect of prior years	235,839	(707,934)	-	-
Unclaimed ESC written-off	1,027,307	755,039	-	-
Deferred tax (release) / charge (Note 27.1)	(1,316,846)	2,983,658	(9,381,414)	3,111,781
WHT on dividend paid by subsidiaries	3,420,321	6,865,036	-	-
	162,954,207	206,275,279	42,433,820	71,714,058

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 Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Profit before tax	753,438,063	771,728,276	203,615,495	297,466,297
Tax calculated at effective tax rate of 28%	210,962,658	216,083,917	57,012,339	83,290,563
Tax effect of income liable at concessionary rate	(7,697,288)	(12,402,130)	(3,365,162)	(3,958,384)
Tax effect of income not subject to tax	(95,885,505)	(44,752,278)	(16,918,734)	(12,862,384)
Tax effect of expenses not deductible	76,499,185	51,930,813	36,839,081	29,693,505
Tax effect of allowable deductions	(56,238,645)	(31,594,709)	(21,752,290)	(17,468,231)
Utilisation of previously unrecognised tax losses	(729,963)	(10,028,560)	-	(10,092,792)
Unclaimed ESC written-off	1,027,307	755,039	-	-
Adjustments in respect of prior years	235,839	(707,934)	-	-
WHT on dividend paid by subsidiaries	3,420,321	6,865,036	-	-
Deferred tax charge / (reversal)	(1,316,846)	2,983,658	(9,381,414)	3,111,781
Tax effect of adjustment on consolidation	32,677,144	27,142,427	-	-
Tax charge	162,954,207	206,275,279	42,433,820	71,714,058

9 Earnings per share

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

	Group Year Ended 31 March		Company Year Ended 31 March	
	2013	2012	2013	2012
Net profit attributable to equityholders	534,644,747	489,350,801	161,181,675	225,752,239
Weighted average number of ordinary shares in issue	59,893,680	59,893,680	59,893,680	59,893,680
Basic earning per share	8.93	8.17	2.69	3.77

10 Dividend per share

	Group Year Ended 31 March		Company Year Ended 31 March	
	2013	2012	2013	2012
Dividends paid	59,893,680	41,925,576	59,893,680	41,925,576
Weighted average number of ordinary shares in issue	59,893,680	59,893,680	59,893,680	59,893,680
Dividend per share	1.00	0.70	1.00	0.70

Notes to the Financial Statements (Cont.)

11 Property, plant and equipment

(a) Group

	Land and building	Plant, machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
Year ended 31 March 2011						
Cost / valuation	1,593,150,287	1,406,388,742	103,195,162	100,743,448	73,521,280	3,276,998,919
Accumulated depreciation	(106,985,755)	(728,903,259)	(61,960,150)	(77,218,590)	(59,705,652)	(1,034,773,407)
Net book amount	1,486,164,532	677,485,483	41,235,012	23,524,858	13,815,628	2,242,225,512
Year ended 31 March 2012						
Opening net book amount	1,486,164,532	677,485,483	41,235,012	23,524,858	13,815,628	2,242,225,513
Additions	2,767,162	76,567,141	4,338,258	6,318,061	15,878,106	105,868,728
Revaluation surplus	700,535,471	-	-	-	-	700,535,471
Transfer from WIP (Note 12)	100,611,705	15,501,380	-	-	-	116,113,085
Disposals / Transfers						
- Cost	-	-	-	(40,000)	(3,755,200)	(3,795,200)
- Depreciation	-	-	-	4,000	3,755,200	3,759,200
Depreciation charge (Note 05)	(30,086,792)	(97,727,679)	(2,673,575)	(8,368,584)	(6,753,142)	(145,609,772)
Closing net book amount	2,259,992,078	671,826,325	42,899,695	21,438,335	22,940,592	3,019,097,025
At 31 March 2012						
Cost / valuation	2,343,020,696	1,498,457,262	107,533,420	107,021,509	85,644,186	4,141,677,073
Accumulated depreciation	(83,028,616)	(826,630,937)	(64,633,725)	(85,583,174)	(62,703,594)	(1,122,580,048)
Net book amount	2,259,992,080	671,826,325	42,899,695	21,438,335	22,940,592	3,019,097,025
Year ended 31 March 2013						
Opening net book amount	2,259,992,080	671,826,325	42,899,695	21,438,335	22,940,592	3,019,097,027
Additions	52,684,774	94,540,458	8,462,540	18,380,967	30,913,083	204,981,823
Transfer from WIP (Note 12)	33,872,120	10,784,143	-	-	-	44,656,263
Disposals / Transfers						
- Cost	-	(79,519,208)	-	(55,000)	-	(79,574,208)
- Depreciation	-	79,163,433	-	55,000	-	79,218,433
Depreciation charge (Note 05)	(39,412,290)	(102,696,113)	(3,169,594)	(7,419,542)	(11,196,502)	(163,894,040)
Closing net book amount	2,307,136,684	674,099,039	48,192,641	32,399,760	42,657,173	3,104,485,298
At 31 March 2013						
Cost / valuation	2,429,577,590	1,524,262,656	115,995,960	125,347,475	116,557,269	4,311,740,952
Accumulated depreciation	(122,440,906)	(850,163,617)	(67,803,319)	(92,947,715)	(73,900,096)	(1,207,255,654)
Net book amount	2,307,136,684	674,099,039	48,192,641	32,399,760	42,657,173	3,104,485,298

11 Property, plant and equipment

(b) Company

	Land and building	Plant, machinery and accessories	Equipment tools and implements	Furniture fittings and office equipment	Motor vehicles	Total
Year ended 31 March 2011						
Cost / valuation	688,013,000	701,461,785	9,868,843	57,238,273	38,584,592	1,495,166,493
Accumulated depreciation	(40,359,196)	(353,148,444)	(8,340,500)	(46,618,492)	(33,109,268)	(481,575,900)
Net book amount	647,653,804	348,313,341	1,528,343	10,619,781	5,475,324	1,013,590,593
Year ended 31 March 2012						
Opening net book amount	647,653,804	348,313,341	1,528,343	10,619,781	5,475,324	1,013,590,593
Additions	-	26,682,786	1,003,300	3,098,074	122,232	30,906,392
Transfer from WIP (Note 12)	93,000,324	15,501,380	-	-	-	108,501,704
Revaluation surplus	368,260,054	-	-	-	-	368,260,054
Disposals / Transfers						
- Cost	(38,837,747)	-	-	(40,000)	(250,800)	(39,128,547)
- Depreciation	-	-	-	4,000	250,800	254,800
Depreciation charge (Note 05)	(13,684,734)	(42,510,700)	(358,759)	(4,083,924)	(2,031,252)	(62,669,369)
Closing net book amount	1,056,391,701	347,986,806	2,172,884	9,597,932	3,566,304	1,419,715,627
At 31 March 2012						
Cost / valuation	1,056,391,701	743,645,950	10,872,143	60,296,348	38,456,024	1,909,662,166
Accumulated depreciation	-	(395,659,144)	(8,699,259)	(50,698,416)	(34,889,720)	(489,946,539)
Net book amount	1,056,391,701	347,986,806	2,172,884	9,597,932	3,566,304	1,419,715,627
Year ended 31 March 2013						
Opening net book amount	1,056,391,701	347,986,807	2,172,884	9,597,931	3,566,304	1,419,715,627
Additions	3,428,323	20,557,663	1,407,597	15,496,854	18,813,083	59,703,520
Transfer from WIP (Note 12)	24,443,279	-	-	-	-	24,443,279
Disposals / Transfers						
- Cost	-	(508,251)	-	-	-	(508,251)
- Depreciation	-	152,475	-	-	-	152,475
Depreciation charge (Note 05)	(18,848,727)	(42,249,885)	(378,352)	(3,564,975)	(3,956,668)	(68,998,607)
Closing net book amount	1,065,414,576	325,938,809	3,202,128	21,529,810	18,422,719	1,434,508,043
At 31 March 2013						
Cost / valuation	1,084,263,304	763,695,362	12,279,740	75,793,201	57,269,107	1,993,300,714
Accumulated depreciation	(18,848,727)	(437,756,553)	(9,077,612)	(54,263,391)	(38,846,388)	(558,792,671)
Net book amount	1,065,414,577	325,938,809	3,202,128	21 ,529,810	18,422,719	1,434,508,043

Notes to the Financial Statements (Cont.)

11 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 2012	Mr J M Senanayaka Bandara	596,400,000
Buildings	31 March 2012	Mr J M Senanayaka Bandara	459,992,000

Group Assets	Valued on	Name of the valuer	Valued amount
Land			
ACL Cables PLC	31 March 2012	Mr J M Senanayaka Bandara	596,400,000
Kelani Cables PLC	31 March 2012	Mr. H.W.Wimalasena	126,828,000
ACL Plastics PLC	31 March 2012	Mr J M Senanayaka Bandara	72,025,000
Ceylon Bulbs and Electricals Limited	31 March 2012	Mr J M Senanayaka Bandara	487,000,000
ACL Kelani Magnet Wire (Pvt) Ltd	31 March 2012	Mr J M Senanayaka Bandara	76,000,000
Buildings			
ACL Cables PLC	31 March 2012	Mr J M Senanayaka Bandara	459,992,000
Kelani Cables PLC	31 March 2012	Mr. H.W.Wimalasena	103,672,000
ACL Plastics PLC	31 March 2012	Mr J M Senanayaka Bandara	74,475,000
ACL Kelani Magnet Wire (Pvt) Ltd	31 March 2012	Mr J M Senanayaka Bandara	107,500,000
ACL Metals and Alloys (Pvt) Ltd	31 March 2012	Mr J M Senanayaka Bandara	67,860,000
Ceylon Bulbs and Electricals Limited	31 March 2012	Mr J M Senanayaka Bandara	36,848,000

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

Company	Valued on	Cost 31 March 2013	Accumulated depreciation 31 March 2013	Net book value 31 March 2013
Land	31 March 2012	250,971,797	-	250,971,797
Buildings	31 March 2012	207,023,931	70,813,267	136,210,664
Group				
Land				
ACL Cables PLC	31 March 2012	250,971,797	-	250,971,797
Kelani Cables PLC	31 March 2012	56,447,505	-	56,447,505
ACL Plastics PLC	31 March 2012	16,409,850	-	16,409,850
Ceylon Bulbs and Electricals Limited	31 March 2012	296,000	-	296,000
ACL Kelani Magnet Wire (Pvt) Ltd	31 March 2012	38,227,530	-	38,227,530
Buildings				
ACL Cables PLC	31 March 2012	207,023,931	70,813,267	136,210,664
Kelani Cables PLC	31 March 2012	40,162,106	17,311,955	22,850,151
ACL Plastics PLC	31 March 2012	41,083,724	19,733,228	21,350,496
Ceylon Bulbs and Electricals Limited	31 March 2012	1,624,711	1,624,711	-
ACL Kelani Magnet Wire (Pvt) Ltd	31 March 2012	57,517,751	17,510,803	40,006,948
ACL Metals & Alloys (Pvt) Ltd	31 March 2012	33,298,273	6,302,385	26,995,888

(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 2013	31 March 2012	1 April 2011
ACL Cables PLC	126,332,690	112,685,153	70,017,671
ACL Plastics PLC	41,503,574	36,870,441	30,879,764
Kelani Cables PLC	79,334,799	71,380,775	60,762,073
Ceylon Bulbs & Electricals Limited	14,064,546	14,064,546	14,064,546
ACL Kelani Magnet Wire (Pvt) Limited	5,176,602	5,846,788	537,818

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

Group

	31 March 2013	31 March 2012	1 April 2011
Cost - Capitalised finance lease	2,000,000	2,000,000	2,000,000
Accumulated depreciation	(1,900,000)	(1,500,000)	(1,100,000)
Net book amount	100,000	500,000	900,000

12 Work in progress

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	58,475,348	133,225,618	102,233,873	31,265,261	106,399,394	41,081,510
Cost incurred during the year	24,132,633	44,168,793	56,400,357	21,513,523	33,492,527	65,317,884
Amount transferred to property, plant and equipment (Note 11)	(44,656,263)	(116,113,085)	(25,408,611)	(24,443,279)	(108,501,704)	-
Disposal of capital work in progress	-	-	-	(24,320,262)	-	-
Written off of capital work in progress	-	(2,805,978)	-	-	(124,956)	-
Balance at 31 March	37,951,718	58,475,348	133,225,619	4,015,243	31,265,261	106,399,394

13 Investment property

	Group		
	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	130,000,000	125,000,000	120,000,000
Change in fair value of investment property	-	5,000,000	5,000,000
Balance at 31 March	130,000,000	130,000,000	125,000,000

Location	Extent	Carrying value of investment property
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13A .00R .02P	130,000,000

Market Value

The value was determined on fair value basis using market evidence. This Valuation was carried out by an independent professional Valuer Mr. H. W. Wimalasena ,an Associate Member of Institute of Valuers of Sri Lanka, as at 31st March 2012.

Investment properties in the Group are accounted for on the revaluation value model. The open market value of the above property based on the directors valuation as at 31st March 2013 for the group was Rs 130,000,000.

Notes to the Financial Statements (Cont.)

14 Intangible assets

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	38,945,423	38,945,423	38,945,423	14,045,689	14,045,689	14,045,689
Balance at 31 March	38,945,423	38,945,423	38,945,423	14,045,689	14,045,689	14,045,689
Accumulated amortization						
Balance at 1 April	32,951,721	32,951,721	32,951,721	14,045,689	14,045,689	14,045,689
Balance at 31 March	32,951,721	32,951,721	32,951,721	14,045,689	14,045,689	14,045,689
Net book amount	5,993,702	5,993,702	5,993,702	-	-	-

Goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Goodwill on consolidation
1994/95	ACL Plastics PLC	6,090,495
1995/96	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	26,035,049
1997/98	Ceylon Bulbs and Electricals Limited	459,455
2004/05	ACL Kelani Magnet Wire (Private) Limited	916,805
2006/07	Ceylon Bulbs and Electricals Limited	5,441,533
2007/08	Ceylon Bulbs and Electricals Limited	2,086

Goodwill arising from business combinations after 1 June 2005, is no longer amortised but tested for impairment annually as per SLFRS 03.

Negative goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Negative goodwill on consolidation
1998/99	ACL Plastics PLC	5,127,592
1999/00	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	17,502,019
1999/00	Ceylon Bulbs and Electricals Limited	1,738
2009/10	Ceylon Bulbs and Electricals Limited	6,265,098

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.

15 Pre paid lease rentals

	Group		
	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	1,798,443	1,820,646	1,842,582
Amortisation during the year	(22,203)	(22,203)	(21,935)
Balance at 31 March	1,776,240	1,798,443	1,820,647
Amount to be amortised within one year	22,203	22,203	22,203
Amount to be amortised after one year	1,754,037	1,776,240	1,798,444
	1,776,240	1,798,443	1,820,647

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

16 Investment in subsidiaries

Company

	31 March 2013 Number of shares	Cost	Market value	31 March 2012 Number of shares	Cost	Market value	1 April 2011 Number of shares	Cost	Market value
Quoted									
ACL Plastics PLC	2,746,969	33,300,217	271,675,234	2,746,969	33,300,217	260,962,055	2,746,969	33,300,217	447,755,947
Kelani Cables PLC	933,756	10,752,498	59,853,760	933,756	10,752,498	62,561,652	933,756	10,752,498	88,986,947
Total investment in quoted companies		44,052,715	331,528,994		44,052,715	323,523,707		44,052,715	536,742,894
Unquoted									
Ceylon Bulbs and Electricals Limited	1,051,345	58,514,700		1,051,345	58,514,700		1,051,345	58,514,700	
Lanka Olex Cables (Private) Limited									
"A" Class ordinary shares	99			99			99		
"B" Class ordinary shares	3,065,610	291,180,491		3,065,610	291,180,491		3,065,610	291,180,491	
Preference shares	161,818			161,818			161,818		
ACL Kelani Magnet Wire (Private) Limited	11,950,000	119,500,000		11,950,000	119,500,000		11,950,000	119,500,000	
ACL Metals and Alloys (Private) Limited	2,500,000	25,000,000		2,500,000	25,000,000		2,500,000	25,000,000	
Ceylon Copper (Pvt) Limited	3,000,001	30,000,010		3,000,001	30,000,010		-	-	
ACL Electric(Pvt)Ltd	10,000,001	100,000,010		-	-		-	-	
Total investment in unquoted companies		624,195,211			524,195,201			494,195,191	
Impairment for investment [16(a)]		(46,776,476)			(46,776,476)			(46,776,476)	
Total investment in unquoted companies		577,418,735			477,418,725			447,418,716	
Total cost of investments in subsidiaries		621,471,450			521,471,440			491,471,431	

ACL Cables PLC acquired a controlling interest in Lanka Olex Cables (Private) Limited in October 1999. Kelani Cables PLC and Kelani Electrical Accessories (Private) Limited are subsidiaries of Lanka Olex Cables (Private) Limited.

16(a) Impairment for investment

	Company 31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	46,776,476	46,776,476	46,776,476
Provision for the year	-	-	-
Balance at 31 March	46,776,476	46,776,476	46,776,476

Notes to the Financial Statements (Cont.)

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

Quoted	2013	2012	2011
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 (Pvt) Limited	100%	100%	-
ACL Electric (Private) Limited	100%	-	-

17 Financial assets - available for sale

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Equity securities at fair value - Listed	26,924,956	28,097,461	43,560,775	10,861,400	9,793,073	19,829,088
	26,924,956	28,097,461	43,560,775	10,861,400	9,793,073	19,829,088

17.1 Company

	31 March 2013			31 March 2012			1 April 2011		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Banking finance and insurance									
Merchant Bank of Sri Lanka PLC	18,379	1,546,082	295,902	18,379	1,546,082	538,505	18,379	1,546,082	849,110
Nations Trust Bank PLC	18,432	450,174	1,124,352	18,432	450,174	1,043,660	18,432	450,174	1,406,362
Telecommunication									
Dialog Axiata PLC	390,000	4,142,633	3,510,000	390,000	4,142,633	2,769,000	390,000	4,142,633	4,095,000
Diversified holdings									
John Keels Holdings PLC	15,758	857,542	3,892,226	15,758	857,542	3,246,148	11,819	857,542	3,375,506
Environmental Resources Investments PLC	130,700	13,249,918	2,038,920	130,700	13,249,918	2,195,760	130,700	13,249,918	10,103,110
Total cost of investments by the Company		20,246,349	10,861,400		20,246,349	9,793,073		20,246,349	19,829,088

17.2 Investments by subsidiary companies

	31 March 2013			31 March 2012			1 April 2011		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Banking finance and insurance									
Nations Trust Bank PLC	25,592	512,005	1,561,112	25,592	512,005	1,456,185	25,592	512,005	1,952,670
DFCC Bank	13	2,300	1,704	13	2,300	1,463	13	2,300	2,232
Plantation									
Maskeliya Plantations PLC	8,200	374,258	99,220	8,200	374,258	140,220	8,200	374,258	230,420
Watawala Plantations PLC	200,000	1,252,041	2,240,000	200,000	1,252,041	2,000,000	200,000	1,252,041	5,000,000
Kotagala Plantations PLC	10,000	476,580	540,000	10,000	476,580	700,000	10,000	476,580	1,680,000
Diversified holdings									
Hayleys PLC	38,907	2,952,614	11,621,520	38,907	2,952,614	14,006,520	38,907	2,952,614	14,866,365
Total cost of investments by subsidiaries		5,569,798	16,063,556		5,569,798	18,304,389		5,569,798	23,731,687
Total cost of investments by Group		25,816,147	26,924,956		25,816,147	28,097,461		25,816,147	43,560,775

18 Inventories

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Raw materials	862,409,847	776,167,542	1,130,219,311	455,019,409	508,752,654	783,833,295
Work-in-progress	709,590,028	539,723,245	685,720,660	403,778,000	342,443,830	431,191,229
Finished goods	1,501,464,287	1,277,565,766	1,325,414,628	727,332,868	659,144,976	724,879,432
Goods in transit	69,264,531	191,492,483	176,768,141	244,927	-	157,483
Other stocks	186,914,038	159,686,316	163,653,466	74,115,240	71,862,630	78,539,902
	3,329,642,731	2,944,635,352	3,481,776,206	1,660,490,444	1,582,204,090	2,018,601,341
Provision for obsolete stock [18.(a)]	(99,613,058)	(69,603,536)	(67,115,197)	(50,000,000)	(30,000,000)	(30,000,000)
Net book amount	3,230,029,673	2,875,031,816	3,414,661,009	1,610,490,444	1,552,204,090	1,988,601,341

18(a) Provision for obsolete stock

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	69,603,536	67,115,197	62,381,648	30,000,000	30,000,000	30,000,000
Provision during the year	30,009,522	2,684,639	4,733,549	20,000,000	-	-
Inventories written off	-	(196,300)	-	-	-	-
Balance at 31 March	99,613,058	69,603,536	67,115,197	50,000,000	30,000,000	30,000,000

19 Trade and other receivables

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Trade receivables	2,837,634,130	2,399,803,171	2,325,033,941	1,706,013,567	1,365,268,517	1,310,789,146
Provision for impairement of trade receivables [19.(a)]	(136,579,922)	(134,384,670)	(131,452,547)	(83,926,372)	(83,944,852)	(77,227,344)
	2,701,054,208	2,265,418,501	2,193,581,394	1,622,087,195	1,281,323,665	1,233,561,802
Receivable from related companies [Note 39.11(b)]	-	-	-	322,166,038	231,928,492	139,832,144
Loan given to related companies [Note 39.11(c)]	-	-	-	32,075,221	32,075,221	32,075,221
Advance and prepayments	102,134,060	39,300,445	33,384,949	23,772,022	21,418,297	19,075,072
Other receivables	553,230,789	479,233,346	685,703,500	337,607,317	301,612,386	502,936,020
	3,356,419,057	2,783,952,292	2,912,669,843	2,337,707,793	1,868,358,061	1,927,480,259

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

19(a) Provision for impairement of trade receivables

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	134,384,670	131,452,547	119,557,861	83,944,852	77,227,344	67,232,583
Provision / (reversal) for the year	3,443,135	4,307,315	13,622,914	(18,480)	6,717,508	9,994,761
Debts written-off	(1,247,883)	(1,375,192)	(1,728,228)	-	-	-
Balance at 31 March	136,579,922	134,384,670	131,452,547	83,926,372	83,944,852	77,227,344

Notes to the Financial Statements (Cont.)

20 Cash and cash equivalents

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Cash at bank and in hand	110,609,483	83,275,746	304,862,658	44,523,114	44,740,078	26,460,900
Short term deposits	904,975,309	582,026,823	77,229,219	349,251,944	432,170,945	206,908,168
	1,015,584,792	665,302,569	382,091,877	393,775,058	476,911,023	233,369,068

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

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Cash at bank and in hand	1,015,584,792	665,302,569	382,091,877	393,775,058	476,911,023	233,369,068
Bank overdraft (Note 22)	(613,307,239)	(527,956,521)	(666,442,008)	(339,415,250)	(301,666,536)	(345,380,951)
	402,277,553	137,346,048	(284,350,131)	54,359,808	175,244,487	(112,011,883)

21 Trade and other payables

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Trade payables	660,614,863	855,322,777	987,799,650	100,751,158	436,901,601	563,151,521
Payables to related parties [Note 39.11 (a)]	-	-	-	769,555,248	521,486,383	577,837,162
Loans from related parties [Note 39.11 (d)]	-	-	-	123,193,100	123,193,100	123,193,100
Accrued expenses and other payable	216,345,544	174,606,570	221,151,177	99,840,750	66,742,506	111,360,787
	876,960,407	1,029,929,347	1,208,950,827	1,093,340,256	1,148,323,590	1,375,542,570

22 Borrowings

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Long term borrowings						
Long term loans	100,000,000	200,000,000	300,000,000	100,000,000	200,000,000	300,000,000
	100,000,000	200,000,000	300,000,000	100,000,000	200,000,000	300,000,000
Short term borrowings						
Bank borrowings	1,124,000,000	475,000,000	366,666,667	1,124,000,000	475,000,000	366,666,667
Short term loans	1,177,127,589	912,866,109	1,546,784,643	510,857,898	630,740,155	852,181,133
Bank overdraft (Note 20)	613,307,239	527,956,521	666,442,008	339,415,250	301,666,536	345,380,951
	2,914,434,828	1,915,822,630	2,579,893,318	1,974,273,148	1,407,406,691	1,564,228,751

22.1 Analyze by lender

		Group			
Lender	**Interest Rate**	**31 March 2013**	**31 March 2012**	**1 April 2011**	**Security**
Nations Trust Bank PLC	Linked to AWDR	100,000,000	200,000,000	300,000,000	Mortgage over stocks and book debts
Total long term borrowings		100,000,000	200,000,000	300,000,000	
Standard Chartered Bank	Linked to AWPLR	1,673,521,100	1,261,298,357	969,900,707	Mortgage over stocks and book debts / Lien over call account funds
Hatton National Bank PLC	Linked to AWPLR	361,205,589	434,888,566	1,353,045,519	Mortgage over stocks and book debts / Demand promissory note
Nations Trust Bank PLC	Linked to AWPLR	494,146,867	109,409,998	163,436,914	Mortgage over stocks and book debts
National Development Bank PLC	Linked to AWPLR	3,289,531	75,668,029	71,100,538	No assets pledged
Hongkong & Shanghai Banking Cor.	Linked to AWPLR	382,271,741	34,557,680	22,409,640	No assets pledged
Total short term borrowings		2,914,434,828	1,915,822,630	2,579,893,318	
Total borrowings		3,014,434,828	2,115,822,630	2,879,893,318	

		Company			
Lender	**Interest Rate**	**31 March 2013**	**31 March 2012**	**1 April 2011**	**Security**
Nations Trust Bank PLC	Linked to AWDR	100,000,000	200,000,000	300,000,000	Mortgage over stocks and book debts
Total long term borrowings		100,000,000	200,000,000	300,000,000	
Standard Chartered Bank	Linked to AWPLR	1,321,240,001	1,032,735,634	609,574,513	Mortgage over stocks and book debts / Lien over call account funds
Hatton National Bank PLC	Linked to AWPLR	155,596,749	189,593,030	720,116,786	Mortgage over stocks and book debts / Demand promissory note
Nations Trust Bank PLC	Linked to AWPLR	494,146,867	109,409,998	163,436,914	Mortgage over stocks and book debts
National Development Bank PLC	Linked to AWPLR	3,289,531	75,668,029	71,100,538	No assets pledged
Total short term borrowings		1,974,273,148	1,407,406,691	1,564,228,751	
Total borrowings		2,074,273,148	1,607,406,691	1,864,228,751	

23 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 2013	**31 March 2012**	**1 April 2011**	**31 March 2013**	**31 March 2012**	**1 April 2011**
Gross finance lease liabilities	55,113	761,392	1,947,935	55,113	761,392	1,947,935
Future finance charge on finance lease	(2,484)	(83,311)	(631,764)	(2,484)	(83,311)	(631,764)
Present value of finance lease liabilities	52,629	678,081	1,316,171	52,629	678,081	1,316,171
Present value of finance lease liabilities						
No later than 1 year	52,629	631,768	776,110	52,629	631,768	776,110
Later than 1 year	-	46,313	540,061	-	46,313	540,061
	52,629	678,081	1,316,171	52,629	678,081	1,316,171

Notes to the Financial Statements (Cont.)

24 Income tax payable

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	149,961,130	137,819,610	240,785,758	89,164,262	72,514,020	51,829,742
Provision for the current year	159,587,586	196,379,480	156,193,922	51,815,234	68,602,277	20,684,278
Under/ (over) provision in respect of previous years	235,839	(707,934)	4,194,832	-	-	-
Payments made during the year	(107,770,438)	(183,530,026)	(263,354,901)	(43,191,200)	(51,952,035)	-
Balance at 31 March	202,014,117	149,961,130	137,819,611	97,788,296	89,164,262	72,514,020

25 Provision for payment in lieu of employee share issue scheme

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	2,532,666	2,775,329	2,920,369	-	-	-
Payments made during the year	(309,605)	(242,663)	(145,040)	-	-	-
Balance at 31 March	2,223,061	2,532,666	2,775,329	-	-	-

In view of the transfer of ownership from Pacific Dunlop Cables Group to ACL Group, the employees were allocated a fixed sum as compensation for the share ownership scheme which was proposed earlier. The employees who were in employment as at 11 September 1999 are eligible for the payment which will be made at the time of resignation or retirement.

26 Defined benefit obligations

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

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	178,027,585	144,798,835	124,859,610	121,579,660	99,735,854	86,970,680
Current service cost	45,745,261	42,357,771	28,716,407	28,170,980	28,281,282	16,716,070
	223,772,846	187,156,606	153,576,017	149,750,640	128,017,136	103,686,750
Payments made during the year	(13,845,031)	(9,129,021)	(8,777,182)	(7,916,737)	(6,437,476)	(3,950,896)
Balance at 31 March	209,927,815	178,027,585	144,798,835	141,833,903	121,579,660	99,735,854

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

As at 31 March 2013, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm, Actuarial & Management Consultants (Private) Limited.

The key assumptions used by the actuary include the following :

	Group / Company		
	31 March 2013	31 March 2012	1 April 2011
Rate of discount	11%	11%	11%
Salary increment rate	10%	10%	10%
Retirement age	55 years	55 years	55 years

27 Deferred income tax liability

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

		Group			Company		
		31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
27.1	**Movement in deferred income tax liability**						
	Balance at the beginning of the year	203,493,233	137,572,499	136,562,030	107,737,630	63,849,852	59,212,034
	(Reversal) / origination of temporary differences	(1,316,845)	2,983,659	(1,225,080)	(9,381,414)	3,111,781	4,637,818
	Effect on surplus on revaluation of buildings	-	64,305,982	2,489,926	-	40,775,997	-
	Deferred tax on transfer from retained earnings	(944,626)	(1,368,905)	(254,377)	-	-	-
	Balance at the end of the year	201,231,762	203,493,235	137,572,499	98,356,216	107,737,630	63,849,852
27.2	**Composition of deferred income tax liability/(assets)**						
	On property, plant & equipments	298,650,992	285,561,763	218,693,855	175,569,093	173,684,637	131,892,340
	On defined benefit obligations	(58,294,683)	(49,454,680)	(40,227,815)	(39,713,493)	(34,042,305)	(27,926,039)
	On tax losses carried forward	-	-	(10,092,792)	-	-	(10,092,792)
	On general provision for inventories	(15,002,706)	(8,400,000)	(8,400,000)	(14,000,000)	(8,400,000)	(8,400,000)
	On provision for trade receivables	(23,499,384)	(23,504,702)	(21,623,657)	(23,499,384)	(23,504,702)	(21,623,657)
	On provision for Payment In Lieu of Employee Share Issue Scheme	(622,457)	(709,146)	(777,092)	-	-	-
		201,231,762	203,493,235	137,572,499	98,356,216	107,737,630	63,849,852

28 Financial risk management

Objectives and policies

The Board of Directors of the company regularly reviews its exposure to various kinds of risk factors with the ultimate objective of to deliver superior shareholder value between risk and return. The board oversees market risk, operational risk, credit risk and liquidity risk giving special consideration in broader aspects to the company's exposure to interest rate fluctuations and exchange rate fluctuations in the market. The board also involves in monitoring of credit risk by analyzing the credit risk using several measurement criteria like 20 largest exposures, 10 largest 3-6 months arrears and sectorial exposure etc. For some of these measures company has stipulated risk tolerance level and continually monitor the credit exposure in order to ensure superior credit quality. 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 & 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 & other receivables, other investments, loans & 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.

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, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.'

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial assets and liabilities with floating interest rates.

Market risk - Equity price risk

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

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

Group	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
31 March 2013	10%	-	2,692,496
31 March 2012	10%	-	2,809,746
1 April 2011	10%	-	4,356,078

Company	Change in equity price	Effect on profit Rs.	Effect on equity Rs.
31 March 2013	10%	-	1,086,140
31 March 2012	10%	-	979,307
1 April 2011	10%	-	1,982,909

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.

Currency risk

The Company is exposed to currency risk on goods sold, raw materials imported and borrowings that are denominated in currencies other than the 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 of foreign currency loans and imports with currency inflows for goods sold in foreign currencies.

Interest rate risk

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

Short-term interest rate management is delegated to the treasury operations while long-term interest rate management decisions require approval from the board of directors.

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, public deposits and bank overdrafts.

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

Analysis of financial assets and liabilities by remaining contractual maturities

Group

At 31 March 2013	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)	2,920,709,529	-	-	-	2,920,709,529
Financial assets - Available for sale	26,924,956	-	-	-	26,924,956
Cash and cash equivalents	1,015,584,792	-	-	-	1,015,584,792
Total financial assets	3,963,219,277	-	-	-	3,963,219,277
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	856,415,364	-	-	-	856,415,364
Finance lease	52,629	-	-	-	52,629
Borrowings	2,301,127,589	100,000,000	-	-	2,401,127,589
Bank overdrafts	613,307,239	-	-	-	613,307,239
Total financial liabilities	3,770,902,821	100,000,000	-	-	3,870,902,821
Company					
Financial assets					
Trade & other receivables (excluding pre-payments)	2,106,031,089	-	-	-	2,106,031,089
Financial assets - Available for sale	(9,384,949)	-	-	-	(9,384,949)
Cash and cash equivalents	393,775,058	-	-	-	393,775,058
Total financial assets	2,510,667,547	-	-	-	2,510,667,547
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	1,076,903,558	-	-	-	1,076,903,558
Finance lease	52,629	-	-	-	52,629
Borrowings	1,634,857,898	100,000,000	-	-	1,734,857,899
Bank overdrafts	339,415,250	-	-	-	339,415,250
Total financial liabilities	3,051,229,335	100,000,000	-	-	3,151,229,335

Capital 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 2013.

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.

Borrowings

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Total borrowings	3,014,434,828	2,115,822,630	2,879,893,318	2,074,273,148	1,607,406,691	1,864,228,751
Cash & cash equivalents	(1,015,584,792)	(665,302,569)	(382,091,877)	(393,775,058)	(476,911,023)	(233,369,068)
Net debt	1,998,850,036	1,450,520,061	2,497,801,441	1,680,498,090	1,130,495,668	1,630,859,683
Total equity	6,402,320,817	5,877,936,172	4,748,122,394	2,907,184,983	2,804,828,661	2,303,553,956
Total capital	8,401,170,853	7,328,456,233	7,245,923,835	4,587,683,073	3,935,324,329	3,934,413,639
Gearing ratio	23.79%	19.79%	34.47%	36.63%	28.73%	41.45%

29 Fair value estimation

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

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

As at 31 March 2013	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Financial assets - held for trading	-	-	-	-	-	-	-	-
Financial assets - available for sale	26,924,956	-	-	26,924,956	10,861,400	-	-	10,861,400
	26,924,956	-	-	26,924,956	10,861,400	-	-	10,861,400
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
As at 31 March 2012								
Assets								
Financial assets - held for trading	-	-	-	-	-	-	-	-
Financial assets - available for sale	28,097,461	-	-	28,097,461	9,793,073	-	-	9,793,073
	28,097,461	-	-	28,097,461	9,793,073	-	-	9,793,073

As at 31 March 2011	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Assets								
Financial assets held for trading	-	-	-	-	-	-	-	-
Financial assets available for sale	43,560,775	-	-	43,560,775	19,829,088	-	-	19,829,088
	43,560,775	-	-	43,560,775	19,829,088	-	-	19,829,088
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

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

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

30 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 2013					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	26,924,956	-	26,924,956
Trade and other receivables (excluding pre-payments)	2,920,709,529	-	-	-	2,920,709,529
Cash and bank balances	1,015,584,792	-	-	-	1,015,584,791
	3,936,294,321	-	26,924,956	-	3,963,219,277

Notes to the Financial Statements (Cont.)

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	856,415,364	856,415,364
Other borrowed funds	-	3,014,434,828	3,014,434,828
Finance lease obligation	-	52,629	52,629
	-	3,870,902,821	3,870,902,821

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2013					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	10,861,400	-	10,861,400
Trade and other receivables (excluding pre-payments)	2,106,031,089	-	-	-	2,106,031,089
Cash and bank balances	393,775,057	-	-	-	393,775,057
	2,499,806,147	-	10,861,400	-	2,510,667,547

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2013			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,076,903,558	1,076,903,558
Other borrowed funds	-	2,074,273,148	2,074,273,148
Finance lease obligation	-	52,629	52,629
	-	3,151,229,335	3,151,229,335

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2012					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	28,097,461	-	28,097,461
Trade and other receivables (excluding pre-payments)	2,397,641,229	-	-	-	2,397,641,229
Cash and bank balances	665,302,569	-	-	-	665,302,568
	3,062,943,798	-	28,097,461	-	3,091,041,259

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2012			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,018,912,964	1,018,912,964
Other borrowed funds	-	2,115,822,630	2,115,822,630
Finance lease obligation	-	678,081	678,081
	-	3,135,413,675	3,135,413,675

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
31 March 2012					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	9,793,073	-	9,793,073
Trade and other receivables (excluding pre-payments)	1,711,077,451	-	-	-	1,711,077,451
Cash and bank balances	476,911,022	-	-	-	476,911,023
	2,187,988,474	-	9,793,072	-	2,197,781,547

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
31 March 2012			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,141,202,298	1,141,202,298
Other borrowed funds	-	1,607,406,691	1,607,406,691
Finance lease obligation	-	678,081	678,081
	-	2,749,287,070	2,749,287,070

Group	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
1 April 2011					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	43,560,775	-	43,560,775
Trade and other receivables (excluding pre-payments)	2,296,701,240	-	-	-	2,296,701,240
Cash and bank balances	382,091,877	-	-	-	382,091,877
	2,678,793,117	-	43,560,775	-	2,722,353,892

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2011			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,195,470,839	1,195,470,839
Other borrowed funds	-	2,879,893,318	2,879,893,318
Finance lease obligation	-	1,316,171	1,316,171
	-	4,076,680,328	4,076,680,328

Company	Loans and receivables	Fair value through profit or loss	Available for sale	Held to maturity Investments	Total
1 April 2011					
Assets as per the statement of financial position					
Financial assets - Available for sale	-	-	19,829,088	-	19,829,087
Trade and other receivables (excluding pre-payments)	1,481,376,935	-	-	-	1,481,376,935
Cash and bank balances	233,369,068	-	-	-	233,369,068
	1,714,746,003	-	19,829,087	-	1,734,575,090

	Liabilities at fair value through profit or loss	Other financial liabilities	Total
1 April 2011			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)	-	1,370,774,452	1,370,774,452
Other borrowed funds	-	1,864,228,751	1,864,228,751
Finance lease obligation	-	1,316,171	1,316,171
	-	3,236,319,374	3,236,319,374

(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	Individually impaired	Total
31 March 2013								
Financial assets								
- available for sale	26,924,956	-	-	26,924,956	10,861,400	-	-	10,861,400
Trade and other receivables (excluding pre-Payments)	1,987,641,558	933,067,971	136,579,922	3,057,289,451	1,409,182,502	615,848,587	83,926,372	2,189,957,461
Cash and bank balances	1,015,584,792	-	-	1,015,584,792	393,775,058	-	-	393,775,058
	3,030,151,306	933,067,971	136,579,922	4,099,799,199	1,894,818,960	615,848,587	83,926,372	2,594,593,919

31 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 exempt 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 following Companies from Standard Chartered Bank.

- ACL Kelani Magnet Wire (Pvt) Ltd amounted to USD 2 Mn or equivalent in LKR
- ACL Metals & Alloys (Pvt) Ltd amounted Rs. 365 Mn
- ACL Electric (Pvt) Ltd amounted to Rs. 200 Mn

Group

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 exempt under section 17 of the Inland Revenue Act No. 10 of 2006.

ACL Polymers (Pvt) Ltd

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

Kelani Cables PLC

Kelani Cables PLC has given gurantees to third parties amounting to Rs. 89 Mn.

32 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.

33 Stated capital

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
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	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400
Balance at 31 March	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400	299,488,400

34 Capital reserve

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 2012.

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	1,447,780,748	863,319,520	799,786,664	658,339,792	330,855,735	330,855,735
Revaluations during the year	-	649,405,935	67,305,675	-	368,260,054	-
Deferred tax on revaluation	-	(61,160,563)	(3,030,183)	-	(40,775,997)	-
Transfer to retained earnings from revaluation reserve	(4,888,949)	(4,888,949)	(908,490)	-	-	-
Deferred tax on transfer	944,626	1,104,805	165,854	-	-	-
Balance at 31 March	1,443,836,425	1,447,780,748	863,319,520	658,339,792	658,339,792	330,855,735

Group capital reserve as at balance sheet date consists of the following;			
Capital redemption reserve fund	2,625,000	2,625,000	2,625,000
Surplus on revaluation of property, plant and equipment	1,439,400,907	1,443,345,230	858,884,002
Profit on sale of property, plant and equipment and investment	1,810,518	1,810,518	1,810,518
	1,443,836,425	1,447,780,748	863,319,520

35 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 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	1,123,825,080	1,123,825,080	1,123,825,080	680,265,800	680,265,800	680,265,800
Transferred from retained earnings	-	-	-	-	-	-
Balance at 31 March	1,123,825,080	1,123,825,080	1,123,825,080	680,265,800	680,265,800	680,265,800

36 Available for sale reserve

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Balance at 1 April	(2,150,614)	11,424,268	-	(10,453,276)	(417,261)	-
Cumulative effect on fair value adjustment for financial assets - available for sale	-	-	11,424,268	-	-	(417,261)
Fair value adjustment for available for sale investments	(392,612)	(13,574,882)	-	1,068,327)	(10,036,015)	-
Balance at 31 March	(2,543,226)	(2,150,614)	11,424,268	(9,384,949)	(10,453,276)	(417,261)

37 Cash generated from operations

Reconciliation of profit before tax to cash generated from/ (used in)operations:

	Group Year Ended 31 March 2013	Group Year Ended 31 March 2012	Company Year Ended 31 March 2013	Company Year Ended 31 March 2012
Profit before tax	753,438,063	771,728,276	203,615,495	297,466,297
Adjustments for:				
Depreciation of property, plant and equipment (Note 11)	163,894,040	145,609,772	68,998,607	62,669,369
Dividend income (Note 4)	(145,449)	(631,640)	(52,523,157)	(44,099,326)
Interest expense	361,830,869	262,584,020	292,366,550	168,008,948
Interest income (Note 7)	(25,476,750)	(13,635,563)	(7,562,060)	(1,171,158)
Change in fair value of investment - property (Note 13)	-	(5,000,000)	-	-
Profit/loss on disposal of property, plant and equipment (Note 4)	353,099	(3,751,372)	355,775	(1,337,411)
Amortization of leasehold properties (Note 15)	22,203	22,203	-	-
Loss on revaluation of property, plant & equipment	-	871,650	-	-
Defined benefit obligations (Note 26)	45,745,261	42,357,771	28,170,980	28,281,282
Written off of capital work in progress	-	2,805,979	-	124,955
Changes in working capital:				
Inventories	(354,997,857)	539,629,191	(58,286,354)	436,397,249
Receivables and prepayments	(573,494,0735)	127,962,510	(469,349,730)	59,122,198
Trade and other payables	(152,968,941)	(179,203,569)	(54,983,337)	(227,218,978)
Dividend payable	(9,367,810)	9,549,898	-	-
Cash generated from/ (used in) operations	208,832,653	1,700,899,126	(49,197,231)	778,243,425

38 Segment information

(a) Business Segment information

Revenue	**Manufacturing cables 2013**	**Manufacturing PVC compound 2013**	**Manufacturing aluminum rods 2013**	**Manufacturing copper rods 2013**	**Manufacturing electrical accessories 2013**	**Total 2013**	**Total 2012**	**Total 2011**
Total revenue	11,615,819,656	1,070,044,806	238,138,971	713,476,876	-	13,637,480,309	11,643,616,924	10,703,847,768
Inter-segment sales	(376,258,434)	(983,085,319)	(238,138,971)	(713,476,876)	-	(2,310,959,600)	(1,337,436,759)	(1,134,076,653)
External sales	11,239,561,222	86,959,487	-	-	-	11,326,520,709	10,306,180,165	9,569,771,115
Results								
Profit/(loss) before other income and finance cost	666,073,677	73,049,569	65,743,465	272,770,207	(3,807,624)	1,073,829,294	1,006,190,854	626,041,342
Other income	15,816,808	146,080	-	-	-	15,962,888	14,485,879	50,413,970
Finance cost	(309,386,000)	(15,404,964)	(5,409,536)	(6,153,619)	-	(336,354,119)	(248,948,457)	(226,755,191)
Taxation	(124,503,890)	(16,580,698)	(18,142,491)	(3,727,128)	-	(162,954,207)	(206,275,279)	(162,959,908)
Profit after taxation	248,000,595	41,209,987	42,191,438	262,889,460	(3,807,624)	590,483,856	565,452,997	286,740,213

Notes to the Financial Statements (Cont.)

Revenue	Manufacturing cables 2013	Manufacturing PVC compound 2013	Manufacturing aluminum rods 2013	Manufacturing copper rods 2013	Manufacturing electrical accessories 2013	Total 2013	Total 2012	Total 2011
Assets								
Segment assets	9,443,757,036	361,717,058	159,255,631	307,689,987	112,235,867	10,384,655,579	9,043,294,804	8,897,050,612
Unallocated corporate assets						524,509,857	524,453,852	364,198,372
Total assets						10,909,165,436	9,567,748,656	9,261,248,984
Liabilities								
Segment liabilities	3,987,216,896	140,792,470	36,671,229	318,486,949	17,308,685	4,500,476,229	3,682,954,881	4,505,625,610
Unallocated corporate liabilities						6,368,390	6,857,603	7,500,980
Total liabilities						4,506,844,619	3,689,812,484	4,513,126,590
Capital expenditure								
Segment capital expenditure	83,376,063	3,746,550	503,343	25,677,013	111,811,488	229,114,457	150,037,522	165,756,725
Total capital expenditure						229,114,457	150,037,522	165,756,725
Depreciation and amortisation								
Segment depreciation	140,430,105	10,966,608	8,071,235	4,426,092	-	163,894,040	145,609,772	117,597,420
Total depreciation and amortisation						163,894,040	145,609,772	117,597,420

(b) Geographical segment information

Geographical segment turnover is given in Note 3.

39 Directors' interests in contracts and related party transactions

39.1 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 65.2% owned subsidiary of ACL Cables PLC.

39.2 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.

39.3 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 .

39.4 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.

39.5 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.

39.6 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.

39.7 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.

39.8 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.

39.9 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.

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

		Company Year Ended	
		31 March 2013	31 March 2012
(a)	**Sales of goods (inclusive of taxes)**		
	Kelani Cables PLC	216,005,838	159,970,884
	ACL Metals and Alloys (Private) Limited	-	16,717,559
	ACL Plastics PLC	5,696,436	11,080
	ACL Kelani Magnet Wire (Private) Limited	100,642,389	3,062,585
	Ceylon Copper (Pvt) Ltd	40,312,306	-
	ACL Electric (Pvt) Ltd	1,140	-
		362,658,109	179,762,108
(b)	**Sale of property, plant and equipment (inclusive of taxes)**		
	Ceylon Copper (Private) Limited	27,238,693	40,240,000
		27,238,693	40,240,000
(c)	**Purchase of goods & services (inclusive of taxes)**		
	ACL Kelani Magnet Wire (Private) Limited	1,203,236	-
	ACL Plastics PLC	592,325,891	596,595,798
	Kelani Cables PLC	57,052,245	33,217,653
	Ceylon Bulbs and Electricals Limited	1,344,000	1,344,000
	ACL Metals and Alloys (Private) Limited	272,158,823	284,759,997
	Ceylon Copper (Pvt) Ltd	756,471,432	-
		1,680,555,627	915,917,448
(d)	**Interest on loans from related party**		
	ACL Plastics PLC	6,051,126	4,171,124
	Kelani Cables PLC	4,543,252	3,132,362
	ACL Polymers (Private) Limited	2,713,750	1,920,125
		13,308,128	9,223,611

(e) Key management compensation

	Group			Company		
	31 March 2013	31 March 2012	1 April 2011	31 March 2013	31 March 2012	1 April 2011
Short term benefits	28,640,000	25,794,800	26,063,333	27,150,000	24,718,800	16,900,000
	28,640,000	25,794,800	26,063,333	27,150,000	24,718,800	16,900,000

Notes to the Financial Statements (Cont.)

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

(a) Payable to related parties

	Company Year Ended 31 March 2013	31 March 2012	1 April 2011
Kelani Cables PLC	14,366,970	957,902	33,685,621
ACL Metals and Alloys (Private) Limited	289,457,062	316,959,209	252,098,010
ACL Polymers (Private) Limited	694,751	542,500	452,500
ACL Plastics PLC	201,680,962	203,026,772	291,601,031
Ceylon Copper (Private) Ltd	261,979,008	-	-
ACL Electric (Private) Ltd	1,376,495	-	-
	769,555,248	521,486,383	577,837,162

(b) Receivable from related parties

	31 March 2013	31 March 2012	1 April 2011
Kelani Cables PLC	57,402,782	47,509,045	63,758,412
ACL Kelani Magnet Wire (Private) Limited	246,801,358	137,046,415	62,872,974
Ceylon Bulbs and Electricals Limited	6,089,912	6,601,163	7,283,066
ACL Plastics PLC	4,635,527	253,225	3,521,482
ACL Metals and Alloys (Private) Limited	-	22,699,141	2,396,210
Ceylon Copper (Private) Ltd	7,236,459	17,819,503	-
	322,166,038	231,928,492	139,832,144

(c) Receivable on loans

	31 March 2013	31 March 2012	1 April 2011
ACL Kelani Magnet Wire (Private) Limited	32,075,221	32,075,221	32,075,221
	32,075,221	32,075,221	32,075,221

(d) Payable on loans

	31 March 2013	31 March 2012	1 April 2011
Kelani Cables PLC	41,854,000	41,854,000	41,854,000
ACL Plastics PLC	55,745,056	55,745,056	55,745,056
ACL Polymers (Private) Limited	25,000,000	25,000,000	25,000,000
Lanka Olex Cables (Private) Limited	594,044	594,044	594,044
	123,193,100	123,193,100	123,193,100

There were no other related parties or related party transactions during the year ended 31 March 2013 other than those disclosed above.

39.12 All the transactions with related parties are carried out in the ordinary course of business.

40 Post Balance Sheet Events

Company

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

Group

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

41 Transition to new Sri Lanka Accounting Standards (SLFRS/LKAS)

41 (a) First time adoption of SLFRSs/LKASs

As stated in note 2.1, these are the Company's first financial statements prepared in accordance with SLFRSs/LKASs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2013, the comparative information presented in these financial statements for the year 31 March 2012 and in the preparation of an opening SLFRS statement of financial position at 1 April 2011 (the Company's date of transition).

1 Initial elections upon adoption

1.1 SLFRS exemption options

1.1.1 Fair value as deemed cost, was not opted.

1.1.2 Translation differences (LKAS 21), as SLASs and the SLFRSs were already aligned as regard to these transaction.

1.1.3 Employee benefits (LKAS 19) as SLASs and the SLFRSs were already aligned with regard to these transactions.

1.1.4 Share based payment transactions (SLFRS 2) is not applicable for the company.

1.1.5 Leases (LKAS 17) as SLASs and SLFRSs were already aligned with regard to these transactions.

1.1.6 Insurance contracts (SLFRS 4), as this is not relevant to the Company's operations.

1.1.7 Investment in subsidiaries, jointly controlled entities and associates were already aligned.

1.1.8 Assets and liabilities of subsidiaries, associates and joint ventures under SLFRS 1 is not applicable to the Company

1.1.9 Compound financial instruments (LKAS 32), because the Company does not have these types of financial instruments as at the date of transition to SLFRSs.

1.1.10 Fair value measurement of financial assets or financial liabilities at initial recognition.

1.1.11 Borrowing costs (LKAS 23) is not applicable for the Company.

1.1.12 Transfers of assets from customers (IFRIC 18) is not applicable for the Company.

1.1.13 Decommissioning liabilities (IFRIC 1) included in the cost of land, buildings and equipment is not applicable for the Company.

1.1.14 Financial assets or intangible assets accounted for under IFRIC 12 is not applicable for the Company as the Company has not entered into agreements within the scope of IFRIC 12.

1.2 SLFRS mandatory exceptions

Set out below are the applicable mandatory exceptions in SLFRS 1 applied in the conversion from SLAS to SLFRS.

Exception for estimates

SLFRS estimates as at 1 January 2011 are consistent with the estimates as at the same date made in conformity with Sri Lanka Accounting Standards.

The other compulsory exceptions of SLFRS 1 has not been applied as these are not relevant to the Company.

- Derecognition of financial assets and financial liabilities.
- Non-controlling interest
- Hedge accounting

41 (b) Reconciliation of income statements for the year ended 31 March 2012

	Notes	Group As per SLAS	Group Effect of transition to SLFRS/LKAS	Group As per SLFRS/LKAS	Company As per SLAS	Company Effect of transition to SLFRS/LKAS	Company As per SLFRS/LKAS
Revenue		10,306,180,165	-	10,306,180,165	5,553,012,411	-	5,553,012,411
Cost of sales	(i)	(8,575,753,160)	(19,072,113)	(8,594,825,273)	(4,814,948,390)	(13,375,892)	(4,828,324,282)
Gross profit		1,730,427,005	(19,072,113)	1,711,354,892	738,064,021	(13,375,892)	724,688,129
Other income		14,485,879	-	14,485,879	47,535,131	-	47,535,131
Distribution costs	(ii)	(425,838,311)	(4,277,423)	(430,115,734)	(185,999,940)	(3,058,015)	(189,057,955)
Administrative costs	(iii)	(272,395,054)	(2,653,250)	(275,048,304)	(116,207,969)	(2,653,250)	(118,861,218)
Operating profit		1,046,679,519	(26,002,786)	1,020,676,733	483,391,244	(19,087,157)	464,304,087
Net finance cost	(iii)	(251,601,707)	2,653,250	(248,948,457)	(169,491,040)	2,653,250	(166,837,790)
Profit before income tax		795,077,812	(23,349,536)	771,728,276	313,900,204	(16,433,907)	297,466,297
Income tax	(iv)	(214,710,709)	8,435,430	(206,275,279)	(76,315,696)	4,601,638	(71,714,058)
Profit for the year		580,367,103	(14,914,106)	565,452,997	237,584,508	(11,832,269)	225,752,239
Share of (profit) attributable to non-controlling interest		(77,103,710)	1,001,514	(76,102,196)	-	-	-
Net profit attributable to equityholders of the Company		503,263,393	(13,912,592)	489,350,801	237,584,508	(11,832,269)	225,752,239

41 (c) Reconciliation of statements of comprehensive income for the year ended 31 March 2012

	Group As per SLAS	Group Effect of transition to SLFRS/LKAS	Group As per SLFRS/LKAS	Company As per SLAS	Company Effect of transition to SLFRS/LKAS	Company As per SLFRS/LKAS
Profit for the year	-	565,452,997	565,452,997	-	225,752,239	225,752,239
Other comprehensive income						
Revaluation of land and buildings	-	701,407,116	701,407,116	-	368,260,054	368,260,054
Net (loss) / gain on available-for-sale financial assets	-	(15,463,314)	(15,463,314)	-	(10,036,015)	(10,036,015)
Tax on other comprehensive income	-	(64,305,982)	(64,305,982)	-	(40,775,997)	(40,775,997)
Other comprehensive income for the year, net of tax	-	621,637,820	621,637,820	-	317,448,042	317,448,042
Total comprehensive income for the year, net of tax	-	1,187,090,817	1,187,090,817	-	543,200,281	543,200,281
Attributable to ;						
Equity holders of the parent	-	1,064,021,292	1,064,021,292	-	543,200,281	543,200,281
Non-controlling interest	-	123,069,525	123,069,525	-	-	-
Total comprehensive income for the year, net of tax	-	1,187,090,817	1,187,090,817	-	543,200,281	543,200,281

41 (d) Reconciliation of statements of financial position as at 31 March 2012 and 1 April 2011

Group	Notes	Year ended 31 March 2012 As per SLAS	Year ended 31 March 2012 Effect of transition to SLFRS/LKAS	Year ended 31 March 2012 As per SLFRS/LKAS	Year ended 1 April 2011 As per SLAS	Year ended 1 April 2011 Effect of transition to SLFRS/LKAS	Year ended 1 April 2011 As per SLFRS/LKAS
ASSETS							
Non current assets							
Property, plant and equipment	(v)	2,739,537,746	279,559,279	3,019,097,025	1,943,594,120	298,631,392	2,242,225,512
Work in progress		58,475,348	-	58,475,348	133,225,619	-	133,225,619
Investment property		130,000,000	-	130,000,000	125,000,000	-	125,000,000
Intangible assets		5,993,702	-	5,993,702	5,993,702	-	5,993,702
Prepaid lease rentals		1,776,240	-	1,776,240	1,798,444	-	1,798,444
Financial assets - available for sale at fair value	(vii)	25,816,147	2,281,314	28,097,461	25,816,147	17,744,628	43,560,775
		2,961,599,183	281,840,593	3,243,439,776	2,235,428,032	316,376,020	2,551,804,052
Current assets							
Inventories		2,875,031,816	-	2,875,031,816	3,414,661,009	-	3,414,661,009
Trade and other receivables	(viii)	2,789,462,349	(5,510,057)	2,783,952,292	2,913,902,476	(1,232,633)	2,912,669,843
Prepaid lease rentals		22,203	-	22,203	22,203	-	22,203
Cash and cash equivalents		665,302,569	-	665,302,569	382,091,877	-	382,091,877
		6,329,818,937	(5,510,057)	6,324,308,880	6,710,677,565	(1,232,633)	6,709,444,932
Total assets		9,291,418,120	276,330,536	9,567,748,656	8,946,105,597	315,143,387	9,261,248,984
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital		299,488,400	-	299,488,400	299,488,400	-	299,488,400
Capital reserve		1,447,780,748	-	1,447,780,748	863,319,520	-	863,319,520
General reserve		1,123,825,080	-	1,123,825,080	1,123,825,080	-	1,123,825,080
Available for sale reserve	(ix)	(2,150,614)	-	(2,150,614)	11,424,268	-	11,424,268
Retained earnings	(x)	2,189,334,200	184,780,739	2,374,114,939	1,723,107,434	198,693,331	1,921,800,765
Total equity attributable to equity holders of the Company		5,060,428,428	182,630,125	5,243,058,553	4,009,740,434	210,117,599	4,219,858,033
Non-controlling interest	(xi)	616,820,814	18,056,805	634,877,619	507,317,609	20,946,751	528,264,361
Total equity		5,677,249,242	200,686,930	5,877,936,172	4,517,058,043	231,064,350	4,748,122,394
Non current liabilities							
Provision for payment in lieu of employee share issue scheme		2,532,666	-	2,532,666	2,775,329	-	2,775,329
Defined benefit obligations		178,027,585	-	178,027,585	144,798,835	-	144,798,835
Deferred income tax liability	(xii)	127,849,629	75,643,606	203,493,235	53,493,462	84,079,037	137,572,499
Borrowings		200,000,000	-	200,000,000	300,000,000	-	300,000,000
Finance lease obligation		46,313	-	46,313	540,061	-	540,061
		508,456,193	75,643,606	584,099,799	501,607,687	84,079,037	585,686,724
Current liabilities							
Trade and other payables	(xiii)	1,025,000,833	4,928,514	1,029,929,347	1,204,204,402	4,746,426	1,208,950,827
Current income tax liability		149,961,130	-	149,961,130	137,819,611	-	137,819,611
Finance lease obligation		631,768	-	631,768	776,110	-	776,110
Dividend payable	(xiii)	14,296,324	(4,928,514)	9,367,810	4,746,426	(4,746,426)	-
Borrowings		1,915,822,630	-	1,915,822,630	2,579,893,318	-	2,579,893,318
		3,105,712,685	-	3,105,712,685	3,927,439,867	-	3,927,439,866
Total liabilities		3,614,168,878	75,643,606	3,689,812,484	4,429,047,554	84,078,037	4,513,126,590
Total equity and liabilities		9,291,418,120	276,330,536	9,567,748,656	8,946,105,597	315,143,387	9,261,248,984

Notes to the Financial Statements (Cont.)

41 (e) Reconciliation of statements of financial position as at 31 March 2012 and 1 April 2011 (Cont.)

Company	Notes	Year ended 31 March 2012 As per SLAS	Year ended 31 March 2012 Effect of transition to SLFRS/LKAS	Year ended 31 March 2012 As per SLFRS/LKAS	Year ended 1 April 2011 As per SLAS	Year ended 1 April 2011 Effect of transition to SLFRS/LKAS	Year ended 1 April 2011 As per SLFRS/LKAS
ASSETS							
Non current assets							
Property, plant and equipment	(v)	1,235,496,642	184,218,985	1,419,715,627	815,995,716	197,594,877	1,013,590,593
Work in progress		31,265,261	-	31,265,261	106,399,394	-	106,399,394
Investment property		-	-	-	-	-	-
Intangible assets		-	-	-	-	-	-
Prepaid lease rentals		-	-	-	-	-	-
Investment in subsidiaries	(vi)	568,247,916	(46,776,476)	521,471,440	538,247,907	(46,776,476)	491,471,431
Financial assets - available for sale at fair value	(vii)	20,246,349	(10,453,276)	9,793,073	20,246,349	(417,261)	19,829,088
		1,855,256,168	126,989,232	1,982,245,401	1,480,889,366	150,401,140	1,631,290,506
Current assets							
Inventories		1,552,204,090	-	1,552,204,090	1,988,601,341	-	1,988,601,341
Trade and other receivables	(viii)	1,868,648,660	(290,599)	1,868,358,061	1,924,712,841	2,767,418	1,927,480,259
Prepaid lease rentals		-	-	-	-	-	-
Cash and cash equivalents		476,911,023	-	476,911,023	233,369,068	-	233,369,068
		3,897,763,773	(290,598)	3,897,473,174	4,146,683,250	2,767,418	4,149,450,668
Total assets		5,753,019,941	126,698,634	5,879,718,575	5,627,572,616	153,168,558	5,780,741,174
EQUITY AND LIABILITIES							
Capital and reserves							
Stated capital		299,488,400	-	299,488,400	299,488,400	-	299,488,400
Capital reserve		658,339,792	-	658,339,792	330,855,735	-	330,855,735
General reserve		680,265,800	-	680,265,800	680,265,800	-	680,265,800
Available for sale reserves	(ix)	-	(10,453,276)	(10,453,276)	-	(417,261)	(417,261)
Retained earnings	(x)	1,091,535,837	85,652,108	1,177,187,945	895,876,905	97,484,377	993,361,282
Total equity		2,729,629,829	75,198,832	2,804,828,661	2,206,486,840	56,101,442	2,303,553,956
Non current liabilities							
Provision for payment in lieu of employee share issue scheme		-	-	-	-	-	-
Defined benefit obligations		121,579,660	-	121,579,660	99,735,854	-	99,735,854
Deferred income tax liability	(xi)	56,237,826	51,499,804	107,737,630	7,748,410	56,101,442	63,849,852
Borrowings		200,000,000	-	200,000,000	300,000,000	-	300,000,000
Finance lease obligation		46,313	-	46,313	540,061	-	540,061
		377,863,799	51,499,802	429,363,603	408,024,325	56,101,442	464,125,767
Current liabilities							
Trade and other payables		1,148,323,590	-	1,148,323,590	1,375,542,570	-	1,375,542,570
Current income tax liability		89,164,262	-	89,164,262	72,514,020	-	72,514,020
Finance lease obligation		631,768	-	631,768	776,110	-	776,110
Dividend payable		-	-	-	-	-	-
Borrowings		1,407,406,691	-	1,407,406,691	1,564,228,751	-	1,564,228,751
		2,645,526,311	-	2,645,526,311	3,013,061,451	-	3,013,061,451
Total liabilities		3,023,390,110	51,499,802	3,074,889,914	3,421,085,776	56,101,442	3,477,187,218
Total equity and liabilities		5,753,019,941	126,698,634	5,879,718,575	5,627,572,616	153,168,558	5,780,741,174

41 (f) Notes to reconcilations of SLAS and LKAS / SLFRS

Impact on income statement and statement of financial position from the changes related to adoption of SLFRS is summarised as follows;

i) Cost of sales

	Year ended 31 March 2012 Group	Company
As reported under SLAS	8,575,753,160	4,814,948,390
Increase in accumulated depreciation	19,072,113	13,375,892
As reported under SLFRS / LKAS	8,594,825,273	4,828,324,282

ii) Distribution costs

	Year ended 31 March 2012 Group	Company
As reported under SLAS	425,838,311	185,999,940
Increase in provision for impairment of trade receivables	4,277,423	3,058,015
As reported under SLFRS / LKAS	430,115,734	189,057,954

iii) Administrative costs and Net finance costs

Bank charges amounting to Rs. 2,653,250/- was re-classified from net finance costs to administrative costs.

iv) Income tax

	Year ended 31 March 2012 Group	Company
As reported under SLAS	214,710,709	76,315,696
Deferred tax impact from increase in carrying value of property, plant and equipment	(7,579,042)	(3,745,250)
Deferred tax impact from increase in provision for impairment of trade receivables	(856,388)	(856,388)
As reported under SLFRS / LKAS	206,275,279	71,714,058

v) Property, plant and equipment

SLFRS requires to identify components within an item of property plant and equipment and assess useful lives of property pant and equipment at each reporting date. Accordingly, the Company has identified components and reassessed the useful lives of property plant and equipment. The resultant impact is adjusted to retained earnings at the transition date as follows;

	Group		Company	
	31 March 2012	1 April 2011	31 March 2012	1 April 2011
As reported under SLAS	2,739,537,746	1,943,594,120	1,235,496,642	815,995,716
(Increase) / decrease in accumulated depreciation	279,559,279	298,631,392	184,218,985	197,594,877
As reported under SLFRS / LKAS	3,019,097,025	2,242,225,512	1,419,715,627	1,013,590,593

vi) Investment in subsidiaries

	Company	
	31 March 2012	1 April 2011
As reported under SLAS	568,247,916	538,247,907
Increase / (decrease) in provision for impairment	(46,776,476)	(46,776,476)
As reported under SLFRS / LKAS	521,471,440	491,471,431

vii) Financial assets - available for sale at fair value

In accordance with the SLFRS, investments in shares of other companies (other than the investments in subsidiaries) classified as available for sale have been recognised at fair value. These assets were previously carried at cost. At the date of transition, the fair value of the investments in other companies classified as available-for sale financial assets, were adjusted to opening reserve. Impact of financial statements is summarised as follows.

	Group		Company	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
As reported under SLAS	25,816,147	25,816,147	20,246,349	20,246,349
Impact from fair valuation	2,281,314	17,744,628	(10,453,276)	(417,261)
As reported under SLFRS / LKAS	28,097,461	43,560,775	9,793,073	19,829,088

viii) Trade and other receivables

	Group		Company	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
As reported under SLAS	2,789,462,349	2,913,902,476	1,868,648,660	1,924,712,841
Impact from provision for impairment of trade receivables	(5,510,057)	(1,232,633)	(290,599)	2,767,418
As reported under SLFRS / LKAS	2,783,952,292	2,912,669,843	1,868,358,061	1,927,480,259

ix) Available for sale reserves

At the date of transition, the fair value of the investments in other companies classified as available-for sale financial assets, were adjusted to opening reserve (Available-for-sale reserve). Impact is summarised as follows.

	Group		Company	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
As reported under SLAS	-	-	-	-
Impact from fair valuation	(2,150,614)	11,424,268	(10,453,276)	(417,261)
As reported under SLFRS / LKAS	(2,150,614)	11,424,268	(10,453,276)	(417,261)

x) Retained earnings

	Group		Company	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
As reported under SLASs	2,189,334,200	1,723,107,434	1,091,535,837	895,876,905
Effect of adjustments for property, plant and equipments	259,868,795	277,256,827	184,218,985	197,594,877
Effect of adjustments for deferred income tax	(70,658,427)	(78,158,873)	(51,499,804)	(56,101,442)
Effect of adjustments for debtors	(4,429,629)	(404,623)	(290,599)	2,767,418
Provision for impairment	-	-	(46,776,475)	(46,776,475)
Cumulative impact on retained earnings	184,780,739	198,693,331	85,652,108	97,484,377
Retained earnings as reported under SLFRSs	2,374,114,939	1,921,800,765	1,177,187,945	993,361,282

xi) Non-controlling interest

	Group	
	31 March 2012	**1 April 2011**
As reported under SLAS	616,820,814	507,317,609
Effect of adjustments for property, plant and equipments	19,690,485	21,374,565
Effect of adjustments for deferred income tax	(4,985,180)	(5,920,164)
Effect of adjustments for debtors	(1,080,428)	(828,011)
Impact from fair valuation of financial assets - available for sale	4,431,928	6,320,361
Cumulative impact on non-controlling interest	18,056,805	20,946,751
As reported under SLFRS / LKAS	64,877,619	528,264,361

xii) Deferred income tax liability

	Group		Company	
	31 March 2012	**1 April 2011**	**31 March 2012**	**1 April 2011**
As reported under SLAS	127,849,629	53,493,462	56,237,826	7,748,410
Impact from fair valuation	75,643,606	84,079,037	51,499,804	56,101,442
As reported under SLFRS / LKAS	203,493,235	137,572,499	107,737,630	63,849,852

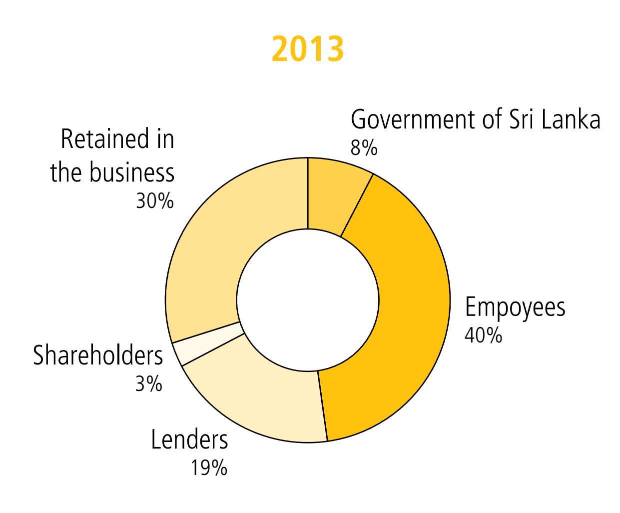
xiii) Dividend payable and Trade and otherr payables

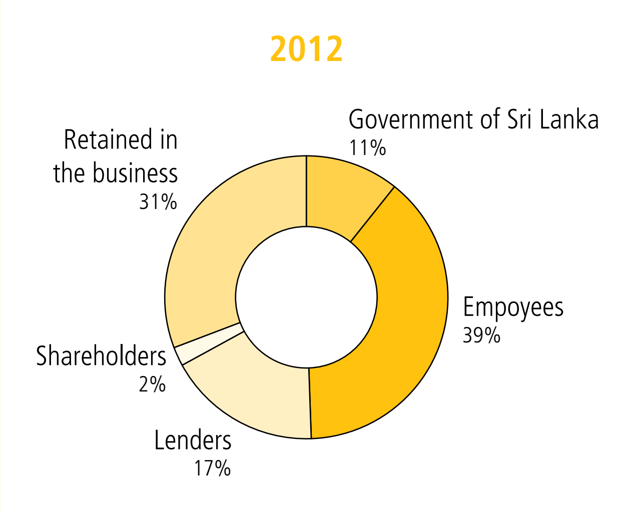
Unclaimed dividends amounting to Rs. 4,928,514/- was re-classified from dividend payable to trade and other payables.

xiv) Revaluation surplus and resulted deferred tax on property plant and equipments, have been adjusted to Comprehensive income statement as per SLFRS.

Statement of Value Added - Group

		2013 Rs. '000		2012 Rs. '000
Total revenue		11,326,521		10,306,180
Other operating income and interest income		41,440		28,120
		11,367,961		10,334,300
Cost of material and services bought in		(9,230,163)		(8,408,318)
Total value added by the group		2,137,798		1,952,982
Value added shared with :				
Government of Sri Lanka (Taxes)	8%	162,954	11%	206,275
Employees (Salaries and other costs)	40%	858,634	39%	746,061
Lenders (Interest on loan capital & minority interest)	19%	417,672	17%	338,686
Shareholders (Dividends)	3%	59,894	2%	41,925
Retained in the business (Depreciation & retained profits)	30%	638,644	31%	593,035
	100%	2,137,798	100%	1,952,982





Information to Shareholders

(a) Distribution of shareholders as at 31 March 2013.

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	1,562	490,042	0.82
1,001 to 5,000	491	1,257,596	2.10
5,001 to 10,000	115	882,786	1.47
10,001 to 50,000	114	2,607,927	4.35
50,001 to 100,000	22	1,591,914	2.66
100,001 to 500,000	20	4,112,893	6.87
500,001 to 1,000,000	3	2,154,420	3.60
Over 1,000,000	8	46,796,102	78.13
Total	2,335	59,893,680	100.00

(b) Analysis report of shareholders as at 31 March 2013.

	Number of shares	% of holding
Institutional	16,843,369	28.12
Individuals	43,050,311	71.88
Total	59,893,680	100.00

(c) Market and other information.

Company

		2013	2012
a)	Earnings per share (Rs.)	2.69	3.77
b)	Dividends per share (Rs.)	1.00	0.70
c)	Net assets value per share (Rs.)	48.54	46.83
d)	Market value per share		
	- Highest value (Rs.)	75.00	74.00
	- Lowest value (Rs.)	60.00	56.00
	- Value as at the end of financial year (Rs.)	65.50	62.60
e)	Number of trades	2,551	2,475
f)	Total number of shares traded	5,031,350	3,129,224
g)	Total turnover (Rs.)	321,416,815	269,476,968
h)	Percentage of shares held by the public	37.67%	37.99%
i)	Number of foreign shareholders	37	34

Group

		2013	2012
a)	Earnings per share (Rs.)	8.93	8.17
b)	Net assets value per share (Rs.)	95.48	87.54

Information to Shareholders (Cont.)

(d) Twenty largest share holders list as at 31 March

		2013		2012	
	Share Holder Name	**No. Shares**	**%**	**No. Shares**	**%**
01.	Madanayake U. G.	22,837,216	38.13	22,642,116	37.80
02.	Madanayake Suren	13,302,396	22.21	13,302,396	22.21
03.	Employees Provident Fund	3,379,766	5.64	2,883,112	4.81
04.	Sri Lanka Insurance Corporation Ltd - Life Fund	2,748,400	4.59	2,748,400	4.59
05.	National Savings Bank	1,275,200	2.13	1,275,200	2.13
06.	Employees Trust Fund Board	1,116,271	1.86	908,400	1.52
07.	Seylan Bank Ltd/ G. Ramanan	1,104,753	1.84	398,000	0.66
08.	Madanayake N. C.	1,032,100	1.72	1,032,100	1.72
09.	Deutsche Bank AG National Equity Fund	845,000	1.41	750,000	1.25
10.	Fab Foods (Private) Limited	767,520	1.28	767,520	1.28
11.	Bank of Ceylon - No2 A/C	541,900	0.90	541,900	0.90
12.	Deutsche Bank AG AS Trustee for Namal Acuity	500,000	0.83	500,000	0.83
13.	Perera R. D. M.	350,932	0.59	350,932	0.59
14.	Sir Cyril De Zoysa Trust	341,036	0.57	341,036	0.57
15.	Commercial Bank of Ceylon PLC/Capital Trust H	333,812	0.56	-	-
16.	David Peiris Motor Company Ltd.	264,577	0.44	374,827	0.63
17.	Waldock Mackenzie Ltd-Hi Line Towers	206,360	0.34	247,600	0.41
18.	Bank Of Ceylon No. 1 Account	201,419	0.34	15,000	0.02
19.	Perera V.A.D.L.W.	188,500	0.31	188,500	0.31
20.	Radhakrishnan M.	187,731	0.31	-	-

Five Year Summary - Group

Trading Results

Year Ended	31 March 2013 Rs.'000	31 March 2012 Rs.'000	31 March 2011 Rs.'000	31 March 2010 Rs.'000	31 March 2009 Rs.'000
Turnover	11,326,521	10,306,180	9,569,771	7,242,947	7,838,591
Profit before tax	753,438	771,728	449,700	196,285	161,408
Taxation	(162,954)	(206,275)	(162,960)	(141,203)	(3,348)
Profit after tax	590,484	565,453	286,740	55,082	158,060

Balance Sheet As at	31 March 2013 Rs.'000	31 March 2012 Rs.'000	31 March 2011 Rs.'000	31 March 2010 Rs.'000	31 March 2009 Rs.'000
Stated capital	299,488	299,488	299,488	299,488	299,488
Capital reserve	1,443,836	1,447,781	863,320	799,787	441,223
Revenue reserve	3,975,037	3,495,789	3,057,050	2,621,254	2,625,133
	5,718,362	5,243,059	4,219,858	3,720,529	3,365,844
Minority interest	683,959	634,878	528,264	455,626	426,976
Non-current liabilities	513,383	584,100	585,687	573,934	202,317
	6,915,703	6,462,036	5,333,809	4,750,089	3,995,137
Property, plant & equipment	3,104,485	3,019,097	2,242,226	1,854,665	1,519,824
Leasehold properties - pre-payments	1,754	1,776	1,798	1,820	1,842
Capital work in progress	37,952	58,475	133,226	102,235	107,215
Intangible assets	5,994	5,994	5,994	5,994	5,994
Investment property	130,000	130,000	125,000	120,000	120,000
Investments	26,925	28,097	43,561	23,398	23,185
Current assets	7,602,056	6,324,309	6,709,445	5,927,687	5,096,844
Current liabilities	(3,993,462)	(3,105,713)	(3,927,440)	(3,285,709)	(2,879,766)
Capital employed	6,915,703	6,462,036	5,333,809	4,750,089	3,995,137

Ratios	31 March 2013 Rs.'000	31 March 2012 Rs.'000	31 March 2011 Rs.'000	31 March 2010 Rs.'000	31 March 2009 Rs.'000
Gross profit margin	16.46%	16.61%	13.47%	15.80%	14.64%
Net profit margin before tax	5.21%	5.49%	4.70%	0.76%	2.02%
Sales growth	9.90%	7.70%	32.13%	-7.60%	-10.66%
Profit growth	-2.37%	71.61%	129.11%	21.61%	-69.21%
Current ratio	1.90	2.04	1.71	1.80	1.77
Net asset per share	95.48	87.54	70.45	62.00	56.53
Dividend per share	1.00	0.70	-	-	0.50
Earning per share	8.93	8.17	3.88	(0.08)	2.19
Market value per share	65.50	62.60	94.00	75.00	24.25
Price earning ratio	7.33	7.66	24.21	-	11.09
Dividend cover ratio	8.93	11.67	-	-	4.38
Dividend payout ratio	0.11	0.09	-	-	0.23

Real Estate Portfolio - Group

Name of the owning Company and location	Land (Acres) Freehold	Buildings (Sq. Ft)	Net Book Value 2013 Rs. 000	2012 Rs. 000
ACL Cables PLC				
Welithotuwa Road, Batakettara, Piliyandala	16.93	244,216	899,504	889,740
Sarabhoomi Housing Scheme, Batakettara, Piliyandala	0.11	1,107	5,436	5,500
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	40,000	40,000
AMW Premises, Nagoda, Kaluthara	0.83	-	12,000	12,000
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	48,000	48,000
60, Rodney Street, Colombo 08	-	15,288	62,832	61,152
	32.09	260,611	1,067,772	1,056,392
Kelani Cables PLC				
Wewelduwa, Kelaniya	4.43	88,900	189,586	187,500
Mahena Road, Siyambalape	1.08	27,288	40,330	43,000
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-	130,000	130,000
	18.51	116,188	359,916	360,500
ACL Plastics PLC				
Temple Road, Ekala, Ja-Ela	3.21	36,039	135,728	138,388
Niwasipura, Ekala, Ja-Ela	0.06	1,690	9,876	10,227
	3.28	37,729	145,604	148,615
ACL Kelani Magnet Wire (Pvt) Ltd				
No. 07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,074	179,200	183,500
Ceylon Bulbs & Electricals Ltd				
60, Rodney Street, Colombo 08	1.69	24,506	523,848	523,848
ACL Metals & Alloys (Pvt) Ltd				
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	71,641	76,713
Ceylon Copper (Pvt) Ltd				
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	40,430	40,424
ACL Electric (Pvt) Ltd				
Miriswatte Estate, Millewa, Moragahahena, Horana	1.51	12,960	48,726	-
Total value of land and buildings - (Note 11 and 13)	61.59	532,678	2,437,137	2,389,992

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.

Glossary of Financial Terms (Cont.)

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.

Earning 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.
Aluminum Conductor plant was set up for the manufacture of AAC and ACSR.

1981 Joint Venture with Aluminum 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 Aluminum 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.**

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifty First Annual General Meeting of ACL Cables PLC will be held at the Auditorium of ACL Cables PLC, No. 60, Rodney Street, Colombo - 08, on Wednsday, 18th September 2013, at 11.30 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 2013 with the report of the Auditors thereon.

02. To re-elect as Directors Mr. Daya Wahalatantiri and Mr. Rajiv Casie Chitty 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"

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

BY ORDER OF THE BOARD

(Sgd.)
Corporate Affairs (Private) Limited
Secretaries

16th August 2013

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 vote for me/ us on my/ our behalf at the Annual General Meeting of the Company to be held on 18th of September 2013 at 11.30 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 2013 with the report of the Auditors thereon.	☐	☐
02.	(a) To re-elect as Director Mr. Daya Wahalatantiri who retires by rotation	☐	☐
	(b) To re-elect as Director Mr. Rajiv Casie Chitty 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	☐	☐
05.	To authorize the Directors to determine donations to charities.	☐	☐

Signed this .... day of .... 2013 ....

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 First Annual General meeting of ACL CABLES PLC

01. Name of Share Holder : ....

    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

GROUP FINANCIAL CONTROLLER
Champika Coomasaru

SECRETARIES
Messrs. Corporate Affairs (Private) Limited
24/2, Sri Siddhartha Road, Colombo 05

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

Responsibility Certified

www.acl.lk