

THE LIFELINE OF THE NATION



ACL Cables PLC
Annual Report 2019/20



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THE LIFELINE OF THE NATION

At ACL Cables, a spirit of innovation and progressiveness has been our driving force since our inception-enabling us to craft our capacity for long-term growth. Led by a vision to be the preferred brand of electric cables in the region, we have lived up to our promise to deliver long-lasting value to the many stakeholders that we serve.

Over the years, our portfolio of products has played an active role in the process of building our nation-uniting both private and public sectors with cutting-edge products, while integrating large stores of potential into each project we undertake. At ACL Cables, we have always seen the impossible as possibilities that elevate Sri Lanka's expectation to grow immensely in the years to come.

Today, as we strive to redefine the future of the nation with great ideas, expert design and exceptional infrastructures, ACL Cables is driven by commitment, passion and strength to be the lifeline of the nation.

About Us

OUR VISION

To be the preferred brand of electric cables, switches & accessories in the region, whilst securing market dominance in Sri Lanka.

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 maximise 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 recognise 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

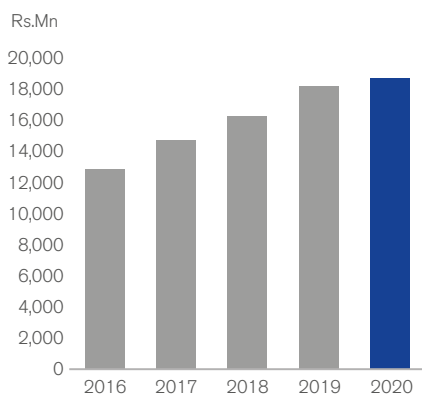
- We carry out our activities in an environment friendly manner, contributing towards a safer and healthier community.
- We maintain ethical standards.

Group Financial Highlights

	2020 LKR Million	2019 LKR Million
Operations		
Turnover	18,682	18,183
Gross Profit	3,323	2,765
Finance Cost	555	572
Profit before Tax	1,303	875
Profit after Tax	1,024	624
Total Equity	12,933	11,825
Key Financial Indicators		
Gross Profit Margin	17.79%	15.21%
Net Profit Margin before Tax	6.97%	4.81%
Interest Cover (Times)	3.00	3.17
Return on Equity	7.92%	5.28%
Current Ratio (Times)	2.01	1.89

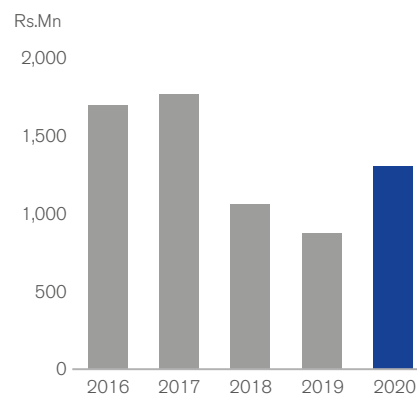
Revenue

for the year ended 31 March



Net Profit before Tax

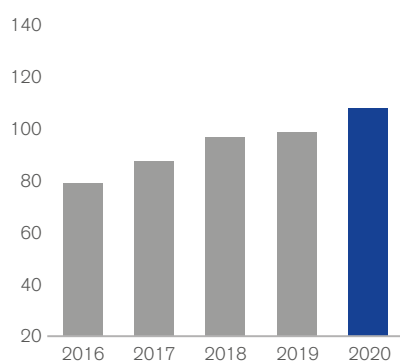
for the year ended 31 March



Group Net Revenue**18,682** Rs. Mn**Company Net Revenue****11,088** Rs. Mn**Profit to Group Equity Holders****891** Rs. Mn**Profit to Group Equity Holders****7.93** %**Net Assets per Share**

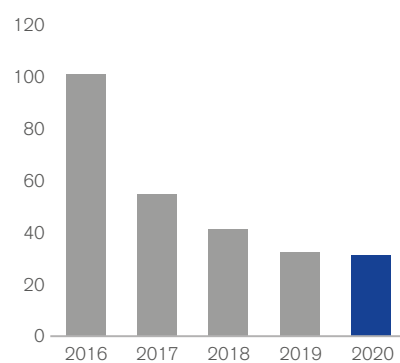
as at 31 March

Rs.Mn

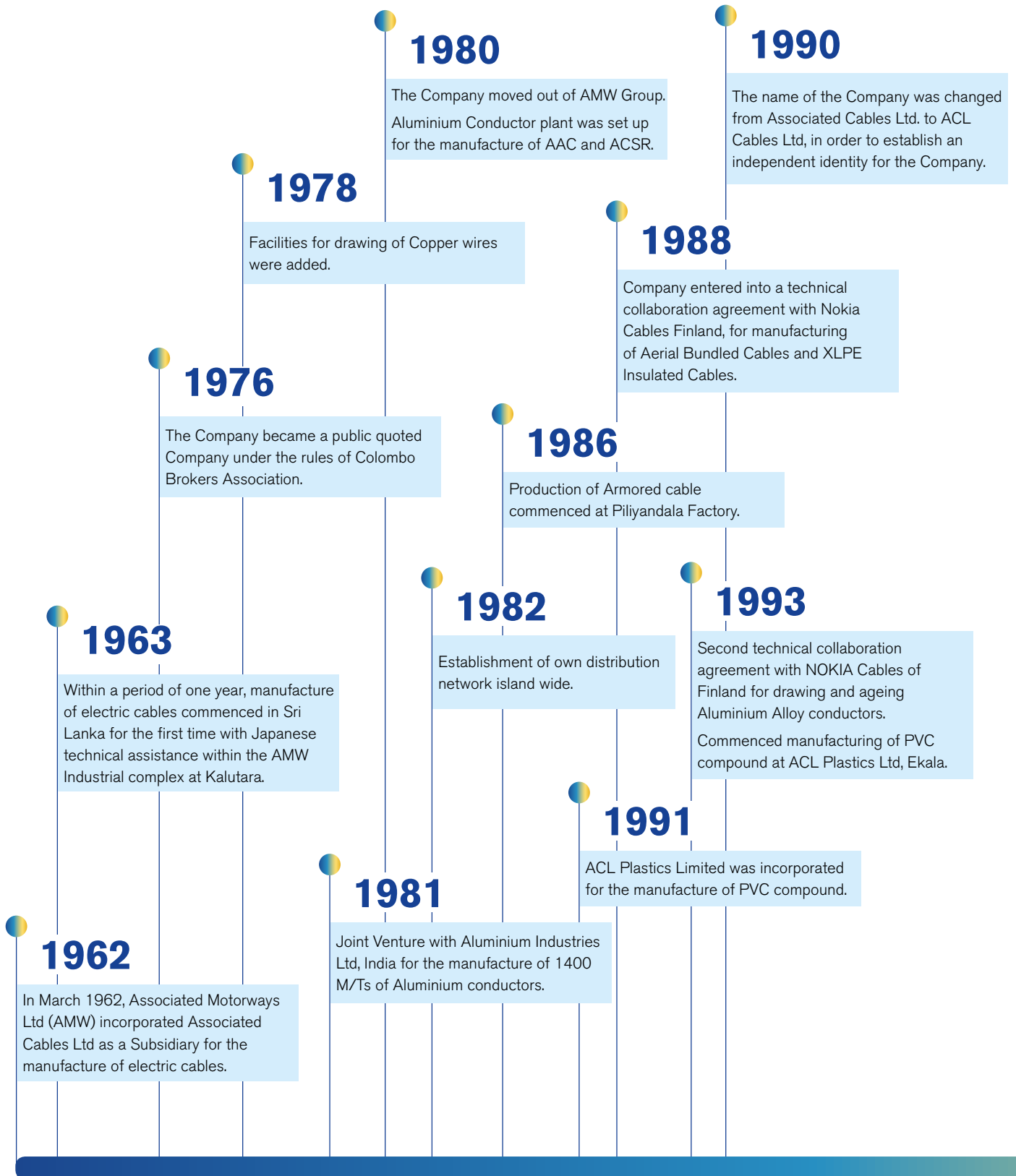
**Market Value per Share**

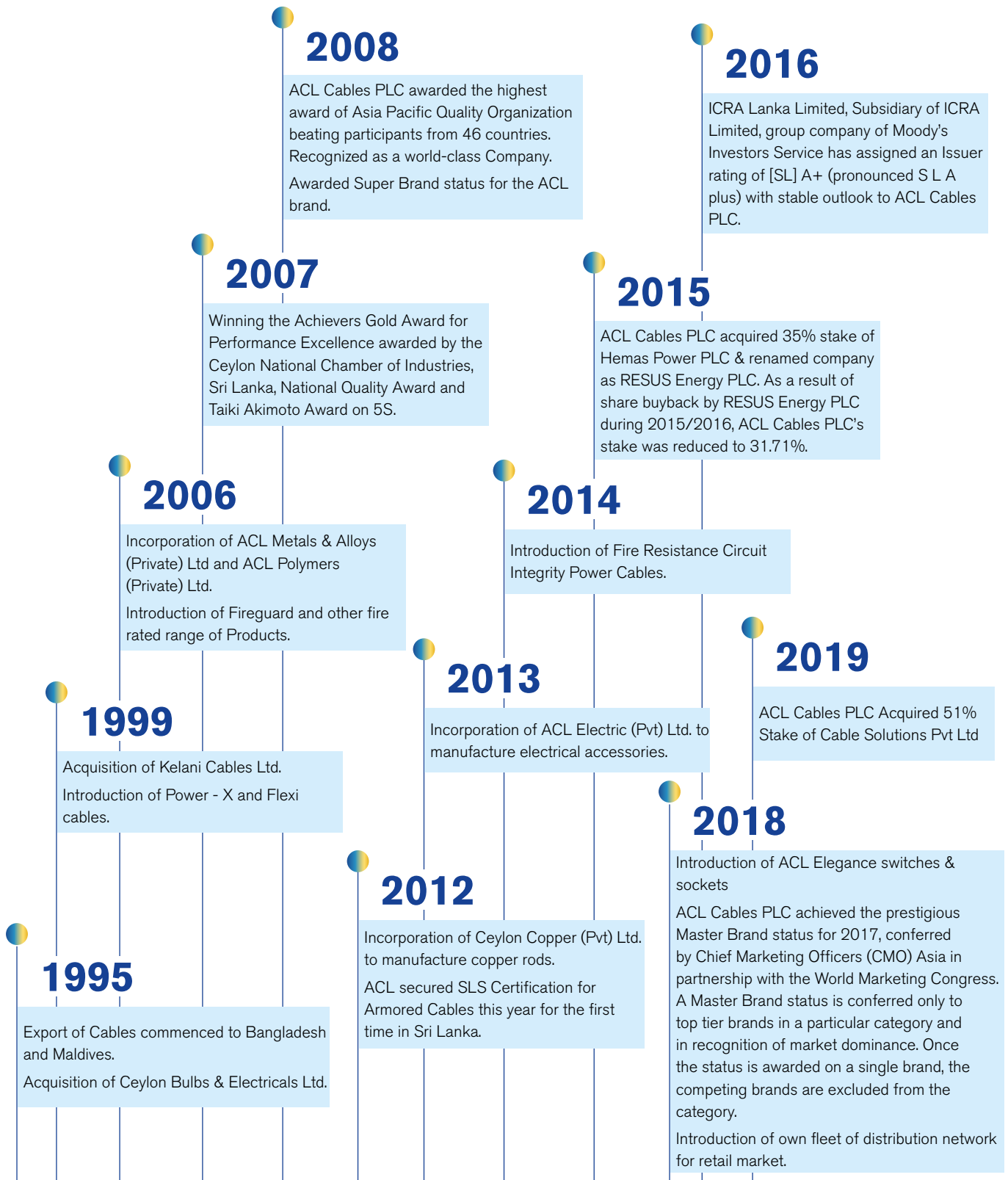
as at 31 March

Rs.Mn



Milestones





Chairman's Message

I warmly welcome you for the 58th Annual General Meeting of ACL Cables PLC and make this an opportunity to present the audited financial reports of ACL group for the year 2019/2020. This was seen as a challenging year due to many macroeconomic factors that affected the local as well as the international economy.

Yet, I'm delighted to inform that the group's turnover increased compared to the year before. Despite the economic challenges, as a group we were able to maintain shareholder returns closer to last year.

Economic Outlook

It is with regret to read that the national economy continued its poor performance during previous years into the last year as well. The Easter attack taking place right at the start of the financial year, and continued unstable political environment within the country created adverse business conditions during the first two quarters of 2019/2020. This held up activities of all three sectors within the economy.

The Sri Lankan economy recorded a modest growth of 2.3% for the year in focus. This is a 1% decline compared to the 3.3% growth rate achieved for 2018/2019. Though the major sectors of the economy had recorded a positive growth, the numbers have kept at a very low rate.

It is noteworthy that a growth of 2.7% was reached by the Industry sector against the 1.2% growth rate for the year before. In favour of our core business the construction sub sector posted a growth of 4% against the 2.5% contraction posted the year before. It was inevitable with the election towards the end of the year that large scale construction activities that were stagnant for quite a while began to accelerate, such as the extension of southern express way, completion of the outer circular road, iconic apartments and condominiums to name a few. This helped to boom the construction sub-sector leveraging our group to gain a major portion of sale out of these projects. Further the 2.7% growth recorded in mining and quarrying sub sector compared to the 1.2% growth the year before also contributed to the spike in the growth of industrial sector.

“ The group recorded a topline of Rs. 18.6 billion, which is a growth of 2.7% compared to the financial year of 2018/2019. ”

On the hand, the drastic drop within the agricultural sector brought in major impact on the real sector GDP growth rate. The agricultural sector posted a modest growth of 0.6% in 2019 compared to the 6.5% growth rate in 2018. Furthermore the services sector meant to decline as well with a growth of 2.3% in 2019 compared to the 4.6% growth in 2018. Except for the information and communication and public administration and defense sub sectors the Easter Sunday attacks impacted on all other sub-sectors of the services sector leading it to the recorded downfall of the overall sector.

The drought, which prevailed during the early half of the year meant to reduce consumption of Hydro power plants from 33.5% in 2018 to 23.8% this year. It increased the use of fuel and coal power plants from 23.6% to 31.6% and 31% to 33.8% respectively during 2018 and 2019. Further the consumption of Non-conventional renewable energy (NCRE) too reduced from 11.9% in 2018 to 10.8% in 2019. This is seen as an adverse social and environmental measure. As the industry leader in the cable business, we believe that the government should be encouraged in moving towards power generation sources with least impact on nature and society. Less consumption in sources of fuel and coal would also create a positive impact on the national economy as well. On an overall note electricity generation for the year 2019 increased by 3.3%. This was also a fact that contributed to depreciate the rupee by 5% during the year.

Gross Profit - Group

3,323 Rs. Mn

Net Profit - Group

1,024 Rs. Mn

U. G. Madanayake
Chairman



Chairman's Message



Group Performance

The group recorded a topline of Rs. 18.6 billion, which is a growth of 2.7% compared to the financial year of 2018/2019. I believe that this was a reasonably good achievement by the group amidst the Easter Sunday attacks at the beginning and the outbreak of COVID-19 towards the end of the financial year. As I mentioned above, the acceleration of certain projects helped most of our businesses to gain an increase in revenue in comparison to the year before.

I'm delighted to announce that our group's profit before tax increased to Rs. 1.3 Billion for the current year a 48% growth compared that with the profit of Rs. 874 million in 2018/2019. This is a significant performance by the group amidst tensed local macroeconomic conditions. I'm content to mention that ACL group has managed itself really well to post a profit as above.

Challenges

The COVID-19 impacted the global economy since the latter half of Q4 and impacted the local economy immensely during the first quarter of the new financial year of 2020/2021. This pandemic meant to experience businesses operate in novel avenues whilst posting a challenging business environment for certain industries as well. The construction industry, which our major portion of business operates in, was also affected to a considerable extent due to the restriction posted with the spread of COVID-19. Consumer spending patterns and disposable income levels keep changing drastically as never before. This would be a challenge we would need to manage delicately as a group of companies to maintain the proper balance between our topline and bottom-line.

The local political environment would make a critical point as well with the general elections coming during mid of the second quarter. With a new government moving in, decisions and policies on FDIs, national fiscal policy variations, political stability and constitutional changes if any, would have its pros and cons that might be challenging for us in making key decisions as a group to move forward.

Further the rapid spike in exchange rates, import restrictions and regulations are also seeing as challenges since the group continuously has the need in importing raw materials for the production of our finished goods. Hence we are in need to develop and maintain accurate measures to manage and control such uncontrollable economic factors.

On a social context the economic volatility has led to an increased rate of unemployment to 4.8% in 2019 from 4.4% in 2018. As a group that values employee relationship and employing a staff in excess of 1500 we too need to keep a close look in these figures whilst adopting adequate actions to prevent any unhealthy practice on our employees.

New Developments

In a dynamic and turmoil business condition we still need to keep improving our standards to remain as the industry leader. Hence we would continue our passion to innovate and extend our research and development activities further to serve the nation benchmarking to international standards.

I'm pleased to announce the acquisition of Cable Solutions (Pvt) Ltd. We intend to expand our cable productions further, in order to comply with local and international demand requirements. Thereby we would plan to increase the overseas operations of our cable business.



We do expect a stable yet challenging macroeconomic condition post elections this year. Similarly since the current government is in favour of local manufacturers and encourages local businesses we believe in having greater opportunity to expand our capacity. Hence we would plan to invest further in enhancing our production volumes with the readiness to comply with the national demand plans.

Appreciations

First and foremost I thank all our valued customers for having their faith on us and supporting ACL group to continue as the forefront business in the industries we operate in and gain favourable shareholder value. I also extend my sincere gratitude to the government institutions and authorities who extended their fullest corporation for creating a conducive environment for local businesses amidst the turbulent conditions prevailed within the island.

Much appreciation is extended towards all employees at ACL group for their passion and tireless efforts towards the achievements of all our companies, during the prevailed rigid economic conditions.

It gives me great pleasure to thank all members of the Board of Directors for their valuable thoughts and contribution to make the total work process a success.

U. G. Madanayake
Chairman

6th August 2020

Managing Director's Report

It's my pleasure to present you the annual report of ACL Cables PLC for the year 2019/2020. It has been a considerable performance by the company during a highly volatile and adverse economic context.

The company posted a growth of 8.6% in its turnover for 2019/2020 compared to the year before; In terms of value Rs.11.08 billion against Rs.10.2 billion in 2018/2019. Despite the Easter Sunday attacks in April 2019, and impact of COVID – 19 during the latter half of March 2020 the company managed well to post a topline with a year on year growth.

Profit before tax for the year was recorded at Rs. 434 million compared to the 439 million in 2018/2019.

Stagnant business conditions, post Easter Sunday attacks and the sharp depreciation of LKR against the USD meant annual profits reduced marginally.

Favourable factors

The most noteworthy business decision for the year in focus was the acquisition of Cable Solutions (Pvt) Ltd. With this move we expect to synergize our business activities and share its benefits across all our SBUs. Thereby we would be able to gain further enhancements in our local and international businesses. This would also comply by the government direction to promote exports by local manufacturers.

Ceylon Electricity Board (CEB) posted a positive year-on-year growth recording to be our single largest customer same as the years before. A minor deviation was experienced between actual vs budgeted due to adverse price variations in London Metal Exchange (LME) and exchange rates.

Certain large-scale projects were fast tracked at the beginning of the second quarter with the glimpse of the election in November 2019. This favoured the upliftment of the sales of our project business, which was static until then due to Easter Sunday attacks.

“ The company posted a growth of 8.6% in its turnover for 2019/2020 compared to the year before; In terms of value Rs.11.08 billion against Rs.10.2 billion in 2018/2019. ”

The revision of retail prices due to reduction in value added taxes led to an increase in demand favouring the overall sales figures.

We were pleased to witness the success of ACL Elegance. The latest range of our switches and sockets proved to be a massive success with positive market acceptance amongst customers across all tiers.

Resus Energy PLC an associate company of ACL Cables PLC posted a profit of 141 million against 162 million in 2018/2019. The unfavourable weather conditions impacted hydro power plants making an adverse effect on Resus Energy PLC as well.

Challenges as a business

The biggest impact was from the Easter Sunday attack and its aftermath. Solid customers who we dealt with went through a rough patch creating operations harder for us as well. We had to act extra cautious and manage the total sales operations with care due to sudden cash flow issues within the market. Similarly, construction investments were halted for a considerable time-period due to tense conditions around the island.

The adverse fluctuation of exchange rates challenged our business activities in the process of raw material purchases. This reduced our margins in export business and impacted negatively on local production prices. The outbreak of COVID-19 in mid of March 2020, shattered our planned figures for the last month of the financial year.

Turnover - Company

11,088Rs. Mn

Net Profit - Company

345Rs. Mn

Suren Madanayake
Managing Director



Managing Director's Report



Future Outlook

On a positive note we believe we will have an edge in capturing large-scale and public sector businesses due to the government stance in supporting local businesses. Therefore we plan to have our production capacities ready to capitalize market opportunities once it starts to materialize.

The economic environment and business practices post COVID-19 looks to be challenging. Local market activities such as money lending, money circulation and its effective utilization would be critical to streaming the return of activities to normal. Furthermore, government intervention to attract FDIs have routed towards productive investment opportunities is as vital fact to create a favourable economic condition and bring back the positive momentum in construction services.

Since the exchange rates are still at an upward trend, we would secure a sufficient provision for such a situation to minimize its effect on our margins.



We would plan to extend our prevailing product portfolio as well, giving the opportunity for customers to choose from a variety to select from. This would help us capture a target audience of different interests whom we have been missing out before.

We also expect to improve further in our export business with plans to reach out to new destinations.

Appreciations

I take this opportunity to thank all our customers and all related stakeholders for their immense support in using and promoting our products. A special thanks is extended towards Ceylon Electricity Board (CEB) our single largest customer for continuing their business activities with us.

I highly appreciate the advice and guidance provided by our Chairman and members of the director board that helped move us in a proper direction. Similarly I extend my gratitude towards all the employees at ACL Cables PLC for their untiring effort during an adverse economic





condition that has enabled us to achieve what we have for the year under review.

Suren Madanayake
Managing Director

6th August 2020

Board of Directors





Seated from left to right : Mr. U. G. Madanayake - Chairman, Mrs. N. C. Madanayake - Director,
Standing from left to right : Mr. Ajit Jayaratne - Director, Mr. Suren Madanayake - Managing Director, Dr Sivakumar
Selliah - Director, Mr. Hemaka Amarasuriya - Director, Mr. Daya Wahalantantiri - Executive Director,
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., ACL Electric (Pvt.) Ltd. Cable Solutions (Pvt) Ltd and Resus Energy PLC. He has over 50 years' experience in the cable Industry.

Mr. Suren Madanayake

Managing Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and was 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 Chairman of Resus Energy PLC, Managing Director of ACL Plastics PLC and Director of ACL Electric (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd.,

SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., Destination Ceylon (Pvt.) Ltd., Ethimale Plantation (Pvt) Ltd, Marshal Investments (Pvt) Ltd. Cable Solutions (Pvt) Ltd and National Asset Management (Pvt) Ltd. He also serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity. He captained the Royal College 1st XV Rugby team in 1987.

Mrs. N. C. Madanayake

Non-Executive 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

Senior Independent Non-Executive 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 a Director of several other public quoted companies in Sri Lanka. Mr. Jayaratne was appointed to the Board of Directors of ACL Cables PLC in November 2005.

Mr. Hemaka Amarasuriya

Independent Non-Executive Director

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

He is the former the Chairman of Sri Lanka Insurance Corporation Limited from 2015 to 2018 and is on the directorate of several other listed and unlisted private companies. He held the chair of the Singer Group in Sri Lanka for a period of 30 years.

He was recognised 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 the local industry goes back to 1992 from which time he chairs the Regional Industry Service Committee – Southern Province of the Ministry of Industry & Commerce. 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 also chaired the Singer Worldwide Business Council, policy implementation body of one of the oldest multinationals.

His contribution to the profession was recognised by the Institute of Chartered Accountants of Sri Lanka when conferred with the "Lifetime Award for Excellence in 2011", while the Institute of Chartered Management Accountants (CIMA) selected him as the Business Icon of the Year for 2013.

Mr. Daya Wahalantiri

Executive Director

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

Mr. Rajiv Casie Chitty

Independent Non-Executive Director

Mr. Rajiv Casie Chitty is a fellow of the Association of Chartered Certified Accountants (ACCA), UK and Associate Member of the Chartered Institute of Management Accountants (CIMA), UK and a Chartered Financial Analyst, USA. He obtained his Masters in Economics from the University of Colombo and won the Janashakthi Gold at the 2006 CIMA Pinnacle Awards. Mr. Casie Chitty was appointed as a Director of ACL Cables PLC in November 2005. He is the Chief Operating Officer of Commercial

Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC, Royal Palms Beach Hotels PLC, Ceylon Printers PLC and Office Equipment PLC. He is former President of the ACCA Sri Lanka panel. He has over 20 years of experience in senior managerial positions in the private sector.

Dr Sivakumar Selliah

Non-Executive Director

Dr Selliah holds an MBBS Degree and a Master's Degree (M.Phil), and has over two decades of experience in diverse fields, which include manufacturing, healthcare, plantations, insurance, retail and logistics.

Dr. Selliah is currently the Deputy Chairman of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Central Hospitals Private Ltd. He is a Director of Lanka Tiles PLC, HNB Assurance PLC, Softlogic Holdings PLC, ODEL PLC, Lanka Walltiles PLC, Lanka Ceramic PLC, , Swisstek (Ceylon) PLC and Swisstek Aluminium Pvt Ltd. Dr. Selliah is also the Chairman of JAT Holdings Pvt Ltd , Vydexa (Lanka) Power Corporation Pvt Ltd and Cleanco Lanka Pvt Ltd.

Dr. Selliah also serves on the Audit Committee, Investment Committee, Strategic Planning Committee, Related Party Transaction Committee and Human Resource & Remuneration committee which are sub committees of the Board, of some of the companies listed above.

Senior Management Team



Champika Coomasaru
Group Chief Financial Officer



Rohitha Amarasekara
General Manager Operation



Lakshman Bandaranayake
Deputy General Manager Marketing



Palitha Ethulgama
Deputy General Manager Project Sales



Senila Rupasingha
Import/Export Manager



Manohara De Zoysa
Group Logistic Manager



S M Welihinda
Deputy General Manager - Aluminium Cable
and Rod Plant



Sampath Wijesundara
Chief Information Officer



Padmana Wijesundara
Quality Assurance Manager



R Nandakumara
Engineering Manager (Mechanical)



A G U K Abeynayake
Electrical Engineer



Chathuranga Sampath
Group Head of Risk & Control



Gamini Wanasinghe
Manager Credit Control



Indunil Perera
Security Manager



Deepthi Bandara
Head of Sales



Sujeewa Sampath
Manager Finance & Operations



A D A Chinthaka
Factory Manager Copper Cable Plant



Ishan Dabare
Head of Sales - Institution Market

Products Portfolio

ACL Cables comply with most local and international test certificates including ISO 9002, ISO 9001-2000 and ISO 14001 Environmental Management System certificate.

CABLES

ACL Cables evolved as the No. 1 cable company in Sri Lanka since inception in 1962. During its 57 year operation the company has grown to become a specialised manufacturer and supplier of an extensive range of cables and conductors with superior quality and standard unmatched by any other in the island. Excelling through advanced technology, quality control and continuous research and development, ACL Cables produces over 250 cables across 20 categories. ACL continued to expand its sector through innovation and dominate the market with the introduction of new products and many industry firsts. ACL cables comply with most local and international test certificates including ISO 9002, ISO 9001-2000 and ISO 14001 Environmental Management System certificate.



House Wiring Cables



Earth Cables



Telecommunication Cables



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



33KV Covered Conductors



Flexible Cables



Auto Cables



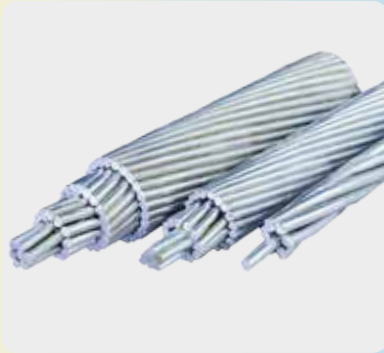
Low Voltage – Aerial Bundled Cables



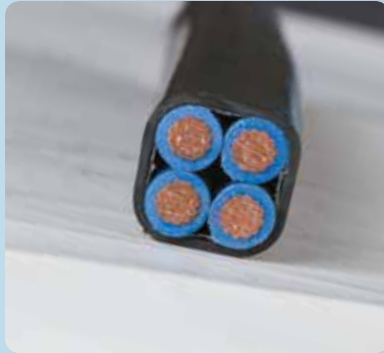
Fire Retardant Power Cables



ACSR & AAAC Conductors



All Aluminium Conductors



Customised Cu Power Cables



Multi Core Al Power Cables with Cu Wire Screen



Unarmored Control Cables



Three Phase Cu Concentric Cable

Products Portfolio



Single Core Unarmored Cu Power Cables



Multi Core Unarmored Al Power Cables



Multi Core Armored Cu Power Cables



Single Core Armored Cu Power Cable



Unsheathed Cu Power Cables



Armored Control Cables



Single Phase Al Concentric Cable



ACL SAX AMO 33kV Covered Conductor

ELECTRIC

Commencing its operation in 2014, ACL Electric was formed to market high quality electrical switches, sockets, breakers and accessories. This complied with the company objective to move ACL Cables PLC to strengthen its value chain and to become a comprehensive one-stop shop for electrical requirements.

The advertisement is set against a dark, textured background. At the top, the ACL logo (a yellow circle with three curved lines) is positioned to the left of the word "ACL" in large, bold, white letters. Below "ACL" is the word "elegance" in a white, lowercase, sans-serif font. Underneath "elegance" is the tagline "In *style* Forever", where "style" is in a yellow, cursive font and "Forever" is in a white, sans-serif font. In the center, a woman with long dark hair, wearing a bright yellow, strapless, floor-length gown that flows around her, stands with her arms slightly out. Below her are two white electrical products: a square switch on the left and a square socket with a vertical switch on the right. Both products have the "ACL" logo at the bottom. Below these two products is a horizontal bar with a gradient from dark to light. Above this bar, the text "Available in" is centered. Below the bar are three small images of electrical products in different finishes: "Matt Black", "Bronze", and "Grey". Each image has its respective color name written below it. At the bottom of the advertisement, the website "www.acl.lk" is on the left and "LIFETIME WARRANTY" is on the right, both in white, uppercase, sans-serif font.

Products Portfolio



One Gang One Way Switch



One Gang Two Way Switch



Two Gang One way Switch



Three Gang One Way Switch



Four Gang One Way Switch



20A Double Pole Switch



One Gang Bell Press Switch



Data Socket Outlet



Fan Speed Controller



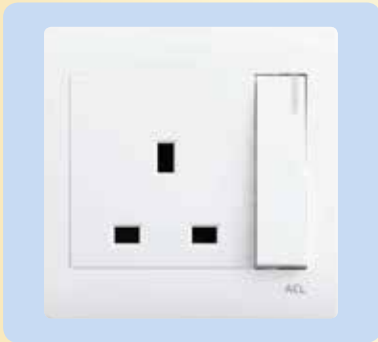
Light Dimmer



Blank Plate



TV Socket Outlet



13A Switched Socket Outlet



13A Switched Socket Outlet with Neon



Telephone Socket Outlet

ACL ELEGANCE COLOUR RANGE



HD Black



HD Bronze



HD Gray

Products Portfolio



One Gang One Way Switch



Two Gang One Way Switch



Three Gang One Way Switch



Four Gang One Way Switch



Five Gang One Way Switch



13A Switched Socket



13A Switched Socket with Neon



Blank Plate



Bell Press (20A, AC 250V)



Telephone Socket (4Wire, RJ11)



TV Outlet (750hm, co-axial)



Light Dimmer (500W)



Double Pole (20A, AC 250V)



Data Socket



Ceiling Rose



Lamp Holder



13A Plug Top



Led Indicating Light Green MCB Single Pole



Led Indicating Light Red MCB Single Pole



Led Indicating Light Blue MCB Single Pole



Circuit Breaker (MCB) Single Pole



Led Indicating Light Yellow MCB Single Pole



Main Switch (Isolator) Double Pole



Trip Switch (RCD) Double Pole

Products Portfolio



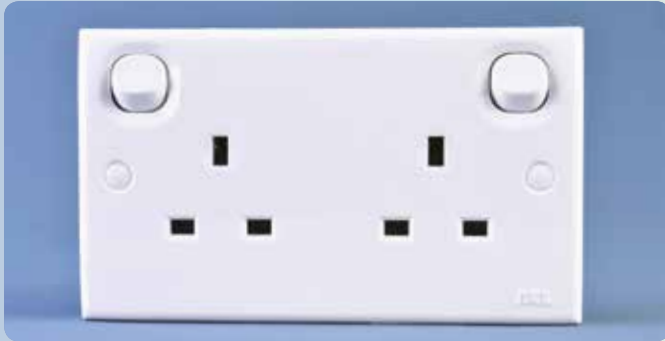
USB Charger 5V 2.5A



5 Step Fan Controller



Bell For MCB



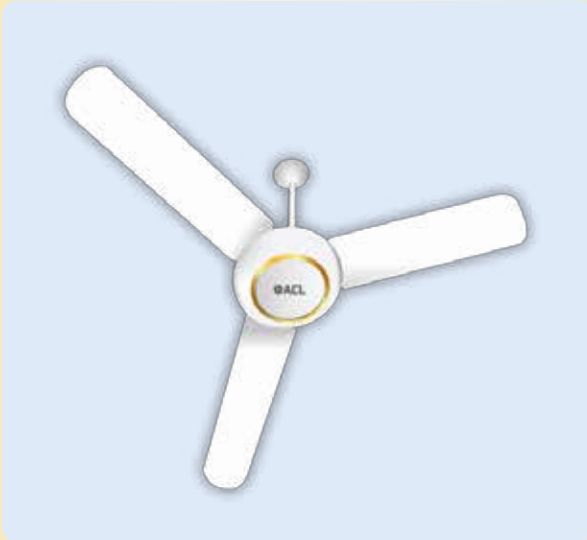
13A Twin Socket



Fan Speed Controller

CEILING FAN

ACL ceiling fans were introduced to local market with superior quality and value for money. Complying with international criterions, ACL ceiling fans are manufactured under ISO certification. The product comes in two models as metal blade and aluminium blade fans. The blades that are designed with broader width, ensure higher air delivery than most other fans in market. The aluminium blade ceiling fan is designed especially to cater the needs of anti-corrosion. Both ranges possess a two year one-to-one replacement warranty on motor defects.



Aluminium Blade Fan



Metal Blade Fan

Corporate Social Responsibility at ACL Cables

As the trusted leader in the industry for almost six decades, ACL cables has always taken measures in creating an adequate platform for corporate social responsibility (CSR). We treat it as a management concept integrating social and environmental concerns in our business operations and interactions with stakeholders. At ACL, CSR is understood as being the way through which we achieve a balance of economic, environmental and social imperatives, known as the Triple Bottom Line approach, while at the same time addressing the expectations of our valued stakeholders.

We implement CSR concepts in a manner that brings along a variety of competitive advantages, such as improved productivity and quality, enhanced access to markets, increased sales and profits, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes. Thereby we ensure that CSR is managed and implemented as planned benefiting all stakeholders.

The three pillar CSR model at ACL is as follows:



Environmental Responsibility

As a manufacturer or a product, which is part and parcel of people's overall life, we ensure that it helps them to engage in all their day-to-day activities with maximum protection, safety and minimum interruption. However, the production process may have consequences that may affect the environment adversely. Hence we ensure full protection and adherence in order to have minimal effect to the environment during the total process of production.

The most significant activity in parallel to the above is the disposal of scrap stocks at our factories. The plastic scrap, which is not used for manufacturing of cables, is handed over for proper recycling under national standards. The same principle is applied to every industrial by-product and we make sure that we do not contaminate our environment with our industrial produce.

Further, we are the largest shareholder of a major hydro power company in Sri Lanka named Resus Energy PLC, pledging to become a 'Green Company' and the only one of this kind operating in our industry.



ACL Cables has taken key action to maintain a pleasant and clean environment. We have incorporated such action items in our ISO standards manual, to maintain the plant and equipment as per nationally and globally approved environmental safety levels. Thereby we have kept up the standards and was awarded the internationally recognised certificate of ISO 14001, which specifies international standards required for an effective environmental management system.



Employee Responsibility

We believe that employee responsibility is one of the most important aspects in the CSR platform. Therefore we give due diligence for employee empowerment and development opportunities under this CSR platform. It makes employees come up with innovative ideas how to make a positive impact in the community and meet a business need at the same time. Also employees believe in the importance of our company's CSR initiatives, and as a result they become more committed towards the organisation.

A safe and healthy work environment: We always do comply with a nondiscrimination policy for everyone in our staff; valuing employee moral standards and workplace best practices. Further considering the work tasks our employees undergo especially at our factories we insure over 500 employees through a comprehensive corporate insurance scheme.



Informal meet-ups: More than formal workplace relationships, informal meet-ups are the most important in building team work and harmony among communities within

a company for a healthy work environment. Hence ACL organises an annual trip for all our staff, both at head office and factory, in order to encourage work relationships much effectively. This activity takes place each year and most importantly the opportunity of organising the gathering is passed to a group of employees that keeps rotating each year.

The factory employees were taken to Arugam Bay. The staff at the head office were taken to the Marriot Hotel, Weligama. The trip included not only the staff of ACL but their families as well. This unity always helps ACL to build trust and unity within all tiers of the company.

Reward employee retention: We encourage employee retention at our work place to ensure our trained staff is retained. As honor and recognition for long standing employees we reward employees who served ACL for over 25 years with a one pound gold coin presented by our Chairman and Managing Director.



Corporate Social Responsibility at ACL Cables



Not only limiting to our employees, ACL rewards the children of employees as well who gained best results at their Grade 5 Scholarship, GCE Ordinary Level and GCE Advanced Level examinations. This special reward scheme is named “Nana Thilina” and conducted under full supervision and guidance of the Human Resource Division at ACL.



Furthermore the electrician loyalty club provides a personal accident insurance cover for all electricians. Considering the level of risk involved in their job, this insurance is provided to protect and secure their lives. This provides a life insurance cover of Rs. 1.2 million along with many more benefits for the goodwill of electricians.

Community Engagement and Development

As the No. 1 cable in Sri Lanka, we encourage education among all of our stakeholders on the latest and essential facts related to the industry. In line with these values we conduct a series of programmes to educate consumers, shop owners, electricians and vocational training students.

ACL has formed a dedicate unit to serve electricians and facilitate their requirements. The unit schedules and organise a series of educational seminars, which include sessions of knowledge transfer for electricians on latest electrical regulations as well as day to day electrical activities. This is conducted as a half day programme and comprises a lecture from a chartered electrical engineer, and also on regulations and compliances in electrification.

Our main goal is to empower all stakeholders and work as responsible partners to enhance human lives who are engage with day-to-day business operations.

A special charity programme was conducted for a medical monastery, named “Sheela Suva Arana” situated in Horana, established to treat monks. An almsgiving was organised by the employees for the monks in the monastery.

Another charity activity was conducted for orphaned children at “Jinanda Children Development Center”. Daily essentials needed for the children were donated to the centre.



A charity programme was conducted for a medical monastery, named "Sheela Suva Arana"



Our very own Percy uncle receiving his trophy for most renowned cricketing cheer leader in the world by Sri Lanka cricket



Charity activity was conducted for orphaned children at "Jinanda Children Development Center"



Electrician seminar was conducted by ACL Electrician club



Awards & Certifications



1. Crystal Award 2009

Award for the winner of the Gold Awards over three consecutive years by the Ceylon National Chamber of Industries.

2. Asia Pacific Quality Award 2008

Won the highest award, beating participants from 46 countries, and ACL recognised as a world-class company.

3. National Productivity Awards

1st place in 2007 organised by the National Productivity Secretariat.

4. National Quality Award Winner 2007

5. Global Commerce Excellence Awards 2014

6. B2B Brand of the year at SLIM Brand Excellence 2015 - Gold

7. Master Brand Status 2017

8. B2B Brand of the year at SLIM Brand Excellence 2018 - Silver

9. Silver Award in the large Scale of the Manufacturing Sector - SD Excellence Award

10. Bronze Award in Manufacturing Large Metal Industry Category at National Cleaner Production Awards 2019



Certification	Description
ISO 9001 : 2015	Quality Management System
ISO 14001: 2015	Environment Management System
SLS 733	"ACL" Brand PVC Insulated and PVC Sheathed Cables
SLS 1504 -2-11	"ACL" Brand Flexible Cables with Thermoplastic PVC Insulation
SLS 1504 -2-31	"ACL" Brand Single Core Non-sheathed Cables with Thermoplastic PVC Insulation
SLS 1186	"ACL" Brand Armored Electric Cables having Thermosetting XLPE insulation
SLS 750-1	"ACL" Brand All Aluminium Stranded Conductors
Credit Rating [A+]	Obtained the issuer Rating of [SL] A+ (Stable) from ICRA Lanka Limited.

Group Structure

Description / Company	ACL Cables PLC	Kelani Cables PLC	ACL Plastics PLC	Ceylon Bulbs & Electricals Ltd	Lanka Olex Cables (Pvt) Ltd	ACL Kelani Magnet Wire (Pvt) Ltd
Registration Number	PQ 102	PQ 117	PQ 87	PB 1283	PV 20493	PV 11996
Date of Incorporation	10.03.1962	18.12.1972	17.07.1991	16.10.1957	22.02.1993	29.06.2000
Corporate Status	Public Limited Company	Public Limited Company	Public Limited Company	Limited Company	Private Limited Company	Private Limited Company
ACL Cables PLC's Effective Shareholding in the Company	Parent Company	79.30%	65.20%	95.30%	100%	93.79%
Directors	U. G. Madanayake - Chairman	U. G. Madanayake - Chairman	U.G.Madanayake - Chairman	U.G.Madanayake - Director	U.G.Madanayake - Chairman	U. G. Madanayake - Director
	Suren Madanayake - Managing Director	Suren Madanayake - Deputy Chairman	Suren Madanayake - Managing Director	Suren Madanayake - Director	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	Mrs. N. C. Madanayake - Director	Mrs. Maya Weerapura - 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 Wahalantantiri - Director	"Mr. M. Saranapala - Director"				
	Rajiv Casie Chitty - Director					
	Dr Sivakumar Selliah - Director					
Principal Activity	Manufacturing and Selling of Power Cables & Conductors, Armored Cables, Aerial Bundled Cables, Control Cables, Telephone Cables & Auto Cables	Manufacturing and selling of Power Cables, Telecommunication Cables & Enameled Winding Wires	Manufacturing Cable grade PVC Compound	Dormant	Investing Company	Manufacturing and export of Enameled Winding Wires
Auditors	PricewaterhouseCoopers, Chartered Accountants	KPMG Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	A. I. Macan Marker & Co. Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants
Secretaries	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd
Total Number of Employees as at 31st March 2020	630	528	53	None	None	None

ACL Polymers (Pvt) Ltd	ACL Metals & Alloys (Pvt) Ltd	Ceylon Copper (Pvt) Ltd	ACL Electric (Pvt) Ltd	Cable Solutions (Pvt) Ltd	RESUS Energy PLC
PV 3371	PV 3811	PV 79466	PV 89241	PV63036	PV 415 PB PQ
06.09.2005	05.09.2005	17.06.2011	08.11.2012	2008.02.25	11.06.2003
Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Public Limited Company
65.20%	100%	100%	100%	51%	32.53%
U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	U. G. Madanayake - Director	Suren Madanayake - Chairman
Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Suren Madanayake - Director	Krishantha Nanayakkara - Director
				Daya Wahalantantiri - Director	Vajira Kulatilaka - Director
				Chehan Prassanna Richard Perera	U. G. Madanayake - Director
				C.D. Coomasaru - Alternate Director	Isuru Somaratne - Director
					Professor M K Ranasinghe - Director
					U P Egalahewa PC - Director
					C.D. Coomasaru - Alternate Director
Manufacturing of PVC compounds	Manufacturing and Selling Aluminium rods, Alloys of Aluminium and Other Metals	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market	Manufacturing of electrical accessories	Manufacturing of cables and cable accessories	Power & energy Generation
PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	PricewaterhouseCoopers, Chartered Accountants	Hulangamuwa & Cooray	Ernst & Young, Chartered Accountants
Management Applications (Pvt) Ltd	Management Applications (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Anton Fernando Associates	Nexia Corporate Consultants (Pvt) Ltd
None	28	23	96	255	92

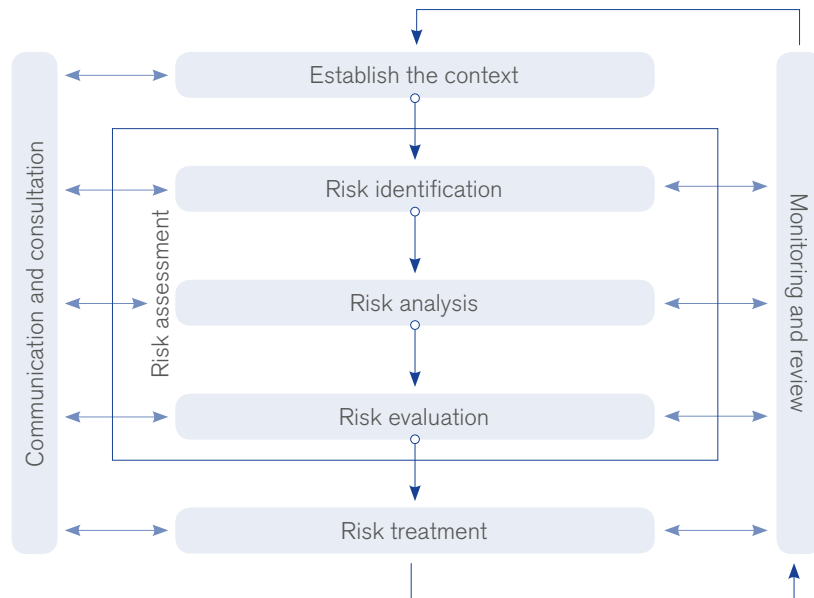
Risk Management

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

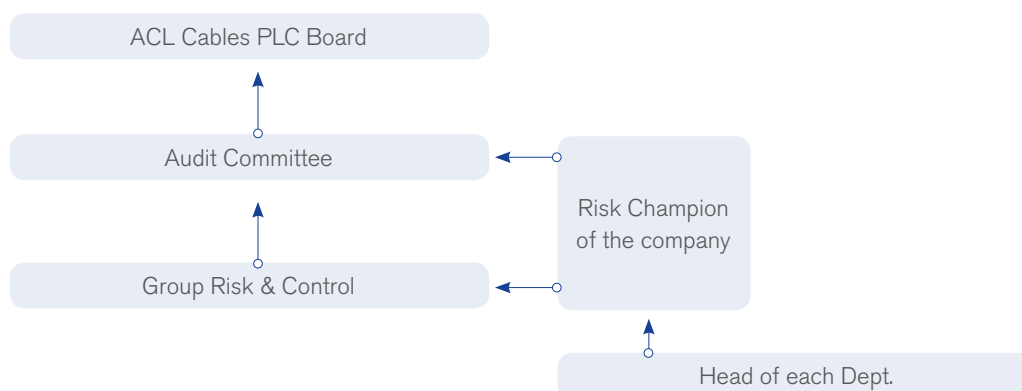
As the market leader in the Sri Lankan cable industry, our success is the ability to identify and exploit the opportunities exist in the market what we operate in. In doing this, we proceed with an embedded approach to risk management which puts risk and opportunity assessment in the decision-making process at each level.

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

The Risk Management Process



Management Reporting structure of the ACL Cables PLC is as follows;



Risk Evaluation and Mapping

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

Risk Matrix

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

Likelihood

E - Extreme

H - High

S - Significant

M - Moderate

L - Low

Risk Management

Managing Risks

Risk Exposure	Description	Risk Mitigation actions
1.Liquidity Risk	Adverse impact on the liquidity position as a result of payment delays by debtors, long stock residence period and early payment for creditors.	<ul style="list-style-type: none"> Conducting regular follow ups on trade debts and continuous reviewing on working capital management 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	Fluctuations in market interest rates having an impact on the profitability by way of borrowing cost	<ul style="list-style-type: none"> Constant negotiations with banks to obtain the best possible interest rate for Groups' borrowings and investments. Interest rate sensitivity analysis is done regularly to measure the potential impacts of rate variations
3. Exchange Rate Risk	Potential losses as a result of adverse movement in the exchange rates	<ul style="list-style-type: none"> Using financial risk management tools such as Forward Rate Booking and Hedging
4. Credit Risk	Potential losses arising due to customer defaults	<ul style="list-style-type: none"> Ensuring compliance over group credit policy guidelines Mitigating risk of export sales through credit letters and advance TT remittances. Obtaining bank guarantees for local distribution sales. Demarcate the areas of operations in local market and constant monitoring the credit exposure level of distributors
5. Country Risk	Negative impact arising due to adverse economic factors such as Political, Economical, Social, Technological and Legal	<ul style="list-style-type: none"> Through analysis on PESTAL factors and continuous revisions in business planning to grab opportunities prevailing in the market. Mitigating prevailing risks through effective insurance management.
6. Human Resources Risk	Negative impact to the business due to loss of Key Executives and inability attract, develop and retain skill work force.	<ul style="list-style-type: none"> 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
7. Technological Risk	Probability of technological changes adversely affecting to the company performance	<ul style="list-style-type: none"> Develop a long-term plan to replace existing critical machines with technologically advanced machines. Obtain ISO certifications and accreditations from relevant authorities to ensure ability of meeting local and international requirements with the technology exist with the company

Risk Exposure	Description	Risk Mitigation actions
8. Health and safety Risk	The likelihood that an individual may be harmed or suffers adverse health effects if exposed to a hazard	<ul style="list-style-type: none"> ▪ Conducting health and safety assessments to evaluate the adequacy of existing safety measures maintaining by the company ▪ Ensuring the effectiveness of health and safety measures through ISO and other certifications
9. Operational Risk	Potential losses due to inadequate internal controls, failures of internal processes, people and systems as a result of natural and human activities	<ul style="list-style-type: none"> ▪ Establish Risk & Control department to conduct risk management and internal audits across the group ▪ Conducting control reviews on high risk areas to assess the strength of existing control system ▪ Monitoring compliance over regulatory and other requirements through compliance dash boards ▪ Conducting system control reviews as per the annual internal audit plan
10. Market Risk	Loss of market share or market leadership due to new entries and existing rivalry	<ul style="list-style-type: none"> ▪ Maintaining product leadership through continuous improvements in quality standards ▪ Strengthening 'ACL' brand through various brand development activities ▪ Monitor market data and strengthen the market
11. Investment Risk	Value destroying in investments due to a possible difference between actual return from that of the expected	<ul style="list-style-type: none"> ▪ Detailed payback analysis before making an investment ▪ Diversify the investment portfolio by focusing on new markets and growth prospects
12. Information Systems	Delays in decision making due to inaccurate or non-availability of timely information from key computer systems	<ul style="list-style-type: none"> ▪ Enhancing system performance through continuous version upgrading ▪ Maintaining data backups to minimize data losses in case of an emergency ▪ Enhancing system security levels on a regular basis to minimize cyber security risk ▪ Maintaining vendor agreements for support services and system maintenance ▪ Revising IT policies and procedures with the aim of creating value to the business
13. Environmental Risk	Probability of negative outcomes, non-compliances and reputational risk occurring as a result of business operations causing damage to the environment	<ul style="list-style-type: none"> ▪ Compliance with ISO 14001 environmental management guidelines. ▪ Annual renewal of environmental protection license for each site which is issuing by the Environmental Authority
14. Legal and Regulatory Compliance Risk	Potential negative impact to the business due to non-compliances with external regulatory requirement and internal policies & procedures	<ul style="list-style-type: none"> ▪ Maintaining compliance Dash Board to ensure timely compliance over regulatory requirements ▪ Conduct compliance assessment across the group on a quarterly basis

Corporate Governance

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

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

The Chairman's Role

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

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

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

The main responsibilities of Chairman are;

- Facilitate the effective contribution of Non-Executive Directors and the engagement between Executive and Non-Executive Directors.
- Ensure the regular flow of accurate and relevant management information to enable the Board to make sound decision and monitoring business performance.

- Ensure that an annual evaluation of the Board is conducted.
- Ensure that committee chairman conduct evaluations of their committees.
- Ensure effective communication with share holders so that the Board develops a clear understanding of their views.
- Ensure the effective functioning of all Board sub committees.

The Board of Directors

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

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

The Board comprises of Eight Directors of whom five are Non-Executive Directors. The names and profiles of the Directors are given on pages 18 to 19 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 and the code of best practices in corporate governance issues by the Institute of Chartered Accountants of Sri Lanka (ICASL). The Board consists of five Non-Executive Directors and four of them are Independent Non-Executive Directors.

The Board has determined that the four independent Non-Executive Directors satisfy the criteria for “Independence” set out in the Listing Rules.

Finance Acumen

The Board is constituted members specialized in a multitude disciplines and experience in corporate finance, Accounting, Management, Marketing, Economics, Law, Human Resource, Corporate Governance and Risk Management. Hence,

they are able to provide constructive debate, scrutinize performance and help develop Board strategy with a global perspective and outlook.

Directors’ Attendance Record

The attendance of Directors at relevant meetings of the Board and of the Audit and Remuneration Committees held during 2019/2020 was as follows.

Name of Director	Board (Meetings 10)	Audit Committee (meetings 3)	Remuneration Committee (meeting 1)	Related party Transactions Review Committee (meetings 3)
Executive Directors				
Mr. U. G. Madanayake – Chairman	10			
Mr. Suren Madanayake – Managing Director	10			
Mr. Daya Wahalantantiri – Director Export	08			
Non-Executive Directors				
Mrs. N. C. Madanayake	09			
Independent Non-Executive Directors				
Mr. Ajit Jayaratne	10	03	01	03
Mr. Rajiv Casie Chitty	10	03	01	03
Mr. Hemaka Amarasuriya	10			
Dr. Sivakumar Selliah	10			

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, Mr. Daya Wahalantantiri and Dr. Sivakumar Selliah retire by rotation and are required to stand for re-election by shareholders at the Annual General Meeting.

Nomination Committee

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

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

Accountability and Statutory Audit

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

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

The Report of the Directors is provided on pages 51 to 53 of this report. The Statements of Directors’ Responsibility for financial reporting and report of the Auditors are stated on pages 54 and 59 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 51 of this Annual Report.

Corporate Governance

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 by the Group and for deciding how these are to be managed, as a next step of improving existing internal control system, Board granted its' approval to establish in house Risk and Control department to conduct control reviews, internal audits and risk management activities across the group in an effective manner. 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 (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty - Member of the Committee (Independent Non-Executive Director)

Further details of the Remuneration Committee are given in their report on page 56.

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

Further details of the Audit Committee are given in their report on page 55.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) shall comprise a combination of non-executive directors and independent non-executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent non-executive director shall be appointed as Chairman of the Committee by the Board of Directors.

The Related Party Transactions Review Committee comprises of the following two Independent Non-Executive Directors.

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

Further details of the Related Party Transactions Review Committee are given in their report on page 57 & 58.

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	<ul style="list-style-type: none"> ▪ The Board shall annually determine the independence or non-independence of each NED. ▪ Names of IDs should be disclosed in the Annual Report (AR). 	✓	Corporate Governance
7.10.3 (b)	Disclosures Relating to Directors	The basis for the Board's determination of independence, if criteria specified for independence is not met	✓	Corporate Governance
7.10.3 (c)	Disclosures Relating to Directors	A brief résumé of each Director should be included in the AR including the Director's areas of expertise.	✓	Board of Directors (profile) section in the Annual Report
7.10.3 (d)	Disclosures Relating to Directors	Provide a brief résumé of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the CSE.	✓	Corporate Governance
7.10.4 (a-h)	Criteria for Defining "Independence"	Requirements for meeting criteria.	✓	Corporate Governance
7.10.5	Remuneration Committee (RC)	A listed company shall have a RC.	✓	Corporate Governance
7.10.5 (a)	Composition of Remuneration Committee (RC)	<ul style="list-style-type: none"> ▪ 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)	<ul style="list-style-type: none"> ▪ Names of Directors comprising the RC. ▪ Statement of Remuneration Policy ▪ Aggregated remuneration paid to EDs and NEDs. 	✓	Corporate Governance and Remuneration Committee Report
7.10.6	Audit Committee (AC)	The Company shall have an AC.	✓	Corporate Governance

Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10.6 (a)	Composition of Audit Committee (AC)	<ul style="list-style-type: none"> ▪ AC shall comprise a minimum of two INEDs, or of NEDs a majority of whom shall be independent, whichever shall be higher. ▪ A NED shall be appointed as the Chairman of the Committee. ▪ MD and Chief Financial Officer shall attend AC meetings. ▪ The Chairman of the AC or one member should be a member of a recognized professional accounting body. 	✓	Corporate Governance and the Audit Committee Report
7.10.6(b)	Functions of Audit Committee (AC)	<p>Overseeing of the –</p> <ul style="list-style-type: none"> ▪ 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)	<ul style="list-style-type: none"> ▪ Names of Directors comprising the AC. ▪ The AC shall make a determination of the independence of the Auditors and disclose the basis for such determination. ▪ The AR shall contain a Report of the AC setting out the manner of compliance with their functions. 	✓	Audit Committee Report
9	Related Party Transactions Review Committee (RPTRC)	The Company shall have a RPTRC.	✓	Corporate Governance
9.2.1	Functions of Related Party Transactions Review Committee (RPTRC)	<ul style="list-style-type: none"> ▪ Except for transactions set out in Rule 9.5, all other Related Party Transactions should be reviewed by the "Related Party Transactions Review Committee" (the Committee) as required in terms of the provisions set out in Appendix 9A of these Rules, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction. 	✓	Corporate Governance and the Related Party Transactions Review Committee Report
9.2.2	Composition of Related Party Transactions Review Committee (RPTRC)	<ul style="list-style-type: none"> ▪ The Committee should comprise a combination of Non-Executive Directors and Independent Non-Executive Directors. The composition of the Committee may also include Executive Directors, at the option of the Listed Entity. One independent Non-Executive Director shall be appointed as Chairman of the Committee. 	✓	Corporate Governance and the Related Party Transactions Review Committee Report

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Financial Calendar 2019/20

01st Quarter Interim Financial Statements (30th June 2019)	- 15th August 2019 - (Unaudited)
02nd Quarter Interim Financial Statements (30th September 2019)	- 15th November 2019 - (Unaudited)
03rd Quarter Interim Financial Statements (31st December 2019)	- 14th February 2020 - (Unaudited)
04th Quarter Interim Financial Statements (31st March 2020)	- 01st July 2020 - (Unaudited)
Annual Report 2019/20	- 06th August 2020
58th Annual General Meeting	- 17th September 2020
First Interim Dividends Paid (Rs. 1.50 per Share)	- 21 August 2019

Report of the Directors

The Directors have pleasure in presenting their 58th Annual Report together with the Audited Statements of Financial Position, Income Statements and Consolidated Financial Statements of the Group for the year ended 31st March 2020.

Review of the Year

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

Principal Activities of the Group

Description of the nature of the operations and principal activities of the Company and its subsidiaries are given on pages 38 to 39.

Future Developments

An overview of the future developments of the Company is given in Managing Director's Review on page 12.

Independent Auditor's Report

The Independent Auditors' Report on the Financial Statements is given on page 59 in this Report.

Financial Statements

The Financial Statements prepared in compliance with the requirements of Section 151 of the Companies Act No. 7 of 2007 are given on pages 62 to 129 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 54.

Directors

Directors of the Company are listed on pages 16 to 19 and their respective shareholdings are given below.

	Number of Shares as at 31.03.2020	% Holding as at 31.03.2020	Number of Shares as at 31.03.2019	% Holding as at 31.03.2019
U. G. Madanayake - Chairman	45,694,432	38.15	45,694,432	38.15
Suren Madanayake - Managing Director	26,604,792	22.21	26,604,792	22.21
Mrs. N. C. Madanayake	2,064,200	1.72	2,064,200	1.72
Dr. Sivakumar Selliah	700,000	0.58	700,000	0.58
A. M. S. De S. Jayaratne	-	-	-	-
Hemaka Amarasuriya	-	-	-	-
D. D. Wahalantantiri	-	-	-	-
P. S. R. Casie Chitty	-	-	-	-

Accounting policies and changes during the year

The Company and the Group prepared the financial statements in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS). The significant accounting policies adopted in the preparation of the financial statements of the Company and the Group are given in pages 68 to 82.

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

Going Concern

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

Stated Capital

The Stated Capital of the Company as at 31st March 2020 was LKR 299 million and was unchanged during the year.

Events Occurring After the Balance Sheet Date

No circumstances have arisen since the Balance Sheet date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 39 to the Financial Statements.

Statutory Payments

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

Interest Register

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

Directors' Interest in Contracts

Directors' interests in contracts of the Company are disclosed in Note 38 to the Financial Statements and no

Report of the Directors

Director of the Company is directly or indirectly interested in any other contracts with the Company.

Directors' Retirement by Rotation

The Directors retiring by rotation in terms of Article 85 will be Mr. Daya Wahalantiriri and Dr. Sivakumar Selliah, who being eligible are recommended for re-election.

Directors' Remuneration

Remuneration received by the Directors is set out in Note 6 to the Financial Statements.

Directors Meetings

The details of Directors' meetings are set out on pages 44 to 48 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 LKR 1.50 per share was paid on 21st August 2019 to the holders of the Ordinary Shares for the financial year 2019/2020.

Capital Expenditure

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to LKR 25 million and LKR 67 million respectively, details of which are given in notes 12, 13 and 15 to the Financial Statements.

Property, Plant and Equipment

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

Donations

Donations amounting to LKR 5 million (Group amount) were made during the year under review.

Share Information

Information relating to earnings, dividend, net assets and market price per share is given in the Information to Shareholders on page 131 of the Annual Report.

Shareholdings

As at 31 March 2020 there were 2,586 shareholders. The distribution is indicated on page 131 of the Annual Report. The twenty largest shareholders of the Company as at 31 March 2020, together with an analysis are given on page 132 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. These disclosures also comply with the disclosure requirements of the section 9 of the listing rules. Those transactions disclosed by the Directors are given in Note 38 to the Financial Statements forming part of the Annual Report of the Board.

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

Related Party Transactions Review Committee report is set out on pages 57 to 58 in the Financial Statements.

Recurrent related party transactions,

the aggregate value of which exceeds 10% of the consolidated revenue are tabled below,

Name of the related party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Group Revenue	Terms and Conditions of the Related Party Transactions
Ceylon Copper (Private) Limited	Subsidiary	Purchase of goods	2,466 Million	12.5%	ordinary course of business
ACL Metals and Alloys (Private) Limited	Subsidiary	Purchase of goods	2,146 Million	11%	ordinary course of business

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2020 Audited Financial Statements, which required additional disclosures in the 2019/20 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

A detailed disclosure of related party transactions is given in Note 38 to the financial statements

Employment

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

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 44 to 48 of the Annual Report.

Compliance with Laws and Regulations

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

Appointment of Auditors

The Company's auditors during the period under review were Messrs. PricewaterhouseCoopers, Chartered Accountants, who also were the auditors of certain subsidiaries of the Company.

Audit fees payable to Messrs. PricewaterhouseCoopers, by the Company and the Group amounted to LKR 0.6 million and LKR 2 million respectively. Audit fees payable to other auditors of other subsidiaries by the Group amounted to LKR 0.8 million.

Notice of Meeting

The 58th Annual General Meeting of the Company is convened on 17th September 2020, at 9:30 am, at the Auditorium of ACL Cables PLC, No.60, Rodney Street, Colombo – 08. The Notice of the 58th Annual General Meeting is on page 137 of the Annual Report.

By Order of the Board

(Sgd.)

Corporate Affairs (Private) Limited
Secretaries

6th August 2020

Directors' Responsibility for Financial Reporting

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

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

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

The financial statements presented in the Annual Report for the year ended 31st March 2020, have been prepared based on the new Sri Lanka Accounting Standards (SLFRSs/LKASs) which came into effect for the financial periods commencing after 1st January 2012. The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the financial statements.

The Board of Directors confirm that the Company's and the Group's Consolidated Statements of Financial Position as at 31st March 2020 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2020 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 6th August 2020.

By Order of the Board

(Sgd.)

Corporate Affairs (Private) Limited

Secretaries

6th August 2020

Audit Committee Report

Role of the Audit Committee

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

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

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

Composition of the Audit Committee

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

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

The above members have significant, recent and relevant financial experience as required by the Code of Best Practice in Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Meetings and Attendance

The Committee met only on three occasions in 2019/2020 due to Covid - 19 impact 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, Group Financial Controller and Group Head of Risk & Control are invited to attend meetings as permanent invitees.

Financial Reporting

The Audit Committee considered a wide range of financial reporting and related matters in respect of the 2019/2020 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 and Group Head of Risk & Control, for approval prior to appointment.

The Audit Committee, having evaluated the performance of the external auditors, decided to recommend to the Board of ACL Cables PLC, the re-appointment of Messrs. PricewaterhouseCoopers Chartered Accountants as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2019/2020 can be found in Note 6 to the financial statements.

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

Internal Control System

In 2019/2020 the Committee reviewed the results of the audits undertaken by Internal Auditors, Messrs. Ernst & Young Advisory Services (Pvt) Ltd. for the first three (03) quarters and further to that the committee has decided to establish inhouse Risk & Control department comprising of persons with required qualifications and experience to conduct comprehensive control reviews, Internal Audits and risk management activities across the group.

On behalf of the Committee

(Sgd.)
Ajit Jayaratne
 Chairman of the Audit Committee
 6th August 2020

Remuneration Committee Report

Role of the Remuneration Committee

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

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

Composition of the Remuneration Committee

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

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

Members of the Committee and the Chairman of the Committee are appointed through a Board resolution. The Remuneration Committee formally met once for the year.

Functions of the Remuneration Committee

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

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

Members' attendance at meetings of the Remuneration Committee in 2019/20 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. The committee in arriving at its decision considered the performance of the individual, comparisons with peer companies and group of companies and reports from specialized consultants.

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

CONCLUSION

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

On behalf of the Committee

(Sgd.)

Ajit Jayaratne

Chairman of the Remuneration Committee

6th August 2020

Report of the Related Party Transactions Review Committee

Objective

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

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

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

Composition of the Related Party Review Committee

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

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

Scope of the Committee

- The Committee reviews in advance all proposed related party transactions to ensure they are carried out on an arm's length basis.
- At each subsequent scheduled meeting of the Committee, the management shall update the Committee as to any proposed material changes in any previously reviewed related party transactions and seek approval of the Committee for such proposed material changes prior to the completion of the transaction.
- The Committee reviews related party transactions based on rules stipulated in the Code (rules 28 – 33 in the appendix to the Code) and the need of special approval from shareholders and disclosure requirements for such transactions.

- The Committee intends to meet as and when a need arises. However, at least quarterly meetings are scheduled to review related party transactions of the Company. The minutes of all meetings are properly documented and communicated to the Board of Directors.
- Members of the RPTRC ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, they shall obtain appropriate professional and expert advice from an appropriately qualified person.

Role of the Committee

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

Report of the Related Party Transactions Review Committee

- Obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the related party transaction under consideration and circulate the same with the notice of meeting to obtain the shareholder approval.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.
- Make appropriate disclosures on related party transactions in the Annual Report as required by CSE Listing Rules.
- Any concerned transactions, to be highlighted to the Board.

Committee Meetings

Three Committee meetings were held during the financial year 2019/2020. The Finance Division submitted a comprehensive report on related party transactions to the Committee.

Attendance of the members of the Committee for the said meetings is provided on page 45.

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

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

Conclusion

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

(Sgd.)

Ajit Jayaratne

Chairman - Related Party Transactions Review
Committee

6th August 2020

Independent Auditor's Report



To the Shareholders of ACL Cables PLC

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of ACL Cables PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") give a true and fair view of the financial position of the Company and the Group as at 31 March 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

What we have audited

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

- the statement of financial position as at 31 March 2020;
- the statement of profit or loss for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Group and Company:

Basis for opinion

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

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

Independence

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

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of investment property (Refer Note 14 in the financial statements)</p> <p>The Group's investment properties of Rs. 782 million includes investment properties of the Company, comprising land and buildings located in Piliyandala, Kahatuduwa and Kalutara carried at fair value of Rs. 476 million, and land of the subsidiary company located at Ekala also fair valued at Rs. 306 million, as at 31 March 2020.</p> <p>The Group and Company recorded gains on revaluation of Rs. 129 million and Rs. 118 million respectively for the financial year.</p> <p>The Group engaged an independent external valuer to determine the fair value of its investment property as at 31 March 2020.</p> <p>The valuation of investment properties is an area of significant judgments made using a number of assumptions, in the valuation methodology, including market prices of comparable properties in close proximity after adjustment for differences in key attributes such as property size and the physical state of land and buildings.</p>	<p>Our audit approach mainly included substantive audit procedures as follows:</p> <ul style="list-style-type: none"> ▪ assessed the qualifications, experience and independence of the external valuer; ▪ verified the completeness and accuracy of the information provided to the valuer by management; ▪ assessed the appropriateness and reasonableness of the land values considered by the valuer by comparing them to information available in the property market considering factors such as location, access to main roads, size of the land extent in one plot and physical state of the buildings; and ▪ evaluated appropriateness of the valuation methodology adopted with methods used in general practice in industry and assessed the reasonableness of the key assumptions used by the valuer; <p>Based on our work performed, we found that the fair values of investment property as at 31 March 2020 to be appropriate.</p>

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

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Independent Auditor’s Report

To the Shareholders of ACL Cables PLC

Key audit matter	How our audit addressed the Key audit matter
<p>Assessment of net realisable value of slow moving inventory (Refer Note 20 in the financial statements)</p> <p>The Group and Company held inventory of Rs. 6.42 billion and Rs. 3.04 billion respectively, at net realisable value after considering the write down required for obsolete inventory as at 31 March 2020. As disclosed in the accounting policy note 2.17, inventories are held at the lower of cost and net realisable value.</p> <p>This area was significant to our audit because of the related subjectivity of the assessment process for determining net realisable value which is based on management’s judgement of the recoverability of the cost of inventory.</p>	<p>Our audit approach included a combination of testing controls related to the inventory process and substantive audit procedures as follows;</p> <ul style="list-style-type: none"> ▪ obtained an understanding and evaluated the management’s process in place to identify and recognise slow moving inventory; ▪ for a sample of selected slow moving inventory items, determined the net realisable value by reference to recent selling prices compared with net realisable value as determined by management; ▪ tested controls over determining inventory unit cost in the inventory management system; ▪ assessed the reasonableness of management’s assessment on the recoverability of the cost of inventory; ▪ physically inspected a sample of the slow moving inventory items in order to check whether there are any damaged or obsolete items; and ▪ checked the mathematical accuracy of management’s write down of inventory to its net realisable value. <p>Based on our work performed, we found management’s assessment for arriving at the net realisable value of slow moving inventory to be appropriate.</p>

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report - 2019/20 but does not include the financial statements and our auditor’s report thereon.

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

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

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

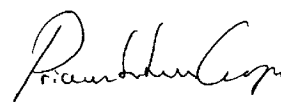
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

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



CHARTERED ACCOUNTANTS
CA Sri Lanka membership number [2857]
COLOMBO

6th August 2020

Statement of Profit or Loss

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2020	2019	2020	2019
Revenue from contracts with customers	4	18,682,254	18,183,298	11,088,164	10,207,835
Cost of sales of goods	6	(15,358,937)	(15,417,890)	(9,909,424)	(9,236,040)
Gross profit		3,323,317	2,765,408	1,178,740	971,795
Reversal of impairment provision on subsidiary	17 (a)	-	-	-	92,005
Other income	5	160,706	99,906	231,905	148,407
Distribution costs	6	(1,084,685)	(942,175)	(529,751)	(434,137)
Administrative costs	6	(487,822)	(478,605)	(134,254)	(174,572)
Net impairment losses on financial assets	21 (a)	(110,710)	(50,498)	(78,315)	(35,693)
Operating profit		1,800,806	1,394,036	668,325	567,805
Finance income		168,505	55,802	65,266	37,303
Finance costs		(723,618)	(628,282)	(299,902)	(165,705)
Finance costs - net	8	(555,113)	(572,480)	(234,636)	(128,402)
Share of net profit of associates accounted for using the equity method	18(a)	57,300	52,957	-	-
Profit before income tax		1,302,993	874,513	433,689	439,403
Income tax expense	9	(278,750)	(250,254)	(88,761)	(92,295)
Profit for the year		1,024,243	624,259	344,928	347,108
Profit attributable to :					
- Owners of the company		891,484	559,745	344,928	347,108
- Non-controlling interests		132,759	64,514	-	-
		1,024,243	624,259	344,928	347,108
Earnings per share - basic	10	7.44	4.67	2.88	2.90
Dividend per share	11	1.50	1.50	1.50	1.50

The notes on pages 68 to 129 form an integral part of these financial statements.
Independent auditor's report - pages 59 - 61

Statement of Comprehensive Income

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2020	2019	2020	2019
Profit for the year		1,024,243	624,259	344,928	347,108
Other comprehensive income;					
Subsequently will not be re-classified to profit and loss					
Change in value of financial assets at fair value through other comprehensive income	19 (a)	(6,125)	(3,918)	(2,032)	(1,947)
Re-measurements of defined benefit obligations	26(c)	(14,891)	9,657	(14,170)	11,531
Tax impact on re-measurement of defined benefit obligations	27(a)	4,515	(2,704)	3,968	(3,229)
Share of other comprehensive income of equity accounted investee, net of tax	18(a)	(218)	1,582	-	-
Other comprehensive income for the year, net of tax		(16,719)	4,617	(12,234)	6,355
Total comprehensive income for the year, net of tax		1,007,524	628,876	332,694	353,464
Attributable to;					
- Owners of the company		876,189	565,048	332,694	353,464
- Non-controlling interests		131,335	63,828	-	-
Total comprehensive income for the year, net of tax		1,007,524	628,876	332,694	353,464

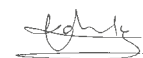
The notes on pages 68 to 129 form an integral part of these financial statements.
Independent auditor's report - pages 59 - 61

Statement of Financial Position

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2020	2019	2020	2019
ASSETS					
Non-current assets					
Property, plant and equipment	12	4,761,445	4,491,089	1,927,055	2,043,234
Capital work in progress	13	32,517	73,701	7,466	2,782
Investment properties	14	782,000	653,000	476,000	358,000
Intangible assets	15	88,813	7,050	958	1,057
Prepaid lease rentals	40	-	1,622	-	-
Right-of-use assets	16	40,520	-	12,769	-
Investment in subsidiaries	17	-	-	1,067,218	668,248
Investments accounted for using the equity method	18	312,874	255,792	345,093	345,093
Financial assets at fair value through other comprehensive income	19	367,570	373,695	8,681	10,713
		6,385,739	5,855,949	3,845,240	3,429,127
Current assets					
Inventories	20	6,420,790	5,679,097	3,043,758	2,871,272
Trade and other receivables	21	8,413,049	6,336,648	4,528,648	3,744,824
Prepaid lease rentals	40	-	22	-	-
Cash and cash equivalents	22	2,261,756	3,015,111	955,817	922,269
		17,095,595	15,030,878	8,528,223	7,538,365
Total assets		23,481,334	20,886,827	12,373,463	10,967,492
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	32	299,488	299,488	299,488	299,488
Capital reserve	33	2,270,744	2,274,026	1,002,568	1,002,568
General reserve	34	1,123,825	1,123,825	680,266	680,266
Fair value reserve of financial assets at FVOCI	35	73	4,774	(1,151)	881
Retained earnings		7,543,151	6,838,660	3,705,979	3,550,934
Equity attributable to owners of the Company		11,237,281	10,540,773	5,687,150	5,534,137
Non-controlling interests		1,696,178	1,284,316	-	-
Total equity		12,933,459	11,825,089	5,687,150	5,534,137
Non-current liabilities					
Defined benefit obligations	26	387,618	326,711	229,880	192,004
Deferred income tax liabilities	27	485,457	512,748	286,292	291,769
Borrowings	24	1,130,445	267,156	882,681	12,356
Lease liabilities	16	30,064	-	11,752	-
		2,033,584	1,106,615	1,410,605	496,129
Current liabilities					
Trade and other payables	23	2,747,675	1,079,458	3,637,760	1,506,449
Current income tax liabilities	25	569,748	657,741	219,721	282,370
Lease liabilities	16	6,125	-	1,730	-
Borrowings	24	5,190,743	6,217,924	1,416,497	3,148,407
		8,514,291	7,955,123	5,275,708	4,937,226
Total liabilities		10,547,875	9,061,738	6,686,313	5,433,355
Total equity and liabilities		23,481,334	20,886,827	12,373,463	10,967,492

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



Champika Coomasaru
Group Chief Financial Officer

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 6th August 2020.



U.G. Madanayake
Chairman



Suren Madanayake
Managing Director

The notes on pages 68 to 129 form an integral part of these financial statements.
Independent auditor's report - pages 59 - 61

Statement of Changes in Equity - Group

(all amounts in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the parent				Retained earnings	Total	Non-controlling interest	Total equity
		Stated capital	Capital reserve	General reserve	Fair value reserve of financial assets at FVOCI				
Balance at 1 April 2018		299,488	2,277,717	1,123,825	8,006	6,619,570	10,328,606	1,245,075	11,573,681
Profit for the year		-	-	-	-	559,745	559,745	64,514	624,259
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(3,232)	-	(3,232)	(686)	(3,918)
Re-measurement of defined employment benefit obligations	26(c)	-	-	-	-	9,657	9,657	-	9,657
Deferred tax on re-measurement of defined employment benefit obligations	27(a)	-	-	-	-	(2,704)	(2,704)	-	(2,704)
Share of other comprehensive income of equity accounted investee, net of tax	18(a)	-	-	-	-	1,582	1,582	-	1,582
Total comprehensive income for the year		-	-	-	(3,232)	568,280	565,048	63,828	628,876
Adjustment on initial application of SLFRS 9		-	-	-	-	(240,556)	(240,556)	-	(240,556)
Tax effect arising on initial application of SLFRS 9		-	-	-	-	67,356	67,356	-	67,356
Transfer from revaluation reserve	33(a)	-	(3,691)	-	-	3,691	-	-	-
Dividends	11	-	-	-	-	(179,681)	(179,681)	(24,587)	(204,268)
Balance as at 31 March 2019		299,488	2,274,026	1,123,825	4,774	6,838,660	10,540,773	1,284,316	11,825,089
Balance at 1 April 2019		299,488	2,274,026	1,123,825	4,774	6,838,660	10,540,773	1,284,316	11,825,089
Profit for the year		-	-	-	-	891,484	891,484	132,759	1,024,243
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(4,701)	-	(4,701)	(1,425)	(6,125)
Re-measurement of defined employment benefit obligations	26(c)	-	-	-	-	(14,891)	(14,891)	-	(14,891)
Deferred tax on re-measurement of defined employment benefit obligations	27(a)	-	-	-	-	4,515	4,515	-	4,515
Share of other comprehensive income of equity accounted investee, net of tax	18(a)	-	-	-	-	(218)	(218)	-	(218)
Total comprehensive income for the year		-	-	-	(4,701)	880,890	876,189	131,335	1,007,524
Non-controlling interests on acquisition of subsidiary	28(a)	-	-	-	-	-	-	304,780	304,780
Transfer from revaluation reserve net of tax	33(a)	-	(3,282)	-	-	3,282	-	-	-
Dividends	11	-	-	-	-	(179,681)	(179,681)	(24,252)	(203,933)
Balance as at 31 March 2020		299,488	2,270,744	1,123,825	73	7,543,151	11,237,281	1,696,178	12,933,459

The notes on pages 68 to 129 form an integral part of these financial statements.

Independent auditor's report - pages 59 - 61

Statement of Changes in Equity - Company

(all amounts in Sri Lanka Rupees thousands)

	Note	Stated capital	Capital reserve	General reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
Balance at 1 April 2018		299,488	1,002,568	680,266	2,828	3,394,171	5,379,321
Profit for the year		-	-	-	-	347,108	347,108
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(1,947)	-	(1,947)
Re-measurements of defined employment benefit obligations	26(c)	-	-	-	-	11,531	11,531
Deferred tax on re-measurement of defined employment benefit obligations	27(a)	-	-	-	-	(3,229)	(3,229)
Total comprehensive income for the year		-	-	-	(1,947)	355,411	353,464
Adjustment on initial application of SLFRS 9		-	-	-	-	(26,343)	(26,343)
Tax effect arising on initial application of SLFRS 9		-	-	-	-	7,376	7,376
Dividends	11	-	-	-	-	(179,681)	(179,681)
Balance as at 31 March 2019		299,488	1,002,568	680,266	881	3,550,934	5,534,137
Balance at 1 April 2019		299,488	1,002,568	680,266	881	3,550,934	5,534,137
Profit for the year		-	-	-	-	344,928	344,928
Fair value adjustment for financial assets at fair value through OCI	35	-	-	-	(2,032)	-	(2,032)
Re-measurements of defined employment benefit obligations	26(c)	-	-	-	-	(14,170)	(14,170)
Deferred tax on re-measurement of defined employment benefit obligations	27(a)	-	-	-	-	3,968	3,968
Total comprehensive income for the year		-	-	-	(2,032)	334,726	332,694
Dividends	11	-	-	-	-	(179,681)	(179,681)
Balance as at 31 March 2020		299,488	1,002,568	680,266	(1,151)	3,705,979	5,687,150

The notes on pages 68 to 129 form an integral part of these financial statements.

Independent auditor's report - pages 59 - 61

Statement of Cash Flows

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2020	2019	2020	2019
Cash flows from operating activities					
Cash generated from / (used in) operations	36	1,355,900	(1,178,554)	1,800,099	(468,207)
Interest paid	8	(723,618)	(628,282)	(299,902)	(165,705)
Defined benefit obligations paid	26	(30,166)	(16,653)	(12,162)	(9,255)
Income tax paid less refund received	25	(404,192)	(397,914)	(152,920)	(196,188)
Net cash generated from / (used in) operating activities		197,924	(2,221,403)	1,335,115	(839,355)
Cash flows from investing activities					
Interest received	8	168,505	55,802	65,266	37,303
Purchase of property, plant and equipment	12	(67,554)	(526,812)	(25,880)	(438,133)
Cost incurred on capital work in progress	13	(12,527)	(34,183)	(4,684)	(479)
Dividend received	5	1,108	3,387	104,951	143,304
Investments in financial assets at fair value through OCI	19	-	(103,125)	-	-
Payment for acquisition of subsidiary	28	(503,453)	-	(398,970)	-
Cash proceeds from sale of financial assets at amortised cost		-	466,800	-	466,800
Proceeds from disposal of property, plant and equipment		52	62,256	-	-
Net cash (used in) / generated from investing activities		(413,870)	(75,875)	(259,317)	208,795
Cash flows from financing activities					
Long-term borrowings net of payments	24	698,318	(82,945)	870,325	(87,644)
Short-term borrowings net of payments	24	(803,050)	3,201,073	(1,593,977)	1,420,285
Principle elements of lease payments	16	(4,614)	-	(983)	-
Dividend paid by the Company	11	(179,681)	(179,681)	(179,681)	(179,681)
Dividend paid by subsidiary to non-controlling interests		(24,252)	(24,587)	-	-
Net cash (used in) / generated from financing activities		(313,278)	2,913,859	(904,316)	1,152,960
Net (decrease)/ increase in cash and cash equivalents		(529,224)	616,582	171,482	522,400
Cash and cash equivalents at the beginning of the year		1,862,092	1,245,509	143,166	(379,233)
Cash and cash equivalents at the end of the year	22	1,332,868	1,862,092	314,648	143,166

The notes on pages 68 to 129 form an integral part of these financial statements.
Independent auditor's report - pages 59 - 61

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

1 General Information

General Information of the Company;

ACL Cables PLC is a public limited liability company registered under the Companies Act, No. 7 of 2007. ACL Cables PLC was incorporated on 1 March 1962 under the Companies Ordinance No. 51 of 1938 as Associated Cables Ltd and on 8 January 1991 the name was changed to ACL Cables Limited. At present,

ACL Cables PLC is a Public Limited Liability Company listed on the Colombo Stock Exchange and domiciled in Sri Lanka. The registered office and the principal place of business of the Company is located at No. 60, Rodney Street, Colombo 08.

1.1 Principal Activities and Nature of Operations

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

General Information of the entities in the Group;

Company	Date of Incorporation	Principal Activity
Kelani Cables PLC	18.12.1972	Manufacturing and selling of Power Cables, Telecommunication Cables and Enameled Winding Wires
ACL Plastics PLC	17.07.1991	Manufacturing Cable grade PVC Compound
Ceylon Bulbs & Electricals Ltd	16.10.1957	Dormant
Lanka Olex Cables (Pvt) Ltd	22.02.1993	Investing Company
ACL Kelani Magnet Wire (Pvt) Ltd	29.06.2000	Manufacturing and export of enameled winding wires
ACL Polymers (Pvt) Ltd	06.09.2005	Manufacturing of PVC compounds
ACL Metals & Alloys (Pvt) Ltd	05.09.2005	Manufacturing and Selling Aluminium rods, Alloys of Aluminium and Other Metals
Ceylon Copper (Pvt) Ltd	17.06.2011	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local and export market
ACL Electric (Pvt) Ltd	08.11.2012	Manufacturing of electrical accessories
RESUS Energy PLC	11.06.2003	Power and energy Generation
Cable Solutions (Pvt) Ltd	25.02.2008	Manufacturing of cables and accessories

1.2 Approval of Financial Statements by the Board of Directors

The Company's and the Group's financial statements were authorised for issue by the Board of Directors on 06 August 2020.

2 Basis of preparation and summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (SLFRSs), Sri Lanka Accounting Standards (LKASs), relevant interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC). These financial statements have been prepared under the historical

cost convention except for financial assets and liabilities which are measured at fair value and revaluation of Land & buildings and Investment properties. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's and the Group's financial statements are disclosed in note 2.5 to the financial statements.

Impact of COVID-19

In determining the basis of preparing the financial statements for the year ended 31 March 2020, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Group Companies and the appropriateness of the use of the going concern basis.

In March 2020, the Group evaluated the resilience of its businesses considering cost management, profitability, liquidity, recovery of receivables, the ability to defer nonessential capital expenditure, debt repayment, cash reserves, availability of sources of financing facilities and the ability to continue providing services to ensure businesses continue as minimum disruption.

Having presented the outlook for each company in the group to the Board of ACL Cables PLC, the Directors are satisfied that the Company, its subsidiaries and the associate have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

In determining the above significant management judgements, estimates and assumptions the impact of the COVID 19 pandemic has been considered as of reporting date and specific considerations have been disclosed under the relevant notes.

Amendments to the Sri Lanka Accounting Standards

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Group's financial statements have been adopted by the Group (a) new standards and amendments that are effective for the first time for periods commencing on or after 01 January 2019 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 01 January 2020.

(a) New standards and amendments applicable from 01 April 2019

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- SLFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

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

(i) SLFRS 16 Leases

SLFRS 16 Leases will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

The statement of profit or loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under SLFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The standard is effective for the annual periods beginning on or after 1 January 2019. Please refer the Note 2.12 for the adoption of SLFRS 16.

(ii) IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- a) How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty
- b) That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored
- c) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is

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not probable that the tax authorities will accept the treatment

- d) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- e) That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

This amendment is effective for the annual periods beginning on or after 1 January 2019.

Other amendments applicable for the period did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments but not adopted in 2020

The following standards and interpretations had been issued but not mandatory for annual reporting periods ending 31 March 2020.

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

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

In particular, the amendments clarify:

- a) That the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- b) The meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors'

that must rely on general purpose financial statements for much of the financial information they need

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

(ii) Revised Conceptual Framework for Financial Reporting

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

Key changes include:

- a) Increasing the prominence of stewardship in the objective of financial reporting
- b) Reinstating prudence as a component of neutrality
- c) Defining a reporting entity, which may be a legal entity, or a portion of an entity
- d) Revising the definitions of an asset and a liability
- e) Removing the probability threshold for recognition and adding guidance on derecognition
- f) Adding guidance on different measurement basis, and
- g) Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 April 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

There are no other standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact to the financial statements of the Group.

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

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

(b) Non - Controlling Interest (NCI)

Non - Controlling Interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the Consolidated Statement of profit or loss and Statement of Comprehensive income and as a component of equity in the Consolidated Statement of financial position, separately from equity attributable to the shareholders of the parent.

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

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

(d) Disposal of subsidiaries

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

(e) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost, and the carrying amount is increased

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

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

(f) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial

liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

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

2.3 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.4 Statement of compliance

The Consolidated Financial Statements of the Group and Separate Financial Statements of the Company comprise of the Statement of financial position, Statement of profit or loss, Statement of Other Comprehensive income, Statement of changes in equity, Statement of cashflows and notes thereto have been prepared in accordance with Sri Lanka Accounting Standards, promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of the Companies Act, No.07 of 2007.

2.5 Significant accounting judgements, estimates and assumptions

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

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

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

(a) Impairment of financial assets

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and forward- looking information.

(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.

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(c) **Fair value of property, plant and equipment**

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

(d) **Deferred tax assets**

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

(e) **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.

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

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

(g) **Useful life-time of the intangible assets**

Goodwill

Goodwill on acquisition of subsidiaries is included under intangible assets. Goodwill acquired in a business combination is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and carried at less than costs less accumulated impairment losses.

Computer software

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

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

(h) **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.

(i) **Fair value of investment property**

The fair value of investment properties are determined by using valuation techniques. Further details of judgments and assumptions are noted in note 14.

2.6 **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.

2.7 **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.

2.8 **Deferred taxation**

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except

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

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

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

2.9 Financial Instruments - Initial Recognition and Subsequent Measurement

2.9.1 Financial Assets - Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are broadly categorised as financial assets at amortised cost, fair value through profit or loss and financial assets at fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus (in the case of assets not at fair value through profit or loss) directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, the date that Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, short term deposits and fair value through other comprehensive income (FVOCI) financial assets.

2.9.2 Subsequent Measurement

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

(a) Debt Instruments at Amortized cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

(b) Financial Assets classified under Fair Value through Other Comprehensive Income

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

2.9.3 De - recognition

A financial asset is de - recognised when;

- The rights to receive cash flows from the asset have expired
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered in to a pass through arrangement, and has neither transferred

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nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

2.9.4 Impairment of financial assets

SLFRS 9 establishes a new model for impairment which is a forward - looking expected credit loss model. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The guiding principle of the Expected Credit Loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

2.9.5 Financial Assets categorized as Fair Value through OCI

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined based on income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

2.9.6 Financial Liabilities - Initial Recognition and Measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include other payables.

2.9.7 Subsequent Measurement

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

Other Payables

Liabilities are recognised for amounts to be paid in the future for assets or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the (Effective Interest Rate) EIR method.

2.9.8 De - recognition

A financial liability is derognised when the obligation under the liability is discharged or cancelled, or expires.

2.9.9 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Property, plant and equipment

Property, plant and equipment of the Company includes both owned assets and leased hold assets. Accounting policy for owned assets is detailed below and accountntng policy for leased hold assets is detailed in Note 2.12.

2.10.1 Initial recognition

Owned assets

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

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the ditterence between depreciation based on the revalued

carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

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

2.10.2 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 Statement of profit or loss as an expense incurred.

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

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

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

2.10.3 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 Statement of profit or loss when the asset is derecognised.

2.10.4 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work in progress. These are stated in the Statement of Financial Position at cost less any

accumulated impairment losses. Capital work in Progress is transferred to the relevant asset when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. (i.e., available for use)

2.11 Intangible assets

Basis of Recognition

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

(a) Goodwill

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

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 recognized immediately in the Statement of profit or loss.

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

(b) Computer software

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

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

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

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

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

2.12 Leases

As explained in Note 2.1(a) above, the Group has changed its accounting policy for leases where the group is the lessee. The new policy is described below and the impact of the change in Note 40.

The Group's lease hold property includes land and buildings. Rental contract is typically made as per the initial rental or lease agreement, but may have extension options as described in 2.12 (ii) below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and nonlease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases, see Note 2.12 (iii) for details. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(i) **Variable lease payments**
Some leases contain variable payments that are linked to the usage / performance of the leased asset. Such payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(ii) **Extension and termination options**
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. If there is a significant event or significant change in circumstances within control, the Group reassesses whether it is reasonably certain to exercise the options.

(iii) **Accounting policies applied until 31 March 2019**
Until 31 March 2019, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

2.13 Investment properties

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

Gains or losses arising from changes in fair value are included in the Statement of profit or loss 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 Statement of profit or loss 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.

2.14 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.

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(all amounts in Sri Lanka Rupees thousands)

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 Statement of profit or loss.

2.15 Cash and cash equivalents

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

2.16 Investments in subsidiaries in separate Financial statements

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

2.17 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, indirect taxes (other than those subsequently recoverable by the Group from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.18 Trade and other receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

2.19 Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

2.20 Trade and other payables

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

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 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.

2.22 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.

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

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

2.24 Contingent assets and Contingent liabilities

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

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

2.25 Revenue recognition

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

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, usually on delivery of the goods. Sales are measured at fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales Taxes) and variable consideration (e.g. discounts and rebates). Credit term provided for the customer is on average 30 days from the sale of goods.

2.26 Other Income

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

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

2.27 Expenditure recognition

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

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(all amounts in Sri Lanka Rupees thousands)

2.28 Dividends on ordinary shares

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

2.29 Comparatives

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

2.30 Segment reporting

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

2.31 Earnings per share

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

2.32 Statement of cash flows

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

2.33 Directors' responsibilities statement

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

2.34 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.35 Materiality and Aggregation

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

3 Financial risk management

3.1 Financial risk factors

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

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

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

(a) Market risk

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

(i) Foreign exchange risk

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

Group	31 March			
	2020		2019	
	USD	LKR	USD	LKR
Trade receivables	3,418	608,396	3,754	668,175
Trade payables	495	88,120	559	99,539
Cash in bank	8,529	1,518,215	10,266	1,827,379

Company	31 March			
	2020		2019	
	USD	LKR	USD	LKR
Trade receivables	1,165	207,370	2,592	461,452
Trade payables	3,216	572,448	1,018	181,225
Cash in bank	4,519	804,382	3,898	693,915

Impact of COVID-19

The Sri Lankan Rupee witnessed a sharp depreciation against the US Dollar in March 2020 on the back of economic turmoil in global, regional and local markets resulting from the COVID-19 pandemic. The Group companies exposed to foreign currency denominated payments are adversely impacted to undue fluctuations in exchange rates.

Amounts recognised in profit or loss and other comprehensive income.

During the year, the following foreign-exchange related amounts were recognised in Statement of profit or loss and other comprehensive income:

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Amounts recognised in profit or loss				
Foreign exchange gain included in finance cost	(44,261)	(25,934)	(35,991)	(21,371)
Foreign exchange loss included in finance cost	43,739	154,355	29,421	27,945
Total net foreign exchange (losses)/gains recognised in profit before income tax for the period	(523)	128,421	(6,570)	6,573

As shown in the table above, the company is primarily exposed to changes in US/(presentation currency units) exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar denominated financial instruments arises from foreign forward exchange contracts designated as cash flow hedges.

Group	Impact on post tax profit	
	2020	2019
US exchange rate – change by 10%	239,452	259,509

Company	Impact on post tax profit	
	2020	2019
US exchange rate – change by 10%	171,289	133,642

(ii) Interest rate risk

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

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings.

Impact of COVID-19

The global outbreak of the novel COVID-19 epidemic has resulted in consecutive reductions in policy rates and monetary easing policies by CBSL to encourage banks and finance companies to reduce lending rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax.

Group	Impact on profit	
	2020	2019
Interest rates – increase by 1%	(6,751)	(4,739)
Interest rates – decrease by 1%	6,751	4,739

Company	Impact on post tax profit	
	2020	2019
Interest rates – increase by 1%	(2,689)	(1,378)
Interest rates – decrease by 1%	2,689	1,378

(iii) Price risk

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

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

Group	Change in equity price	Effect on profit	Effect on equity
31 March 2020	10%	-	36,757
31 March 2019	10%	-	37,370

Company	Change in equity price	Effect on profit	Effect on equity
31 March 2020	10%	-	868
31 March 2019	10%	-	1,071

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

(iv) Credit risk

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

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Trade receivables

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

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 March 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forwardlooking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

On that basis, the loss allowance as at 31 March 2020 and 31 March 2019 was determined as follows for trade receivables.

Group

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	More than 360 days past due	Total
31 March 2020						
Expected loss rate	1.73%	3.24%	4.59%	17.67%	21.85%	
Trade receivables considered for collective provision	1,394,200	1,247,540	1,462,819	383,103	556,443	5,044,105
Loss Allowance	24,105	40,363	67,188	67,711	121,606	320,973
31 March 2019						
Expected loss rate	1.66%	3.12%	5.40%	28.04%	14.38%	
Trade receivables considered for collective provision	2,158,372	948,876	933,646	286,580	464,239	4,791,714
Loss Allowance	35,923	29,609	50,391	80,343	66,745	263,010

Company

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	More than 360 days past due	Total
31 March 2020						
Expected loss rate	0.78%	0.92%	1.41%	4.67%	9.99%	
Trade receivables considered for collective provision	1,184,607	808,606	895,577	103,324	483,074	3,475,188
Loss Allowance	9,213	7,399	12,631	4,821	48,237	82,301
31 March 2019						
Expected loss rate	0.30%	0.36%	0.60%	1.90%	4.08%	
Trade receivables considered for collective provision	1,648,756	516,439	459,050	116,439	414,388	3,155,073
Loss Allowance	4,968	1,863	2,766	2,212	16,894	28,703

The loss allowances for trade receivables as at 31 March reconcile to the opening loss allowances as follows:

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Opening loss allowance at 1 April	537,598	485,302	196,926	161,233
Increase in loss allowance recognised in profit or loss during the year				
- as per collective impairment provision	57,963	(6,970)	53,598	2,360
- as per individual impairment provision	52,748	57,467	24,719	33,333
Closing loss allowance at 31 March	648,309	535,800	275,242	196,926

Trade receivables are written off where there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Liquidity risk

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

Impact of COVID-19

The Group considered that cash flow scrutiny is of paramount importance and has adopted a disciplined approach across the group including tightening of controls over spending cash, and preserving and increasing liquidity, particularly on account of the impact of COVID-19.

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

Analysis of financial assets and liabilities by remaining contractual maturities

Group At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	2,727,301	-	-	-	2,727,301
Borrowings	4,261,855	258,472	871,973	-	5,392,300
Lease liabilities	6,125	6,338	23,726	-	36,189
Bank overdrafts	928,888	-	-	-	928,888
Total financial liabilities	7,924,169	264,809	895,699	-	9,084,678

At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	1,008,151	-	-	-	1,008,151
Borrowings	5,064,905	267,156	-	-	5,332,061
Bank overdrafts	1,153,019	-	-	-	1,153,019
Total financial liabilities	7,226,075	267,156	-	-	7,493,231

Company At 31 March 2020	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
Trade & other payables (excluding statutory liabilities)	3,629,808	-	-	-	3,629,808
Borrowings	775,328	180,000	702,681	-	1,658,009
Lease liabilities	1,730	1,079	168	10,506	13,482
Bank overdrafts	641,169	-	-	-	641,169
Total financial liabilities	5,048,035	181,079	702,849	10,506	5,942,468

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At 31 March 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Trade & other payables (excluding statutory liabilities)	1,497,865	-	-	-	1,497,865
Borrowings	2,369,304	12,356	-	-	2,381,660
Bank overdrafts	779,103	-	-	-	779,103
Total financial liabilities	4,646,272	12,356	-	-	4,658,628

3.2 Capital risk management

Capital comprises of equity attributable to the equity holders of the parent. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 March 2020.

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 31 March		Company 31 March	
	2020	2019	2020	2019
Total borrowings (Note 24)	6,321,188	6,485,080	2,299,178	3,160,763
Lease liabilities (Note 16)	36,189	-	13,482	-
Less : Cash and cash equivalents (Note 22)	(2,261,756)	(3,015,111)	(955,817)	(922,269)
Net debt	4,095,621	3,469,969	1,356,843	2,238,494
Total equity	12,933,458	11,825,089	5,687,149	5,534,137
Total capital	17,029,079	15,295,058	7,043,992	7,772,631
Gearing ratio	24.05%	22.69%	19.26%	28.80%

The decrease in the gearing ratio during the year 2020 resulted primarily from the increase of the profit and decrease of borrowings during the year.

3.3 Fair value estimation

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

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

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

As at 31 March 2020	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Financial assets at fair value through OCI (Note 19)	-	25,474	342,096	367,570	-	8,681	-	8,681
	-	25,474	342,096	367,570	-	8,681	-	8,681
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

As at 31 March 2019	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Financial assets at fair value through OCI (Note 19)	31,599	-	342,096	373,695	10,713	-	-	10,713
	31,599	-	342,096	373,695	10,713	-	-	10,713
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

The carrying amounts of the above assets are considered to be the same as their fair value.

(a) **Financial instruments in Level 1**

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

(b) **Financial instruments in Level 2**

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

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

Impact of COVID-19

At the end of the current financial year, last trading prices of Financial assets at fair value through OCI were considered as level 2 inputs due to un-availability of an active and orderly market.

4 Revenue from contracts with customers

	Group		Company	
	31 March 2020	2019	31 March 2020	2019
Geographical segment turnover				
Local	15,104,473	15,129,786	9,119,065	8,541,049
Export	3,577,781	3,053,512	1,969,098	1,666,786
Net revenue	18,682,254	18,183,298	11,088,164	10,207,835

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(all amounts in Sri Lanka Rupees thousands)

5 Other income

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Dividend income	1,108	3,387	104,951	143,304
Profit on disposal of property, plant and equipment	52	61,267	-	-
Retirement obligation provision reversal	-	3,255	-	-
Gain from revaluation adjustment to investment property	129,000	15,000	118,000	-
Sundry income	30,546	16,997	8,954	5,103
	160,706	99,906	231,905	148,407

6 Expenses by nature

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Directors emoluments [Note 38.13(g)]	83,215	75,175	64,480	57,275
Auditors remuneration	3,186	2,846	751	710
Legal fees	2,052	3,383	1,031	3,150
Depreciation on property, plant and equipment (Note 12)	291,756	243,951	142,059	112,702
Depreciation of right-of-use assets (Note 16)	7,017	-	1,699	-
Amortization charge on intangible assets (Note 15)	99	654	99	654
Cost of raw material consumed	14,057,554	14,178,131	9,029,392	8,496,409
Repairs and maintenance	122,768	79,157	88,985	73,412
Donations	5,298	9,562	5,216	9,506
Staff costs (Note 7)	1,624,230	1,444,665	812,881	673,301
Write down of inventories to net realizable value [Note 20(a)]	22,749	11,206	12,168	3,636
Other expenses	711,520	789,941	414,668	413,993
Total cost of sales, distribution costs and administrative costs	16,931,444	16,838,670	10,573,429	9,844,749
Classified as:				
Cost of sale of goods	15,358,937	15,417,890	9,909,424	9,236,040
Distribution costs	1,084,685	942,175	529,751	434,137
Administrative costs	487,822	478,605	134,254	174,572
Total	16,931,444	16,838,670	10,573,429	9,844,749

7 Staff costs

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Salaries, wages and related cost	1,447,249	1,287,039	716,759	589,288
Defined contribution plan	113,916	104,751	60,255	54,657
Defined benefit plan [Note 26(b)]	63,065	52,875	35,867	29,356
	1,624,230	1,444,665	812,881	673,301
Average number of employees during the year	1,566	1,331	630	603

8 Finance costs - net

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Finance income:				
Interest income	(124,244)	(29,868)	(29,276)	(15,932)
Exchange gain	(44,261)	(25,934)	(35,991)	(21,371)
Finance income	(168,505)	(55,802)	(65,266)	(37,303)
Finance costs:				
Interest on bank borrowings, concern loans and current accounts	675,072	473,927	268,947	137,760
Interest on right-of-use lease liabilities (Note 16)	4,808	-	1,535	-
Exchange loss	43,739	154,355	29,421	27,945
Finance costs:	723,618	628,282	299,902	165,705
Finance costs - Net	555,113	572,480	234,636	128,402

9 Income tax expenses

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Current tax (Note 25)	324,706	236,500	90,270	75,155
Over provision in respect of prior years	(7,572)	-	-	-
Deferred tax release (Note 27)	(54,768)	3,670	(1,509)	17,141
WHT on dividend paid by subsidiaries	16,384	10,084	-	-
	278,750	250,254	88,761	92,295

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Profit before tax	1,302,993	874,513	433,689	439,403
Tax calculated at effective tax rate of 28%	364,838	244,864	121,433	123,033
Tax effect of income not subject to tax	(37,869)	(82,489)	(63,843)	(65,887)
Tax effect of expenses not deductible	54,098	122,191	70,071	54,626
Tax effect of allowable deductions	(63,933)	(48,110)	(37,392)	(36,618)
Utilisation of previously unrecognised tax losses	-	44	-	-
WHT on dividend paid by subsidiaries	16,384	10,084	-	-
Deferred tax (reversal) / charge	(54,768)	3,670	(1,509)	17,141
Tax charge	278,750	250,254	88,761	92,295

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

10 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of ordinary shares as at end of the year.

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Net profit attributable to equity holders	891,484	559,745	344,927	347,108
Weighted average number of ordinary Shares in issue (Note 32)	119,787,360	119,787,360	119,787,360	119,787,360
Basic earnings per share (Rs.)	7.44	4.67	2.88	2.90

11 Dividend per share

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Dividends paid	179,681	179,681	179,681	179,681
Number of ordinary shares in issue (Note 32)	119,787,360	119,787,360	119,787,360	119,787,360
Dividend per share (Rs.)	1.50	1.50	1.50	1.50

12 Property, plant and equipment

(a) Group	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2018						
Cost / valuation	3,573,555	1,991,238	151,733	135,004	207,130	6,058,660
Accumulated depreciation	(111,294)	(1,437,522)	(99,969)	(108,466)	(150,144)	(1,907,395)
Net book amount	3,462,261	553,716	51,764	26,538	56,986	4,151,266
Year ended 31 March 2019						
Opening net book amount	3,462,261	553,716	51,764	26,538	56,986	4,151,266
Additions	32,329	294,068	26,832	4,758	168,825	526,812
Transfer from work in progress (Note 13)	17,435	40,516	-	-	-	57,951
Disposals / transfers						
- cost	-	(96,129)	-	-	-	(96,129)
- depreciation	-	95,141	-	-	-	95,141
Depreciation charge (Note 06)	(65,574)	(136,029)	(4,811)	(6,794)	(30,742)	(243,949)
Closing net book amount	3,446,451	751,282	73,785	24,502	195,069	4,491,089
At 31 March 2019						
Cost / valuation	3,623,319	2,229,693	178,565	139,762	375,955	6,547,294
Accumulated depreciation	(176,868)	(1,478,410)	(104,780)	(115,260)	(180,886)	(2,056,205)
Net book amount	3,446,451	751,282	73,785	24,502	195,069	4,491,089

(a) Group	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
Year ended 31 March 2020						
Opening net book amount	3,446,451	751,282	73,785	24,502	195,069	4,491,089
Additions on acquisition of subsidiary (Note 28)	142,995	248,679	43,842	2,630	2,701	440,847
Additions	-	35,836	9,002	13,930	8,786	67,554
Transfer from work in progress (Note 13)	53,711	-	-	-	-	53,711
Disposals / transfers						
- cost	-	(166,500)	-	-	-	(166,500)
- depreciation	-	166,500	-	-	-	166,500
Depreciation charge (Note 06)	(68,897)	(154,217)	(8,717)	(7,653)	(52,271)	(291,756)
Closing net book amount	3,574,260	881,580	117,912	33,409	154,285	4,761,445
At 31 March 2020						
Cost / valuation	3,839,442	2,386,959	255,060	159,105	391,983	7,032,549
Accumulated depreciation	(265,182)	(1,505,379)	(113,497)	(125,695)	(237,699)	(2,271,104)
Net book amount	3,574,260	881,580	117,912	33,409	154,285	4,761,445
(b) Company						
	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2018						
Cost / valuation	1,402,745	969,722	13,669	78,537	66,555	2,531,228
Accumulated depreciation	-	(689,444)	(12,267)	(61,844)	(49,870)	(813,425)
Net book amount	1,402,745	280,278	1,402	16,693	16,685	1,717,803
Year ended 31 March 2019						
Opening net book amount	1,402,745	280,278	1,402	16,693	16,685	1,717,803
Revaluation surplus	-	-	-	-	-	-
Additions	15,610	287,879	12,356	3,358	118,930	438,133
Depreciation charge (Note 06)	(29,993)	(64,644)	(601)	(4,698)	(12,766)	(112,702)
Closing net book amount	1,388,362	503,513	13,157	15,353	122,849	2,043,234
At 31 March 2019						
Cost / valuation	1,418,355	1,257,601	26,025	81,895	185,485	2,969,361
Accumulated depreciation	(29,993)	(754,088)	(12,868)	(66,542)	(62,636)	(926,127)
Net book amount	1,388,362	503,513	13,157	15,353	122,849	2,043,234
Year ended 31 March 2020						
Opening net book amount	1,388,362	503,513	13,157	15,353	122,849	2,043,234
Additions	-	8,605	-	10,470	6,804	25,880
Depreciation charge (Note 06)	(29,993)	(76,879)	(831)	(5,552)	(28,804)	(142,059)
Closing net book amount	1,358,369	435,239	12,326	20,271	100,850	1,927,055
At 31 March 2020						
Cost / valuation	1,418,355	1,266,206	26,025	92,365	192,289	2,995,241
Accumulated depreciation	(59,986)	(830,967)	(13,699)	(72,094)	(91,440)	(1,068,186)
Net book amount	1,358,369	435,239	12,326	20,271	100,850	1,927,055

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

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

Assets	Valued on	Name of the valuer	Valued amount
Company			
Land	31 March 2018	Mr J M Senanayaka Bandara	652,910
Buildings	31 March 2018	Mr J M Senanayaka Bandara	749,835
Group			
Land			
ACL Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	652,910
Kelani Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	315,500
ACL Plastics PLC	31 March 2018	Mr J M Senanayaka Bandara	117,000
Ceylon Bulbs and Electricals Limited	31 March 2018	Mr J M Senanayaka Bandara	738,000
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	109,500
Ceylon Copper (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	45,090
ACL Electric (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	21,500
Buildings			
ACL Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	749,835
Kelani Cables PLC	31 March 2018	Mr J M Senanayaka Bandara	243,919
ACL Plastics PLC	31 March 2018	Mr J M Senanayaka Bandara	114,000
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	160,500
ACL Metals & Alloys (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	106,200
Ceylon Copper (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	31,460
ACL Electric (Private) Limited	31 March 2018	Mr J M Senanayaka Bandara	54,500

The lands and buildings were last revalued on 31 March 2018 by an Independent Professional Valuer Mr.Senanayake Bandara, a Fellow Member of the Institute of the Valuers of Sri Lanka. Fair value of the lands and buildings is determined based on Level 2 inputs.

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

	Valued on	31 March 2020		Net book value
		Cost	Accumulated depreciation	
Company				
Land	31 March 2018	250,972	-	250,972
Building	31 March 2018	214,800	129,091	85,709
Group				
Land				
ACL Cables PLC	31 March 2018	250,972	-	250,972
Kelani Cables PLC	31 March 2018	163,005	-	163,005
ACL Plastics PLC	31 March 2018	7,509	-	7,509
Ceylon Bulbs and Electricals Limited	31 March 2018	296	-	296
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	38,227	-	38,227
Ceylon Copper (Private) Limited	31 March 2018	25,199	-	25,199
ACL Electric (Private) Limited	31 March 2018	16,987	-	16,987

	Valued on	Cost	31 March 2020 Accumulated depreciation	Net book value
Buildings				
ACL Cables PLC	31 March 2018	214,800	129,091	85,709
Kelani Cables PLC	31 March 2018	72,671	58,762	13,909
ACL Plastics PLC	31 March 2018	41,084	35,565	5,519
Ceylon Bulbs and Electricals Limited	31 March 2018	1,625	1,625	-
ACL Kelani Magnet Wire (Private) Limited	31 March 2018	57,518	33,965	23,553
ACL Metals & Alloys (Private) Limited	31 March 2018	34,141	17,838	16,303
Ceylon Copper (Private) Limited	31 March 2018	15,860	5,693	10,167
ACL Electric (Private) Limited	31 March 2018	43,238	11,755	31,483

- (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	
	2020	2019
ACL Cables PLC	855,906	701,410
ACL Plastics PLC	84,269	71,464
ACL Polymers (Private) Limited	19,276	19,276
Kelani Cables PLC	321,224	272,916
Ceylon Bulbs & Electricals Limited	14,064	14,064
ACL Kelani Magnet Wire (Private) Limited	102,900	102,900
ACL Metals & Alloys (Private) Limited	28,750	18,535
Cable Solutions (Private) Limited	7,994	-

- (f) **Impact of COVID-19**

The Group has not determined impairment as at the reporting date due to the COVID-19 pandemic as there was no significant change to the revalued carrying amount of land and buildings provided as at 31 March 2020.

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

(f) The Details of Property, Plant & Equipment of the Group which are Stated at Valuation are Indicated Below.

Company	Location	Extent of the Land	Method of valuation and significant unobservable inputs
ACL Cables PLC	ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara, Piliyandala.	12A-0R-28.32P 223,094 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Part of ACL Cables Factory Premises, Welithotuwa Road, Off Madapatha road, Batakettara, Piliyandala.	1A-2R-26.72P 17,842 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Postal No.376/4, (Close to ACL Cables Factory Premises) Welithotuwa Road, Off Madapatha Road	1A-1R-7.52P 13,060 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	No.60, Rodney Street, Colombo 08	15,288 sq.ft	Depreciated cost replacement cost method
ACL Electric Pvt Ltd	Factory Premises of ACL Electric Pvt Ltd Padukka Road, Millawa, Moragahahena, Horana	1A-2R-1.6P 12,960 Sq.ft	Market Comparable method
Ceylon Copper Pvt Ltd	Ceylon Copper Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara, Piliyandala.	3R 38.21P	Market Comparable method
ACL Metals and Alloys Pvt Ltd	ACL Metals and Alloys Pvt Ltd Factory Premises, Welithotuwa Road, Off Madapatha Road, Batakettara, Piliyandala.	-	Depreciated cost replacement cost method
Ceylon Bulbs and Electricals Limited	No.60, Rodney Street, Colombo 08	1A-2R-28.4P	Market Comparable method
ACL Kelani Magnet Pvt Ltd	No.241, Raja Mawatha, Ekala, Ja ela	3A-2R-5P 50,554 Sq.ft	Market Comparable method
ACL Plastics PLC	No 52, 52/1, ACL Plastics factory premises Temple Road, Ekala, Ja ela	3A -0R-34P 36,579 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Lot 10, Part of Straatenwyk Estate, Suhada Mawatha, Off Samagi Mawatha, Ekala, Ja ela	0A-0R-20P	Market Comparable method
	Lot 1 - Part of OTS Idama, ACL Staff Quarters, Sand Piper Road, Nivasipura, Ekala - Kurunduwatta Kotugoda, Jaela	0A-0R-10.19P 1,690 Sq.ft	Market Comparable method Depreciated cost replacement cost method
Kelani Cables PLC	Wewelduwa, Kelaniya	1041.5 Perches 107,108 Sq.ft	Market Comparable method Depreciated cost replacement cost method
	Land and building situated at Mahena Road, Siyablape South, SiyablapeWewelduwa, Kelaniya	172.8 Perches 32,398 Sq.ft	Market Comparable method Depreciated cost replacement cost method

Effective date of valuation	Range of estimates for unobservable inputs	Revalued amount of land & Building (Rs. '000)	Significant unobservable valuation inputs (ranges of each)	Sensitivity of fair value measurement to inputs
31-Mar-18	285,000 Per Perch 2,000 per sq.ft	1,100,745	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	290,000 Per Perch 2,500 per sq.ft	121,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	315,000 Per Perch 3,750 per sq.ft	89,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	6,000 per sq.ft	92,000	Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	14,250,000 Per acre 3,600 per sq.ft	76,000	Land - Price per acre	Positively correlated sensitivity
31-Mar-18	285,000 Per Perch	76,550	Land - Price per perch	Positively correlated sensitivity
31-Mar-18	-	106,200	Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	2,750,000 Per Perch	738,000	Land - Price per perch	Positively correlated sensitivity
31-Mar-18	31,000,000 Per Acre 3,000 per sq.ft	270,000	Land - Price per acre	Positively correlated sensitivity
31-Mar-18	32,500,000 Per Acre 2,500 per sq.ft	210,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	375,000 Per Perch	7,500	Land - Price per perch	Positively correlated sensitivity
31-Mar-18	425,000 Per Perch 5,000 per Sq.ft	13,500	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	281,325 Per Perch 1,662 per Sq.ft	471,009	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
31-Mar-18	130,208 Per Perch 2,034 per Sq.ft	88,410	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

13 Capital work in progress

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	73,701	97,469	2,782	2,303
Cost incurred during the year	12,527	34,183	4,684	479
Amount transferred to property, plant and equipment (Note 12)	(53,711)	(57,951)	-	-
Balance at the end of the year	32,517	73,701	7,466	2,782

14 Investment property

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	653,000	638,000	358,000	358,000
Fair value gain	129,000	15,000	118,000	-
Balance at the end of the year	782,000	653,000	476,000	358,000

(a) Details of land and buildings under investment property

Location	Extent	Carrying value
Kahathuduwa	13A. 0R. 2.5P	158,000
Piliyandala	1A. 1R. 11.8P	80,000
Piliyandala	0A. 0R. 17P	10,000
Piliyandala	2A. 2R. 28.27P	157,500
Kalutara	2A. 3R. 1P	70,500
Total of the Company		476,000
Ekala	13A. 0R. 2P	306,000
Total of the Group		782,000

(b) Amounts recognised in the statement of profit or loss for investment properties.

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Rent income	3,144	3,034	3,144	3,034
Fair value gain recognised in other income	129,000	15,000	118,000	-

(c) Investment Property Fair valuation method used in 2020

Fair value of the investment property is determined based on Level 2 inputs. Measurement of fair value method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location, condition of specific property. In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.

ACL Cables PLC

Investment property and method of valuation	Range of estimates for unobservable inputs	Carrying Value before Revaluation of Land	Revalued amount of land	Revaluation gain recognized on land	Significant unobservable valuation inputs (ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
Kahathuduwa - Market comparable method	Rs.12,012,644/- per acre	85,000	158,000	73,000	Price per acre of land	Positively correlated sensitivity
Piliyandala - Market comparable method	Rs.415,000/- per perch	67,500	80,000	12,500	Price per perch of land	Positively correlated sensitivity
Piliyandala - Market comparable method	Rs.475,000/- per perch	9,000	10,000	1,000	Price per perch of land	Positively correlated sensitivity
Piliyandala - Market comparable method	Rs.360,000/- per perch	127,000	157,500	30,500	Price per perch of land	Positively correlated sensitivity
Kalutara - Income approach	Monthly rental of Rs. 242,000/-	69,500	70,500	1,000	Rent per month	Positively correlated sensitivity

Kelani Cables PLC

Investment property and method of valuation	Range of estimates for unobservable inputs	Carrying Value before Revaluation of Land	Revalued amount of land	Revaluation gain recognized on land	Significant unobservable valuation inputs (ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
Ekala - Market comparable method	Rs.23,500,000/- per acre	295,000	306,000	11,000	Price per perch of land	Positively correlated sensitivity

(d) Impact of COVID-19

As a result of the COVID-19 outbreak in Sri Lanka during the last part of the quarter ending 31 March 2020, a reassessment of the valuation was obtained by an independent professional valuer (Mr. J.M Senanayaka Bandara) who determined the fair value of investment properties as at 31 March 2020. Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in considered opinion, meets the requirements of SLFRS-13 Fair Value Measurement.

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(all amounts in Sri Lanka Rupees thousands)

15 Intangible assets

(a) Group

Cost	31 March 2020			31 March 2019		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	38,944	38,040	76,984	38,944	38,040	76,984
Additions	81,862	-	81,862	-	-	-
Balance at the end of the year	120,806	38,040	158,846	38,944	38,040	76,984
Accumulated amortisation						
Balance at the beginning of the year	32,951	36,983	69,934	32,951	36,329	69,280
Amortization charge	-	99	99	-	654	654
Balance at the end of the year	32,951	37,082	70,033	32,951	36,983	69,934
Net book amount	87,855	958	88,813	5,993	1,057	7,050

(b) Company

Cost	31 March 2020			31 March 2019		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	-	32,217	32,217	-	32,217	32,217
Additions	-	-	-	-	-	-
Balance at the end of the year	-	32,217	32,217	-	32,217	32,217
Accumulated amortisation						
Balance at the beginning of the year	-	31,160	31,160	-	30,506	30,506
Amortization charge	-	99	99	-	654	654
Balance at the end of the year	-	31,259	31,259	-	31,160	31,160
Net book amount	-	958	958	-	1,057	1,057

Goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Goodwill on consolidation
1994/95	ACL Plastics PLC	6,090
1995/96	Lanka Olex Cables (Private) Limited and Kelani Cables PLC	26,035
1997/98	Ceylon Bulbs and Electricals Limited	459
2004/05	ACL Kelani Magnet Wire (Private) Limited	917
2006/07	Ceylon Bulbs and Electricals Limited	5,441
2007/08	Ceylon Bulbs and Electricals Limited	2
2019/20	Cable Solutions (Private) Limited	81,862

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

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

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

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

Impact of Covid-19

Impact of the pandemic on the non-current financial assets have been elaborated in Note 3.

16 Leases

This note provides information for leases where the Company is a lessee.

(i) Amounts recognised in the balance sheet

	Group		Company	
	31 March 2020	01 April 2019	31 March 2020	01 April 2019
Right-of-use assets				
Land	36,586	-	10,455	10,738
Buildings	3,934	5,373	2,313	3,729
	40,520	5,373	12,769	14,467
Lease liabilities				
Current	6,125	966	1,730	985
Non current	30,064	2,763	11,752	13,482
	36,189	3,729	13,482	14,467

Until the 2019 financial year, the Company and the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under LKAS 17 Leases. The assets were presented in property, plant and equipment and the liabilities as part of the company's borrowings. For adjustments recognised on adoption of SLFRS 16 on 1 April 2019, please refer to Note 40.

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

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

	Group		Company	
	31 March 2020	2019	31 March 2020	2019
Depreciation charge of right-of-use assets (Note 6)				
Land	5,579	-	283	-
Buildings	1,438	-	1,416	-
	7,017	-	1,699	-
Interest expense (Note 8)				
	4,808	-	1,535	-

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(all amounts in Sri Lanka Rupees thousands)

The total cash outflow for leases in 2020 for the Company was Rs. 2,518 (Principal payments - Rs. 983, Interest payments - Rs. 1,535).

The total cash outflow for leases in 2020 for the Group was Rs. 9,422 (Principal payments - Rs. 4,614, Interest payments - Rs. 4,808).

(iii) Impact of COVID-19

The Group does not foresee any indications of impairment of right of use assets due to the COVID-19 pandemic since as each business unit is operating under the business continuity plans as per the Group risk management strategy. The Group does not anticipate discontinuation of any right of use assets as at the reporting date and the lease liability is not reassessed as there are no known moratoriums received for the lease payments as of the reporting date.

17 Investment in subsidiaries

Company	31 March 2020			31 March 2019		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Quoted						
ACL Plastics PLC	2,746,969	33,300	316,451	2,746,969	33,300	216,461
Kelani Cables PLC	933,756	10,753	48,555	933,756	10,753	62,935
Total investment in quoted companies		44,053	365,006		44,053	279,396
Unquoted						
Ceylon Bulbs and Electricals Limited	1,051,345	58,515		1,051,345	58,515	
Lanka Olex Cables (Private) Limited						
"A" Class ordinary shares	99			99		
"B" Class ordinary shares	3,065,610	291,180		3,065,610	291,180	
Preference shares	161,818			161,818		
ACL Kelani Magnet Wire (Private) Limited	11,950,000	119,500		11,950,000	119,500	
ACL Metals and Alloys (Private) Limited	2,500,000	25,000		2,500,000	25,000	
Ceylon Copper (Private) Limited	3,000,001	30,000		3,000,001	30,000	
ACL Electric (Private) Limited	10,000,001	100,000		10,000,001	100,000	
Cable Solutions (Private) Limited	581,400	398,970			-	
Total investment in unquoted companies		1,023,165			624,195	
Provision for impairment [17(a)]		-			-	
Total investment in unquoted companies		1,023,165			624,195	
Total cost of investments in subsidiaries		1,067,218			668,248	

During the year 2020, ACL Cables PLC acquired a controlling interest in Cable Solutions (Private) Limited.

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

In the Company's financial statements, investments in subsidiaries have been accounted for at cost.

(a) Provision for impairment for investment

Group	Company 31 March	
	2020	2019
Balance as at 1 April	-	92,005
Reversal of provision	-	(92,005)
Balance as at 31 March	-	-

This provision has been previously recorded against the investment in Kelani Magnet Wire (Private) Limited.

Impact of COVID-19

The Company has not determined impairment as at the reporting date due to the COVID-19 pandemic.

18 Investments accounted for using the equity method

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Investment in equity accounted investee (at cost)	255,792	277,206	345,093	345,093
Share of profit [Note 18(b)]	57,300	52,957	-	-
Share of other comprehensive income [Note 18(b)]	(218)	1,582	-	-
Share of dividend paid	-	(75,954)	-	-
Carrying amount of interest in associates	312,874	255,792	345,093	345,093

Impact of COVID-19

Investments accounted for using the equity method are carried at cost less any accumulated impairment losses. The Company has not determined impairment as at the reporting date due to the COVID-19 pandemic.

Resus Energy PLC, an equity accounted investee of ACL Cables PLC re-purchased 24,687,204 ordinary shares held by ACL Cables PLC on 14 August 2015 at a price of LKR 24 per ordinary share on the basis of four ordinary shares for every seven ordinary shares held in Resus Energy PLC. Total proceeds received and the profit on share re-purchase were LKR 592 million and LKR 148 million respectively. Further, company invested LKR 1.6 Mn to purchase 476,237 shares during the year 2019. At the end of the year, Company holds 32.53% share of Resus Energy PLC.

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

(a) Total comprehensive income from equity accounted investee

	Resus Energy PLC 31 March	
	2020	2019
Share of profit	57,300	52,957
Amount recognised in the statement of profit or loss	57,300	52,957
Other comprehensive income / (expense) for the year, net of tax	(218)	1,582
Total comprehensive income for the year	57,082	54,539

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(all amounts in Sri Lanka Rupees thousands)

(b) Summarised financial information of equity accounted investee

	Resus Energy PLC 31 March	
	2020	2019
Revenue and profit		
Revenue	546,773	521,062
Profit	141,396	162,846
Assets and liabilities		
Total assets	3,469,309	2,979,687
Total liabilities	2,541,344	2,193,118
Net assets	927,965	786,570

(c) Quoted fair value of the investment in the associate

496,108 454,356

19 Financial assets at fair value through OCI

(a) Movement of financial assets at fair value through OCI

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	373,695	274,488	10,713	12,660
Fair value adjustment	(6,125)	(3,918)	(2,032)	(1,947)
Cost of share purchased	-	103,125	-	-
	367,570	373,695	8,681	10,713

(b) Company

Company	31 March 2020			31 March 2019		
	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	103	18,379	1,546	191
Nations Trust Bank PLC	19,321	450	1,221	19,321	450	1,737
Telecommunication						
Dialog Axiata PLC	390,000	4,143	3,315	390,000	4,143	3,549
Diversified holdings						
John Keells Holdings PLC	25,856	1,430	2,984	25,856	1,430	4,034
Ambeon Holding PLC	130,700	13,250	1,059	130,700	13,250	1,202
Total cost of investments by the Company		20,819	8,681		20,819	10,713

(c) Investments by subsidiary companies

Company	31 March 2020			31 March 2019		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Banking finance and insurance						
Nations Trust Bank PLC	26,826	512	1,295	26,826	512	2,412
DFCC Bank	13	2	1	13	2	1
People's Insurance PLC	585,500	8,782	9,954	585,500	8,782	11,534
Plantation						
Maskeliya Plantations PLC	8,200	375	494	8,200	375	89
Kotagala Plantations PLC	45,000	477	225	45,000	477	315
Ethimale Plantations (Pvt) Ltd	536,827	342,096	342,096	536,827	342,096	342,096
Diversified holdings						
Hayleys PLC	38,907	2,953	4,824	38,907	2,953	6,535
Total cost of investments by subsidiaries		355,197	358,889		355,197	362,982
Total cost of investments by Group		376,016	367,570		376,016	373,695

(d) Financial assets at fair value through OCI include the ordinary share investments.

(e) Carrying value of the investment in Ethimale Plantations (Pvt) Ltd would remain as last year since the fair value of the investment cannot be reliably measured as the underlying investee company is in its development stage.

Impact of COVID-19

Impact of the pandemic on the non-current financial assets have been elaborated in Note 3.

20 Inventories

	Group		Company	
	31 March		31 March	
	2020	2019	2020	2019
Raw materials	1,663,700	1,703,799	577,097	575,320
Work-in-progress	986,673	934,389	539,849	590,126
Finished goods	2,975,387	2,641,599	1,590,840	1,526,998
Goods in transit	745,486	352,487	295,681	124,943
Other stocks	272,681	247,211	123,045	124,471
	6,643,927	5,879,485	3,126,512	2,941,858
Provision for obsolete stock [20(a)]	(223,137)	(200,388)	(82,754)	(70,586)
Net book amount	6,420,790	5,679,097	3,043,758	2,871,272

(a) Provision for obsolete stock

	Group		Company	
	31 March		31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	200,388	189,182	70,586	66,950
Provision for the year	22,749	11,206	12,168	3,636
Balance at the end of the year	223,137	200,388	82,754	70,586

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21 Trade and other receivables

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Trade receivables	6,435,471	5,200,812	3,357,368	2,881,988
Provision for impairment of trade and other receivables [Note 21(a)]	(648,309)	(535,800)	(275,242)	(196,926)
Trade receivables - net	5,787,163	4,665,012	3,082,126	2,685,061
Receivable from related companies [Note 38.14(b)]	-	-	288,952	77,278
Loan given to related companies [Note 38.14(c)]	-	-	32,075	32,075
Advance and prepayments	206,193	96,115	11,646	15,083
Other receivables	2,419,694	1,575,521	1,113,849	935,327
	8,413,049	6,336,648	4,528,648	3,744,824

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

The carrying amount of trade receivables is considered to be the same as its fair value, due to its short-term nature.

Impact of Covid-19

The Group's simplified Expected Credit Loss model is based on the provision metrics which allowed to use under the practical expedient of SLFRS 9. Individual receivable balances have been re-assessed by the management, specific provisions were made wherever necessary, existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect impact from COVID-19 outbreak. Loss rates used by management is illustrated in Note 3.1 (b).

(a) Impairment of trade and other receivables

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	537,598	244,746	196,926	134,890
Provision for the year	110,710	52,694	78,315	35,693
Impact on adoption of SLFRS 9	-	240,556	-	26,343
Recovery of written off debtors	-	(123)	-	-
Debtors written off	-	(2,073)	-	-
Balance at the end of the year	648,309	535,800	275,242	196,926

(b) Trade receivables, receivables from related parties, loans to related parties, advances and prepayments and other receivables by credit quality:

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Neither past due nor impaired	5,988,815	5,037,698	3,446,182	2,916,854
Past due but not impaired	1,775,925	763,150	807,224	631,044
Impaired	648,309	535,800	275,242	196,926
	8,413,049	6,336,648	4,528,648	3,744,824

Past due but not impaired

Debtors with a carrying amount of LKR 1,776 million (2018/2019 - LKR 763 million) and LKR 807 million (2018/2019 - LKR 631 million), which are past due for the Group and the Company respectively at the end of the reporting period but the Company has not impaired as there have not been a significant change in credit quality and the Directors of the Company believe that overdue amounts are fully recoverable.

Impaired

The trade receivables impaired were LKR 648 million (2018/2019 - LKR 536 million) and LKR 275 million (2018/2019 - LKR 197 million) for the Group and the Company respectively at the end of the reporting period.

22 Cash and cash equivalents

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Cash at bank	2,261,098	3,009,930	955,438	921,900
Cash in hand	658	5,181	379	369
	2,261,756	3,015,111	955,817	922,269

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Cash at bank and in hand	2,261,756	3,015,111	955,817	922,269
Bank overdraft (Note 24)	(928,888)	(1,153,019)	(641,169)	(779,103)
	1,332,868	1,862,092	314,648	143,166

23 Trade and other payables

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Trade payables	2,034,746	526,608	995,572	124,287
Payables to related parties [Note 38.14 (a)]	55,026	49,425	2,488,776	1,249,667
Loans from related parties [Note 38.14 (d)]	-	-	25,594	25,594
Accrued expenses and other payable	657,903	503,425	127,818	106,900
	2,747,675	1,079,458	3,637,760	1,506,449

The carrying amount of trade payables is considered to be the same as its fair value, due to its short-term nature.

24 Borrowings

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Long term borrowings				
Amount payable after one year	1,130,445	267,156	882,681	12,356
	1,130,445	267,156	882,681	12,356
Short term borrowings				
Amount payable within one year	4,261,855	5,064,905	775,328	2,369,304
Bank overdraft	928,888	1,153,019	641,169	779,103
	5,190,743	6,217,924	1,416,497	3,148,407
Total borrowings	6,321,188	6,485,080	2,299,178	3,160,763

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(all amounts in Sri Lanka Rupees thousands)

Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Impact of Covid-19

Note 3.1(a) demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax.

(a) Analysed by lenders

Lender	Interest Rate	Group 31 March		Security	Amount Rs. (Mn)
		2020	2019		
Standard Chartered Bank	Linked to AWPLR	475,000	-	Stocks and book debts	LKR 250
State Bank of India	Linked to AWPLR	400,000	-	Land	738
Bank of Ceylon	Linked to AWPLR	204,146	239,000	No assets pledged	
Standard Chartered Bank		43,618	-	No assets pledged	
National Development Bank	9.08%	7,681	28,156	No assets pledged	
Total long-term borrowings		1,130,445	267,156		
Standard Chartered Bank	Linked to AWPLR	96,297	3,028,691	Stocks and Book Debts Lien over call account funds	USD 1.5 USD 0.6 AUD 0.5
Hatton National Bank PLC	Linked to AWPLR	1,447,205	1,551,138	Demand promissory note	1,200
Nations Trust Bank PLC	Linked to AWPLR	163,167	175,999	Stocks and Book Debts	-
DFCC	Linked to AWPLR	4,904	-	Machinery and solar panels	USD 0.12 USD 0.13
DFCC	Linked to AWPLR	1,132	-	Movable property	USD 0.33
DFCC	Linked to AWPLR	133,640	-	Stocks and book debts	USD 1.5
Standard Chartered Bank	Linked to AWPLR	1,455,330	-	No assets pledged	-
Hatton National Bank PLC	Linked to AWPLR	750,000	-	No assets pledged	-
Hongkong Shanghai Banking Corporation	Linked to AWPLR	-	209,077	No assets pledged	-
Hongkong Shanghai Banking Corporation	10.04%	52,754	-	No assets pledged	-
Hongkong Shanghai Banking Corporation	10.05%	96,812	-	No assets pledged	-
Hongkong Shanghai Banking Corporation	9.91%	52,476	-	No assets pledged	-
National Development Bank	9.14%	8,137	-	No assets pledged	-
State Bank of India	Linked to AWPLR	-	100,000	Land	738
Total short-term borrowings		4,261,855	5,064,905		
Total borrowings		5,392,300	5,332,061		

Lender	Interest Rate	Company 31 March		Security	Amount Rs. (Mn)
		2020	2019		
Standard Chartered Bank	Linked to AWPLR	475,000	-	Stocks and book debts	LKR 250
National Development Bank	9.08%	7,681	12,356	No assets pledged	
State Bank of India	Linked to AWPLR	400,000	-	Land	738
Total long-term borrowings		882,681	12,356		
Standard Chartered Bank	Linked to AWPLR	75,584	1,387,556	Lien over call account funds	USD 0.6 AUD 0.5
Hatton National Bank PLC	Linked to AWPLR	536,576	705,750	Demand promissory note	1,200
Nations Trust Bank PLC	Linked to AWPLR	163,167	175,998	Stocks and book debts	
State Bank of India	Linked to AWPLR	-	100,000	Land	738
Total short-term borrowings		775,328	2,369,304		
Total borrowings		1,658,009	2,381,660		

25 Current income tax liabilities

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	657,741	809,069	282,370	403,403
Addition from the acquisition of subsidiary (Note 28)	466	-	-	-
Provision for the current year (Note 9)	323,462	236,502	90,270	75,155
Over provision in respect of prior years	(7,729)	-	-	-
Payments made during the year	(404,192)	(387,830)	(152,919)	(196,188)
Balance at the end of the year	569,748	657,741	219,721	282,370

26 Defined benefit obligations

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	326,711	297,977	192,004	177,918
Transfer in from Kelani Magnet (Pvt) Ltd	-	7,619	-	5,516
Addition from the acquisition of subsidiary (Note 28)	13,117	-	-	-
Current service cost	29,787	22,801	13,787	10,675
Interest cost	33,283	30,074	22,080	18,681
Actuarial loss/(gain) during the year	14,891	(9,657)	14,170	(11,531)
	417,784	348,814	242,042	201,259
Retirement benefit obligation write off	-	(5,450)	-	-
Benefits paid	(30,166)	(16,653)	(12,162)	(9,255)
Balance at the end of the year	387,618	326,711	229,880	192,004

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(all amounts in Sri Lanka Rupees thousands)

(b) The amounts recognised in the statement of profit or loss are as follows:

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Current service cost	29,782	22,801	13,787	10,675
Interest cost	33,283	30,074	22,080	18,681
Recognised in statement of profit or loss	63,065	52,875	35,867	29,356

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Actuarial loss/(gain)	14,891	(9,657)	14,170	(11,531)
Recognised in statement of comprehensive income	14,891	(9,657)	14,170	(11,531)

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

As at 31 March 2020, the gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary firm, Actuarial & Management Consultants (Private) Limited.

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

	Group / Company 31 March	
	2020	2019
Rate of discount	10.0%	11.5%
Salary increment rate	10.0%	10.0%
Retirement age	55 years	55 years

Sensitivity analysis :

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

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

	2020				
	Change	Group		Company	
		Financial position-liability	Comprehensive income-(charge) / credit for the year	Financial position-liability	Comprehensive income-(charge) / credit for the year
Discount rate	+1	(32,633)	32,633	(13,441)	13,441
	-1	34,185	(34,185)	15,200	(15,200)
Future salary increases	+1	33,698	(33,698)	15,286	(15,286)
	-1	(32,599)	32,599	(13,751)	13,751

	2019				
	Change	Group		Company	
		Financial position-liability	Comprehensive income-(charge) / credit for the year	Financial position-liability	Comprehensive income-(charge) / credit for the year
Discount rate	+1	(17,865)	17,865	(10,658)	10,658
	-1	19,981	(19,981)	11,931	(11,931)
Future salary increases	+1	20,781	(20,781)	12,183	(12,183)
	-1	(18,879)	18,879	(11,052)	11,052

- (f) The expected maturity analysis of undiscounted post-employment benefits is as follows:

Group	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2020					
Defined benefit obligation	34,770	28,483	74,632	249,733	387,618
Total	34,770	28,483	74,632	249,733	387,618
31 March 2019					
Defined benefit obligation	50,035	42,990	96,460	137,226	326,711
Total	50,035	42,990	96,460	137,226	326,711
Company	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2020					
Defined benefit obligation	34,143	27,752	64,948	103,037	229,880
Total	34,143	27,752	64,948	103,037	229,880
31 March 2019					
Defined benefit obligation	31,815	19,584	58,578	82,027	192,004
Total	31,815	19,584	58,578	82,027	192,004

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27 Deferred income tax liabilities

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

(a) The gross movement in the deferred income tax account is as follows:

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	512,748	573,730	291,769	278,776
Acquisition of subsidiary (Note 28)	31,991	-	-	-
Impact on adoption of SLFRS 9	-	(67,356)	-	(7,376)
Origination/(reversal) of temporary differences recognised in Statement of profit or loss	(54,768)	3,670	(1,509)	17,141
Origination/(reversal) of temporary differences recognised in other comprehensive income	(4,515)	2,704	(3,968)	3,229
Balance at the end of the year	485,457	512,748	286,292	291,769

(b) The movement on the deferred income tax account was as follows:

(i) Movement in deferred income tax liability

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	787,667	742,229	439,386	385,108
Acquisition of subsidiary	31,991	-	-	-
Origination of temporary differences recognised in Statement of profit or loss	34,872	45,438	26,863	54,278
Balance at the end of the year	854,530	787,667	466,249	439,386

(ii) Movement in deferred income tax asset

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	(274,919)	(168,499)	(147,617)	(106,332)
Impact on adoption of SLFRS 9	-	(67,356)	-	(7,376)
Reversal of temporary differences recognised in Statement of profit or loss	(89,640)	(41,768)	(28,372)	(37,138)
Origination/(reversal) of temporary differences recognised in other comprehensive income	(4,515)	2,704	(3,968)	3,229
Balance at the end of the year	(369,073)	(274,919)	(179,957)	(147,617)
Deferred income tax liabilities - net	485,457	512,748	286,292	291,769

Deferred tax related to fair value re-measurement of financial assets at fair value through OCI which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated statement of profit or loss with the deferred gain or loss.

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

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is given below.

(c) Composition of deferred income tax liabilities and deferred income tax assets is as follows:

(i) Composition of deferred income tax liabilities

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Property, plant and equipment	853,956	787,667	462,674	439,386
Right-of-use assets	574	-	3,575	-
	854,530	787,667	466,249	439,386

(ii) Composition of deferred income tax assets

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Defined benefit obligations	(105,902)	(87,640)	(64,366)	(53,761)
Lease liabilities	(847)	-	(3,775)	-
Provision for impairment of inventories	(60,966)	(31,389)	(34,748)	(31,341)
Provision for impairment of trade receivables	(150,764)	(128,122)	(77,068)	(62,516)
Provision for payment in lieu of employee share issue scheme	(228)	(298)	-	-
Tax losses carried forward	(50,365)	(27,470)	-	-
	(369,073)	(274,919)	(179,957)	(147,617)

Impact of COVID-19

The Group recognises a deferred tax asset on unused tax losses which is expected to reduce the future tax expense.

The Group's risk management strategy involved implementation of the business continuity plans at the respective companies as a response to COVID-19 pandemic.

28 Business combination

(a) Summary of acquisition

On 19 December 2019 ACL Cables PLC acquired 51% of the issued share capital of Cable Solutions (Private) Limited, a manufacturer of cable and cable accessories. The acquisition has significantly increased the group's market share in this industry.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Amount Rs.
Purchase consideration (refer to (b) below):	
Cash paid	398,970
	398,970

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

Total purchase consideration

The assets and liabilities recognised as a result of the acquisition are as follows:

	Amount Rs.
Cash	1,420
Trade receivables	158,728
Inventories	303,898
Property, plant and equipment	440,847
Other assets	64,643
Trade payables	(9,851)
Bank overdraft	(105,903)
Other liabilities	(21,816)
Deferred tax liability	(31,991)
Defined benefit obligations	(13,117)
Borrowings	(164,971)
Net identifiable assets acquired	621,888
Less: non-controlling interests	(304,780)
Add: goodwill	81,862
Net assets acquired	398,970

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

There were no acquisitions in the year ending 31 March 2019.

(i) **Acquired receivables**

The fair value of acquired trade receivables is LKR 158,728. The gross contractual amount for trade receivables due is LKR 160,526, with a loss allowance of LKR 1,798 recognised on acquisition.

(ii) **Accounting policy choice for non-controlling interests**

The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Cable Solutions Private Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2.2 (f) for the group's accounting policies for business combinations.

(iii) **Revenue and profit contribution**

The acquired business contributed revenues of LKR 261,243 and net profit of LKR 11,117 to the group for the period from 19 December 2019 to 31 March 2020.

If the acquisition had occurred on 1 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been LKR 1,101,831 and LKR 41,499 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2019, together with the consequential tax effects.

(b) Purchase consideration – cash outflow

	31 March	
	2020	2019
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	(398,970)	-
Less: Balances acquired		
Cash	1,420	-
Bank overdraft	(105,903)	-
	(104,483)	-
Net outflow of cash – investing activities	(503,453)	-

29 Financial instruments by category

(a) Financial instruments

Group	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2020			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	367,570	367,570
Trade and other receivables (excluding pre-payments)	8,206,856	-	8,206,856
Cash and bank balances (Note 22)	2,261,756	-	2,261,756
	10,468,612	367,570	10,836,182
		Other financial liabilities	Total
31 March 2020			
Liabilities as per the statement of financial position			
Trade and other payables (excluding statutory liabilities)		2,727,301	2,727,301
Lease liabilities (Note 16)		36,189	36,189
Other borrowed funds (Note 24)		6,321,188	6,321,188
		9,084,677	9,084,677
Company	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2020			
Assets as per the statement of financial position			
Financial assets at fair value through OCI	-	8,681	8,681
Trade and other receivables (excluding pre-payments)	4,517,002	-	4,517,002
Cash and bank balances (Note 22)	955,817	-	955,817
	5,472,819	8,681	5,481,500

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

	Other financial liabilities	Total
31 March 2020		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	3,629,808	3,629,808
Lease liabilities (Note 16)	13,482	13,482
Other borrowed funds (Note 24)	2,299,178	2,299,178
	5,942,468	5,942,468

Group	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2019			
Assets as per the statement of financial position			
Financial assets at Fair value through OCI	-	373,695	373,695
Trade and other receivables (excluding pre-payments)	6,186,908	-	6,186,908
Cash and bank balances (Note 22)	3,015,111	-	3,015,111
	9,202,019	373,695	9,575,714

	Other financial liabilities	Total
31 March 2019		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	1,008,151	1,008,151
Other borrowed funds (Note 24)	6,485,079	6,485,079
	7,493,230	7,493,230

Company	Financial Assets at amortised cost	Financial Assets at Fair value through OCI	Total
31 March 2019			
Assets as per the statement of financial position			
Financial assets at Fair value through OCI	-	10,713	10,713
Trade and other receivables (excluding pre-payments)	3,729,741	-	3,729,741
Cash and bank balances (Note 22)	922,269	-	922,269
	4,652,010	10,713	4,662,723

	Other financial liabilities	Total
31 March 2019		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities)	1,497,865	1,497,865
Other borrowed funds (Note 24)	3,160,763	3,160,763
	4,658,628	4,658,628

(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:

Company	Group			Total	Company			Total
	Neither past due nor impaired	Past due but not impaired	Individually impaired		Neither past due nor impaired	Past due but not impaired	Individually impaired	
31 March 2020								
Trade and other receivables (excluding pre -payments)	5,782,622	1,775,925	648,309	8,206,856	3,434,536	807,224	275,242	4,517,002
Cash and bank balances	2,261,756	-	-	2,261,756	955,817	-	-	955,817
	8,044,378	1,775,925	648,309	10,468,612	4,390,353	807,224	275,242	5,472,819
31 March 2019								
Trade and other receivables (excluding pre -payments)	4,887,958	763,150	535,800	6,186,908	2,901,771	631,044	196,926	3,729,741
Cash and bank balances	3,015,111	-	-	3,015,111	922,269	-	-	922,269
	7,903,069	763,150	535,800	9,202,019	3,824,040	631,044	196,926	4,652,010

Cash at bank and short-term bank deposits

	Group		Company	
	31 March		31 March	
	2020	2019	2020	2019
AAA(Ika) ¹	786,443	1,224,358	329,943	281,571
AA+(Ika) ¹	4,295	538,374	129	534,207
AA(Ika) ¹	9,859	10,258	2,461	2,860
AA-(Ika) ¹	833,389	1,217,424	1,515	89,798
A+(Ika) ¹	841	4,220	548	3,399
A(Ika) ¹	9,474	14,725	4,799	9,495
A-(Ika) ¹	603,215	-	603,218	-
BBB-(Ika) ¹	10,828	571	10,828	571
B-(Ika) ¹	2,754	-	1,997	-
Total	2,261,098	3,009,930	955,438	921,900

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

30 Contingent Liabilities

Company

- (a) The Department of Inland Revenue raised assessments on income tax for the year of assessments 2006/2007, 2007/2008, 2008/2009, 2011/2012, 2012/2013, 2013/2014 and 2014/2015 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted appeals against the said assessments within the stipulated time frame in accordance with the Inland Revenue Act. The matters pertaining to the year of assessments 2006/2007, 2007/2008 and 2008/2009 are referred to the Court of Appeal for their opinion. The year of assessment 2011/2012 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 the following Companies from Standard Chartered Bank.
- ACL Kelani Magnet Wire (Private) Limited amounting to USD 165,000 or equivalent in LKR
 - ACL Metals and Alloys (Private) Limited amounting LKR. 1,500 million
 - ACL Electric (Private) Limited amounting to LKR 300 million
 - Ceylon Copper (Private) Limited amounting to LKR 1,500 million
- (c) Bank guarantees amounting to LKR 433.5 million have been given to the suppliers as at 31 March 2020.

Group

- (a) ACL Metals and Alloys (Private) Limited

The Department of Inland Revenue raised assessments on income tax for the year of assessments 2007/2008, 2010/2011, 2011/2012, 2012/2013 and 2013/2014 relating to the exemption claimed for profits under section 17 of the Inland Revenue Act No. 10 of 2006. The Company submitted appeals against the said assessments within the stipulated time frame in accordance with the Inland Revenue Act. The matters pertaining to the year of assessments 2007/2008 and 2010/2011 are referred to the Court of Appeal for their opinion. The year of assessments 2011/2012 and 2012/2013 are pending before the Tax Appeal Commission for their determination. Management of the Company is of the view that no liability would arise since the Company is entitled for the income tax exemption under section 17 of the Inland Revenue Act No. 10 of 2006.

Bank guarantees amounting to LKR 40 million have been given to suppliers as at 31 March 2020.

- (b) ACL Polymers (Pvt) Ltd

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

- (c) Kelani Cables PLC

Bank guarantees amounting to LKR 105 million have been given to third parties as at 31 March 2020.

- (d) ACL Plastics PLC

Bank guarantees amounting to LKR 15 million have been given to the suppliers as at 31 March 2020.

31 Commitments

Financial commitments

Company

- (a) Letter of Credits

The Company has a commitment on Letter of Credits amounting to LKR 1,037 million as at 31 March 2020.

- (b) Non-cancellable operating leases

The company leases buildings and lands under noncancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 April 2019, the Company has recognised right-of-use assets for these leases, except for shortterm and low-value leases, see note 2.12 and note 40 for further information.

Commitments for minimum lease payments in relation to noncancellable operating leases are payable as follows:

	Company 31 March	
	2020	2019
Within one year	-	2,520
Later than one year	-	47,422
	-	49,942

There were no other material commitments outstanding as at 31 March 2020.

Group

(a) **Kelani Cables PLC**

Kelani Cables PLC has a commitment on Letter of Credits amounting to LKR 237 million as at 31 March 2020.

(b) **ACL Plastics PLC**

ACL Plastics PLC has a commitment on Letter of Credits amounting to LKR 15 million as at 31 March 2020.

(c) **ACL Metals and Alloys (Private) Limited**

ACL Metals and Alloys (Private) Limited has a commitment on Letter of Credits amounting to LKR 116 million as at 31 March 2020.

(d) **ACL Electric (Private) Limited**

ACL Electric (Private) Limited has a commitment on Letter of Credits amounting to LKR 48 million as at 31 March 2020.

(e) **Non-cancellable operating leases**

The group leases buildings and lands under noncancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 April 2019, the group has recognised right-of-use assets for these leases, except for shortterm and low-value leases, see note 2.12 and note 40 for further information.

Commitments for minimum lease payments in relation to noncancellable operating leases are payable as follows:

	Group 31 March	
	2020	2019
Within one year	-	1,320
Later than one year	-	3,022
	-	4,342

Capital commitments

(a) **Company and Group**

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

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

32 Stated capital

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Number of ordinary shares issued and fully paid				
Balance at the end of the year	119,787,360	119,787,360	119,787,360	119,787,360
Stated capital				
Balance at the beginning of the year	299,488	299,488	299,488	299,488
Balance at the end of the year	299,488	299,488	299,488	299,488

33 Capital reserve

(a) Capital reserve comprises surplus arising from net surplus on revaluation of property plant and equipment.

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	2,274,026	2,277,717	1,002,568	1,002,568
Revaluation surplus	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-
Transfer to retained earnings from revaluation reserve	(3,282)	(3,691)	-	-
Balance at the end of the year	2,270,744	2,274,026	1,002,568	1,002,568

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

	Group 31 March	
	2020	2019
Capital redemption reserve fund	4,435	4,435
Surplus on revaluation of property, plant and equipment	2,266,309	2,269,592
	2,270,744	2,274,027

34 General reserve

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	1,123,825	1,123,825	680,266	680,266
Balance at the end of the year	1,123,825	1,123,825	680,266	680,266

35 Fair value reserve of financial assets at FVOCI

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Balance at the beginning of the year	4,774	8,006	881	2,828
Fair value adjustment for financial assets at fair value through OCI	(4,701)	(3,232)	(2,032)	(1,947)
Balance at the end of the year	73	4,774	(1,151)	881

36 Cash flow information

(a) Cash generated from / (used in) operations

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

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Profit before tax	1,302,993	874,513	433,689	439,403
Adjustments for:				
Depreciation of property, plant and equipments (Note 12)	291,756	243,951	142,059	112,702
Depreciation of right-of-use assets (Note 16)	7,017	-	1,699	-
Amortization of intangible assets (Note 15)	99	654	99	654
Share of profit from equity accounted investee, net of tax [Note 18(a)]	(57,300)	(52,957)	-	-
Cash dividend from equity investee	-	75,954	-	-
Reversal of impairment of subsidiary	-	-	-	(92,005)
Dividend income (Note 5)	(1,108)	(3,387)	(104,951)	(143,304)
Defined benefit obligations reversal in other income (Note 5)	-	(3,255)	-	-
Interest expense (Note 8)	723,618	628,282	299,902	165,705
Interest income (Note 8)	(168,505)	(55,802)	(65,266)	(37,303)
Profit on disposal of property, plant and equipment (Note 5)	(52)	(61,267)	-	-
Property, plant and equipment written-off (Note 12)	-	989	-	-
Gain on revaluation of investment property (Note 14)	(129,000)	(15,000)	(118,000)	-
Defined benefit obligations [Note 26(b)]	63,065	60,494	35,867	34,872
Defined benefit obligations transfers and write off [Note 26(a)]	-	(5,450)	-	-
Changes in working capital:				
Increase in inventories	(437,794)	(915,305)	(172,486)	(559,913)
(Increase) / decrease in receivables and prepayments	(1,853,030)	(224,454)	(783,824)	153,282
Increase / (decrease) in trade and other payables	1,614,140	(1,726,513)	2,131,311	(542,301)
Cash generated from / (used in) operations	1,355,900	(1,178,554)	1,800,099	(468,207)

(b) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Net debt				
Cash and cash equivalents	2,261,756	3,015,111	955,817	922,269
Borrowings – repayable within one year (including overdraft)	5,190,743	6,217,924	1,416,497	3,148,407
Borrowings – repayable after one year	1,130,445	267,156	882,681	12,356
Lease liabilities	36,189	-	13,482	-
Net debt	(4,095,620)	(3,469,969)	(1,356,843)	(2,238,494)
Cash and liquid investments	2,261,756	3,015,111	955,817	922,269
Gross debt – fixed interest rates	-	-	-	-
Gross debt – variable interest rates	6,357,377	6,485,079	2,312,660	3,160,763
Net debt	(4,095,620)	(3,469,969)	(1,356,843)	(2,238,494)

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

37 Segment information

(a) Business Segment information

	Manufacturing cables	Manufacturing PVC compound	Others		
	2020	2020	2020	2020	2019
Total revenue	20,109,505	1,580,780	5,952,684	27,642,970	26,437,411
Inter-segment sales	(1,560,932)	(1,453,244)	(5,946,540)	(8,960,716)	(8,254,113)
External sales	18,548,574	127,536	6,144	18,682,254	18,183,298
Results					
Profit before other income and finance cost	901,478	224,308	514,314	1,640,100	1,294,130
Other income	157,118	932	2,656	160,706	99,906
Finance cost	(299,909)	(2,235)	(252,968)	(555,113)	(572,480)
Share of profit of equity accounted investee and gain on bargain purchase (power and energy)	-	-	-	57,300	52,957
Taxation	(174,759)	(67,239)	(36,752)	(278,750)	(250,254)
Profit after taxation	583,929	155,765	227,250	1,024,244	624,259
Assets					
Segment assets	19,622,141	684,087	2,436,496	22,742,725	20,147,997
Unallocated corporate assets				738,609	738,830
Total assets				23,481,333	20,886,827
Liabilities					
Segment liabilities	7,499,491	185,139	2,860,775	10,545,405	9,058,401
Unallocated corporate liabilities				2,471	3,337
Total liabilities				10,547,876	9,061,738
Capital expenditure					
Segment capital expenditure	57,984	21,508	590	80,082	560,995
Total capital expenditure				80,082	560,995
Depreciation and amortisation					
Segment depreciation and amortisation	238,969	15,542	37,344	291,855	244,604
Total depreciation and amortisation				291,855	244,604

(b) Geographical segment information

Geographical segment turnover is given in Note 4.

38 Directors' interests in contracts and related party transactions

- 38.1** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of ACL Plastics PLC which is a 65.2% owned subsidiary of ACL Cables PLC.
- 38.2** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company are also the Directors of Lanka Olex Cables (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 38.3** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs.N.C.Madanayake who are Directors of the Company are also the Directors of Kelani Cables PLC which is a 79.2% owned subsidiary of ACL Cables PLC .
- 38.4** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Kelani Magnet Wire (Private) Limited which is a 93.79% owned subsidiary of ACL Cables PLC.
- 38.5** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 38.6** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Polymers (Private) Limited which is a 65.2% owned subsidiary of ACL Cables PLC.
- 38.7** Mr U.G. Madanayake, Mr. Suren Madanayake and Mrs N. C. Madanayake who are Directors of the Company are also the Directors of Ceylon Bulbs and Electricals Limited which is a 95.3% owned subsidiary of ACL Cables PLC.
- 38.8** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Ceylon Copper (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 38.9** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Electric (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 38.10** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Cable Solutions (Private) Limited which is a 51% owned subsidiary of ACL Cables PLC.
- 38.11** Mr. Suren Madanayake who is a Director of the Company is also a Director of S M Lighting (Private) Limited.
- 38.12** Mr. Suren Madanayake who is a Director of the Company is also a Director of Resus Energy PLC which is a 32.52% owned associate of ACL Cables PLC.
- 38.13** The Company had the following business transactions in the ordinary course of business during the year.

(a) Sales of goods and services (inclusive of taxes)

	Company 31 March	
	2020	2019
Kelani Cables PLC	569,796	296,945
ACL Metals and Alloys (Private) Limited	32,821	22,681
ACL Plastics PLC	470	180
ACL Kelani Magnet Wire (Private) Limited	-	2,530
Ceylon Copper (Private) Limited	57,031	106,272
Cable Solutions (Private) Limited	9,551	-
ACL Electric (Private) Limited	32	325
	669,699	428,933

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(all amounts in Sri Lanka Rupees thousands)

(b) Purchase of goods and services (inclusive of taxes)

	Company 31 March	
	2020	2019
ACL Kelani Magnet Wire (Private) Limited	212	179,650
ACL Plastics PLC	929,748	902,648
Kelani Cables PLC	83,119	278,897
Ceylon Bulbs and Electricals Limited	1,200	1,200
ACL Metals and Alloys (Private) Limited	2,146,029	1,925,521
Ceylon Copper (Private) Limited	2,466,255	3,067,947
Cable Solutions (Private) Limited	317	-
ACL Electric (Private) Limited	681,331	384,018
	6,308,211	6,739,881

(c) Interest on loans from related party

	Company 31 March	
	2020	2019
ACL Plastics PLC	-	2,690
ACL Polymers (Private) Limited	2,235	2,170
	2,235	4,860

(d) Interest on loans to related party

	Company 31 March	
	2020	2019
ACL Kelani Magnet Wire (Private) Limited	-	2,401
	-	2,401

(e) Dividends received from related party

	Company 31 March	
	2020	2019
ACL Metals and Alloys (Private) Limited	12,900	-
Kelani Cables PLC	2,811	2,811
Lanka Olex Cables (Private) Limited	49,026	49,188
ACL Plastics PLC	14,239	14,867
Ceylon Copper (Private) Limited	25,800	-
	104,776	66,866

(f) There were no dividend payments to related parties during the year ended 31 March 2020.

(g) Key management compensation

	Group 31 March		Company 31 March	
	2020	2019	2020	2019
Short-term benefits	83,215	75,175	64,480	57,275
	83,215	75,175	64,480	57,275

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

(a) Payable to related parties

	Company 31 March	
	2020	2019
Kelani Cables PLC	43,582	79,422
ACL Metals and Alloys (Private) Limited	945,725	321,294
ACL Plastics PLC	625,797	311,936
Ceylon Copper (Private) Limited	854,064	515,307
ACL Kelani Magnet Wire (Private) Limited	212	-
ACL Electric (Private) Limited	19,397	21,708
	2,488,776	1,249,667

	Group 31 March	
	2020	2019
S M Lighting (Private) Limited	55,026	49,425
	55,026	49,425

(b) Receivable from related parties

	Company 31 March	
	2020	2019
Kelani Cables PLC	235,556	53,729
ACL Kelani Magnet Wire (Private) Limited	42,629	20,665
Ceylon Bulbs and Electricals Limited	2,223	2,881
ACL Metals and Alloys (Private) Limited	4,228	-
ACL Electric (Private) Limited	5	3
Cables Solutions (Private) Limited	4,313	-
	288,952	77,278

(c) Receivable on loans

	Company 31 March	
	2020	2019
ACL Kelani Magnet Wire (Private) Limited	32,075	32,075
	32,075	32,075

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

(d) Payable on loans

	Company 31 March	
	2020	2019
ACL Polymers (Private) Limited	25,000	25,000
Lanka Olex Cables (Private) Limited	594	594
	25,594	25,594

There were no other related parties or related party transactions during the year ended 31 March 2020 other than those disclosed above.

38.15 Interest in related entities

(a) Material Subsidiaries

The group's principal subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. Sri Lanka is the country of incorporation or registration and is also their principal place of business.

Name of entity	Place of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		2020	2019	2020	2019
ACL Plastics PLC	Colombo	65.20%	65.20%	34.80%	34.80%
Kelani Cables PLC	Kelaniya	79.30%	79.30%	20.70%	20.70%
Ceylon Bulbs and Electricals Limited	Colombo	95.30%	95.30%	4.70%	4.70%
Lanka Olex Cables (Private) Limited	Colombo	100%	100%	-	-
ACL Kelani Magnet Wire (Private) Limited	Colombo	93.79%	93.79%	6.21%	6.21%
ACL Metals and Alloys (Private) Limited	Colombo	100%	100%	-	-
Ceylon Copper (Private) Limited	Colombo	100%	100%	-	-
ACL Electric (Private) Limited	Colombo	100%	100%	-	-
Cable Solutions (Private) Limited	Colombo	51%	-	49%	-

(b) Interest in associates

Set out below is the associate of the group as at 31 March 2020 which, in the opinion of the directors, is material to the group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the group. Sri Lanka is the country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of incorporation	Ownership interest held by the Group		Carrying amount	
		2020	2019	2020	2019
RESUS Energy PLC	Colombo	32.52%	32.52%	312,874	255,792

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

38.17 Going concern

The Directors have made an assessment of the Company's and the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

39 Events after the reporting period

Company

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

Group

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

40 Changes in accounting policies

This note explains the impact of the adoption of SLFRS 16 Leases on the company's and the group's financial statements.

The following table illustrates the impact of the implementation of SLFRS 16 on equity and other balance sheet items at the transition date of April 1, 2019. The company's and the group has applied SLFRS 16 retrospectively on the required effective date, April 1, 2019. The 2020 opening balances have been adjusted, but the previous periods have not been restated.

Impact of SLFRS 16 on balance sheet items of the company

2019 ASSETS/ EQUITY & LIABILITIES	As reported 31.03. 2019	SLFRS 16 adjustment	Adjusted balance at 01.04.2019
ASSETS			
Non-current assets			
Right-of-use assets	-	14,467	14,467
EQUITY AND LIABILITIES			
Equity			
Retained earnings	5,534,137	-	5,534,137
Non-current liabilities			
Deferred tax liabilities	291,769	-	291,769
Lease liabilities	-	13,482	13,482
Current liabilities			
Lease liabilities	-	985	985

Notes to the Financial Statements

(all amounts in Sri Lanka Rupees thousands)

Impact of SLFRS 16 on balance sheet items of the group

2019 ASSETS/ EQUITY & LIABILITIES	As reported 31.03. 2019	SLFRS 16 adjustment	Adjusted balance at 01.04.2019
ASSETS			
Non-current assets			
Right-of-use assets	-	5,373	5,373
Prepaid lease rentals	1,622	(1,622)	-
Current assets			
Prepaid lease rentals	22	(22)	-
EQUITY AND LIABILITIES			
Equity			
Retained earnings	10,540,773	-	10,540,773
Non-current liabilities			
Deferred tax liabilities	512,748	-	512,748
Lease liabilities	-	2,763	2,763
Current liabilities			
Lease liabilities	-	966	966

SLFRS 16 – Leases

As indicated in Note 2.1(a), the company's and the group has adopted SLFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in Note 2.12.

On adoption of SLFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of LKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 April 2019 was 11.11%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of SLFRS 16 are only applied after that date.

(i) Practical expedients applied

In applying SLFRS 16 for the first time, the company and the group has used the following practical expedients permitted by the standard:

- applying discount rates 11.11% for portfolios of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- there were no onerous contracts as at 1 April 2019

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company and the group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying LKAS 17 and Interpretation for determining whether an arrangement contains a lease.

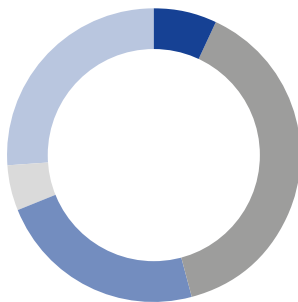
(ii) Measurement of lease liabilities

	1 April 2019	
	Group	Company
- Operating lease commitments disclosed as at 31 March 2019	4,342	49,942
- Discounted using the lessee's incremental borrowing rate of at the date of initial application	3,729	14,467
- Add: finance lease liabilities recognised as at 31 March 2019	-	-
- (Less): short-term leases not recognised as a liability	-	-
- (Less): low-value leases not recognised as a liability	-	-
- Add/(less): contracts reassessed as lease	-	-
- Add/(less): adjustments as a result of a different treatment of extension and termination options	-	-
- Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-	-
Lease liability recognised as at 1 April 2019	3,729	14,467
Of which are:		
Current lease liabilities	966	985
Non-current lease liabilities	2,763	13,482
	3,729	14,467

Statement of Value Added - Group

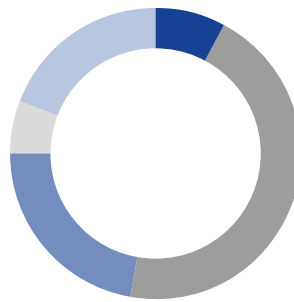
	2020		2019	
	Rs. '000		Rs. '000	
Total revenue	19,577,852		18,183,298	
Other operating & interest income	386,247		208,665	
	19,964,099		18,391,963	
Cost of material and services bought in	(16,151,548)		(15,200,552)	
Total value added by the Group	3,812,551		3,191,411	
Value added shared with				
Government of Sri Lanka (Taxes)	7%	281,762	8%	250,264
Employees (Salaries and other costs)	39%	1,491,166	45%	1,444,665
Lenders (Interest on loan capital & minority interest)	22%	856,718	22%	692,796
Shareholders (Dividends)	5%	179,681	6%	179,681
Retained in the business (Depreciation & retained profits)	26%	1,003,224	19%	624,015
	100%	3,812,551	100%	3,191,411

2020



- Government of Sri Lanka 7%
- Employees 39%
- Lenders 23%
- Shareholders 5%
- Retained in the business 26%

2019



- Government of Sri Lanka 8%
- Employees 45%
- Lenders 22%
- Shareholders 6%
- Retained in the business 19%

Information to Shareholders

(a) Distribution of shareholders as at 31 March 2020

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	1,749	517,797	0.43
1,001 to 10,000	856	3,303,614	2.76
10,001 to 100,000	272	8,235,818	6.88
100,001 to 1,000,000	42	11,894,627	9.93
Over 1,000,000	10	95,835,504	80.00
Total	2,929	119,787,360	100.00

(b) Analysis report of shareholders as at 31 March 2020

	Number of shares	% of holding
Institutional	31,721,456	26.48
Individuals	88,065,904	73.52
Total	119,787,360	100.00

(c) Market and other information.

	31 March 2020	31 March 2019
Company		
a) Earnings per share (LKR)	2.88	2.90
b) Dividends per share (LKR)	1.50	1.50
c) Net assets value per share (LKR)	47.48	46.20
d) Market value per share		
- Highest value (LKR)	60.00	43.90
- Lowest value (LKR)	26.20	32.00
- Value as at the end of financial year (LKR)	31.10	32.30
e) Number of trades	10,993	2,082
f) Total number of shares traded	18,652,138	8,112,892
g) Total turnover (LKR)	891,332,393	320,562,778
h) Percentage of shares held by the public	37.34%	37.34%
i) Number of public shareholders	2,925	2,582
j) Number of foreign shareholders	27	23
Consolidated		
a) Earnings per share (LKR)	7.44	4.67
b) Net assets value per share (LKR)	107.99	98.73

Information to Shareholders

(d) Twenty largest share holders list as at

	Share Holder Name	31 March 2020		31 March 2019	
		No. Shares	%	No. Shares	%
1	Mr. U. G. Madanayake	45,694,432	38.15	45,694,432	38.15
2	Mr. Suren Madanayake	26,604,792	22.21	26,604,792	22.21
3	Employees Provident Fund	5,907,432	5.05%	5,907,432	4.93
4	SEB AB-Tundra Sustainable Frontier Fund	5,544,156	4.63	6,044,156	4.93
5	Employees Trust Fund Board	4,047,057	3.38	4,427,057	3.70
6	Mrs. N.C. Madanayake	2,064,200	1.72	2,064,200	1.72
7	Bnymsanv Re-Compass Asia Partners,L.P.	1,717,819	1.43	2,000,000	1.67
8	FAB Foods (Private) Limited	1,535,040	1.28	1,535,040	1.28
9	Sri Lanka Insurance Corporation LTD-Life Fund	1,399,776	1.17	675,647	0.56
10	Bank of Ceylon-No 2 A/C	1,320,800	1.10	1,320,800	1.10
11	DFCC Bank PLC A/C No 02	750,000	0.63	-	-
12	Perera R.D.M.	701,864	0.59	701,864	0.59
13	Selliah A & Selliah S	700,000	0.58	700,000	0.58
14	Sir Cyril De Zoysa Trust	682,072	0.57	682,072	0.57
15	Hatton National Bank PLC- Astrue Alpha Fund	678,997	0.57	-	-
16	Arunodhaya (Private) Limited	500,000	0.42	500,000	0.42
17	Arunodhaya Industries (Private) Limited	500,000	0.42	500,000	0.42
18	Arunodhaya Investments (Private) Limited	500,000	0.42	500,000	0.42
19	J.B. Cocoshell (Private) Limited	414,207	0.35	-	-
20	Andysel (Private) Limited	400,000	0.33	400,000	0.33

Decade at a Glance - Group

Trading Results	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
Year Ended	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Turnover	18,682,254	18,183,298	16,251,907	14,669,735	12,811,224	14,427,236	11,446,862	11,326,520	10,306,180	9,569,771
Profit before tax	1,302,993	874,513	1,057,249	1,764,563	1,695,622	1,254,738	687,625	753,438	771,728	449,700
Taxation	(278,750)	(250,254)	(294,513)	(509,124)	(426,394)	(300,651)	(176,412)	(162,954)	(206,275)	(162,960)
Profit after tax	1,024,243	624,259	762,736	1,255,439	1,269,228	954,087	511,213	590,484	565,453	286,740
Balance Sheet	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
As At	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Stated capital	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488	299,488
Capital reserve	2,270,744	2,274,026	2,277,718	1,790,589	1,875,347	1,818,019	1,357,957	1,443,836	1,447,781	863,320
Revenue reserve	8,667,049	7,967,257	7,751,398	7,241,173	6,270,421	5,272,516	4,442,265	3,975,037	3,495,789	3,057,050
	11,237,281	10,540,771	10,328,604	9,331,250	8,445,256	7,390,023	6,099,710	5,718,361	5,243,059	4,219,858
Non-controlling interests	1,696,178	1,284,316	1,245,074	1,135,318	1,026,303	870,373	745,123	683,959	634,878	528,264
Non-current liabilities	2,033,584	1,106,615	1,225,767	718,334	1,377,423	1,786,010	516,034	513,383	584,100	585,687
	14,967,043	12,931,704	12,799,444	11,184,902	10,848,982	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809
Property, plant & equipment	4,761,445	4,491,089	4,151,266	3,347,709	3,466,497	3,531,614	2,949,216	3,104,485	3,019,097	2,242,226
Right of use assets	40,520	-	-	-	-	-	-	-	-	-
Leasehold properties - pre-payments	-	1,622	1,644	1,666	1,688	1,710	1,732	1,754	1,776	1,798
Capital work in progress	32,517	73,701	97,469	31,678	32,853	64,127	49,764	37,952	58,475	133,226
Intangible assets	88,813	7,050	7,705	9,138	11,487	17,286	14,060	5,994	5,994	5,994
Investment property	782,000	653,000	638,000	538,750	516,000	493,000	317,000	130,000	130,000	125,000
Financial assets at fair value through OCI/Available for sale	367,570	373,695	274,488	34,211	31,629	30,145	25,832	26,925	28,097	43,561
Investment in equity accounted investee	312,874	255,792	277,206	275,286	301,503	823,749	-	-	-	-
Deferred tax asset	-	1,957	3,959	1,774	-	-	-	-	-	-
Current assets	17,095,595	15,030,878	13,694,440	12,325,252	11,012,139	11,106,443	8,690,869	7,602,055	6,324,309	6,709,445
Current liabilities	(8,514,293)	(7,955,123)	(6,346,730)	(5,380,561)	(4,524,814)	(6,021,667)	(4,687,606)	(3,993,462)	(3,105,713)	(3,927,440)
Capital employed	14,967,040	12,933,661	12,799,446	11,184,903	10,848,982	10,046,406	7,360,867	6,915,703	6,462,036	5,333,809
Ratios										
Gross profit margin	17.79%	15.21%	16.19%	22.10%	23.86%	17.67%	16.81%	16.46%	16.61%	13.47%
Net profit margin after tax	5.48%	3.40%	4.69%	8.56%	9.91%	6.61%	4.47%	5.21%	5.49%	4.70%
Sales growth	2.74%	11.88%	10.79%	14.51%	-11.20%	26.04%	11.07%	9.90%	7.70%	32.13%
Profit growth	49.00%	-17.28%	-40.08%	4.07%	35.14%	82.47%	-10.90%	-2.37%	71.61%	129.11%
Current ratio	2.01	1.89	2.16	2.29	2.43	1.84	1.85	1.90	2.04	1.71
Net asset per share	107.99	98.73	96.63	87.39	79.08	61.69	50.92	95.48	87.54	70.45
Dividend per share	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	0.70	-
Earning per share	7.44	4.67	5.82	9.33	9.13	7.18	3.69	8.93	8.17	3.88
Market value per share	31.10	32.30	41.00	54.50	100.90	76.00	61.00	65.50	62.60	94.00
Price earning ratio	4.18	6.99	7.04	5.84	5.35	10.59	16.55	7.34	7.66	24.21
Dividend cover ratio	4.96	3.08	3.88	6.22	9.13	7.18	3.69	8.93	11.67	-
Dividend payout ratio	0.20	0.32	0.26	0.16	0.11	0.14	0.27	0.11	0.09	-

Real Estate Portfolio - Group

Name of the Owning Company and Location	Land (Acres) Freehold	Buildings (Sq. Ft)	No of Buildings	Net Book Value	
				2020 Rs. 000	2019 Rs. '000
ACL Cables PLC					
Welithotuwa Road, Batakettara, Piliyandala	16.83	253,996	24	1,431,229	1,427,117
Sarabhoomi Housing Scheme, Batakettara, Piliyandala	0.11	1,107	1	10,000	8,925
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	-	80,000	67,500
AMW Premises, Nagoda, Kaluthara	2.76	-	-	70,500	69,500
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	-	158,000	85,000
60, Rodney Street, Colombo 08	-	15,288	12	84,640	88,320
	33.91	270,391	37	1,834,369	1,746,362
Kelani Cables PLC					
Wewelduwa, Kelaniya	6.51	97,345	3	500,448	462,659
Mahena Road, Siyambalape	1.08	32,398	1	87,144	91,590
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-	-	306,000	295,000
	20.59	129,743	4	893,592	849,249
ACL Plastics PLC					
Temple Road, Ekala, Ja-Ela	3.21	36,579	9	201,600	210,000
Niwasipura, Ekala, Ja-Ela	0.06	1,690	1	12,780	13,500
Suhada Mawatha (Off Samagi Mawatha)	0.13	-	-	7,500	7,500
	3.40	38,269	10	221,880	231,000
ACL Kelani Magnet Wire (Pvt) Ltd					
No.07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,554	7	257,160	263,922
Ceylon Bulbs & Electricals Ltd					
60, Rodney Street, Colombo 08	1.69	24,706	11	738,000	738,000
ACL Metals & Alloys (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	1	85,648	95,716
Ceylon Copper (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	1	74,161	75,425
ACL Electric (Pvt) Ltd					
Miriseatte Estate, Millewa, Moragahahena, Horana	1.51	12,960	1	92,764	95,836
Cable Solution (Pvt) Ltd					
Ranmuthugala Estate , Ranmuthugala , Kadawatha	-	34216	2	158,686	-
Total value of land and buildings - (Note 12 and 14)	65.63	557,233	72	4,356,260	4,095,510

Glossary of Financial Terms

Accounting Policies

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

Amortization

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

Available-for-Sale

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

AWDR

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

AWPLR

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

Basic Earnings Per Share

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

Borrowings

All interest bearing liabilities.

Capital Employed

Total equity, minority interest and interest bearing borrowings.

Capital Reserves

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

Cash Equivalents

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

Contingent Liability

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

Credit Rating

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

Credit Risk

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

Corporate Governance

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

Current Ratio

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

Debt /Equity

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

Deferred Taxation

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

Dividends

Distribution of profits to holders of equity investment.

Dividend Cover

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

Dividend Yield

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

Derivatives

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

Earnings per Share

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

Effective Tax Rate

Income tax expenses divided by profit from ordinary activities before tax.

Equity

Shareholders' funds.

Fair Value

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

Fair Value Through Profit or Loss (FVPL)

Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset

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

Glossary of Financial Terms

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.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifty Eighth Annual General Meeting of ACL Cables PLC will be held at the Auditorium of ACL Cables PLC, No. 60, Rodney Street, Colombo - 08, on Thursday, 17th September 2020, at 9.30 a.m. for the following purposes.

01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2020 with the report of the Auditors thereon.

02. (a) To re-elect Mr. Daya Wahalantiri who retires 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.

(b) To re-elect Dr. Sivakumar Selliah who retires by rotation in terms of article No. 85 and being eligible for re-election in terms of Article No. 86 of Articles of Association of the Company.

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

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

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

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

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

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

(e) "that Mr. Daya Wahalantiri, who has passed the age of 70 years in January 2019, 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

6th August 2020

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.

Form of Proxy - ACL Cables PLC

I/Weof.....
 being a Shareholder/ Shareholders of the above Company hereby appoint
 or failing him/ herof.....
 as my/ our Proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our
 behalf at the Annual General Meeting of the Company to be held on 17th September 2020 at 9.30 a.m. and at any adjournment
 thereof.

	IN FAVOR	NOT IN FAVOR
01. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2020 with the report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
02. (a) To re-elect as Director Mr. Daya Wahalantantiri who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
(b) To re-elect as Director Dr. Sivakumar Selliah who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
03. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
04. (a) Ordinary Resolution (a) relating to the appointment of Mr. U. G. Madanayake	<input type="checkbox"/>	<input type="checkbox"/>
(b) Ordinary Resolution (b) relating to the appointment of Mrs. N. C. Madanayake	<input type="checkbox"/>	<input type="checkbox"/>
(c) Ordinary Resolution (c) relating to the appointment of Mr. Ajit Jayaratne	<input type="checkbox"/>	<input type="checkbox"/>
(d) Ordinary Resolution (d) relating to the appointment of Mr. Hemaka Amarasuriya	<input type="checkbox"/>	<input type="checkbox"/>
(e) Ordinary Resolution (d) relating to the appointment of Mr. Daya Wahalantantiri	<input type="checkbox"/>	<input type="checkbox"/>
05. To authorize the Directors to determine donations to charities.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2020

.....
 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 Eighth 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.

Form of Proxy - ACL Cables PLC

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 7608300

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. Wahalantantiri

P. S. R. Casie Chitty

Sivakumar Selliah

GROUP CHIEF FINANCIAL OFFICER

Champika Coomasaru (B.Com.(Sp), ACA, ACMA)

SECRETARIES

Messrs. Corporate Affairs (Private) Limited

68/1, Dawson Street, Colombo 02

AUDITORS

Messrs. PricewaterhouseCoopers

Chartered Accountants

100, Braybrooke Place, Colombo 02

BANKERS

Standard Chartered Bank

Hatton National Bank PLC

Nations Trust Bank PLC

National Development Bank PLC

Sampath Bank PLC

Commercial Bank of Ceylon PLC

People's Bank

Hongkong & Shanghai Banking Corporation

Seylan Bank PLC

State Bank of India

DFCC

CREDIT RATING

[SL] A+ (Stable) outlook was reaffirmed from ICRA Lanka Limited, group Company of Moody's Investors Service.

