



POWERING THE FUTURE





POWERING THE FUTURE

ACL Cables PLC is proud to be Sri Lanka's largest electric cable manufacturer, and as pioneers of the industry, throughout six decades in the field, refined our craft to become a specialized manufacturer and supplier of the widest range of quality cables and conductors in Sri Lanka.

In the year under review, we have taken a bold step towards promoting and ensuring energy conservation, with the introduction of our brand new energy-saving cable range and with our focused efforts to take on the competition in chosen markets, and remain inventive, incredible and invincible throughout trials and tribulations.

As we set our sights on the future of the planet, of society and of our company, we recognize with responsibility our entrenched duty towards streamlining energy consumption in service of a brighter tomorrow, and we acknowledge with pride our privileged position in transforming the norms of energy consumption within Sri Lanka.

With that responsibility firmly placed at the centre of our operations, we reflect on a year spent powering the future and wire ourselves in position at the top of the industry in the years to come.

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CHAIRMAN'S MESSAGE

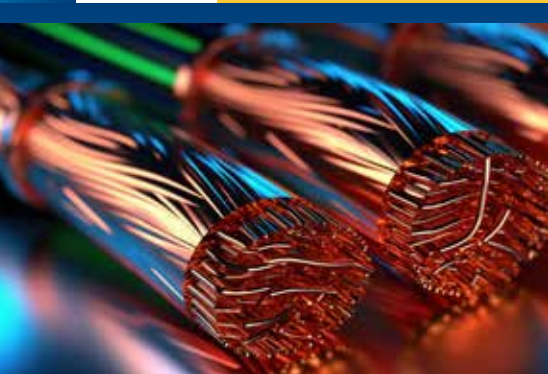
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MANAGING DIRECTOR'S REPORT

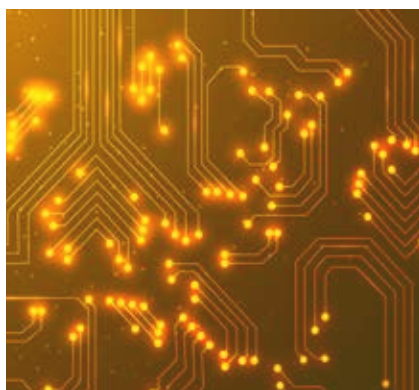


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PRODUCT PORTFOLIO

ABOUT US

ACL Cables PLC stands as the leading cable manufacturer in Sri Lanka, known for its high-quality products and innovative solutions in the electrical industry. With a strong focus on customer satisfaction and sustainability, ACL Cables PLC has established itself as a trusted brand in the market. The company's commitment to excellence and continuous improvement has enabled it to maintain a competitive edge in the industry. Overall, ACL Cables PLC is dedicated to provide reliable and safe electrical solutions to meet the needs of its customers.



VISION

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



VALUES

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



CUSTOMERS

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



PEOPLE

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



SUPPLIERS

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



SHAREHOLDERS

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



COMMUNITY

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

ABOUT THIS REPORT



ACL Cables PLC, Sri Lanka's leading cable manufacturer, is at the forefront of the electrical industry, delivering high-quality, innovative solutions and sustainable practices that are shaping the future of electrical infrastructure.

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SCOPE AND BOUNDARIES

ACL Cables PLC (Company) and its subsidiaries (hereinafter referred to as "Group") is proud to present herewith its 62nd Annual Report which provides a succinct view of its performance using financial, social and governance information during the year. This Report covers the operations of the ACL Group for the period from 01 April 2023 to 31 March 2024 and builds on the Group's previous annual reporting cycle for the period ended 31 March 2023. The financial and non-financial information presented herein represents consolidated figures for the Company and its subsidiaries unless otherwise stated. The information related to the previous period has not been restated during this period unless otherwise stated.

STATEMENT BY THE BOARD

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and is of the opinion that the Report addresses all material issues that it believes to have a bearing on the Company's capacity to create value over the short, medium and long term.

EXTERNAL ASSURANCE

An assurance on the Financial Statements has been obtained from Messrs. Deloitte Partners, Chartered Accountants.

REPORTING FRAMEWORKS APPLIED

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Listing Rules of the Colombo Stock Exchange (CSE) and subsequent revisions to date
- Gender Parity Reporting Framework published by CA Sri Lanka
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, including directives and circulars
- Code of Best Practice on Corporate Governance (2013) jointly advocated by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka, to the extent of business exigency and as required by the Group



Scan the QR code to directly access ACL Integrated Report 2023/24 online



Print Available on Request



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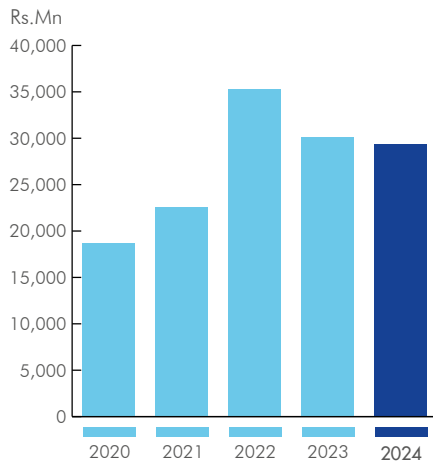
GROUP FINANCIAL HIGHLIGHTS

Operations	2024 LKR Million	2023 LKR Million
Turnover	29,196	30,147
Gross Profit	7,143	10,988
Net Finance Cost	278	48
Profit Before Tax	4,663	9,165
Profit After Tax	3,446	7,013
Total Equity	31,007	27,458

Key Financial Indicators	2024	2023
Gross Profit Margin	24.47%	36.45%
Net Profit Margin before Tax	15.97%	30.40%
Interest Cover (Times)	13.22	11.23
Return on Equity	11.11%	25.54%
Current Ratio	5.24	3.99

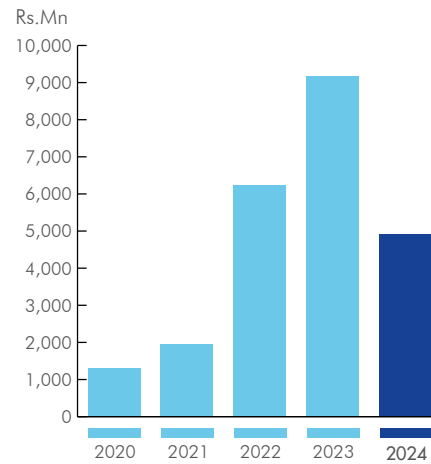
REVENUE

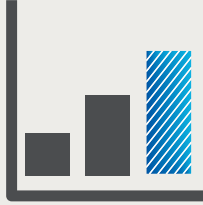
for the year ended 31 March



NET PROFIT BEFORE TAX

for the year ended 31 March





COMPANY NET REVENUE

LKR 13,889 Mn



PROFIT SHARE TO GROUP EQUITY HOLDERS

83%



GROUP NET REVENUE

LKR 29,196 Mn

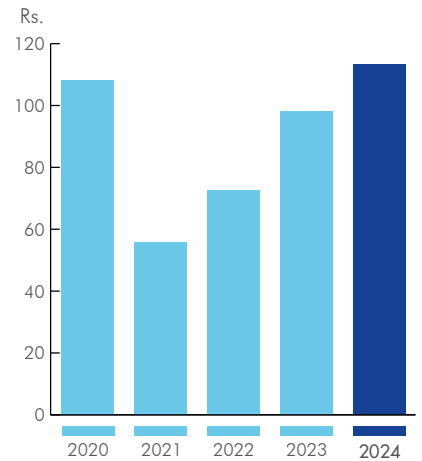


PROFIT TO GROUP EQUITY HOLDERS

LKR 2,858 Mn

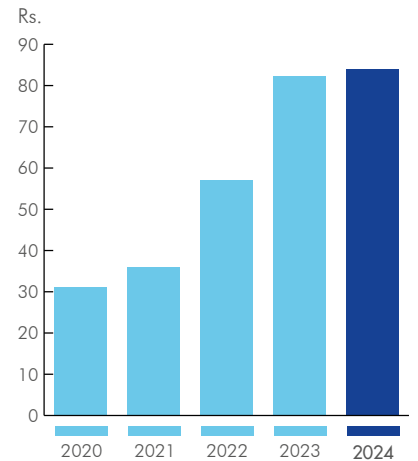
NET ASSETS PER SHARE

as at 31 March



MARKET VALUE PER SHARE

as at 31 March



MILESTONES

1962

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

1963

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

1976

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

1995

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

1993

Second technical collaboration agreement with NOKIA Cables of Finland for drawing and ageing Aluminium Alloy conductors. Commenced manufacturing of PVC compound at ACL Plastics Ltd, Ekala.

1991

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

1999

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

2006

Incorporation of ACL Metals & Alloys (Private) Ltd and ACL Polymers (Private) Ltd. Introduction of Fireguard and other fire rated range of products.

2007

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

2018

Introduction of ACL Elegance switches & sockets. ACL Cables PLC achieved the prestigious Master Brand status for 2017, conferred by Chief Marketing Officers (CMO) Asia in partnership with the World Marketing Congress. A Master Brand status is conferred only to top tier brands in a particular category and in recognition of market dominance. Once the status is awarded on a single brand, the competing brands are excluded from the category.

2017

Ceylon Copper Pvt Ltd acquired 16% stake of Ethimale Plantation Pvt Ltd

2019

ACL Cables PLC acquired 51% stake of Cable Solutions Pvt Ltd

2022

ICRA Lanka Limited has upgraded the Issuer rating of ACL Cables PLC ("ACL" / "the Company") to [SL]AA- (pronounced S L Double A minus [1]) from [SL]A+; the Outlook remains Stable.

2023

ACL was recognized in Business Today Awards Top 40 companies

1978

Facilities for drawing of Copper wires were added.

1980

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

1981

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

1982

Establishment of own distribution network island wide.

1990

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

1988

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

1986

Production of Armored cable commenced at Piliyandala Factory.

2008

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

2012

Incorporation of Ceylon Copper (Pvt) Ltd. to manufacture copper rods. ACL secured SLS Certification for Armored Cables this year for the first time in Sri Lanka.

2013

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

2016

ICRA Lanka Limited, Subsidiary of ICRA Limited, group company of Moody's Investors Service has assigned an Issuer rating of [SL] A+ (pronounced S L A plus) with stable outlook to ACL Cables PLC.

2015

ACL Cables PLC acquired 35% stake of Hemas Power PLC & renamed company as RESUS Energy PLC. As a result of share buyback by RESUS Energy PLC during 2015/2016, ACL Cables PLC's stake was reduced to 31.71%.

2014

Introduction of Fire Resistance Circuit Integrity Power Cables.

2024

Won the Gold award in Extra Large Category of Electronic and Electric product sector and Certificate of Ethical Trading at the NCE Export awards. Won the Bronze award under the construction sector at TAGS AWARDS 2023 by CA Sri Lanka. The company has introduced a new range of energy-saving PVC insulated PVC sheathed cables that exceed the standard specifications of the SLS 733 and new range of PVC insulated PVC sheathed cables that combine enhanced safety and energy-saving features.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

The Sri Lankan economy's resilience in the face of significant challenges during the past year is a testament to the determination and adaptability of its people and institutions. Despite grappling with economic turbulence and political uncertainties, the country demonstrated remarkable progress in stabilizing its economic landscape.

One of the key pillars of this resilience was the proactive response of the government through fiscal and monetary policy measures. These measures aimed at managing currency depreciation and inflationary pressures, which persisted throughout the year. By taking decisive actions, authorities effectively stabilized the exchange rate, mitigating the volatility that could have exacerbated economic woes.

Moreover, the government's engagement with international entities such as the International Monetary Fund (IMF) was instrumental in navigating through challenging times. Securing a 48-month Extended Fund Facility (EFF) worth approximately three billion USD provided a much-needed boost of confidence to external creditors and stakeholders. This achievement was particularly significant considering the "default" credit rating assigned to the country in 2022. The EFF disbursements, totalling USD 670 million in 2023, injected liquidity into the economy, helping to alleviate immediate financial pressures.

In addition to external support, domestic efforts towards debt restructuring were prioritized. These initiatives, coupled with discussions on external debt restructuring, signaled a proactive approach towards long-term economic stability. However, some measures, such as increased corporate taxes and the introduction of new taxes, presented challenges to businesses, impacting their profitability and potentially affecting investment sentiment.

Despite these challenges, the economy demonstrated resilience in various key indicators. Exchange rate stability was maintained for the most part of the year, with the Sri Lankan Rupee even appreciating against the USD towards the latter part of the financial year. Furthermore, inflation remained below 5%, indicating effective management

of price stability. Benchmark interest rates moved downwards, reflecting efforts to stimulate economic activity.

SRI LANKAN ECONOMY

Inflation witnessed sharp downward momentum from the historical highs witnessed in 2022 owing to the lagged impact of tight monetary policy, normalization of domestic supply side bottlenecks, appreciation of the domestic currency and the downward adjustment of global commodity prices. Accordingly, the Colombo Consumer Price Index (CCPI) reached single digits in July 2023 after peaking at 69.8% in September 2022 and remained relatively stable throughout the remainder of the year.

The acute shortages in foreign exchange liquidity witnessed in 2022 eased in 2023 with an improvement in market confidence with the approval of the International Monetary Fund (IMF) Extended Fund Facility and increased inflows through export proceed conversions, workers' remittances and tourist earning as well as restrictions on imports. Budgetary support from Asian Development Bank and World Bank funds also contributed to the easing of liquidity conditions in the domestic foreign exchange market. As a result, the exchange rate which depreciated sharply in 2022 witnessed a notable appreciation and stabilization during 2023.

In 2023, Sri Lanka's tourism sector experienced a remarkable resurgence, with a striking 107% increase in tourist arrivals, totaling 1,487,303 compared to 719,978 in 2022. Despite initial uncertainties stemming from the economic crisis, tourism bounced back strongly, generating USD 2,068 million in earnings—a notable 82% surge from the previous year. Key tourist source countries included India, Russia, the United Kingdom, Germany, and China.

Worker remittances also saw substantial growth, soaring by 58% to USD 5,970 million in 2023, up from USD 3,789 million in 2022. This uptick was attributed to a shift towards formal banking channels, likely influenced by the relative stability of the LKR/USD exchange rate, a result of economic reforms and exchange control policies introduced in 2022.

Despite these positive developments, financial inflows remained subdued. Net inflows to the Colombo Stock Exchange (CSE) were a mere USD 18 million in 2023, a sharp decline from the USD 182 million recorded in 2022. Similarly, net inflows to government securities amounted to USD 210 million, compared to a net outflow of USD 23 million in the previous year.

However, Sri Lanka's gross official reserves (GOR) witnessed a significant uptick, reaching USD 4.4 billion by the end of 2023, up from USD 1.9 billion in 2022. This increase was fueled by substantial net purchases of foreign exchange by the Central Bank of Sri Lanka, as well as receipts from international institutions such as the IMF, World Bank, and Asian Development Bank. Additionally, a USD 1.4 billion SWAP facility with the People's Bank of China contributed to the rise in GOR.

The strengthened GOR, including the SWAP facility, surpassed the benchmark threshold of three months of imports for the first time since April 2021, providing a much-needed boost to the external sector. Despite ongoing economic challenges, the influx of remittances and tourism earnings helped Sri Lanka achieve a balance of payment surplus of USD 2.8 billion in 2023—a significant turnaround from the USD 2.8 billion deficit recorded in 2022.

According to the provisional statistics released by the Department of Census and Statistics of Sri Lanka (DCS), the economy experienced a contraction of 2.3% in 2023, a notable improvement compared to the 7.3% negative growth recorded in the previous year, 2022. Despite this improvement, the economy still faced challenges, reflecting the lingering impact of various factors such as the COVID-19 pandemic and economic uncertainties.

In terms of sectoral contributions to the economy, there was a relative consistency observed. Agriculture, industry, and services remained the main contributors, accounting for 8.3%, 25.6%, and 59.9% respectively. Notably, the agricultural sector recorded positive growth during the year, indicating resilience and potential within this sector.

However, both the industrial and service sectors experienced negative growth, reflecting broader economic challenges.

The negative growth in the industrial and service sectors underscores the ongoing struggles faced by these segments of the economy. Factors such as reduced consumer spending, supply chain disruptions, and decreased business activity likely contributed to this contraction. Despite these challenges, it is important to recognize the efforts made to mitigate the economic downturn and support sectors experiencing difficulties.

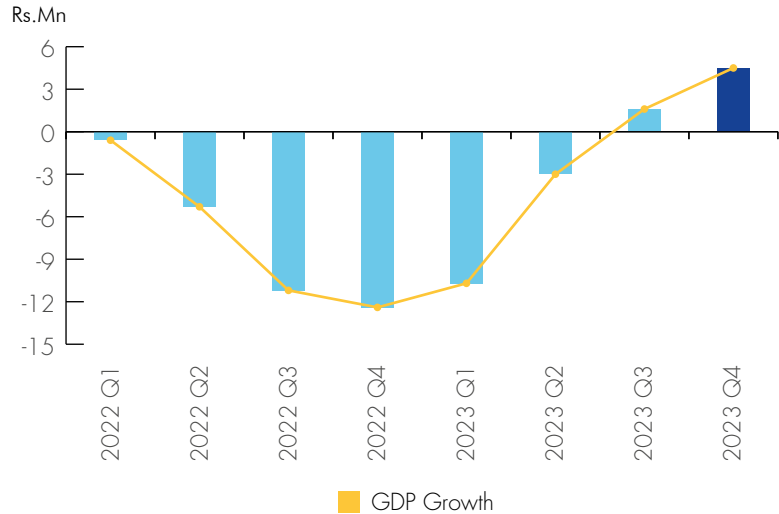
Moving forward, addressing the underlying issues affecting industrial and service sectors will be crucial for stimulating economic recovery and fostering sustainable growth. This may involve targeted interventions, policy reforms, and investment strategies aimed at revitalizing these sectors and promoting overall economic resilience.

While there was an improvement in the overall economic performance compared to the previous year, the negative growth recorded in 2023 highlights ongoing challenges faced by the Sri Lankan economy. Addressing these challenges, particularly in key sectors such as industry and services, will be essential for fostering long-term economic stability and growth.

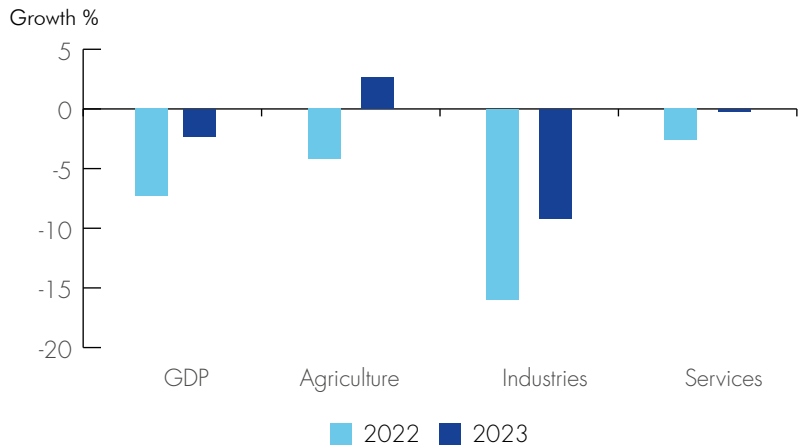
The economy's recovery trajectory was evident in the latter part of the year, with all three key sectors recording growth in the third and fourth quarters. This gradual rebound, after a contraction in the first two quarters attributed to economic slowdown and other uncertainties, instills confidence in the economy's ability to bounce back.

In conclusion, the Sri Lankan economy's resilience and determination in overcoming adversity are commendable. Despite facing significant challenges, the country's proactive approach to economic stabilization, coupled with collaborative efforts with international partners, has paved the way for progress. While challenges remain, the economy's trajectory towards recovery is a testament to its resilience and potential for future growth.

GDP GROWTH BY QUARTER



GDP GROWTH BY SECTOR



persisting subdued demand and regulatory uncertainties, industry players remain optimistic about the sector's long-term prospects, driven by a shared commitment to sustainable growth.

In recent years, the Sri Lankan construction sector has grappled with multiple hurdles, including a shortage of new projects, funding deficiencies leading to stalled government projects, temporary halts in foreign-funded projects, interest rate hikes, import restrictions, and limited foreign funds for material procurement. Consequently, the sector experienced a slowdown, with its contribution to GDP declining from 7.6% in 2022 to 6.2% in 2023.

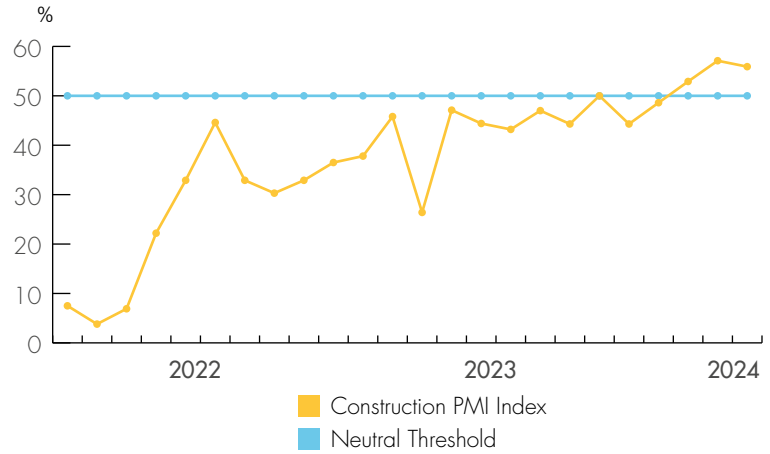
However, there has been a gradual improvement in the sector, attributed to the lifting of import restrictions, the resumption of foreign-funded projects, and improved material availability. This positive trend is reflected in the Construction PMI (Purchasing Managers' Index), which reached 52.9 in March 2024, consistently surpassing the neutral threshold of 50 since January 2024, indicating potential growth in the Sri Lankan construction sector.

After a prolonged hiatus, early signs of recovery are now evident within the construction industry, driven by the resumption of halted projects across key sectors such as government infrastructure, residential housing, and high-rise projects. Notably, the sector, which faced six consecutive quarters of negative growth, recorded a positive growth of 4.0% year-on-year in the fourth quarter of 2023, signaling the initial phase of recovery.

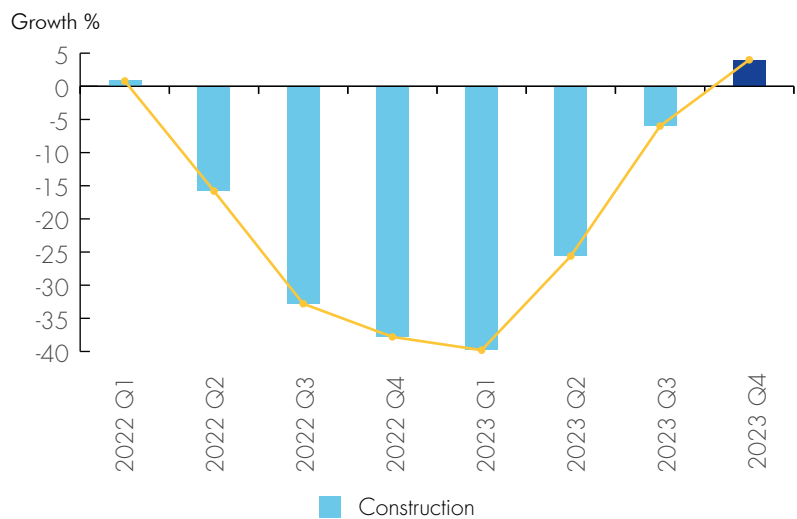
The resurgence in construction activities is expected to stimulate heightened demand for materials within the sector, driven by several factors:

- Resumed privately-funded projects and government development projects, with some scheduled for completion before upcoming elections.

CONSTRUCTION PMI INDEX



GDP GROWTH: CONSTRUCTION SECTOR



- A relatively favorable post-crisis macroeconomic backdrop, characterized by stability in interest rates and the exchange rate.
- Anticipation of a gradual realization of pent-up housing demand as the year progresses, supported by wage growth aligning with inflation and significantly low housing loan rates.

MANAGEMENT DISCUSSION AND ANALYSIS

ACL CABLES PLC

Amid the economic uncertainties of 2023/24, ACL Cables PLC stood out as a symbol of strength and resilience. Despite the prevailing challenges in the market, the company delivered impressive performance marked by consistent turnover and profitability. This stability was not happenstance but a result of deliberate operational efficiencies and strategic investments, which bolstered profitability and showcased the company's ability to excel in volatile environments.

ACL Cables PLC unwavering commitment to excellence and adherence to compliance standards were duly recognized through prestigious industry accolades and awards. These accolades serve as a testament to the company's steadfast dedication to delivering value to stakeholders and fostering sustainable growth.

As a fully-integrated cable manufacturer, ACL Cables PLC maintains a formidable presence across its entire value chain. With seven manufacturing facilities and a network of sixteen warehouses, complemented by access to 1,559 dealers and 214 distributors, the company ensures the provision of high-quality products that effectively meet customer needs. This comprehensive infrastructure underscores ACL Cables PLC unwavering commitment to operational excellence and customer satisfaction.

With a rich history spanning over six decades, ACL has introduced two innovative cable solutions – the enhanced FireGuard cable and the energy-efficient 'Super Conductivity Cable'.

The FireGuard cable, introduced nearly two decades ago, has undergone significant advancements, now featuring fire-resistant retardant attributes incorporated into its proprietary PVC formulation. ACL's persistent research and development efforts have ensured that FireGuard remains the market's sole proven solution, effectively curbing the spread of fire.

Recent enhancements have further boosted FireGuard cables with improved energy-saving properties, cementing ACL's reputation as an industry leader in safety and innovation.

In response to escalating demand for energy-efficient solutions, ACL introduces the 'Super Conductivity Cable'. Through meticulous research and development, ACL has engineered a cable with reduced resistance and enhanced conductivity, promising energy savings for households and industries, and contributing to national sustainability efforts. Thorough testing confirms ACL's capability to manufacture cables surpassing industry purity standards, representing a significant leap forward in energy efficiency technology.

BUSINESS PERFORMANCE

ACL Cables as a group has performed well in FY 2023/24 with 29.2 Bn turnover and Profit after tax of 3.4 Bn . The key performance indicators are as follows.

- Gross profits reached LKR 7.1 Bn.
- Operating Profit reached to LKR 4.8 Bn with operating margin of 16.5%.
- Profit Before tax reached to LKR 4.7 Bn.

AWARDS AND RECOGNITION

We are thrilled to showcase the outstanding achievements and recognition our company has garnered throughout the year. These accolades serve as a testament to our unwavering commitment to excellence and underscore our dedication to delivering exceptional products and services.

Our steadfast commitment to upholding the highest standards of compliance has been acknowledged through the prestigious TAGS Awards by the Institute of Chartered Accountants, Sri Lanka. We are honored to have been awarded the Bronze Medal in the Construction Sector, a recognition of our diligent adherence to regulatory standards.

Furthermore, ACL Cables PLC has been bestowed with the Gold Award in the Extra-Large Category in the Electronic and Electrical Sector at the NCE Export Awards 2023. This esteemed accolade, presented by the National Chamber of Exporters, applauds our exemplary export performance during the period of 2022-2023, highlighting our commitment to driving growth through international trade.

In addition, we are proud recipients of the Certificate of Ethical Trading (CET) under the category of Best Ethical Exporter 2023 as part of the NCE Challenge Trophy. This prestigious

recognition, conferred by the National Chamber of Exporters, acknowledges our dedication to ethical trading practices and our continuous efforts to uphold ethical standards in all our interactions with stakeholders. Being inducted into the select few corporations honored for their commitment to ethical trading practices is a testament to our steadfast values and principles.

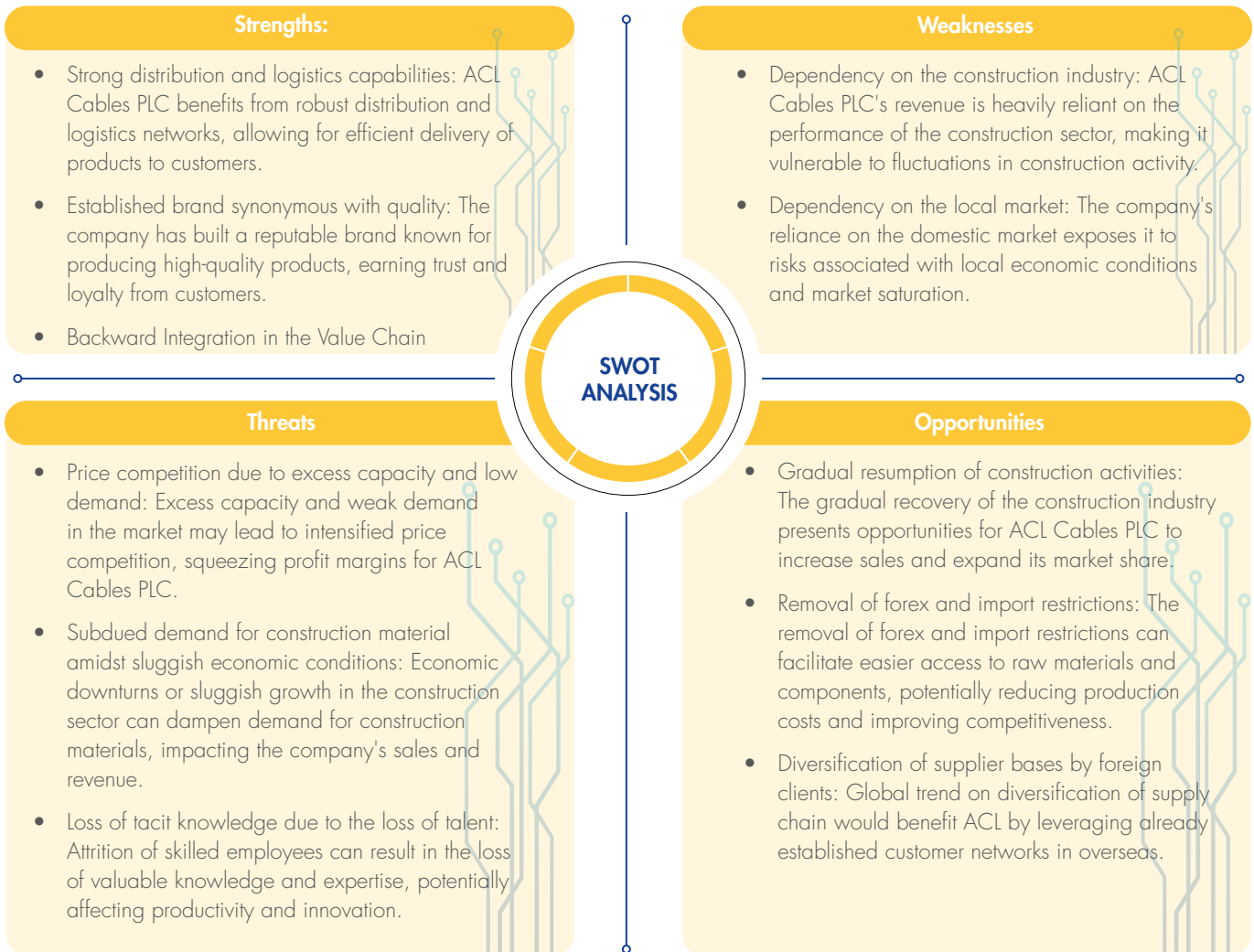
These accolades serve as a source of inspiration and motivation for us to continue striving for excellence in all aspects of our business operations. We remain committed to upholding the highest standards of quality, compliance, and ethical conduct as we pursue our mission of delivering value to our stakeholders and contributing to sustainable growth.

STRATEGIC DIRECTION

Looking ahead, ACL Cables PLC remains poised for continued success, guided by a positive outlook and strategic vision. Efforts to strengthen manufacturing and distribution capabilities, coupled with a focus on cost optimization and operational excellence, position the company for sustained growth and resilience. Leveraging offshoring and export opportunities will further enhance competitiveness and drive value creation in the global market.

We closely monitored the developments in the macro-economic, socio and political as well as natural environment as they had impact of varying significance on the Group's performance. We were agile in assessing how these developments could affect the Group's value creation process, how they impact our stakeholders and how the Group needed to recalibrate efforts in preserving stakeholder interests.

While challenges may persist, the company remains steadfast in its commitment to navigating through uncertainties with agility and determination. With a proactive mindset and a resilient spirit, ACL Cables PLC is poised to capitalize on emerging opportunities and emerge stronger in the post-crisis era.



MANAGEMENT DISCUSSION AND ANALYSIS

PEST ANALYSIS

Political and Legal:

The Sri Lankan construction sector, constituting 6%-7% of GDP, is subject to periodic regulatory changes by the government, particularly regarding raw material procurement, permit approvals, renewable energy usage, and safety standards. However, frequent alterations in regulations and limited implementation timeframes pose challenges for the industry. Inconsistent taxation policies, exemplified by tax concessions in 2019 and subsequent revocations in 2022, significantly impact the sector. Moreover, the industry's heavy reliance on imported raw materials makes it susceptible to fluctuations in import tariffs and controls. The upcoming election may further impede the sector's recovery, leading to disruptions like project delays or cancellations due to changing government priorities. Increased political instability post-elections poses a risk, potentially affecting operations in government-funded and foreign-funded projects.

Economic Factors:

The growth of the domestic construction sector aligns with overall economic growth, as heightened economic activities and income levels drive demand for residential projects. Anticipated economic recovery in 2024-2025 is favorable for the construction industry. Interest rate and inflation fluctuations significantly impact borrowing costs and capacity expansion plans due to the sector's capital-intensive nature. Stability in interest rates and inflation, crucial for private sector credit growth, is supported by the government's commitment to the IMF-EFF program, aimed at achieving macroeconomic stability. Stability in exchange rates is essential for the industry's reliance on imported raw materials. Upsides include increased investor confidence, private sector investment in high-rise projects, and conducive economic climate due to structural reforms. Downside risks include undue volatility in interest rates and exchange rates, inflation spikes, and government withdrawal from the IMF-EFF program.

Social:

The construction sector is a significant employment generator, essential for social stability. Population growth drives housing demand, necessitating residential construction projects, while infrastructure development meets connectivity needs. Urbanization boosts demand for urban infrastructure/housing and mixed-use development projects. Changes in household size impact housing demand, influencing residential construction types. Growing environmental awareness leads to increased demand for green building materials and energy-efficient designs.

Technological:

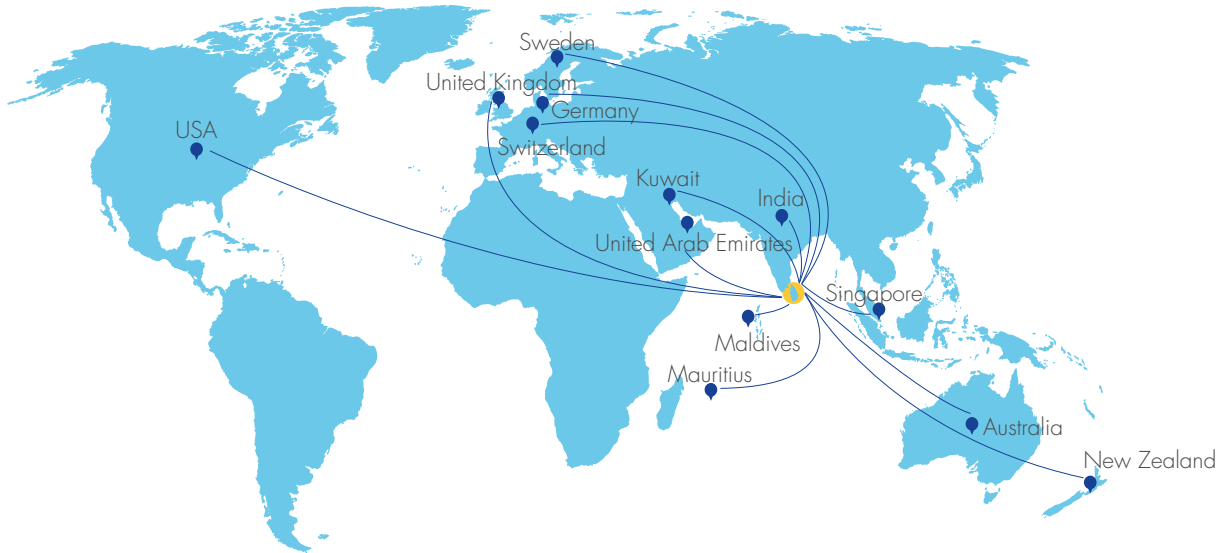
Following the economic crisis, there's increased adoption of renewable energy technology due to the construction sector's reliance on fossil fuels. However, uptake of advanced manufacturing technologies like AI, AR, and VR remains limited as companies slowly integrate them into existing processes. Raw material companies prioritize sustainable building materials for export markets, aligning with global eco-friendly construction trends and the use of recycled materials.

SEGMENTAL REVIEW

EXPORT

EXPANDING HORIZONS TO FOSTER GROWTH

As the global economies open up, we are primed to reignite our growth aspirations in international markets



Current Position

Our diversified portfolio, premium products, customized solutions, strategic pricing approach and deep industry knowledge help us to cater to the ever-evolving needs of our overseas customers. We export multiple products including domestic cables, power cables, and switches and accessories to customers in more than 10 countries across the world.

Our export division closely works with our clients to develop strong relationships with them. Increasing collaborations with dealer and distributor networks in overseas customers is adding value to our proposition and helping us to engage effectively with our existing and potential customers.

Despite the economic contraction, we managed to import the raw materials on time and cater to our overseas customers with on

time deliveries. Thanks to favorable exchange rate and the new market opportunities, we were able to substantially grow our export business during the period.

Our Focus

We aim to increase our footprint in the already established international markets and branch out into new regions in order to take the export business to the next level.



SEGMENTAL REVIEW

INSTITUTION

CAPITALIZING ON PROJECT MARKET

Maximizing Market Potential: Leveraging Government and Private Sector Investments for Rapid Growth in ACL Cables PLC Institutional Segment

Current Position

Over the years, ACL has emerged to be a dominant player in the institutional market backed by strong pre-qualification credentials, multi product portfolio, unique manufacturing capabilities, and widespread product availability across the island. Our institutional product range comprises LV power cables control and telecommunication cables and Medium HV conductors and other solutions.

Our sales team is focused on achieving better results in spite of contracting demand conditions due to the economic downfall and continue to do so with expected improvements in the economy.

Our Focus

We aim to garner a higher market share in the institutional segment. We are also focused on introducing new products into the institution market to fuel our growth ambition in the institution segment.



RETAIL MARKET

EXPLORING OPPORTUNITIES

Our focus is on growing our retail segment by capturing opportunities in the midst of economic growth

Current Position

ACL is a branded product in the local retail market and the brand has created significant value in our consumers' mind. Hence we were able to capture the significant market share in the retail market, with the overall electrical solutions our valued distributors and dealers have promoted our products.

During the FY 2023-24 we mainly focused on protecting our customers and giving confidence, as the economy and the political uncertainty prevailed during the financial year had a significant impact on our retail segment.

Despite all the challenges we faced, our marketing team was able to achieve superior performance in FY 2023-24, proving our dynamism factor through our retail market and brand identity.

Our Focus

We aim to explore more opportunities in the retail market and gain higher market share in this segment. To support our goal of expansion in the retail segment, we are also concentrating on expanding our presence of our switch and MCB ranges into the market, whilst strengthening our brand presence.



FINANCIAL CAPITAL

THE ACL GROUP DEMONSTRATED ITS RESILIENCE BY REPORTING A REVENUE OF RS. 29,196 MN AND RECORDED A RS. 3,446 MN GROUP'S PROFIT AFTER TAX.



GROUP EARNINGS

LKR 29,196 Mn



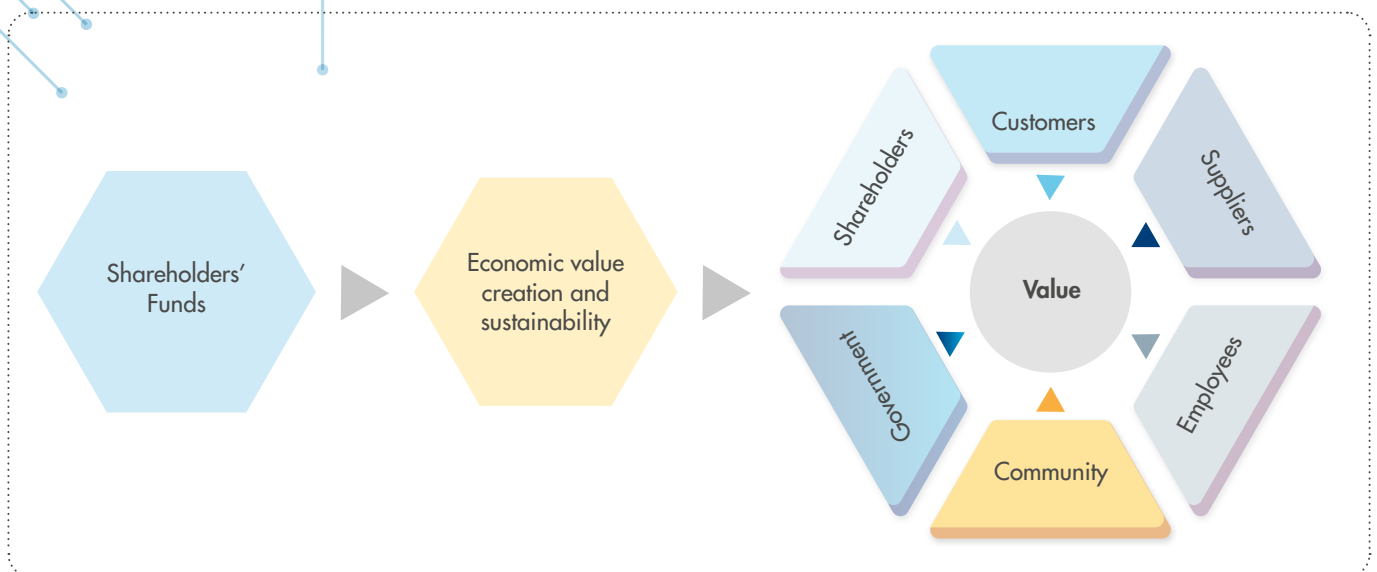
GROUP PAT

LKR 3,446 Mn



GROUP NET ASSETS

LKR 31,007 Mn



FINANCIAL PERFORMANCE

Despite the economic challenges the Group produced an exceptional financial performance to conclude the fiscal year with a consolidated revenue of Rs. 29,196 Mn.

Further Groups was able to achieve a Rs. 4,663 profit before tax in financial year 2023/2024, compared with Rs. 9,165 Mn in financial year 2022/23.

FINANCIAL POSITION

Group's Total Assets increased by 5.6% to Rs. 38,268 Mn during the 2023/24 financial year.

The Group's total exposure to external borrowings is Rs. 1,905 Mn which reflects a decrease of 56% compared with the last financial year. The Group's gearing ratio has declined to 6% during the current financial year.

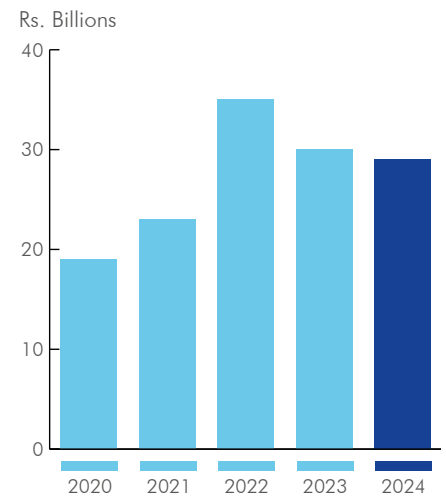
Working capital increased from Rs. 20,344 Mn to Rs. 22,877 Mn mainly due to the decrease in borrowings. Company current ratio increased from 3.99 to 5.24 during the year. Capital expenditure for the year was Rs. 250 Mn which was mainly funded by Debt.

Profitability	2023/24	2022/23	Change %
Revenue (Rs. Mn)	29,196	30,147	-3%
Group Profit (Rs. Mn)	7,143	10,988	-35%
GP Margin	29.44%	36.49%	-30%
Profit After Tax (Rs. Mn)	3,446	7,013	-51%
NP Margin	11.80%	23.26%	-49%

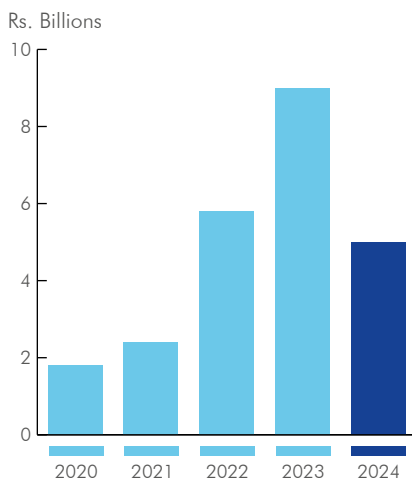
Financial Stability	2023/24	2022/23	Change %
Equity (Rs. Mn)	31,007	27,458	13%
Borrowings (Rs. Mn)	1,905	4,281	-56%
Gearing	6%	13%	-53%

Liquidity	2023/24	2022/23	Change %
Current Ratio	5.24	3.99	31%
Quick Asset Ratio	3.14	2.27	39%

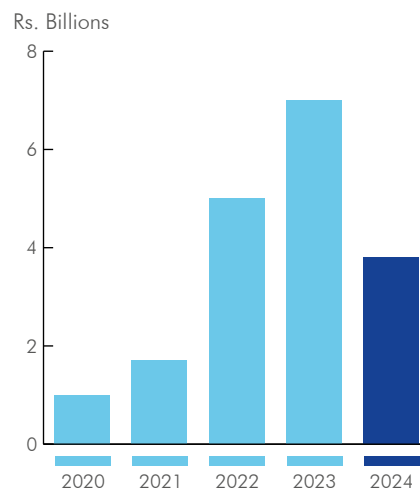
REVENUE



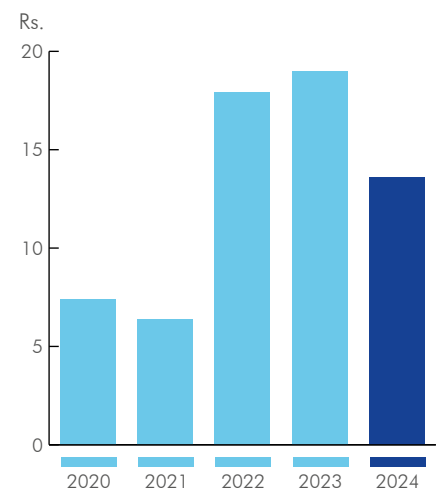
EARNINGS BEFORE INTEREST & TAXES (EBIT)



PROFIT AFTER TAX (PAT)



EARNINGS PER SHARE (EPS)



HUMAN CAPITAL

ACL Group carries a human capital of 1,595 employees during the year under review. It consists of executive staff, permanent staff and contract staff. During the year, 338 new staff members were recruited and 2,100 hours of training were held to enhance our services to the customers.



NO OF EMPLOYEES
1,595



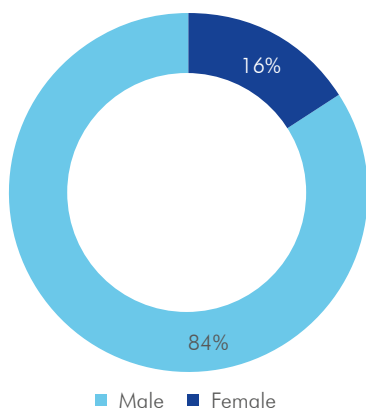
NEW HIRES
338



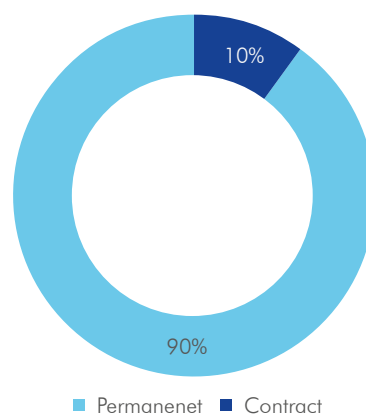
REMUNERATION
LKR 2,072 Mn

No of Employees	2023/24	2022/23	2021/22	2020/21	2019/20
	1,595	1,641	1,634	1,805	1,705

GROUP TOTAL EMPLOYEE BY GENDER



TYPES OF EMPLOYMENT CONTRACTS



Age Analysis	Under 30 Years	30-50 Years	Over 50 Years	Total
No of Employees 2023/24	514	811	270	1,595
No of Employees 2022/23	618	770	253	1,641

EMPLOYEE REMUNERATION AND BENEFITS

The Group remuneration and benefits for the year amounted to Rs. 2,344 Mn compared to Rs. 2,076 Mn in 2023.

Employee Remuneration and Benefits	2023/24 Rs. Mn	2022/23 Rs. Mn	2021/22 Rs. Mn	2020/21 Rs. Mn	2019/20 Rs. Mn
Salaries, wages and related costs	2,344	2,076	1,963	1,807	1,624

EMPLOYEE ENGAGEMENT

Employee engagement has been identified as a key pillar in ACL Cables PLC business strategy. Despite the challenges in the external environment, ACL Group was prompted to adopt various activities to improve employee spirit and camaraderie through numerous initiatives.

As a result of these initiatives, employees engaged with the Management to understand the Business Strategy and support the Group's commercial sustainability.



HUMAN CAPITAL

RECOGNISING OUR EMPLOYEES

We encourage employee retention at our workplace to ensure our trained staff stays with us. As a token of appreciation and recognition for such long standing employees we reward employees who served ACL for over 25 years with a gold coin presented by our Chairman and Managing Director.

EMPLOYEE TRAINING AND DEVELOPMENT

A progressive learning strategy is an important prerequisite in meeting future business needs in today's dynamic and complex operating landscape. As a group, we always believe that developing people's capabilities and skills is very important to achieve the company goals. The group held leadership and motivational development programmes, as well as on-the-job training programmes, with the goal of nurturing the next generation.

EMPLOYEE WELL-BEING AND SAFETY

Occupational health and safety measures were maintained, backed up by strong governance structures, safety certification compliance, as well as tools and procedures for identifying and reporting potential health and safety risks. Further, the health of our employees is of utmost importance and the Group successfully balanced this with the need to ensure continuity and productivity of operations.

NON DISCRIMINATION

ACL believes in giving equal opportunity to all and, we do not discriminate on the grounds of gender, age, race & cultural differences. We unceasingly encourage our employees who have concerns of serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express such concerns without fear of punishment or unfair treatment through our 'whistleblowing' and 'open door' policies.

DIVERSITY

Diversity in ACL is not only a reflection of societal demographics but also a strategic imperative for organization seeking to drive innovation, foster creativity, and achieve sustainable growth. To foster employee diversity, we recruit staff from



diverse backgrounds and created a culture of inclusivity where all employees feel respected, supported, and valued for their unique contributions.

PERFORMANCE MANAGEMENT

Year-end evaluations serve as crucial checkpoints in assessing employee performance against the set goals. Through these evaluations, we effectively gauge the progress and achievements of our team members, while identifying areas for improvement and growth. Our performance management process involves a thorough examination of each employee's contributions, accomplishments, compliance to established goals and standards, their technical skills and furthermore, the results of these evaluations play a vital role in both competency development and staff retention.

EMPLOYEE ENGAGEMENT EVENTS

We have implemented a range of diverse activities aimed at enhancing employee engagement within our organization. Our initiatives include health camps focused on promoting wellness and encouraging our team members to prioritize their health. These camps not only provide valuable health checks and information but also foster a culture of well-being among our employees.

During the holiday season, we organize Christmas carol sessions, creating a festive atmosphere that brings joy and camaraderie to the workplace. This tradition not only celebrates the spirit of Christmas but also strengthens bonds among colleagues through shared musical experiences.

In observance of cultural and religious diversity, we arrange Poson Bathi Gee, honouring the significance of Poson Poya, a Buddhist holiday. This event allows employees to connect with traditional music and teachings, promoting mutual respect and understanding among different faiths within our workforce.

Additionally, our annual trips serve as an opportunity for team building outside of the office environment. These outings provide a chance for employees to relax, unwind, and forge deeper connections with their peers, ultimately contributing to a more cohesive and motivated team.

Through these varied activities, we strive to create a workplace environment that values both professional growth and personal well-being, ensuring that our employees feel engaged, appreciated, and supported in all aspects of their lives.



INTELLECTUAL CAPITAL

ACL GROUP PROVIDES A GREATER PROMINENCE TO INTELLECTUAL CAPITAL AS IT IS CONSIDERED AS A CRITICAL SUCCESS FACTOR IN THE PROCESS OF SUSTAINABLE VALUE CREATION. IT EMBRACES OUR BRAND IDENTITY, THE MANAGEMENT SYSTEMS, AND PROCESSES, AND THE TACIT KNOWLEDGE OF OUR EMPLOYEES. WE ALWAYS PLACE UTMOST PRIORITY TO ENHANCE OUR INTELLECTUAL CAPITAL THROUGH CONTINUOUS INNOVATIONAL STRATEGIES FOR THE BENEFIT OF OUR EMPLOYEES.



BRAND VALUE

**Top 50 most
valuable consumer
brands**



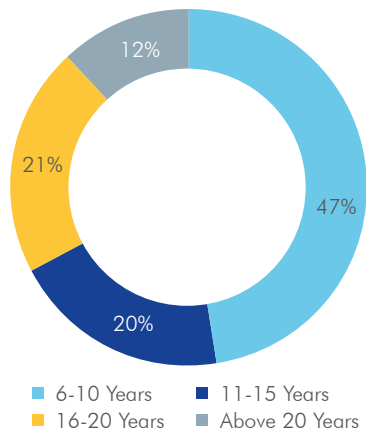
QUALITY STANDARDS

**ISO Certificates
National Quality award**

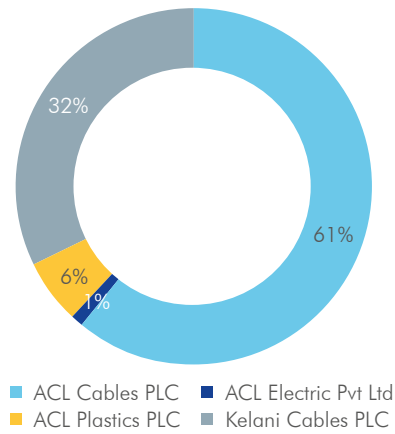
KNOWLEDGE, SKILLS AND EXPERIENCE

As an electrical cable manufacturer, professional expertise is one of our key competencies related to the products we provide to our customers. ACL's knowledge and expertise has been built and enhanced through years of experience operating in the manufacturing sector. Professional expertise ensures that we deliver high quality products consistently to the customers. We enhance our intellectual capital through continuous professional development strategies and we have been successful in retaining the talents and expertise within our Group which drive sustainable growth and success.

STAFF BY NUMBER OF YEARS IN SERVICE



STAFF WITH OVER 10 YEARS OF SERVICE



PROCESSES, SYSTEMS AND PROCEDURES

Our processes, systems and procedures are efficient and they define clear responsibilities of our team members to meet the business promises and to position ACL ahead of the competition. Our business operations are driven by the Project Management Systems, Financial Reporting processes, Risk mitigating and internal controls, Environment Management systems and systems and health and safety control systems. These processes, systems and procedures are designed and reviewed continuously in a comprehensive manner to ensure that the benchmarks and operational objectives are achieved and followed.

QUALITY STANDARDS

ACL has been recognised over the years for its product quality, expertise, as reflected in the below certifications and accreditations;

- ISO Certificates
- National Quality award

BRAND VALUE

As a pioneer in Sri Lanka’s electrical cable manufacturing sector, we have ensured to provide super quality products to our customers, which has earned ACL the trust and positive reputation of our valuable customers. The brand ACL ranked as the most valuable building material brand by IMD Brands Annual Ranking 2022 and our brand has been among the Top 50 most valuable consumer brands in Sri Lanka consecutively for past seven decades.

CULTURE

ACL has always maintained an open, cooperative, growth culture within our organisation which is comprehensive and nurturing. Our core values, objectives, business and work ethics, practices and procedures are directed by our organisation culture, which has a solid influence in every aspect of our business. We have encouraged consistent open communication among our employees and other stakeholders through our open-door policy and customer suggestion handling. We also created a sense of community and a corporative culture within the organisation to encourage career progression by inspiring our employees to achieve their aspirations, by motivation and rewarding our employees to reach great heights of success.

SOCIAL AND RELATIONSHIP CAPITAL



NO OF DEALERS

1,559



NO OF DISTRIBUTOR CENTERS

214

The interactions we have with our stakeholders determine our capacity to expand and maintain our market position. Continuous operations and top-notch products depend on a solid supply base. This will help us maintain a foundation of devoted customers who will buy our items and sustain our cash flows. Smooth operations depend on having good relationships with the authorities, and our sustainability depends on the community in which we operate.

ACL is driven by our value engineering mindset, which prioritizes flexibility, creativity, and quality, to provide our diverse customer base with competitive solutions for projects of various sizes and levels of complexity. It is the single most significant characteristic that sets us apart from our rivals and enables us to provide quicker, more dependable, and more affordable solutions. Because of our comprehensive strategy, we are self-sufficient and can complete projects without experiencing delays or cost hikes.

CUSTOMER CAPITAL

Our customer capital varies from government institutions; Ceylon Electricity Board, construction companies and contractors who cooperate with us on large tender projects and building consultants who promote our products, to the end customers and our network of dealers and distributors who portray our product in the retail market.

We are equally devoted to serve all clients as the top manufacturer of electric cables, with a focus on going above and beyond their expectations in terms of both product and service at every point of contact.

Apart from being the market leader in Sri Lanka, ACL has expanded our presence globally. We export multiple products including domestic cables, Power cables, and Switches and accessories to customers in more than 10 countries across the world.

No of Dealers - 1,559 No of Distributor Centers - 214

SUPPLIER CAPITAL

ACL purchases products from a wide range of local and international suppliers to make electric cables. Majority of raw materials are imported from several nations, including UAE, China, Singapore & Vietnam and the Group made sure that inputs were always available by prudently forecasting demand and production patterns. By proactively managing working capital cycles and obtaining favorable credit terms from international suppliers, the supply chain was able to carefully navigate disruptions brought on by import restrictions and a depreciating currency.

Suppliers are screened using a mix of financial and non-financial criteria. Supplier relationships are a key element of Resus’ relationship capital and suppliers have shown their continuous willingness to undertake supply contracts repeatedly with the company. There have not been any significant actual or potential negative impacts on society, the environment, labor practices or human rights impacts in the supply chain.

COMPLIANCE

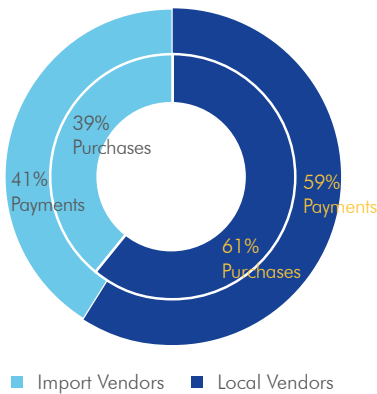
ACL Cables PLC is an uncompromising law-abiding corporate citizen, thus legal compliance is regarded as a high priority. We conduct periodic review on the compliance status to ensure the compliance with all laws and regulations of the country. There have not been any significant non-compliances observed.

COMMUNITY CAPITAL

The Group’s CSR strategy is built on generating significant socio-economic and environmental change since it supports boosting long-term stakeholder value. Through a structured CSR Framework, which serves as the guide for the Group’s community initiatives, the overall CSR vision of the Group and business strategy are aligned. We see it as our obligation to support the growth of the neighborhood where we do business. Sustainability in the social and environmental spheres can be widely applied to several initiatives.

As a policy encapsulated in our Code of Ethics, we deliver what we promise to them. We continuously monitor and assess the impact of our business on our local communities and have adopted practices that prevent or mitigate any negative impacts. There were no significant actual and potential negative impacts on local communities from our business operation.

SUPPLIERS - FOREIGN AND LOCAL PURCHASES Vs PAYMENTS



MANUFACTURED CAPITAL



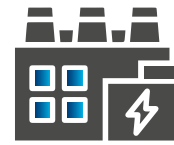
PPE

LKR 6,239 Mn



CAPEX

LKR 250 Mn



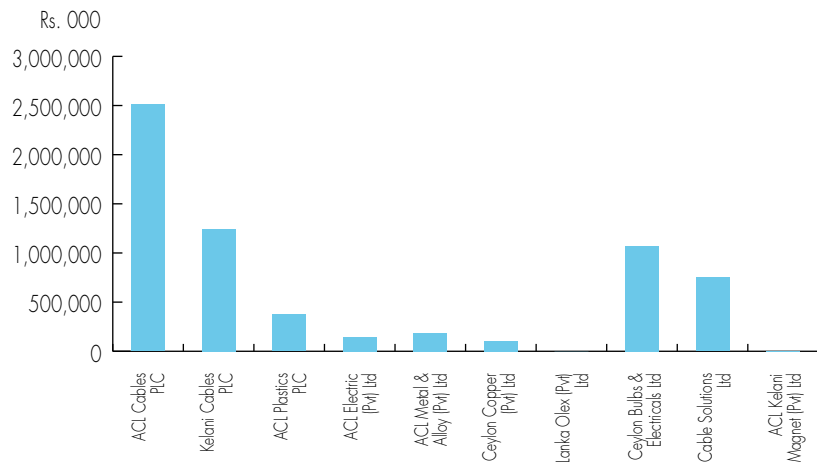
NO OF PLANTS

7

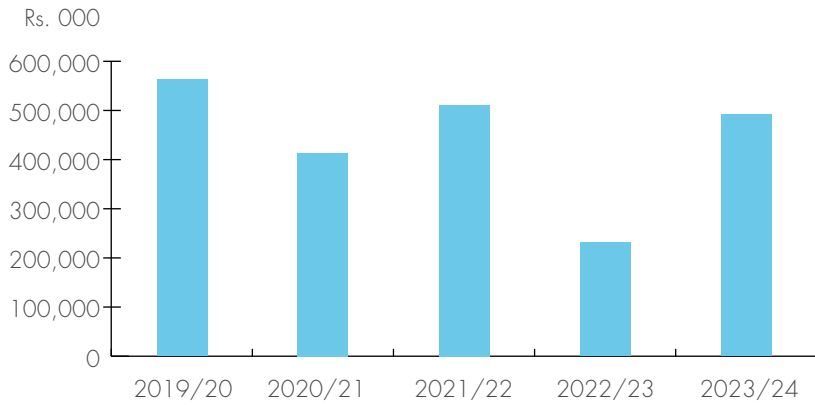
MANUFACTURED CAPITAL

Manufactured Capital is a vital factor of the Group's sustainable value creation process. It empowers and ensures that the products being manufactured and delivered to all customers are of superior quality thus strengthening the brand.

PPE BY COMPANY



INVESTMENT IN PPE



WAY FORWARD

With the goal of increasing foreign exchange generation capacity, the Group will continue to direct investments toward strengthening its value-added product offerings and export-oriented businesses. Sustainable manufacturing methods will be prioritised in investment decisions as the Group strives to integrate environmental consciousness into all aspects of its operations.



ENVIRONMENT CAPITAL



ROOFTOP SOLAR

4.5 Mw

CLIMATE CHANGE

Climate change poses significant challenges to businesses worldwide, including ACL Cables PLC. The increasing frequency of extreme weather events, rising global temperatures, and shifting weather patterns can disrupt supply chains, increase operational costs, and impact the availability of raw materials. As a responsible corporate entity, ACL Cables PLC recognizes the need to mitigate these risks by adopting sustainable practices and reducing our carbon footprint. Our commitment to environmental stewardship is reflected in our proactive measures to address climate change and minimize its impact on our operations.

POLICY ON ENVIRONMENTAL CAPITAL MANAGEMENT

ACL Cables PLC is committed to managing its environmental capital through sustainable practices that ensure the preservation and enhancement of natural resources. Our Environmental Capital Management Policy is guided by the following principles:

1. Compliance: Adhering to all relevant environmental regulations and standards, including ISO 14001.
2. Resource Efficiency: Optimizing the use of natural resources to reduce waste and improve efficiency.
3. Pollution Prevention: Implementing measures to prevent pollution and minimize environmental impact.
4. Continuous Improvement: Regularly reviewing and improving our environmental performance.
5. Stakeholder Engagement: Engaging with stakeholders, including employees, customers, suppliers, and the community, to promote environmental awareness and collaborative action.

WATER RESOURCES MANAGEMENT

To recycle wastewater, ACL Cables PLC has installed advanced cooling systems with cooling towers. The top management prioritizes monitoring this procedure.

Our water management philosophy emphasizes recycling and reusing, with state-of-the-art recycling units installed at our manufacturing plant. We consistently monitor the quality of the water discharged from our operations, ensuring it remains within the criteria set by the Central Environmental Authority.

RECYCLING WASTE MATERIAL

Copper and Aluminium, which are primarily used in cable manufacturing, are the key raw

materials, comprising a significant portion of the total cost. To reduce emissions from the manufacturing process, we have installed dust collectors and exhaust devices in our material feeding lines.

Scrap materials are recycled and reused in the production process. We are planning to enhance this procedure by investing in more efficient recycling equipment. Solid waste generated by our operations is segregated at the source and disposed of with minimal environmental impact. To reduce paper waste, we promote communication through electronic or digital channels.

RENEWABLE ENERGY

We have invested heavily on renewable energy via our associate company Resus Energy PLC contributing ourselves to become a "Green Company" and the only of this kind by a company operating in our industry.

Further, we have added 2 MW of rooftop solar during the financial year, bringing the total installed capacity of rooftop solar in our group companies to 4.5 MW. Further, we intend to convert more roof tops of our companies to solar in the future thus underscoring our commitment to embracing cleaner and greener energy solutions.

CURRENT ENVIRONMENTAL ASPECTS AND THEIR IMPACT

Environmental Aspects	Impact/Consequences	Example of Measure	Monetary Savings
Water Resources Management	Wastewater from manufacturing processes	Recycling and reuse cooling system with cooling towers	Yes
Emission	Emissions from the manufacturing process	Dust collectors and exhaust devices	Yes
Waste Management	Waste materials from manufacturing processes	Recycled scrap materials	Yes
Noise Management	Noise generated from machinery operations/ Generators	Invest in soundproofing	Not Available

ENERGY CONSUMPTION

Non-renewable sources	Unit of Measure	Number of Units
Diesel	LTS	127,442
Kerosene Oil	LTS	199,510
Gear Oil	LTS	72,015
Electricity	KWH	2,150,878

ACL Cables PLC remains committed to sustainable practices and continuous improvement in our environmental performance, ensuring compliance with environmental standards and contributing positively to our community and the planet.

STAKEHOLDER ENGAGEMENT

ACL recognizes stakeholder engagement as a key factor in promoting sustainability strategy and influencing how we use our resources to generate value. The engagement approach identifies stakeholders' requirements and expectations, which have a huge impact on our strategic decision-making. We prioritize input to determine our direction.

We have put in place a number of procedures to successfully fulfill stakeholder expectations and promote a good impact through our business conduct. These consist of a code of conduct for business, a system for managing the environment, efficiently organized operations for managing finances and human resources, and efficient management. By taking these steps, we can make sure that we cater to the needs and goals of our stakeholders and that our business practices improve their quality of life. As part of its focus on sustainability and ESG management, ACL acknowledges the importance of communicating with stakeholders and adhering to their requirements.

The key stakeholder issues and management strategies are as follows

Stakeholder	Key issues/concerns	Process of engagement	Frequency of engagement
Shareholders	Sustainability and CSR	Annual Report	Annually
	Corporate Governance and Ethics	Annual report	Annually
	Shareholder Return/ Dividend	Interim financial statements/ Annual Report	Quarterly/Annually
	Future Business Plan	Corporate disclosures/Annual Report	As and when required
Community	Needs and requirements of the society	CSR Initiatives	As and when required
	Ethical business conduct	Compliance	Continuously
	Pollution free environment	Recycling/ Effective waste management	Continuously
Government and regulatory bodies	Statutory compliances and payments	Tax Returns/Meetings	Monthly/Annually
	Corporate governance	Disclosures/Annual Report	As and when required/Annually
Customers	Product Quality	Customer visits	Regularly
	Availability	Social media	
	Affordability of the prices	Website	
	Product Innovations	Media	
Employees	Welfare activities	Employee welfare meetings	Regularly
	Fair remuneration	Performance Appraisal	Annually
	Career development	Performance Appraisal	Annually
	Occupational health and safety	Training and development	Regularly
Subsidiaries/ Associates	Good relationship	Social gathering and participation/Meetings	Regularly
	Knowledge sharing	Training and development	Regularly

DETERMINING MATERIALITY

Material matters are crucial factors that significantly impact how our stakeholders evaluate our commitment to sustainability and their requirements. These elements are essential in shaping our strategic planning and operations, aiding us in achieving our strategic objectives. The materiality assessment process is designed to address issues based on their potential impact on our ability to generate value throughout the value chain. As the needs of our stakeholders evolve, it is imperative that our responses also adapt accordingly.

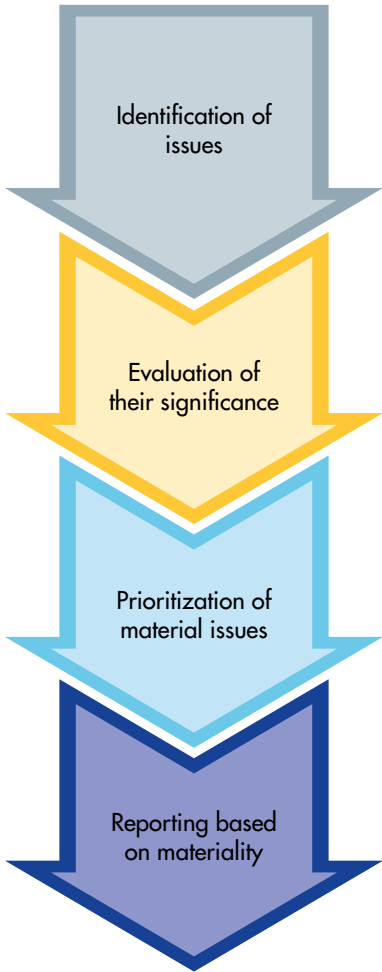
This report is our primary means of communicating the Group's actions in

response to stakeholder concerns over the past financial year. It involves identifying key sustainability-related risks, recognizing important stakeholders, evaluating material topics for their relevance to both the Group and stakeholders, and developing management approaches to tackle these topics.

Throughout the year, we aligned emerging material matters with the subjects outlined in the GRI standards. After this alignment and reconciliation process, issues that did not directly correspond to the GRI standards were included as independent material topics. Topics of lower material significance

have not been included in this report. The management approach to GRI topics deemed material to both stakeholders and the Group is presented within each relevant section.

By continually assessing and addressing sustainability-related risks and material topics, we ensure that our strategic planning remains robust and responsive to stakeholder needs. This report reflects our commitment to sustainability and transparency in our operations, demonstrating how we adapt and respond to evolving stakeholder concerns.



CHAIRMAN'S MESSAGE



“The Group recorded a revenue of Rs. 29.2 Bn with a profit after tax of Rs. 3.4 Bn.”

On behalf of ACL Cables PLC, it is my utmost pleasure to welcome you to the 62nd Annual General Meeting. I am delighted to present to you our Annual Report and audited financial statements for the year ended 2023/2024. Despite the challenging macroeconomic activities and adverse economic impacts witnessed throughout the financial year, ACL Cables PLC has emerged triumphantly, experiencing a highly successful year as a group. Our unwavering commitment, strategic initiatives, and dedicated team have enabled us to navigate these hurdles and achieve remarkable results.

ECONOMIC OUTLOOK

In 2023, Sri Lanka's economic landscape underwent a transformation, marking a departure from the challenges that plagued the previous year. The year was characterized by notable improvements across several key indicators, signaling a path towards recovery and stability.

One of the most significant achievements was the sharp decline in inflation from the historical highs witnessed in 2022. This downward momentum was attributed to a combination of factors, including the lagged impact of tight monetary policy, normalization of domestic supply-side bottlenecks, appreciation of the domestic currency, and the downward adjustment of global commodity prices. The Colombo Consumer Price Index (CCPI) reached single digits in July 2023 after peaking at 69.8% in September 2022, marking a significant improvement in price stability.

Furthermore, the acute shortages in foreign exchange liquidity that characterized 2022 eased in 2023. This improvement was driven by increased market confidence, bolstered by the approval of the International Monetary Fund (IMF) Extended Fund Facility and inflows from various sources such as export proceeds conversions, workers' remittances, and tourist earnings. Additionally, budgetary support from institutions like the Asian Development Bank and the World Bank contributed to easing liquidity conditions in the domestic foreign exchange market.

The stabilization and appreciation of the exchange rate were notable outcomes of these developments. After depreciating sharply in 2022, the exchange rate witnessed a notable appreciation and stabilization during 2023, providing further support to the overall economic stability.

The resurgence of Sri Lanka's tourism sector was another highlight of 2023. Despite initial uncertainties stemming from the economic crisis, tourist arrivals surged by a striking 107%, totaling 1,487,303 compared to 719,978 in 2022. This influx of tourists translated into a substantial increase in earnings, with the sector generating USD 2,068 million—an 82% surge from the previous year

Worker remittances also saw remarkable growth, soaring by 58% to USD 5,970 million in 2023, up from USD 3,789 million in 2022. This increase was attributed to a shift towards formal banking channels, likely influenced by the relative stability of the LKR/USD exchange rate resulting from economic reforms and exchange control policies introduced in 2022.

Despite these positive developments, challenges persisted, as reflected in the overall contraction of the economy by 2.3% in 2023. The industrial and service sectors experienced negative growth, highlighting ongoing struggles such as reduced consumer spending, supply chain disruptions, and decreased business activity. However, the agricultural sector recorded positive growth, indicating resilience and potential within this segment.

Addressing the underlying issues affecting the industrial and service sectors will be crucial for stimulating economic recovery and fostering sustainable growth. This may involve targeted interventions, policy reforms, and investment strategies aimed at revitalizing these sectors and promoting overall economic resilience.

In conclusion, while Sri Lanka's economy faced significant challenges in 2022, the proactive measures taken in 2023 laid the groundwork for recovery and stabilization. The resurgence of the tourism sector, growth in worker remittances, and improvements in inflation and exchange rate stability are indicative of the country's resilience and potential for future growth. Moving forward, sustained efforts will be required to address remaining challenges and ensure a robust and inclusive economic recovery.

GROUP PERFORMANCE

In response to the persistent challenges experienced by Sri Lankan firms in recent years, the Group proactively undertook a comprehensive repositioning and optimization of its businesses. This strategic initiative was aimed at enhancing resilience and fortifying our operations. Notably, our dedicated employees demonstrated exceptional strategic vision and agile decision-making, ensuring seamless continuity in our pursuit of success.

Despite the challenges, ACL Group recorded a revenue of Rs. 29.2 billion which is marginally below compared to last year with profit after tax of Rs. 3.4 Bn.

New Developments

As a collective, our commitment remains unwavering despite the stagnation in economic activities. We are steadfast in our resolve to invest diligently in research and development endeavors, ensuring that we remain at the

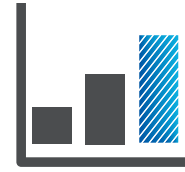
we are dedicated to fortify our existing capacities while venturing into novel technologies that promise to streamline our supply chain operations

forefront of emerging trends and lucrative business opportunities.

Our focus extends beyond mere sustenance; we are dedicated to fortifying our existing capacities while venturing into novel technologies that promise to streamline our supply chain operations. By embracing innovation, we aim to foster seamless business processes, thereby minimizing disruptions and maximizing efficiency.

Moreover, in alignment with the global shift towards sustainable energy practices and the burgeoning growth in electricity generation, we pledge to bolster our renewable energy capabilities. Through our subsidiary, Resus Energy PLC, we are poised to spearhead initiatives aimed at harnessing renewable power sources, contributing to a greener and more sustainable future.

In essence, our proactive approach and unwavering commitment to innovation and sustainability underscore our resilience in the face of economic challenges. We are determined to emerge stronger and more agile, poised to seize opportunities and navigate the evolving business landscape with confidence and foresight.



NET PROFIT - GROUP

LKR 3,446 Mn

APPRECIATION

The exceptional performance detailed in this report is a testament to the dedication and hard work of every member of the ACL Family across our organization. We extend our heartfelt gratitude to our invaluable staff whose unwavering commitment continually raises the bar of excellence, propelling ACL to its position as the leading cable provider in Sri Lanka.

On behalf of the Board, I want to express sincere appreciation to our retail, project, and international customers, as well as our business partners and stakeholders, for their unwavering support throughout our 62 years journey. Your trust and presence have been instrumental in our success, and we are truly grateful for your ongoing partnership.

I would also like to acknowledge the efforts of numerous public and private entities for fostering a supportive business environment, especially amidst challenging economic conditions. Your collaboration and support have played a crucial role in our growth and success.

To our shareholders and esteemed members of the Board, we extend our gratitude for the invaluable guidance and expertise you provide. Your guidance continues to steer us in the right direction, guiding ACL towards continued success.

Lastly, but certainly not least, I extend my heartfelt appreciation to all our employees, past and present, for their tireless dedication and unwavering commitment. It is your collective effort that has propelled the ACL Group towards higher standards and a brighter future. Your contributions are truly valued and appreciated as we continue our journey towards excellence.

U G Madanayake
Chairman
02 August 2024

MANAGING DIRECTOR'S REPORT



In the midst of challenges ACL Cables demonstrated resilience by recording a Rs. 13.9 Bn top line and Rs. 1.4 Bn bottom Line

It gives me great pleasure to present you the annual report for the financial year 2023–2024 of ACL Cables PLC. For our business, which experienced numerous challenges throughout the fiscal year, it has been a decent year. In spite of the challenges, ACL Cables managed to record Rs. 13.9 billion top line with a profit after tax of Rs. 1.4 billion.

STABILIZING ECONOMIC ENVIRONMENT

In 2023, Sri Lanka experienced several favorable economic factors contributing to its recovery and stability. Notable among these were the significant decline in inflation, driven by tight monetary policy and global commodity price adjustments. Additionally, the easing of foreign exchange liquidity shortages, supported by increased market confidence and inflows from various sources such as export proceeds conversions, remittances, and tourism earnings, bolstered economic conditions. The stabilization and appreciation of the exchange rate further contributed to overall stability. The resurgence of the tourism sector, marked by a remarkable increase in arrivals and earnings, as well as substantial growth in worker remittances, played a crucial role in boosting foreign exchange reserves and economic confidence. These favorable developments laid a solid foundation for Sri Lanka's economic recovery, indicating resilience and potential for future growth.

CONSTRUCTION SECTOR

In recent years, the construction industry in Sri Lanka faced numerous hurdles, including a shortage of new projects, funding deficiencies leading to stalled government initiatives, and temporary halts in foreign-funded projects. These challenges, combined with interest rate hikes, import restrictions, and limited foreign funds for material procurement, resulted in a slowdown. The sector's contribution to GDP declined from 7.6% in 2022 to 6.2% in 2023.

Amidst a backdrop of challenges, the construction sector in Sri Lanka displayed remarkable resilience and adaptability throughout 2023. A proactive approach to stimulating growth, through increased infrastructure development and government spending, underscored industry efforts. Despite persistent subdued demand and regulatory uncertainties, stakeholders remain optimistic about the sector's long-term prospects, driven by a shared commitment to sustainable expansion.

However, there has been a gradual turnaround, attributed to the lifting of import restrictions, the resumption of foreign-funded projects, and improved material availability. This positive trend is reflected in the Construction PMI, which surpassed the neutral threshold of 50 since January 2024, indicating potential growth in the sector.

The construction industry is now witnessing signs of recovery, with halted projects across key sectors such as government infrastructure, residential housing, and high-rise developments resuming. Notably, after six consecutive quarters of negative growth, the sector recorded a positive year-on-year growth of 4.0% in the fourth quarter of 2023, signaling the onset of recovery.

The resurgence in construction activities is expected to drive heightened demand for materials within the sector. Factors contributing to this include the resumption of privately-funded and government development projects, some slated for completion before upcoming elections. Additionally, a relatively favorable post-crisis macroeconomic environment, marked by stability in interest rates and the exchange rate, along with the anticipation of pent-up housing demand being gradually realized, supported by wage growth aligning with inflation and significantly low housing loan rates.

ACL CABLES

In the midst of challenges ACL Cables demonstrated resilience by recording a Rs. 13.9 Bn Top Line and Rs. 1.4 Bn Bottom Line delivering decent performance. This was attributed to deliberate operational efficiencies and strategic actions, highlighting ACL's ability to thrive in volatile environments. The company's commitment to excellence and compliance standards garnered prestigious industry accolades, underscoring its dedication to delivering value and fostering sustainable growth.

As a fully-integrated cable manufacturer, ACL Cables PLC maintains a robust presence across its value chain with manufacturing facilities, warehouses, and an extensive dealer and distributor network. This infrastructure ensures the provision of high-quality products meeting customer needs and reflects ACL's dedication to operational excellence.

ACL introduced two innovative cable solutions—the enhanced Fireguard cable and the energy-efficient 'Super Conductivity Cable'. Fireguard cables, featuring fire-resistant retardant attributes, have undergone advancements, enhancing energy-saving properties and solidifying ACL's reputation for safety and innovation. Additionally, the 'Super Conductivity Cable' promises energy savings through reduced resistance and enhanced conductivity, contributing to national sustainability efforts and surpassing industry

purity standards. These innovations showcase ACL's commitment to addressing market demands and advancing energy efficiency technology.

Despite economic uncertainties in the fiscal year 2023-2024, ACL Cables PLC demonstrated resilience through strategic actions and operational efficiencies, introducing innovative products and garnering industry accolades. The company's commitment to excellence and ethical trading continues to drive sustainable growth and customer satisfaction

We are proud of our company's achievements this year, showcasing our commitment to excellence and ethical trading. Recognized with the Bronze Medal of the TAGS Awards by Institute of Chartered Accountants, Sri Lanka and the NICE Gold Award for outstanding export performance, we are honored by the acknowledgment of our dedication. Moreover, receiving the Certificate of Ethical Trading reinforces our commitment to ethical standards.

These accolades underscore our unwavering values and principles, driving us to continue delivering exceptional products and services.

APPRECIATION

I want to express my profound gratitude to all our business partners and well-wishers whose unwavering support has been instrumental in our success this year. Your assistance has propelled us towards our goals, allowing us to conclude the year on a high note.

I extend heartfelt thanks to the Chairman, Board of Directors, and management team for their invaluable guidance and steadfast commitment to steering the company forward. Your leadership has been pivotal in navigating challenges and seizing opportunities.

I also extend sincere appreciation to our suppliers, shareholders, and all stakeholders for their continued collaboration and trust in our vision. Your contributions have been invaluable in every aspect of our operations.

Finally, I want to acknowledge and thank our dedicated employees whose hard work, dedication, and commitment to excellence have been the driving force behind our achievements. Together, we have reached the expectations and set new standards of success for our company.



TURNOVER - COMPANY

Rs. 13,889 Mn



NET PROFIT - COMPANY

Rs. 1,394 Mn

Suren Madanayake
Managing Director
02 August 2024



BOARD OF DIRECTORS

Left to right : Mr. Hemaka Amarasuriya - Director, Mrs. N. C. Madanayake - Director, Mr. U. G. Madanayake - Chairman, Mr. Suren Madanayake - Managing Director, Mr. Ajit Jayaratne - Director, Dr. Sivakumar Selliah - Director, Mr. Daya Wahalantantiri - Executive Director, Mr. Rajiv Casie Chitty - Director



COMMITTEES

- Audit Committee ●
- Remuneration Committee ●
- Related Party Transactions Review Committee ●

BOARD OF DIRECTORS

MR. U. G. MADANAYAKE

Chairman/ Executive Director

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 Ltd and Resus Energy PLC. He has over 50 years' experience in the cable industry.

MR. SUREN MADANAYAKE

Managing Director/ Executive Director

Mr. Suren Madanayake had his education at Royal College, Colombo and qualified as a Mechanical Engineer from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd which is the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

He also serves as the Chairman of Resus Energy PLC and Cable Solutions Ltd, 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, CT Land Development PLC 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.

Membership of Board Subcommittees

Member of the Board Related Party Transactions Review Committee (w.e.f. 26th June 2024).

MRS. N. C. MADANAYAKE

Non-Independent 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 Director/ 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.

Membership of Board Subcommittees

Board Audit Committee, Chairman

Board Related Party Transactions Review Committee, Chairman

Board Remuneration Committee, Chairman

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 Chairman of Sri Lanka Insurance Corporation Limited from 2015 to 2018 and is in the directorate of other listed and unlisted private companies. He held the chair of the Singer Group in Sri Lanka for a period of 30 years. Currently he is the Chairman of C.W.Mackie PLC.

He was recognised by the Asia Retail 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. 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 Chartered Institute of Management Accountants (CIMA) selected him as the Business Icon of the year for 2013.

MR. DAYA WAHALATANTIRI

Executive Director

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

MR. RAJIV CASIE CHITTY ●●●

Independent Non-Executive Director

Mr. Casie Chitty who holds a Master in Economics, University of Colombo and a Master in Computer Science from the University of Staffordshire, UK, is also a Fellow of the Association of Chartered

Certified Accountants (ACCA) UK, an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and is a Chartered Financial Analyst, USA. He is a Past President of the Association of Chartered Certified Accountants (ACCA) Sri Lanka Branch.

Mr. Casie Chitty was appointed as a Director of ACL Cables PLC in November 2005. He is presently the Chief Operating Officer of Commercial Credit & Finance PLC and Non-Executive Independent Director of Tangerine Beach Hotels PLC. Mr. Casie Chitty presently serves on the boards of Royal Palms Beach Hotels PLC, Ceylon Printers PLC, Office Equipment PLC, Paragon PLC, BG Marine Investment Pvt Ltd, Merc Marine Management (Pvt) Ltd, Ceyline Holdings (Pvt) Ltd, CMA CGMA Lanka (Pvt) Ltd, Mercantile Seaman's Training Institute (Pvt) Ltd, CINEC Campus (Pvt) Ltd and Lakdhanavi (Pvt) Ltd.

Membership of Board Subcommittees

Board Audit Committee, Member

Board Related Party Transactions Review Committee, Member

Board Remuneration Committee, Member

DR. SIVAKUMAR SELLIAH

(MBBs, M.Phil)/ Independent Non-Executive Director

Dr. Selliah holds an MBBS degree and a Master's Degree (M.Phil) and has over two decades of diverse and extensive experience in serving on the Boards related to varied fields including Manufacturing, Healthcare, Insurance, Banking, Logistics, Packaging, Renewable Power, Plantation, Retail etc. He currently serves on the Boards of many Public listed and Private companies. Has extensive experience on serving on Board subcommittees as Chairman or Member which include, Human Resource and Remuneration committee, Investment committee, Strategic Planning committee, Related Party Transactions Review committee, Nominations and Governance committee, Audit committee, Risk Management committee etc.

Dr. Selliah serves on a non-executive capacity in the following company boards given below. Dr. Selliah is the Chairman of JAT Holdings PLC. He is currently serving as a Director on the following companies given below: Commercial Bank of Ceylon PLC, Lanka Tiles PLC, Lanka Walltiles PLC, ACL Cables PLC, Swisstek (Ceylon) PLC, Arunodhaya Private Ltd, Arunodhaya Industries Pvt Ltd. He is the Deputy Chairman of Asiri Surgical Hospital PLC, Asiri Hospital Holdings PLC and Central Hospitals Private Ltd. He is also the Chairman of Cleanco Lanka Private Ltd and Vydexa Lanka Power Corporation Pvt Ltd and Andysel Private Ltd. He also is a Director of Arunodhaya Investments Pvt Ltd. He has also served on many other Listed company Boards in the past.

Dr. Selliah has served as a Senior Lecturer in the Faculty of Medicine, University of Kelaniya for many years in the past and served on several committees. He has also been Head of the Department of Physiology for many years during this period at the Faculty. He has also served as a Member of the University Council at the University of Colombo in the past.

MANAGEMENT TEAM



Mahesh Amarasiri
Group Chief Financial Officer



Roy Joseph
Chief Operating Officer



Rohitha Amarasekara
General Manager Operation



Lakshman Bandaranayake
General Manager Marketing



Ishan Dabare
Deputy General Manager - Project Sales



Senila Rupasingha
Deputy General Manager - Supply Chain



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



Sampath Wijesundara
Chief Information Officer



Chathuranga Sampath
Group Head of Risk & Control



R Nandakumara
Engineering Manager (Mechanical)



A G U K Abeynayake
Engineering Manager (Electrical)



Indunil Perera
Security Manager



Deepthi Bandara
Head of Sales



Sujeewa Sampath
Manager Finance & Operations



A D A Chinthaka
Factory Manager Copper Cable Plant



Saman Liyanage
Manager Operation



Sarath Lokuhiitige
Sales Manager Power and Energy
Sector



Arunajith Perera
Electrical Engineer Head of Technical
Services and R&D



Sarath Padmadewa
Assistant Manager Human Resource



Ashoka Padmakumara
Sales Manager



Supun Sisihara
Manager Logistic



Amali Fonseka
Manager Credit Control



Asela Jayatillaka
Finance Manager



R S Nadeeshani
Quality Assurance Manager



Hiran Wijerathna
Business Development Manager



Nayanaajith Perera
Assistant Production Manager -
Dealer Range & Flexible Factory

PRODUCT PORTFOLIO

ACL Cables complies with most local and international test certificates including ISO 9001; 2015 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 62 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 complies with most local and international test certificates including ISO 9001; 2015 and ISO 14001 Environmental Management System certificate.



House Wiring Cables



Earth Cables



Telecommunication Cables



Fire Resistance Circuit Integrity Power Cables



33KV Covered Conductors



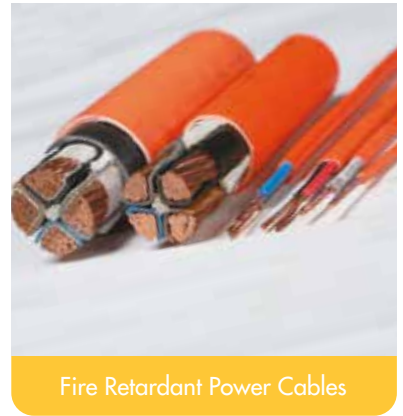
Flexible Cables



Auto Cables



Low Voltage - Aerial Bundled Cables



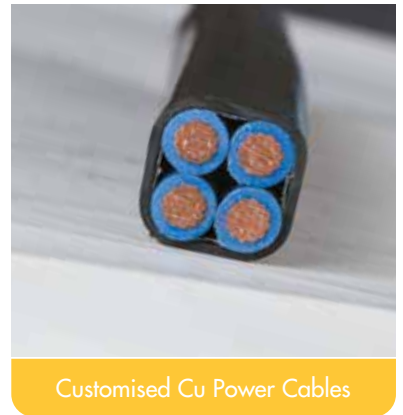
Fire Retardant Power Cables



ACSR & AAAC Conductors



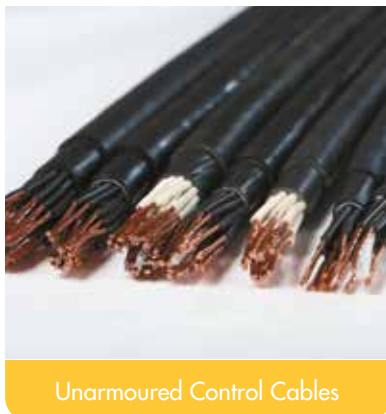
All Aluminium Conductors



Customised Cu Power Cables



Multi - Core Al Power Cables with Cu Wire Screen



Unarmoured Control Cables



Three Phase Cu Concentric Cable

PRODUCT PORTFOLIO



Single Core Unarmoured
Cu Power Cables



Multi - Core Unarmoured
Al Power Cables



Multi - Core Armored
Cu Power Cables



Single Core Armoured
Cu Power Cable



Unsheathed Cu Power Cables



Armored Control Cables



Single Phase Al
Concentric Cable



ACL SAX AMO 33kV
Covered Conductor



Multi-Core Unarmoured
Cu Power Cables

ELECTRIC

Commencing its operation in 2014, ACL Electric was formed to market high quality electrical switches, sockets 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 features a woman in a flowing yellow dress against a black background. At the top, the ACL logo is displayed next to the word "elegance" in a large, white, sans-serif font. Below this, the tagline "In *style* Forever" is written in a smaller, white, serif font. In the center, two white electrical products are shown: a square switch on the left and a square socket on the right, both with the ACL logo at the bottom. Below these, a grey bar contains the text "Available in" above three color swatches: "Matt Black", "Bronze", and "Grey". At the bottom of the advertisement, the website "www.acl.lk" and the text "LIFETIME WARRANTY" are displayed in white.

PRODUCT 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

NEW ELEGANCE RANGE



Motion Sensor



13A Switch Socket Outlet with 2.2A USB charger



Key Card Switch



Double Pole Cooker Switch

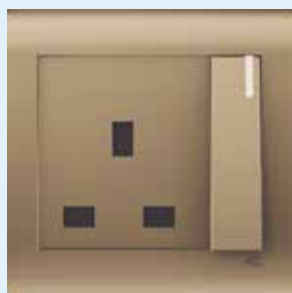


Shaver Socket

ACL ELEGANCE COLOUR RANGE



HD Black



HD Bronze



HD Gray

PRODUCT 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 (75ohm, 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

PRODUCT PORTFOLIO



Mercury Isolator



Mercury MCB



Mercury RCD



USB Charger 5V 2.5A



5 Step Fan Controller



Bell For MCB



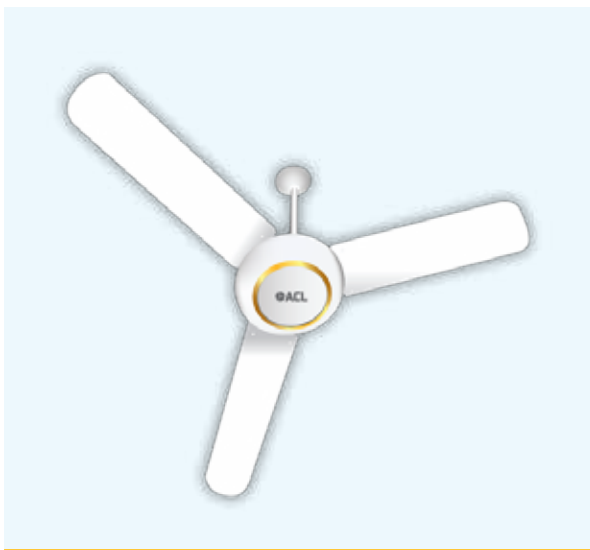
13A Twin Socket



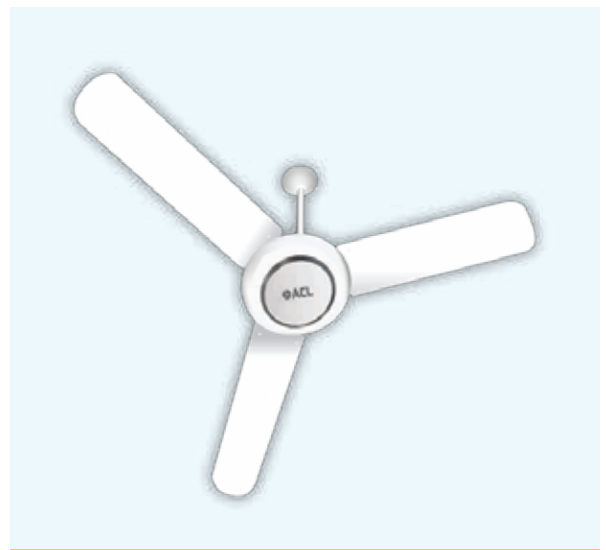
Fan Speed Controller

CEILING FAN

ACL ceiling fans were introduced to the 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

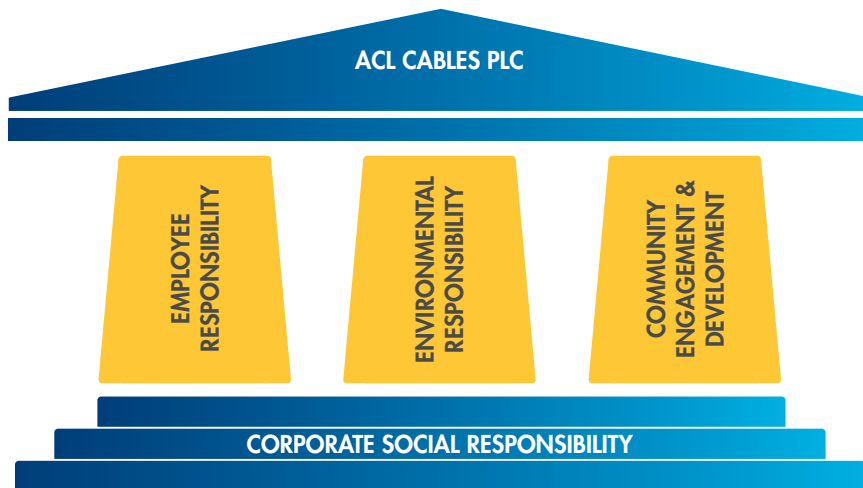


Aluminium Blade Fan

CORPORATE SOCIAL RESPONSIBILITY AT ACL CABLES

ACL Cables PLC has managed to take measures in creating an adequate platform for corporate social responsibility within its company. This has been put into practice by integrating people, social and environmental concerns attached to the business. CSR initiative is put into practice under three main categories.

The three pillar CSR model at ACL is as follows:



ENVIRONMENTAL RESPONSIBILITY

The Group is determined to reduce its operations' environmental footprint, and our approach is consistent with that of the parent entity, which provides clear guidelines on tracking, monitoring, and optimizing the use of natural resources to ensure a positive contribution to our environment and ecosystems in a holistic and consistent manner. National environmental certifications such as (ISO 14001:2015) further guide our environmental strategy.

The most significant activity in environmental responsibility 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 a shareholder of a major hydro power company in Sri Lanka named

Resus Energy PLC, contributing ourselves to become a 'Green Company' and the only of this kind by a company operating in our industry.

Further, we have added 2 MW of rooftop solar during the financial year, bringing the total installed capacity of rooftop solar in our group companies to 4.5 MW. This significant expansion underscores our commitment to embracing cleaner and greener energy solutions.



COMMUNITY ENGAGEMENT AND DEVELOPMENT

A Safe and Healthy Work Environment:
 Considering the work tasks our employees undergo especially at our factories we insure over 500 employees through a comprehensive corporate medical insurance scheme for all of them.

ACL also has a special reward scheme for the children of our employees as well. This is in recognition for those 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.



The Electricians Loyalty Club at ACL facilitates the requirement of sharing up-to-date knowledge of the company as well as the industry. A series of educational seminars for electricians and vocational training students at their respective centers were conducted for the purpose of improving their knowledge.



Annual charity programme was conducted for a medical monastery, named "Sheela Suva Arana" situated in Horana, established to treat monks. An alms giving was organized by the contribution of employees for the monks in the monastery.



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

AWARDS & CERTIFICATIONS



01. Gold award in Extra Large Category of Electronic and Electric product sector - NCE Export Awards
Certificate of Ethical Trading - NCE Export awards
02. CA TAGS AWARDS 2023 - Construction Sector Bronze award
03. CA TAGS AWARDS 2022
Compliance Awards Under Manufacturing Sector (Group Turnover Above Rs.10 Bn)
04. Business Today Top 40
05. Long Horn 100 Awards 2023
06. Crystal Award 2009 Award for the Winner of the Gold Awards over three consecutive years by the Ceylon National Chamber of Industries.
07. Asia Pacific Quality Award 2008 - Won the highest award, beating participants from 46 countries, and ACL was recognized as a world-class Company.
08. National Productivity Awards -1st Place in 2007 organized by the National Productivity Secretariat.
09. National Quality Award Winner 2007
10. Global Commerce Excellence Awards 2014
11. B2B Brand of the Year at SLIM Brand Excellence 2015 - Gold
12. Master Brand Status 2017
13. B2B Brand of the year at SLIM Brand Excellence 2018 - Silver
14. Silver Award in the Large Scale of the Manufacturing sector - SD Excellence Award
15. Bronze Award in Manufacturing Large Metal industry category at National Cleaner Production Award 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 Armoured Electric Cables having Thermosetting XLPE insulation
SLS 1504 -3-31	"ACL" Brand Single Core Non- Sheathed Cables with Halageon Free Thermoplastics insulation, and low emission of smoke.

GROUP STRUCTURE

Description / Company	ACL Cables PLC	Kelani Cables PLC	ACL Plastics PLC	Ceylon Bulbs & Electricals Ltd	Lanka Olex Cables (Pvt) Ltd	
Registration Number	PQ 102	PQ 117	PQ 87	PB 1283	PV 20493	
Date of Incorporation	10.03.1962	18.12.1972	17.07.1991	16.10.1957	22.02.1993	
Corporate Status	Public Limited Company	Public Limited Company	Public Limited Company	Limited Company	Private Limited Company	
ACL Cables PLC's Effective Shareholding in the Company	Parent Company	79.30%	65.20%	95.30%	100%	
Directors	U. G. Madanayake - Chairman	U. G. Madanayake - Chairman	U.G.Madanayake - Chairman	U.G.Madanayake - Director	U.G.Madanayake - Chairman	
	Suren Madanayake - Managing Director	Suren Madanayake - Deputy Chairman	Suren Madanayake - Managing Director	Suren Madanayake - Director	Suren Madanayake - Managing 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	
	Ajit Jayaratne - Director	Dr. Bandula Perera - Director	Mohan Rathnayake - Director			
	Hemaka Amarasuriya - Director	Deepal Sooriyaarachchi - Director	Dr. Kamal Weerapperuma - Director (resigned w.e.f. 31/12/23)			
	Daya Wahalantantiri - Director	M. Saranapala (resigned w.e.f. 30/04/24) - Managing Director	Rohan Somawansa (w.e.f. 28/06/24)			
	Rajiv Casie Chitty - Director	Yudistran Kanagasabai (w.e.f. 23/07/24)				
	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	
Auditors	Deloitte Partners Chartered Accountants	KPMG Chartered Accountants	Deloitte Partners Chartered Accountants	A. I. Macon Marker & Co. Chartered Accountants	Deloitte Partners Chartered Accountants	
Secretaries	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 2024	607	505	53	None	None	

	ACL Kelani Magnet Wire (Pvt) Ltd	ACL Polymers (Pvt) Ltd	ACL Metals & Alloys (Pvt) Ltd	Ceylon Copper (Pvt) Ltd	ACL Electric (Pvt) Ltd	Cable Solutions Limited	RESUS Energy PLC
	PV 11996	PV 3371	PV 3811	PV 79466	PV 89241	PV 63036	PV 415 PB PQ
	29.06.2000	06.09.2005	05.09.2005	17.06.2011	08.11.2012	25.02.2008	11.06.2003
	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Private Limited Company	Limited Company	Public Limited Company
	93.79%	65.20%	100%	100%	100%	52.64%	32.53%
	U. G. Madanayake - Director	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	Suren Madanayake - Chairman	Kishan Nanayakkara - Managing Director
	Mrs. Maya Weerapura - Director					Daya Wahalantantiri - Director	Ms D C Abeywardena - Director
						Chehan Prasanna Richard Perera - Director	U. G. Madanayake - Director
						Pawan Nand Tejwani - Managing Director	Professor M K Ranasinghe - Director
						Mahesh Amarasiri - Director	U P Egalahewa PC - Director
						Gihan Perera - Director	
						Kusal Jayawardana - Director	
						Avishka Perera - Alternate Director to Gihan Perera	
	Dormant	Dormant	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 electrical cables and accessories	Power & energy generation
	Deloitte Partners Chartered Accountants	Deloitte Partners Chartered Accountants	Deloitte Partners Chartered Accountants	Deloitte Partners Chartered Accountants	Deloitte Partners Chartered Accountants	BDO Partners	Ernst & Young, Chartered Accountants
	Corporate Affairs (Pvt) Ltd	Management Applications (Pvt) Ltd	Management Applications (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Corporate Affairs (Pvt) Ltd	Nexia Corporate Consultants (Pvt) Ltd	Nexia Corporate Consultants (Pvt) Ltd
	None	None	87	21	68	293	112

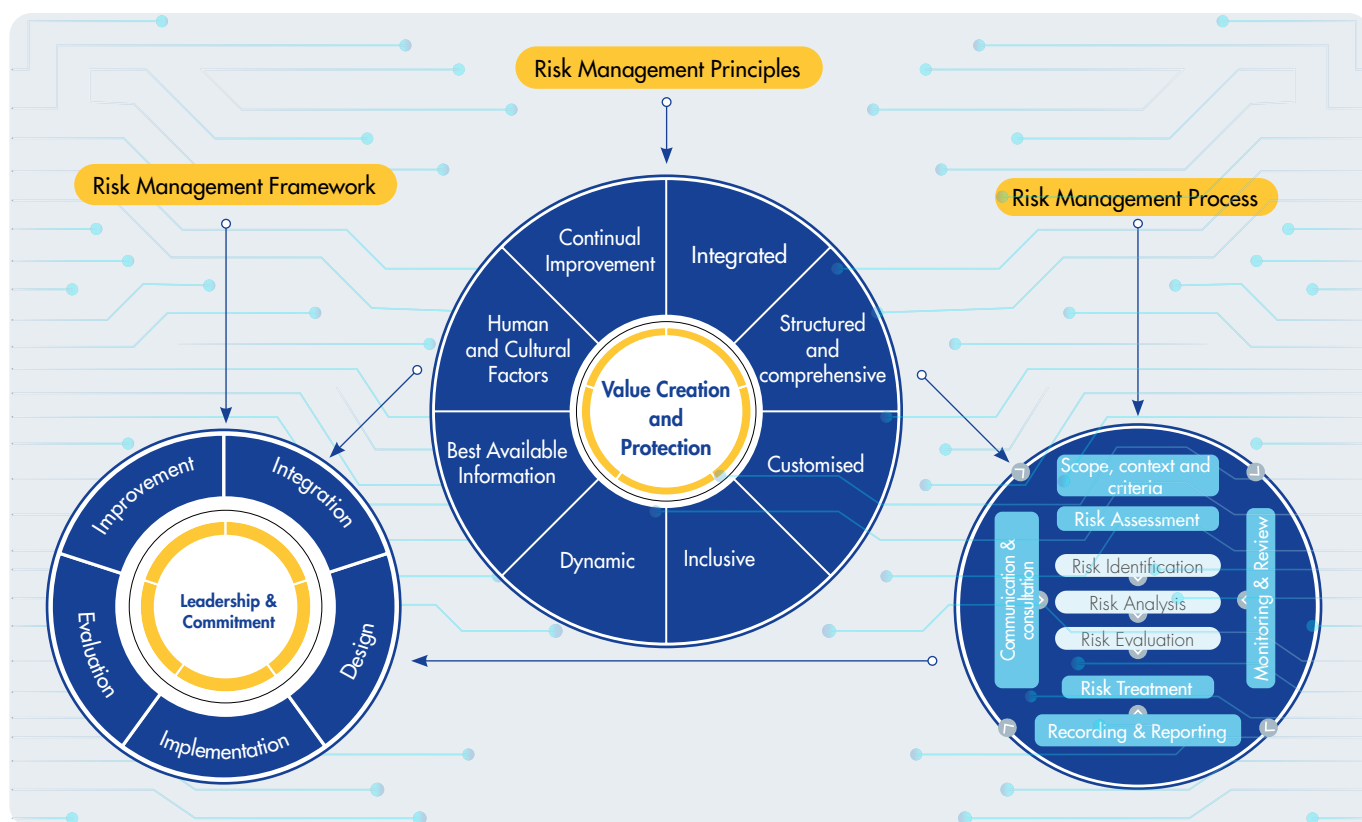
RISK MANAGEMENT

ACL Cables PLC has given due consideration to its risk identification, assessment, and mitigating procedures in order to maintain sustainable growth while achieving its corporate objectives. An effective risk management framework helps the company in its attempts to achieve the optimum trade-off between risks and returns. The company is exposed to the broad array of risks which are based on the current external and internal factors.

As the market leader in the Sri Lankan cable industry, our success is our ability to identify and exploit the opportunities in our market. 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 that we are operating in; the company is keen on executing an Enterprise Risk Management that is in line with ISO 31000. This model delivers a structured governance system and provides a proper mechanism to identify risks promptly.

PRINCIPLES, FRAMEWORK, AND RISK MANAGEMENT PROCESS FROM ISO 31000

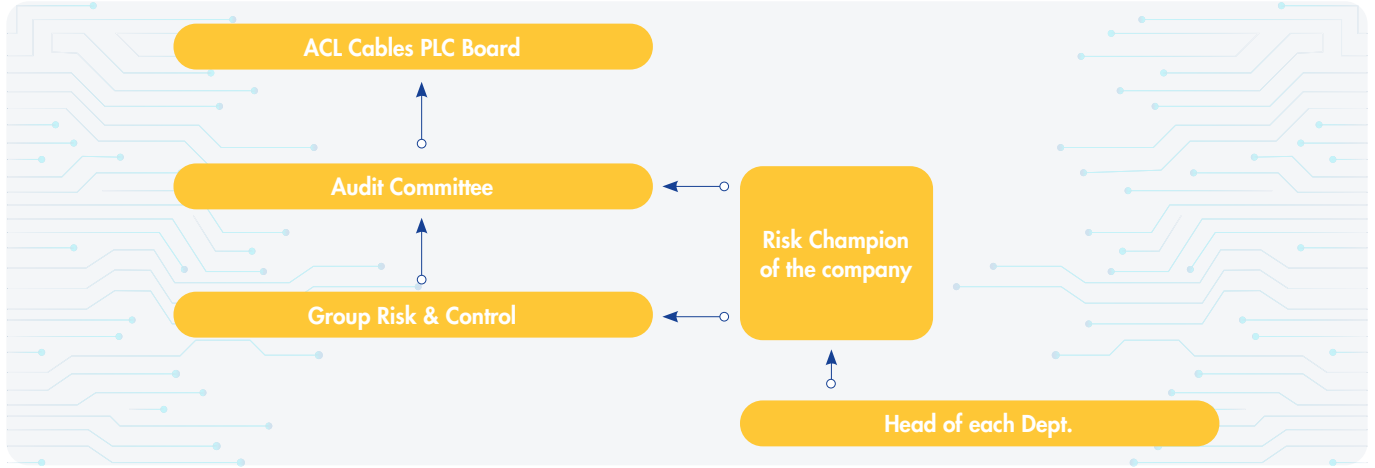


The ISO 31000 guidelines provide a statement of risk management principles. The eight principles are described below:

1. Customized framework and processes
2. Appropriate and timely involvement of stakeholders
3. Structured and comprehensive approach
4. Risk management is an integral part of all organizational activities
5. Risk management anticipates, detects, acknowledges, and responds to changes
6. Risk management explicitly considers any limitations of available information.
7. Human and cultural factors influence all aspects of risk management.
8. Risk management is continually improved through learning and experience.

The first five principles provide guidance on how a risk management initiative should be designed, and principles six, seven, and eight relate to the operation of the risk management initiative.

RISK MANAGEMENT REPORTING STRUCTURE OF THE ACL CABLES PLC



Risk Evaluation and Mapping

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

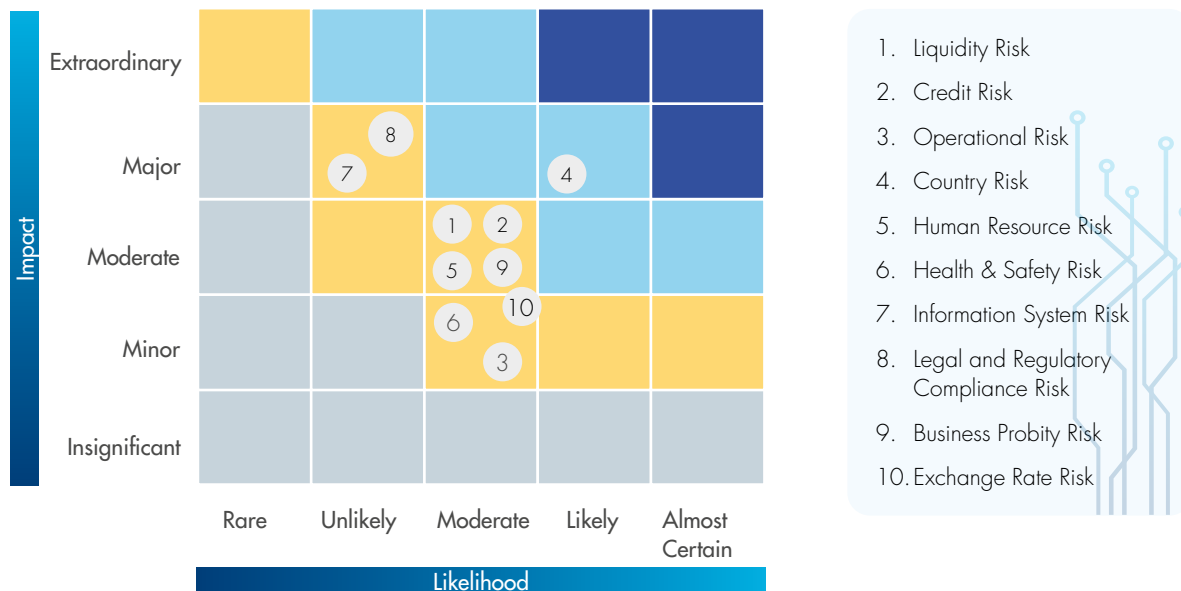
The Risk Matrix

Impact	Extraordinary	M	S	S	H	H
	Major	L	M	S	S	H
	Moderate	L	M	M	S	S
	Minor	L	L	M	M	M
	Insignificant	L	L	L	L	L
		Rare	Unlikely	Moderate	Likely	Almost Certain
Likelihood						
	H - High	S - Significant	M - Moderate	L - Low		

RISK MANAGEMENT

FUTURE OUTLOOK

ACL Cables PLC is effectively managing its risk and identifying emerging risks that could pose an impact on business operations. The Risk Heat Map below shows the key risk drivers that could affect the Company in FY 2023/24 (over a one-year horizon) along the dimensions of probability and impact. The risk drivers are not to be seen in isolation as they may trigger or reinforce each other.



SNAPSHOT OF KEY RISK & MITIGATION STRATEGIES

Risk Exposure	Description	Risk Rating	Risk Mitigation Actions
1. Liquidity Risk	Adverse impact on the liquidity position as a result of payment delays by debtors, long stock residence period, early payment to creditors, and other factors which may create a negative impact on the working capital cycle of the business	Moderate	<ul style="list-style-type: none"> Conduct regular follow-ups on trade debtors and continuous reviews on the working capital management position of the business Expedite collection procedures of long outstanding balances through dedicated recovery officers Maintaining inventories effectively while complying with ISO procedures Processing payments for vendors as per treasury guidelines
2. Credit Risk	Potential losses arising due to customer defaults	Moderate	<ul style="list-style-type: none"> Ensure compliance with credit policy guidelines of the business Proceed credit sales only up to the bank guarantee provided by the distributors Significant reduction in credit period for customers who are entitled to credit sales Manage credit exposure through continuous credit reviews Managing the credit exposure with the credit limits allocated to each customer with the appropriate credit controls in ERP

Risk Exposure	Description	Risk Rating	Risk Mitigation Actions
3. Operational Risk	Potential losses due to inadequate internal controls, failures of internal processes, people and systems as a result of natural and human activities	Moderate	<ul style="list-style-type: none"> • Conduct Enterprise Risk Management and Internal Audit procedures across the company • Conduct continuous control reviews on high-risk areas to assess the strength of the existing control system • Continuous monitoring of regulatory compliance and other internal requirements through compliance dashboards • Conduct system control reviews as per the annual internal audit plan • Establish BCP (Business Continuity Planning) to ensure the smooth continuation of business operations while eliminating operational constraints due to prevailing economic crises. • Maintain ISO standards in all operational activities
4. Country Risk	Negative impact arising due to adverse economic factors such as Political, Economic, Social, Technological, Environmental, and Legal	Significant	<ul style="list-style-type: none"> • Comprehensive analysis of PESTEL factors on a regular basis to grab market opportunities and minimize the impact of threats due to adverse conditions. • Conduct constant reviews of macroeconomic factors to assess the impact on business performance • Continuous assessments of impacts due to changes in the regulatory environment of the country
5. Human Resources Risk	The negative impact on the business due to the loss of Key Executives and the inability to attract, develop and retain a skilled workforce.	Moderate	<ul style="list-style-type: none"> • Maintain an employee evaluation scheme to reward talented employees. • Maintain healthy and cordial relationships with employees at all levels through Joint Consultative Committees (JCC) • Provide various employee benefits through the Welfare Society. • Provide specific and general employee training wherever necessary.
6. Health and Safety Risk	The likelihood that an individual may be harmed or suffers adverse health effects if exposed to a hazard	Moderate	<ul style="list-style-type: none"> • Conduct health and safety assessments to evaluate the adequacy of existing safety measures maintained by the company • Ensure the effectiveness of health and safety measures through ISO and other certifications • Ensure compliance with health guidelines issued by the Government

RISK MANAGEMENT

Risk Exposure	Description	Risk Rating	Risk Mitigation Actions
7. Information Systems Risk	Delays in decision-making due to inaccurate or non-availability of timely information from key computer systems	Moderate	<ul style="list-style-type: none"> Enhance system performance through continuous version upgrading Maintain data backups to minimize data losses in case of an emergency Enhance system security levels regularly to minimize cyber security risk Maintain vendor agreements for support services and system maintenance Maintain effective and sound IT General Control (ITGC) system across the company Revise IT policies and procedures to create value for the business
8. Legal and Regulatory Compliance Risk	The potential negative impact on the business due to non-compliance with external regulatory requirements and internal policies & procedures	Moderate	<ul style="list-style-type: none"> Maintain compliance and legal dashboard to ensure timely compliance over regulatory requirements Conduct compliance assessment every quarter
9. Business Probity risk	Business probity risk is related to the governance and ethics of the organization. It can arise from unethical behavior by one or more participants in a particular process.	Moderate	<ul style="list-style-type: none"> Implement a whistle-blowing policy across the group and conduct investigations in an effective manner. Strengthen existing internal control systems based on the recommendations given by the internal and statutory auditors. Conduct frequent audits on high-risk areas such as Cash, Inventory, Procurement, Sales, Collections etc. Monitor employee activities through CCTV. Maintain segregation of duties Minimize human involvement through automation and digitalization Conduct IT audits to identify system loopholes Conduct Internal Audits under the supervision of the Audit Committee.
10. Exchange Rate Risk	Potential losses as a result of adverse movement in the exchange rates	Moderate	<ul style="list-style-type: none"> Utilization of export dollar sales of the company to import raw materials without converting to Sri Lankan rupees Maintaining existing dollar reserves without utilizing them to import raw materials

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

THE CHAIRMAN'S STATEMENT

The trust and confidence placed in us by our stakeholders bear testimony to our integrity and sustained value creation, which in turn reflects our adherence to high standards of governance. Our approach to governance is based on the belief that high-quality governance is essential to the creation of long-term shareholder value and must be pursued resolutely.

We aspire to maintain the highest level of governance standards, ensuring that these standards and values are cascaded across ACL Cables PLC through sound policies and procedures. The Board is supported by robust and independent audit and compliance functions that provide effective oversight of the governance process and play an important role in setting the tone and creating a culture that delivers sustainable value. Towards this end, we focus on creating a values-driven culture at ACL Cables, where everyone demonstrates the core values of Innovation, Integrity, Responsibility, Excellence, and Urgency, making sound governance practices a way of life through our daily operations.

The level of compliance with the Code of Best Practice on Corporate Governance 2023 (the Code) issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC), along with the disclosure requirements and continuing listing rules of the Colombo Stock Exchange (CSE), are described in the Report below.

As required by the Code, I hereby confirm that I am not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Corporate Management of ACL Cables PLC.

U G Madanayake
Chairman

Colombo, Sri Lanka
02 August 2024

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.

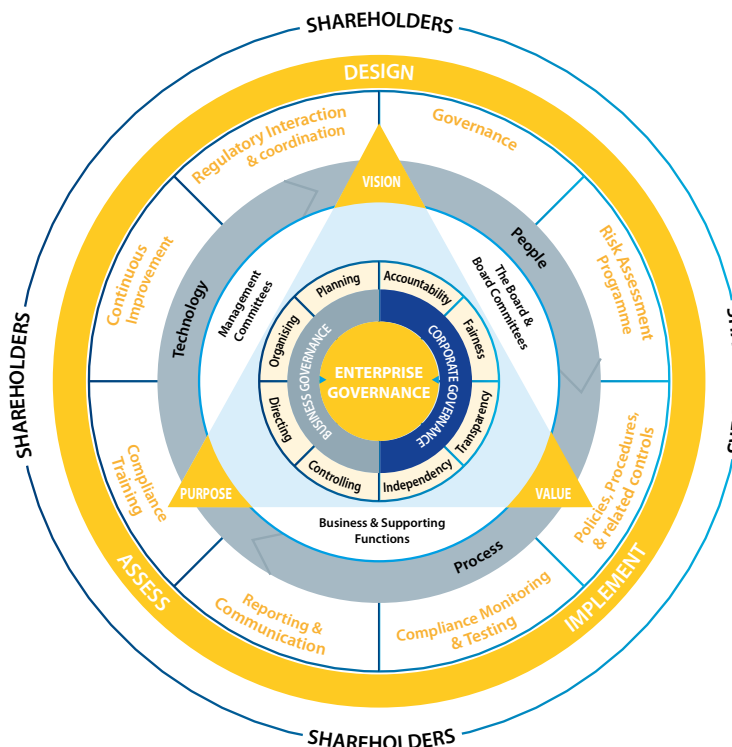
Sound Corporate Governance is reliant on external marketplace commitment and legislation plus a healthy Board culture which safeguards policies and processes. Further, an important element of Corporate Governance is to ensure the accountability of certain individuals in an organization through mechanisms 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.

Compliance Summary		
Adoption	Standard/Principle/Code	Adherence
Mandatory Provisions	The Companies Act No.7 of 2007 and regulations	Mandatory Provisions - Fully compliant
Mandatory Provisions	Listing Rules of the Colombo Stock Exchange (CSE)	
Mandatory Provisions	Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, including directives and circulars	
Mandatory Provisions	Code of Best Practice on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka (SEC)	
Voluntary provisions	Code of Best Practice on Corporate Governance 2023 issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC)	Voluntary provisions – Compliant

ACL ENTERPRISE GOVERNANCE FRAMEWORK

Enterprise governance is “the set of responsibilities and practices exercised by the Board and Executive Management with the goal of providing strategic direction, ensuring that objectives are achieved, ascertaining those risks are managed appropriately and verifying that the organization’s resources are used responsibly”.



ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

The role of Chairman is separate from that of the Managing Director which is in line with best practices in Corporate Governance ensuring that no one Director has unfettered power and authority. The Chairman is an Executive Director while the Managing Director is an Executive Director appointed by the Board. Since both the Chairman and MD are Executive Directors and are close Family Members, a Senior Independent Director (SID) has been appointed as per the listing rules.

Chairman's Role and Responsibilities	Managing Director's Role and Responsibilities
<p>Chairman leads the Board, preserving good corporate governance and ensuring that it works ethically and effectively, acting in the best interest of the Group.</p> <ul style="list-style-type: none"> Ensure that the new Board members are given appropriate induction. Lead the Board and manage the business of the Board. Approve the agenda for each Board meeting. Ensure that the Board members receive accurate, timely and clear information to enable the Board to make sound decisions. Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors. Facilitate and encourage discussions among all Directors in the decision making. Represent the views of the Board to the public 	<p>The MD is an Executive Director appointed by the Board and is accountable for implementation of the Group's strategic plan and driving performance.</p> <ul style="list-style-type: none"> Formulate, obtain, approve and implement the Company's strategies and manage the day-to-day operations of the Company. Developing and recommending budgets to the Board. Continuously monitoring and reporting to the Board on the performance of the Company. Establishing an optimum organizational structure which is appropriate for the execution of the Company's Strategy. Compliance with all the applicable legal and regulatory obligations. Managing the financial and the business risk of the company's operations and identifying the potential risks of the company.

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 for the Board include:

- To enhance shareholder value.
- Reviewing corporate objectives, budgets, and forecasts.
- Reviewing of operational and functional performance.
- Approving capital investments.
- Ensuring the implementation of an effective internal control system.
- Ensuring compliance with the highest ethical and legal standards.

- Approval of the Annual and Interim Financial Statements prior to publication.
- Recommending Dividends for approval by the shareholders.

The Board comprises eight Directors of whom five are Non-Executive Directors. The names and profiles of the Directors are given on pages 48 to 45 of this report. The Board recognises the need for a clear division of responsibilities in running the Company business. Accordingly, the positions of Chairman and Managing Director have been separated. During the year the Company obtained confirmation from Directors and satisfied the fit and proper assessment criteria set out.

During the year 2023/2024, the Company has established and maintained a formal policy governing matters relating to the Board of Directors as indicated in Listing Rules No. 9.5.1.

To ensure compliance with Listing Rule No. 9.7.1, each member of the Board has declared conformity with the fit and proper assessment criteria outlined in Listing Rule No. 9.7.3 by providing signed declarations for the year under review.

THE BOARD COMPOSITION

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 Issued 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.

Non-Executive Non Independent Directors	
Non-Executive Independent Directors	
Non-Executive Directors	
Executive Directors	

CORPORATE GOVERNANCE

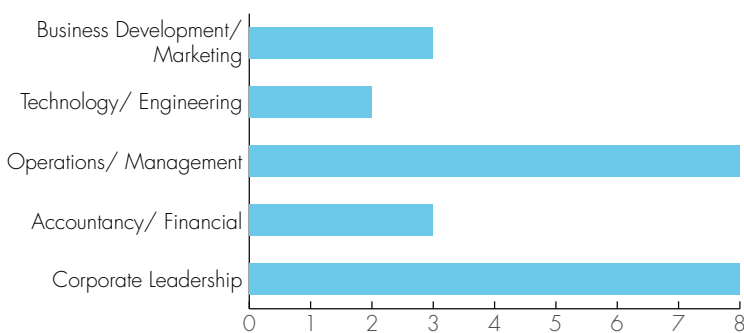
THE BOARD DIVERSITY

ACL acknowledges the need for diversity in Boards and is conscious of the need to attract appropriately skilled Directors who reflect the values and requirements of its businesses and vision. Whilst the company is of the view that diversity ranging across demographic attributes, backgrounds, experiences and social networks improves a Board's understanding of its vast pool of stakeholders, providing diverse connections with the external environment and aiding the Company in addressing stakeholders' claims in a more responsive manner, ACL is also conscious of the need to maintain a strong culture of meritocracy, ensuring that Board diversity does not come at the expense of Board effectiveness. In this regard, every effort will be made to attract suitably qualified personnel from diverse demographics and backgrounds.

BOARD SKILLS

The Directors possess a wide range of skills, knowledge, and expertise essential to driving the business to achieve its corporate objectives and enhance value. The following graph depicts the inventory of skills and expertise of the Board. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report.

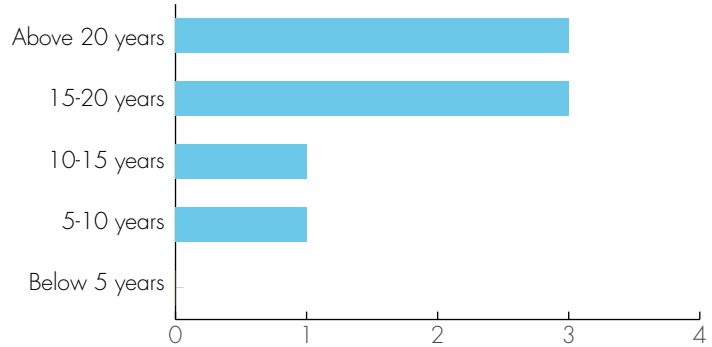
DIVERSITY OF SKILLS AND EXPERIENCE



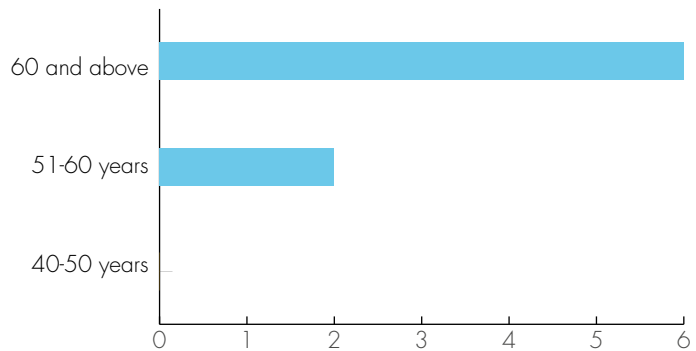
BOARD INDEPENDENCE

There is increased emphasis on Board independence by stakeholders, stock exchanges and regulatory bodies worldwide. In order for a Board to be effective, ACL is of the view that companies must take steps, both in their structures and nominating procedures, to ensure fostering of independent decision-making and mitigating potential conflicts

TENURE



AGE OF DIRECTORS



and balances may entail, among others, the establishment of various assurance mechanisms and the use of systematic and comprehensive Board evaluation processes and Independent Director lead engagement.

of interest which may arise. The criteria for defining the independence of boards vary significantly across countries. ACL is of the view that the intended vision of achieving improved governance and higher independence can be achieved through various checks and balances, whilst not compromising on the underlying operating model of a corporation. These checks

DIRECTOR'S INDEPENDENCE

The independence of all its Independent Non-Executive Directors was reviewed against the criteria summarised below:

Criteria for defining Independence	Status of conformity of INED
None of the INEDs have Shareholding carrying 10 per cent or more of voting rights.	Compliant
None of the INEDs is a Director of another company*	Compliant
None of the INEDs have Income/non-cash benefits equivalent to 20 per cent of the Director's annual income, excluding income/non-cash benefits received, which are applicable on a uniform basis to all Non-Executive Directors on the Board.	Compliant
None of the INEDs have employment at ACL or a material business relationship with ACL currently or in the three years immediately preceding their appointment as Directors.	Compliant
None of the INEDs have a close family member who is a Director, CEO or Key Management Personnel.	Compliant
None of the INEDs have served on the Board continuously for a period exceeding nine years from the date of the first appointment. **	Compliant
None of the INEDs are employed or have a material business relationship and/or significant shareholding in other companies*. Entails other companies that have significant shareholding in the Company and the Company has a business connection with	Compliant

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors, or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

**The periods of service of Mr. Ajit Jayaratne, Mr. Hemaka Amarasuriya and Mr. Rajiv Casie Chitty as Board Members exceeded nine years. The Board is of the view that the periods of service of the aforesaid Independent Directors do not compromise their independence and objectivity in discharging their functions as Directors and, therefore, has determined that Mr. Ajit Jayaratne, Mr. Hemaka Amarasuriya and Mr. Rajiv Casie Chitty are 'Independent' as per the Listing Rules, until 31/12/2024.

CORPORATE GOVERNANCE

DIRECTOR'S INDEPENDENCE

DEFINITION

Independence is determined against criteria as set out in the listing Rules of the Colombo Stock Exchange and in compliance with Schedule "C" of the Code

ASSESSMENT

Independent assessment of Directors is conducted annually by the Board, based on the annual declaration and other information submitted by Non-Executive Directors

OUTCOME

The Board is satisfied there are no relationships or circumstances likely to affect or appear to affect, on Directors' Independence during the period under review.

FINANCE ACUMEN

The Board consists of members specialized in a multitude of disciplines and experience in Corporate Finance, Accounting, Taxation, Treasury Management and Risk Management. Hence, they are able to provide constructive debate, scrutinize performance and help develop Board strategy with a global perspective and outlook.

BOARD MEETINGS

Board meetings at ACL are structured gatherings where key decisions are made, and strategic directions are discussed and reviewed. The Board meets on a monthly basis as scheduled in advance, with additional meetings called as needed for specific purposes. These gatherings serve as platforms for deliberating a wide range of subjects relevant to the business, including budgetary matters. A hallmark of these meetings is the open exchange of perspectives among Directors, who contribute their wealth of experience and independent judgment to the discussions and decision-making process. To facilitate focused dialogue, sessions involving Non-Executive Directors are held separately from those involving Executive Directors, ensuring discussions are tailored to the appropriate forum. Furthermore, the Chief Financial Officer is invited to participate in Board meetings when needed.

DIRECTORS' ATTENDANCE RECORD

The attendance of Directors at relevant meetings of the Board and of the Audit, Remuneration and RPTR Committees held during 2023/2024 was as follows.

Name of Director	Board (12 Meetings)	Audit Committee (4 meetings)	Remuneration Committee (2 meetings)	Related Party Transactions Review Committee (4 meetings)
Executive Directors				
Mr. U. G. Madanayake – Chairman	11			
Mr. Suren Madanayake – Managing Director	12			
Mr. Daya Wahalantiri – Executive Director	12			
Senior Independent Non - Executive Director				
Mr. Ajit Jayaratne	10	04	02	04
Non-Executive Directors				
Mrs. N. C. Madanayake	10			
Independent Non-Executive Directors				
Mr. Rajiv Casie Chitty	12	04	02	04
Mr. Hemaka Amarasuriya	11			
Dr. Sivakumar Selliah	12			

SENIOR INDEPENDENT DIRECTOR

Mr. Ajit Jayaratne served as the Senior Independent Director (SID) of the Company during the financial year. The presence of the Senior Independent Director provides an effective mechanism for reviewing the performance of the Board and the Chairman, as well as considering matters related to the company as explained in Listing Rule No.9.6.3 (b).

In addition, the role of the SID provides valuable oversight for evaluating and improving the effectiveness of the Board. By

offering an independent perspective and overseeing governance practices, the SID helps reinforce the integrity and credibility of the Company's decision-making processes.

APPOINTMENT, RE-ELECTION AND RESIGNATION

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. Ajit Jayaratne and Mrs N C Madanayake retire by rotation and are required to stand for re-election by shareholders at the Annual General Meeting.

TRAINING FOR THE DIRECTORS

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

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.

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 99 to 101 of this report. The Statements of Directors' Responsibility for financial reporting and report of the Auditors are stated on pages 102 and 107 respectively. The Going Concern Declaration by the Board of Directors in this regard is presented in the report of Directors on page 99 of this Annual Report.

INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board's policy is to have systems in place that optimise the Company's ability to manage risk in an effective and appropriate manner. The Board has delegated the responsibility to the Audit Committee for identifying, evaluating and monitoring the risks faced by the Company and for deciding how these are to be managed, as a next step in improving the 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 company 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 company is given in the Risk Management section in the Annual Report. The objective of the Company's risk management process is to ensure the sustainable development of ACL 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 relationships with suppliers and contractors, and
- Maintains a positive relationship with the communities in which we do business.

The Company'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.

INTERNAL COMPLIANCE

A quarterly review has been performed by the Group Risk and Control to ensure compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance dashboard has been prepared and presented to Audit Committee meetings.

SEGREGATION OF DUTIES (SOD)

The ACL Group is very much aware of the need to ensure that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages, in the context that increasing use

of information technology and integrated financial controls creates unintended exposures within the Group. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is unlikely, the Group continues to take steps to identify and evaluate existing conflicts and reduce residual risks to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

WHISTLE BLOWER POLICY

A whistle-blower policy is in place within the Group as an efficient way for staff members and other interested parties to disclose any concerns about ethics and compliance. The transparent and private process established by the policy encourages reporting of such concerns and under the policy a person who discloses something in good faith will not face retaliation, according to the policy, it also addresses the reporting procedure and how such reports are handled.

BOARD SUB-COMMITTEES

The Board has delegated some of its functions to Board Sub-Committees, whilst retaining final decision rights. Members of these Sub-Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The three Board Sub-Committees are as follows:

- i. Audit Committee
- ii. Related Party Transactions Review Committee
- iii. Remuneration Committee

CORPORATE GOVERNANCE

Sub-Committee	Areas of oversight	Committee skills
Audit Committee	<ul style="list-style-type: none"> Evaluating the integrity of the financial statements and adequacy of internal controls External audit Internal audit Risk Measurement 	Accounting, corporate finance corporate leadership
Remuneration Committee	<ul style="list-style-type: none"> Remuneration policy for Group with particular reference to Key Management Personnel Goals and targets for Key Management Personnel Performance evaluation of Key Management Personnel 	Accounting, corporate finance corporate leadership
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Transactions with related parties as defined by LKAS 24 and Listing Rules of the Colombo Stock Exchange. 	Accounting, corporate finance Corporate leadership

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 the following two Independent Non Executive Directors.

The Company will take steps to expand the audit committee to comply with the rule 9.13.3 on or before 01/10/2024.

- 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 103.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) shall comprise a minimum of three Directors out of which two members shall be independent Directors. The composition of the Committee may also include Executive Directors, at the option of the Listed Entity. One Independent Director shall be appointed as Chairman of the Committee by the Board of Directors.

The Related Party Transactions Review Committee comprises the following members.

- Mr. Ajit Jayaratne – Chairman of the Committee (Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the Committee (Independent Non-Executive Director)
- Mr. Suren Madanayake - Member of the committee (Managing Director) (appointed to the RPT committee w.e.f 26/06/2024)

Further details of the Related Party Transactions Review Committee are given in their report on page 105.

REMUNERATION COMMITTEE

The Remuneration Committee shall comprise a minimum of two independent Non-Executive Directors shall not comprise of Executive Directors. One Independent Director shall be appointed as Chairman of the committee by the Board of Directors.

The Remuneration Committee comprises 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 104.

The Company will take step to expand the remuneration committee on or before 01/10/2024 to comply with Rule 9.12.6.

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.

List of Policies established and maintained by ACL Cables PLC in compliance with CSE listing rule No. 9.2.1, for 2023/2024

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re-election
- Policy on Remuneration
- Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk Management and Internal Controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistle-blowing
- Policy on Anti-Bribery and Corruption

CORPORATE GOVERNANCE CHECKLIST

Statement of compliance under Section 7.10 of the listing rules of the Colombo Stock Exchange (CSE) on Corporate Governance

CSE Rule No.	Subject	Applicable requirement Status	Compliance	Applicable section in the Annual Report
7.10	Compliance	Compliance with Corporate Governance	Yes	Corporate Governance
7.10.1(a)	Non-Executive Directors (NED)	2 or 1/3 of the total number of Directors whichever is higher.	Yes	Corporate Governance
7.10.2 (a)	Independent Directors (IDS)	2 or 1/3 of NEDs, whichever is higher, should be independent.	Yes	Corporate Governance
7.10.2 (b)	Independent Declaration	Each NED should submit a declaration of independence.	Yes	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). 	Yes	Corporate Governance
7.10.3 (b)	Disclosures Relating to Directors - Independence	The Board has determined that Non-Executive Directors satisfy the criteria for "Independence" set in the Listing Rules	Yes	Board of Directors
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.	Yes	Board of Directors
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.	Yes	No new directors were appointed
7.10.4 (a-h)	Criteria for Defining "Independence"	Criteria for Identifying the Independence of INED in the Annual Report	Yes	Corporate Governance
7.10.5	Remuneration Committee (RC)	A listed company shall have a Remuneration Committee (RC).	Yes	Remuneration Committee Report
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. 	Yes	Remuneration Committee Report
7.10.5 (b)	Functions of Remuneration Committee (RC)	The RC shall recommend the remuneration of Executive Directors and CEO.	Yes	Remuneration Committee Report
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. 	Yes	Corporate Governance and Remuneration Committee Report, notes to the Financial Statements
7.10.6	Audit Committee (AC)	The Company shall have an AC.	Yes	Audit Committee Report

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. 	Yes	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. 	Yes	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. 	Yes	Audit Committee Report

Statement of Compliance to the Companies Act No. 7 of 2007

Sections	Compliance Status	Reference
168 (1) (a) The nature of the business of the Company or subsidiaries or classes of business in which it has an interest together with any change thereto	Yes	Group Structure
168 (1) (b) Signed financial statements of the Group and the Company	Yes	Audited Financial Statements
168 (1) (c) Auditors' Report on financial statements	Yes	Independent Auditors' Report
168 (1) (d) Accounting policies and any changes thereto	Yes	Notes to the Financial Statements
168 (1) (e) Particulars of the entries made in the Interests Register	Yes	Report of Directors
168 (1) (f) Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g) Corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h) Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Group Structure
168 (1) (i) Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j) Auditors' relationship or any interest with the Company and its Subsidiaries	Yes	Independent Auditors Reports
168 (1) (k) Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements / Annual Report of the Board of Directors
168 (2) Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries	Yes	Financial Statements / Annual Report of the Board of Directors

STATEMENT OF COMPLIANCE UNDER SECTION 7.6 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON ANNUAL REPORT DISCLOSURE

Rule	Requirement	Compliance Status	Reference within the Report
7.6 (i)	Names of the Directors of the Entity with profiles	Yes	Board of Directors
7.6 (ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	Group Structure
7.6 (iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Yes	Information of Shareholders
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Yes	Information of Shareholders
7.6 (v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Yes	Report of the Directors
7.6 (vi)	Information pertaining to material foreseeable risk factors of the Entity	Yes	Risk Management
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Yes	Human Capital
7.6 (viii)	Extents, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	Yes	Notes to the Financial Statements

CORPORATE GOVERNANCE

Rule	Requirement	Compliance Status	Reference within the Report
7.6 (ix)	Number of shares representing the Entity's stated capital	Yes	Notes to the Financial Statements
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Information of Shareholders
7.6 (xi)	Financial ratios and market price information	Yes	Information of Shareholders
7.6 (xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Yes	Notes to the Financial Statements
7.6 (xiii)	Details of funds raised through a public issue, rights issue, and a private placement during the year	Not Applicable	The Company had no public issue, rights issue or private placement during the year under review
7.6 (xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Not Applicable	The Company had no share option/purchase schemes made available during the year under review
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules	Yes	Corporate Governance
7.6 (xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower	Not Applicable	There are no Transactions

STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNANCE

Mandatory Provisions - Fully Compliant

Rule	Requirement	Compliance Status	Details
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Yes	Chairman's Statement on Corporate Governance
9.2.1	Listed entities shall establish and maintain the following policies and disclose the existence of such policies together with the details relating to the implementation of such policies by the entity on its website. (m) Policy on the matters relating to the Board of Directors (n) Policy on Board Committees (o) Policy on Corporate Governance, Nominations and Re-election (p) Policy on Remuneration (q) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (r) Policy on Risk Management and Internal Controls (s) Policy on Relations with Shareholders and Investors (t) Policy on Environmental, Social and Governance Sustainability (u) Policy on Control and Management of Company Assets and Shareholder Investments (v) Policy on Corporate Disclosures (w) Policy on Whistle-blowing (x) Policy on Anti-Bribery and Corruption	Yes	To be published on the website on or before the effective date of 01st October 2024

Rule	Requirement	Compliance Status	Details
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	Not Applicable	Company will be on alert regarding such events and will be disclosed when required.
9.2.3	(I) List of policies in place as per Rule 9.2.1, with reference to website (II) Any changes to policies adopted.	Yes	Corporate Governance
9.2.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy	Yes	Policies will be available to shareholders upon written request.
9.3.1	Listed entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Yes	The Company has established all the mandatory sub committees. The Nominations and Governance Committee will be established on or before 1st October 2024 Please refer to the Board Subcommittees of this report.
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules	Yes	Please refer to the Board sub committees Report in of this report and sections 9.10,9.12,9.13 & 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1 above	Yes	The Chairman of the Board does not act as chairman of any committee.
9.4.1	Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favor of the resolution (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained	Yes	The Company Secretary maintains records of the said information and the Company shall provide copies of the same at the request of the CSE & SEC.
9.4.2	Communication and relations with shareholders and investors: (a) Listed entities shall have a policy on effective communication and relations with shareholders and investors (b) Listed entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders	Yes	Policies on relations with shareholders and investors are available. The management will take steps to publish the Company policy on effective communication and relations with shareholders on the website on or before 1 October 2024. The contact person for such communication please refer inner back cover
9.5.1	Listed entities must establish and maintain a formal policy for their Board of Directors	Yes	The Company maintains a formal policy in this regard covering the areas specified in section 9.5.1 under the policies on the matters relations to Board of Directors.

CORPORATE GOVERNANCE

Rule	Requirement	Compliance Status	Details
9.5.2	Listed entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Yes	The entity confirms the compliance of section 9.5.1 in the Annual Report for the year ended 31 March 2024.
9.6.1	The Chairperson of every Listed Entity shall be a Non- Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Yes	The Chairman of the Company is a Executive Director and a SID has been appointed. Please refer to the SID Report.
9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance.	Not Applicable	The Company complied with the Rule 9.61
9.6.3 & 9.6.4	The requirement for a SID and the rationale	Yes	An SID has been appointed. Please refer to the SID Report.
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, listed entities shall utilize the "Fit and Proper Assessment Criteria"	Yes	The Company obtains declarations from Directors on an annual basis confirming that each of them have continuously satisfied the fit and proper assessment criteria as per the Rule.
9.7.4	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.		The listed entity will establish a Nominations and Governance Committee on or before 1st October 2024. Until such time the Board will act as the Nominations and Governance Committee.
9.7.5	a) A statement that the Directors and CEO of the Entity satisfy the Fit and proper assessment criteria stipulated in the CSE b) Any non-compliance and remedial actions taken by the Entity	Yes	Board of Directors section under Corporate Governance.
9.8.1	The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors	Yes	The Board consists of 08 Directors as of 31st March 2024.
9.8.2	Minimum Number of Independent Directors	Yes	The Board consists of four Independent Non-Executive Directors.
9.8.3 & 9.8.5	The Board of Directors of listed entities shall require: (a) Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence" (b) Annually assess the "independence" or "non-independence" of each Independent Director based on their declaration and other available information (c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination.	Yes	Please refer the Directors' Independence
9.9	Requirements to be complied in relation to the Alternative Director	Not Applicable	

Rule	Requirement	Compliance Status	Details
9.10.2	Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; <ul style="list-style-type: none"> (i) a brief resume of such Director; (ii) his/her capacity of directorship; and (iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity 	Not Applicable	No Director was Appointed to the Board during the Year
9.10.3	Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Not Applicable	No Changes to the Board or the Sub Committees during the year
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: <ul style="list-style-type: none"> (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID 	Yes	Please refer the Directors' profiles, Committee Meeting Reports, Committee meeting Attendance and SID Report
9.11.1	Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.		To be complied on or before the effective date of 01st October 2024
9.11.2	Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Yes	The policy of the Board of Directors will stipulate such requirements
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings.		To be complied on or before the effective date of 01st October 2024

CORPORATE GOVERNANCE

Rule	Requirement	Compliance Status	Details
9.11.4	<p>Composition of the Committee complied with as per section 9.11.4 the committee.</p> <ol style="list-style-type: none"> 1 The members of the Nominations and Governance Committee shall; <ol style="list-style-type: none"> (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) It should not comprise of Executive Directors of the Entity. 2 An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. 3 The Chairperson and the members of the Nominations and the Governance Committee shall be identified in the Annual Report of the Entity. 		To be complied on or before the effective date of 01st October 2024
9.11.5	Functions of the Nomination and Governance Committee		To be complied on or before the effective date of 01st October 2024
9.11.6	Disclosures in Annual Report		To be complied on or before the effective date of 01st October 2024
9.12	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Yes	Please refer the Report of the Remuneration committee
9.12.6	<p>Composition of the Remuneration Committee</p> <ol style="list-style-type: none"> 1 The members of the Remuneration Committee shall; <ol style="list-style-type: none"> (a) comprise a minimum of three (03) Directors of the Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprised of Executive Directors of the Listed Entity. 2 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors. 	Yes	Please refer the Report of the Remuneration committee
9.12.7	<p>Functions</p> <ol style="list-style-type: none"> 1 The Remuneration Committee shall recommend the Report on remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. 2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO. 	Yes	Please refer the Report of the Remuneration Committee

Rule	Requirement	Compliance Status	Details
9.12.8	<p>Disclosure in Annual Report</p> <p>The Annual Report should set out the following:</p> <p>(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors</p>	Yes	Please refer the Remuneration Committee Report
9.13	Audit Committee	Yes	Please refer the Audit Committee Report
9.13.1	Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Yes	Please refer the Audit Committee Report
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Yes	Please refer the Audit Committee Report
9.13.3	<p>Composition</p> <p>1 The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.</p> <p>(b) not comprise of Executive Directors of the Entity.</p> <p>2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.</p> <p>3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>4 If both, the Parent Company and the subsidiary are 'Listed entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary</p> <p>5 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>6 Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.</p> <p>7 The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.</p>	Yes	Please refer the Audit Committee Report and Directors' Profiles

CORPORATE GOVERNANCE

Rule	Requirement	Compliance Status	Details
9.13.4	Functions of the Audit Committee		
9.13.5	Disclosures in Annual Report	Yes	Please refer the Report of the Audit Committee
9.14	Board Related Party Transactions Review Committee	Yes	Please refer the Report of the Audit Committee
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.2	The Related Party Transactions Review Committee (RPT) shall comprise a minimum of three (03) Directors of the Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Entity. An Independent Director shall be appointed as the Chairperson of the Committee	Yes	The Related Party Transactions Review Committee has been expanded to 03 members after 1st April 2024.
9.14.3	Functions of the Related Party Transaction Review Committee	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.14.6	Shareholder Approval for the transactions as Specified by the Rules 9.14.6.(1) - 9.14.6.(3) - 9.14.9	Yes	No Transactions were occurred as specified in Sections 9.14.6, 9.14.9
9.14.7	Disclosures	Yes	Entity has been made relevant disclosures as required by the section.
9.14.8	Disclosures in Annual Report	Yes	Please refer the Report of the Related Party Transactions Review Committee
9.16 (i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved	Yes	Report of the Directors
9.16 (ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Corporate Governance Note
9.16 (iii)	Directors are aware of laws, rules and regulations and their changes particularly to listing rules and applicable capital market provisions	Yes	Report of the Directors
9.16 (iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the entity operates	Not Applicable	Corporate Governance

COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF THE CHARTED ACCOUNTANTS (CA SRI LANKA IN 2017)

Voluntary provisions

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1	An effective Board should direct, lead and control the company		
A.1.1	Regular Board meetings, provide information to the Board on a structured and regular basis	Yes	<p>The Board generally meets on monthly basis. Accordingly, 12 Board Meetings were scheduled annually to determine the Company's strategic direction, review the Company's operational and financial performances and to provide insight.</p> <p>Apart from taking decisions at Board meetings, the Board also takes decisions via circular resolutions which are required to be signed by all the Directors.</p> <p>The attendance at Board meetings held during the financial year is set out on Board and subcommittee meeting attendance</p>
A.1.2	Role and Responsibilities of the Board	Yes	Role and responsibilities of the Board is set out in the Board of Directors section
A.1.3	Act in accordance with laws of the Country Independent professional advice	Yes	<p>The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations.</p> <p>A procedure has been established for Directors to seek independent professional advice from external parties when necessary at the expense of the Company. There were instances during the financial year under review that Board members sought such advice which were attended to by the Company.</p>
A.1.4	Access to advise and services of the Company Secretary	Yes	<p>The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with.</p> <p>The Board Secretary had provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties.</p> <p>The appointment and removal of the Board Secretary is a decision taken by the Board as a whole.</p>
A.1.5	Independent judgment	Yes	<p>The Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.</p> <p>Non-Executive Directors are responsible for bringing independent and objective judgment and scrutinizing the recommendations/proposals made by the corporate management led by the Managing Director on issues of strategy, performance, resource utilization and business conduct.</p>

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Yes	The members of the Board dedicate adequate time and effort to fulfill their duties and responsibilities as Directors of the Company. In addition to attending Board meetings, they have attended Sub-Committee meetings and have also contributed to decision making through circular resolutions where necessary. The composition of Board Sub-Committees and meeting attendance are mentioned under Board and subcommittee meeting attendance.
A.1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Any Director can call for a resolution to be presented to the Board if deemed necessary.
A.1.8	Board induction and Training	Yes	<p>The Board recognizes the need for continuous training and expansion of knowledge and undertakes such professional development as they consider necessary in assisting them to carry out their duties as Directors.</p> <p>Directors are therefore encouraged to participate in continuous professional and self-development activities.</p> <p>In addition, an induction programme is in place for newly appointed Directors to familiarize them with the Company's business operation and internal control system.</p>
A.2	Chairman and CEO	Yes	<p>There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions.</p> <p>The roles of the Chairman and Managing Director are segregated. The Chairman's main responsibility is to lead, direct and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director is responsible for the day-to-day operations of the Company and the Group.</p>
A.3	Chairman's role in preserving good corporate governance	Yes	<p>The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the Board function.</p> <p>The Chairman chairs the Board and facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company.</p> <p>The role of the Managing Director is mentioned in the Role of the Chairman and MD.</p>
A.4	Availability of financial acumen	Yes	<p>The Board should ensure the availability within those with sufficient financial acumen and knowledge to offer guidance on matters of finance.</p> <p>The Board is equipped with members having sufficient financial acumen and knowledge.</p> <p>Directors' qualification and experience are set out in the Board of Directors.</p>
A.5	Board Balance	Yes	<p>There should be a balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision-making.</p> <p>The Board Comprises of 03 Executive Directors and 05 Non-Executive Directors. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions.</p>

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.5.1	The Board should include sufficient number of NEDs	Yes	The Board consists of the majority of NEDs where 5 are NEDs out of 8.
A.5.2	If the Board includes only 3 NEDs, they should be independent	Not Applicable	
A.5.3	Independence of Directors	Yes	Independent Directors are independent of management and free of business dealings that may be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.4	Annual declaration of independence by Directors	Yes	Independent Directors have submitted written declarations of their independence as required by Schedule J of the Code and Section 7.10.2(b) of the Listing Rules.
A.5.5	Annual determination of independence of NEDs	Yes	The Board considers Non-Executive Directors' independence on an annual basis and concludes for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.
A.5.6	Alternate Directors	Not Applicable	
A.5.7 & A.5.8	Senior Independent Director (SID)	Yes	A Senior Independent Director (SID) has been appointed by the Board as the Chairman and the Managing Director are close family members and Chairman being an Executive Director.
A.5.10	Recording of dissent in minutes	Yes	All concerns raised by the Directors on matters of the Company and wished to be recorded have been duly recorded in the Board minutes with sufficient details.
A.6	Supply of Information	Yes	Management should provide time-bound information in a form and of quality appropriate to enable the Board to discharge its duties. Financial and non-financial information are analysed and presented to the Board to make informed and accurate decisions.
A.7	Appointments to the Board and Re-election	Yes	A formal and transparent procedure should be followed for the appointment of new Directors to the Board. The Board assesses the suitability of the prospective nominees to the Board and approves the persons as "fit and proper" to serve as a member of the Board.
A.7.1	Establishing a Nomination Committee, Chairman and Terms of Reference		This will be appointed on or before 1st October 2024
A.7.2	Annual assessment of Board composition	Yes	An assessment is made of the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company when considering new appointments to the Board.
A.7.3	Disclosures on appointment of new directors	Yes	Details of new Directors are disclosed to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, along with a brief resume of the Director.
A.8	Directors to submit themselves for re-election	Yes	All Directors should submit themselves for re-election at regular intervals and at least once in every three years, and all Non-Executive Directors should be appointed for a specific term and subject to re-election.

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
A.9	Appraisal of Board and sub-Committee Performances	Yes	<p>The Board should periodically appraise its own performance against the pre-set targets to ensure that the Board responsibilities are satisfactorily discharged.</p> <p>The Board carries out an evaluation of its performance in the discharge of its key responsibilities. Each member of the Board and Board Sub-Committees carried out a self-assessment of his own effectiveness as an individual as well as effectiveness of the Board as a team.</p>
A.10	Annual Report to disclose specified information regarding Directors	Yes	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders and disclosed under the Board of Directors.
A.11	Appraisal of the CEO	Yes	<p>The Board of Directors should at least annually assess the performance of the Chief Executive Officer.</p> <p>At the commencement of each financial year, the Board, in consultation with the Managing Director sets financial and non-financial goals based on the short-, medium- and long-term objectives of the Company.</p> <p>The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year.</p>
B.	Directors' Remuneration		
B.1	Establish process for developing policy on executive and director remuneration.	Yes	The Remuneration Committee makes recommendations to the Board regarding a remuneration policy for the Executive Directors and the corporate management team that is consistent with the objectives of the Company.
B.2	Level and Make Up of Remuneration	Yes	<p>The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient to attract and retain the quality of Directors needed run the Company.</p> <p>The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company.</p>
B.3	Disclosures related to remuneration in Annual Report <ul style="list-style-type: none"> - Remuneration Policy statement - Aggregate Board remuneration paid - HRRC report 	Yes	<p>The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole.</p> <p>Remuneration Policy is disclosed in the Report of the Remuneration Committee.</p> <p>The total remuneration paid to the Directors is disclosed in Notes to the Financial Statements.</p>
C	Relations with Shareholders		
C.1	Constructive use of the AGM and Other General Meetings	Yes	<p>The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders 15 working days prior to the meeting as required by Section 135(1) of the Companies Act No. 7 of 2007.</p> <p>The Company proposes a separate resolution for each item of business at the Annual General Meeting giving shareholders the opportunity to vote on each issue separately.</p>

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
C.2	Communication with shareholders	Yes	<p>The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and the Annual Report in a timely manner. Information is provided to the shareholders prior to the Annual General Meeting to give them an opportunity to raise any issues relating to the business of ACL, either verbally or in writing prior to the Annual General Meeting.</p> <p>Immediate announcements are also made to the Colombo Stock Exchange on any information which is considered price sensitive.</p> <p>The Company Secretary could be contacted in relation to any shareholder matter.</p>
C.3	Disclosure of major and material transactions	Yes	<p>The Directors ensure that any transaction that would materially affect the net asset base of the Company or Group is communicated to the shareholders and required approvals are obtained in accordance with the Statutes. There were no major or material transactions during the year, which materially affected the net asset base of the Company.</p>
D.	Accountability and Audit		
D. 1	Present a balanced and understandable assessment of the Company's financial position, performance, and prospects	Yes	<p>ACL Cables PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2024 and at the end of each quarter of 2023/24 financial year.</p>
D.1.1	Balanced Annual Report	Yes	<p>The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange.</p> <p>The responsibility statement of the Managing Director and CFO has been set out declaring that the financial records of the Company have been properly maintained and are following relevant accounting standards and that the system of risk management and internal control operates effectively.</p>
D.1.2	Balanced and understandable communication	Yes	
D.1.3	CEO/CFO declaration	Yes	
D.1.4	Directors' Report declarations	Yes	<p>The "Report of the Board of Directors" which covers all areas of this Section.</p>
D.1.5	Financial reporting -statement on board responsibilities Statement on internal control	Yes	<p>The declarations required to be made by the Board are given in the Annual Report of the Board of Directors.</p> <p>"Statement of Directors' Responsibilities in relation to Annual Financial Statements" in preparation of the Financial Statements and the "Independent Auditors' Report"</p>
D.1.6	Management Discussion & Analysis	Yes	<p>A Management Discussion and Analysis.</p>
D.1.7	Net Assets < 50%	Not Applicable	<p>In the unlikely event of the net assets of the Company falling below 50% of Shareholders Funds the Board will summon an Extraordinary General Meeting (EGM) to notify the shareholders of the position and to explain the remedial action being taken. Likelihood of such an occurrence is remote.</p>

CORPORATE GOVERNANCE

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.1.8	Related Party Transactions	Yes	<p>The Directors have instituted an effective and comprehensive system of Internal Controls for identifying, recording and disclosure of related party transactions.</p> <p>Steps have been taken by the Board to avoid any conflict of interest that may arise, in transacting with related parties. Further, the Board ensures that no related party benefits from favorable treatment. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated parties.</p> <p>Related Party Transactions Review Committee was established by the Board in accordance with the guidelines of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.</p> <p>Related Party Transactions Review policy and procedures are discussed in the Related Party Transactions Review Committee report.</p> <p>All related party transactions as defined in Sri Lanka Accounting Standard-24 (LKAS 24) on "Related Party Transactions" are disclosed in Notes to the Financial Statements.</p>
D.2	<p>Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets</p> <p>Report of the Audit and Risk Committee</p> <p>Directors' Statement of Internal Control</p>	Yes	<p>The Board is responsible for establishing a sound framework of risk management and internal control and monitoring its effectiveness on a continuous basis. Through such an effective framework, ACL manages business risks and ensures that the financial information on which business decisions are made and published is reliable and ensures that the Company's assets are safeguarded against unauthorized use or disposition.</p> <p>The Board has appointed a Audit Committee composed of Independent Non-Executive Directors.</p> <p>The Audit Committee on quarterly basis reviews the Risk Register of the Company and the Group in the context of likelihood and their impact to the Group along with the effectiveness of the system of internal controls to address them to a satisfactory level. Strategies adopted by the Company to manage its risk are set out in the risk management report.</p>
D.3	Audit Committee	Yes	Refer to Audit Committee Report
D.4	Related Party Transactions Review Committee	Yes	Please refer to RPT Committee Report

Code Ref.	Requirement	Status of Compliance	Level of Compliance/ Reference within the Report
D.5	Code of Business Conduct and Ethics	Yes	<p>The Company has adopted a Code of Business Conduct and Ethics and the Directors are committed to the Code and the principles contained therein.</p> <p>A set of guidelines for ethical behavior has also been compiled to assist employees to act responsibly and to make the correct decisions in their day-to-day work. The Code of Conduct explains the principles for dealing with business associates, general partners, colleagues, and the community in which the Company operates.</p> <p>The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code.</p> <p>The Board is not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any corporate management member of the Company.</p>
D.6	Corporate Governance Disclosures	Yes	This requirement is met through the presentation of this report.
E/F	Institutional and other investors	Yes	<p>The Company is committed to maintaining good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole.</p> <p>The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concerned to the general membership.</p> <p>The Managing Director has regular discussions with key institutional shareholders to share highlights of the Company's performance and with the view to obtaining constructive feedback. The feedback obtained from institutional shareholders is communicated to the entire Board by the Managing Director.</p> <p>Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to investing or divesting directly in shares of the Company.</p> <p>All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.</p>

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

REQUIREMENT

The 'Code of Best Practice on Corporate Governance 2023' (The Code) issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors present a statement on internal controls.

RESPONSIBILITY

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its design and effectiveness to ensure shareholders' investments and Company's assets are safeguarded. The Board has delegated this responsibility to the Audit Committee for review and to report any findings and concerns in this regard.

INTERNAL CONTROL PROCESS

The Audit Committee of ACL Cables PLC adopts a continuous review protocol to ensure the system of internal controls both at Company level and individual subsidiary levels are operating effectively. The Audit Committee carries out annual independent discussions with both external and internal auditors of the Company and reports to the Board of Directors of any material control aspects revealed from such discussions for immediate attention of the Board.

There is an ongoing process in every Audit Committee meeting agenda to review the risk matrix of the Company and the Group to continuously identify, evaluate, and manage risks faced by the Group. The risk register requires the management to identify all risks at Company level and individual subsidiary levels and prioritize risks based on the set rating framework. The Audit Committee reviews the risk rating and obtains explanations from the Managing Director and functional heads regarding any updates and risk responses. The risk register with the comments of the Audit Committee is tabled at Board meetings and Board discussions are carried out to ensure appropriate procedures are in place to evaluate and manage the identified risks. The Board ensures that the disclosures of risks and mitigation actions provide meaningful information for facilitating the decision makers about the Company and do not give a misleading impression for their decisions.

STATEMENT OF CONFIRMATION

Based on the said processes, the Board of Directors of ACL Cables PLC confirms that the financial reporting system of the Company and the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with applicable Accounting Standards and regulatory requirements.

By order of the Board,

(Sgd.)

Corporate Affairs (Private) Limited

Secretaries

02 August 2024

SENIOR INDEPENDENT DIRECTOR'S REPORT

The 'Code of Best Practice on Corporate Governance 2023' (The Code), issued by The Institute of Chartered Accountants of Sri Lanka, along with CSE Listing Rule No. 9.6.3, advises the appointment of a Senior Independent Director (SID) in the instances where the Chairperson and Chief Executive Officer roles are held by the same person, where the Chairperson is not an Independent Non-Executive Director, or where the Chairperson and CEO are close family members or related parties. At ACL Cables PLC, the appointment of a Senior Independent Director is necessary as per this Listing Rule, given that our Chairman, Mr. U.G Madanayake, is an Executive Director and a close family member of the Managing Director, Mr. Suren Madanayake.

The SID plays a vital role in providing a mechanism to evaluate the Chairman's role. While the Chairman is responsible for leading the observance of best Corporate Governance practices, the SID's role involves assessing the Board's effectiveness, the company's operations, and the Chairman's performance. The SID's presence underscores the importance of transparency in governance matters.

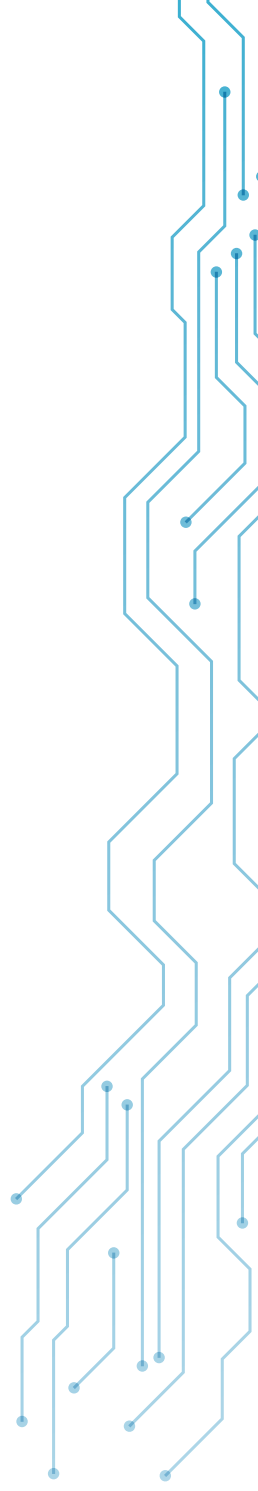
ACL Cables PLC remains dedicated to the principles of good governance and consistently strives to uphold best practices. The Company ensures strict compliance with mandatory requirements while also voluntarily adhering to additional standards to enhance stakeholder trust and drive value creation.

As the SID, I am involved in governance discussions with the Chairman as necessary. Moreover, I am available to any Director for confidential consultations regarding the Company's affairs when needed.

Ajit Jayaratne
Senior Independent Director

02 August 2024

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FINANCIAL CALENDAR 2023/24

01st Quarter Interim Financial Statements (30th June 2023)	- 15th August 2023 - (Unaudited)
02nd Quarter Interim Financial Statements (30th September 2023)	- 9th November 2023 - (Unaudited)
03rd Quarter Interim Financial Statements (31st December 2023)	- 15th February 2024 - (Unaudited)
04th Quarter Interim Financial Statements (31st March 2024)	- 30th May 2024 - (Unaudited)
Annual Report 2023/24	- 02nd August 2024
62nd Annual General Meeting	- 28th August 2024
First Interim Dividends Paid (Rs. 1.25 per Share)	- 1st September 2023

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their 62nd Annual Report together with the Audited Statements of Financial Position, Income Statements and Consolidated Financial Statements of the Group for the year ended 31 March 2024.

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 62 to 63.

DIRECTORS

Directors of the Company are listed on pages 42 to 45 and their respective shareholdings are given below.

	Number of Shares as at 31.03.2024	% Holding as at 31.03.2024	Number of Shares as at 31.03.2023	% Holding as at 31.03.2023
U. G. Madanayake - Chairman	91,388,864	38.15	91,388,864	38.15
Suren Madanayake - Managing Director	53,209,584	22.21	53,209,584	22.21
Mrs. N. C. Madanayake	4,128,400	1.72	4,128,400	1.72
Dr. Sivakumar Selliah	1,400,000	0.58	1,400,000	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 118 to 132.

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.

FUTURE DEVELOPMENTS

An overview of the future developments of the Company is given in Managing Director's Review on page 40.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditors' Report on the Financial Statements is given on page 107 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 112 to 185 in this Annual Report.

TURNOVER

The total gross Group turnover generated was Rs. 29,196 million (2022/23 -

Rs. 30,147 million), while the turnover of the Company was Rs. 13,889 million (2022/23 - Rs. 15,725 million). A segment wise analysis is given in Note 38 appearing on page 180.

TOTAL RESERVES

The Reserves of the Group as at 31st March 2024 amount to Rs. 26,325 million (2022/23 - Rs. 23,201 million). The composition of the reserves is shown in the Statement of Changes in Equity in the Financial Statements.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Statement of the Directors' Responsibilities for Financial Statements is given on page 102.

MATERIAL FORESEEABLE RISK FACTORS

The Risk Management Report is given on page 64 to 68 of the Annual Report, which includes information pertaining to material foreseeable risks of the Group and the mitigation strategies.

STATED CAPITAL

The Stated Capital of the Company as at 31 March 2024 was LKR 299 million and was unchanged during the year.

EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require adjustments to or disclosure in the Financial Statements other than those disclosed in Note 41 to the Financial Statements.

STATUTORY PAYMENTS

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

INTEREST REGISTER

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

DIRECTORS' INTEREST IN CONTRACTS

Directors' interests in contracts of the Company are disclosed in Note 39 to the Financial Statements and no Director of the Company is directly or indirectly interested in any other contracts with the Company.

REPORT OF THE DIRECTORS

DIRECTORS' RETIREMENT BY ROTATION

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

DIRECTORS' REMUNERATION

Remuneration received by the Directors is set out in Note 06 to the Financial Statements.

DIRECTORS MEETINGS

The details of Directors' meetings are set out on page 74 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 1.25 per share was paid on 1 September 2023 to the holders of the Ordinary Shares for the financial year 2023/2024.

CAPITAL EXPENDITURE

The capital expenditure on acquisition of property, plant and equipment of the Company and the Group amounted to LKR 77 million and LKR 250 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.

MARKET VALUE OF PROPERTIES

The details of market value of freehold land and buildings are given in Note 12(c) to the Financial Statements. There is no evidence of the book value of the land and buildings being substantially different from the market value of land of the Company and/or its subsidiaries as at 31st March 2024.

EMPLOYEE SHARE OWNERSHIP PLANS

The Group does not operate any share option schemes.

DONATIONS

Donations amounting to LKR 1.4 million (Group amount) were made during the year under review.

SHARE INFORMATION

Information relating to earnings, dividend, net assets and market price per share is given in the Information of Shareholders on page 187 of the Annual Report.

SHAREHOLDINGS

As at 31 March 2024 there were 7,813 shareholders. The distribution is indicated on page 187 of the Annual Report. The twenty largest shareholders of the Company as at 31 March 2024, together with an analysis are given on page 188 of the Annual Report.

RATIOS AND MARKET PRICE INFORMATION

The ratios relating to equity and debt, as required by the listing requirements of the Colombo Stock Exchange, are given on page 189 of this 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 39 to the Financial Statements forming part of the Annual Report of the Board.

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

Related Party Transactions Review Committee report is set out on page 105 in the Financial Statements.

RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions which in aggregate value exceeds 10% of consolidated revenue.

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 31 March 2024 Audited Financial Statements, which required additional disclosures in the 2023/24 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 39 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 70 to 93 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.

INDEPENDENT AUDITORS' APPOINTMENT AND REMUNERATION

The Company's auditors during the period under review were Messrs. Deloitte Partners, Chartered Accountants, who also were the auditors of certain subsidiaries of the Company. Audit fees payable to Messrs. Deloitte Partners, by the Company and the Group amounted to LKR 1.1 million and LKR 2.9 million respectively. Audit fees payable to other auditors of other subsidiaries by the Group amounted to LKR 1.1 million.

NOTICE OF MEETING

The 62nd Annual General Meeting of the Company is convened on 28th August 2024, at 11 am, at the Auditorium of ACL Cables PLC, No.60, Rodney Street, Colombo – 08. The Notice of the 62nd Annual General Meeting is on page 198 of the Annual Report.

By Order of the Board

(Sgd.)

**Corporate Affairs (Private) Limited
Secretaries**

02 August 2024

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 2024, 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 2024 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2024 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 02 August 2024.

By Order of the Board

(Sgd.)

Corporate Affairs (Private) Limited

Secretaries

02 August 2024

AUDIT COMMITTEE REPORT

ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company, the internal control and risk management systems of the company, compliance with legal and regulatory requirements, the External Auditors' suitability, performance, and independence, and the adequacy and performance of the Internal Audit function undertaken by the Group Risk & Control division. The scope of functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually.

The Committee's responsibilities include monitoring and reviewing the following;

- The integrity of the Financial Statements of the company and the significant reporting judgments contained in them.
- The activities and effectiveness of the internal audit function.
- The effectiveness of the company's internal control and risk management systems.
- The appropriateness of the company'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 'Board of Directors' section.

- Mr. Ajit Jayaratne – Chairman of the committee
(Senior Independent Non-Executive Director)
- Mr. Rajiv Casie Chitty – Member of the audit 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 on four occasions in 2023/2024 as per the annual meeting schedule and the corporate governance requirement. Members' attendance at these meetings is set out in the Corporate Governance Report. The Chairman, Managing Director, Group Chief Financial Officer 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 2023/2024 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.

INTERNAL AUDIT, RISKS AND CONTROLS

The Committee reviewed the adequacy of the Internal Audit coverage and the Internal Audit Plan for the company the Management of ACL Cables PLC. The Group Risk & Control division regularly reported to the Committee on the adequacy and effectiveness of internal controls in the company and compliance with laws and regulations and established policies and procedures of the company through Internal Audit reports.

Follow-up action was taken on the recommendations of the Internal Auditors and any other significant follow-up matters were documented and presented to the Committee on a quarterly basis by the Group Head of Risk & Control.

The Committee reviewed the whistleblowing arrangements for the company and had direct access to the Ombudsperson (Group Head of Risk & Control) for the company. The effectiveness and resource requirements of the Group Risk & Control division were reviewed and discussed with management and changes were affected where considered necessary.

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 Chief Financial Officer 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. Deloitte Partners, Chartered Accountants (formerly known as Messrs. PricewaterhouseCoopers) as auditors of the Company, subject to the approval of the Shareholders at the Annual General Meeting. Details of the fees payable to external auditors for 2023/2024 can be found in Note 06 to the financial statements.

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

INTERNAL CONTROL SYSTEM

In 2023/2024 the Committee reviewed the effectiveness and efficiency of the Risk & Control team in term of internal audit, Risk management and other governance-related areas to assess the strength of the existing internal control and Risk management systems.

WHISTLEBLOWING

The company's whistleblowing policy was continued effectively while educating staff and encouraged them to resort to whistleblowing if they had reasonable grounds to believe that there were wrong doings or other improprieties. All appropriate procedures are in place to conduct independent investigations into incidents reported through this process or if identified through other means. Even anonymous complaints are investigated.

In addition, measures have been put in place to protect whistleblowers who act in good faith in the interest of the Company. The Company undertakes to maintain the utmost confidentiality of staff who raise concerns or make serious specific allegations of malpractices or unethical behavior. In this way, the Company aims to promote a healthy workplace that practices good governance from the lowest to the highest tiers.

On behalf of the Committee

(Sgd.)

Ajit Jayaratne
Chairman of the Audit Committee

02 August 2024

REMUNERATION COMMITTEE REPORT

ROLE OF THE REMUNERATION COMMITTEE

The Remuneration Committee formulates the 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.

Determining compensation of Non-Executive Directors is not under the scope of this Committee.

COMPOSITION OF THE REMUNERATION COMMITTEE

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

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

Members of the Committee and the chairman of the Committee are appointed through a Board resolution.

MEETING AND ATTENDANCE

The Committee met on two occasions in the 2023/2024 financial year while complying with the SEC and Code of Best Practice on Corporate Governance issued by CA Sri Lanka. Members attendance at these meeting is set out in Corporate Governance Report. The Committee plan to meet at least bi-annually to review and give required recommendations to the board on matters pertaining to remuneration of Executive Directors and Key Executives of the company.

FUNCTIONS OF THE REMUNERATION COMMITTEE

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

- Review and recommend overall remuneration philosophy, strategy, policies, and practice and, performance-based pay plans for the company.

- Determine and agree with the Board a framework for the remuneration of the Chairman and Executive Directors based on performance, benchmark principles, industry trends and past remuneration
- Succession planning of Key Management Personnel.

EXECUTIVE DIRECTORS

ACL's remuneration policy for Executive Directors is designed to attract, retain and motivate them to ensure that the company 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 specialize consultants.

NON-EXECUTIVE DIRECTOR REMUNERATION

The compensation of Non-Executive Directors was determined in reference to fees paid to other Non-Executive Directors of comparable companies, and adjusted, where necessary, in keeping with the complexity of the business. Non-Executive Directors did not receive any performance/incentive payments/share option plans.

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

02 August 2024

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 TRANSACTIONS 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)
- Mr. Suren Madanayake, the Managing Director of the Company was appointed as a member of the Committee by the Board of Directors of ACL Cables PLC with effect from June 26, 2024.

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.

- 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

Four Committee meetings were held during the financial year 2023/2024 to review information related to four quarters. 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 74.

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 company as at the date of this Report.

(Sgd.)

Ajit Jayaratne

Chairman-Related Party Transactions Review Committee

02 August 2024

RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of ACL Cables PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) for the year ended 31st March 2024 are prepared in accordance with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/LKAS),
- Companies Act No. 07 of 2007,
- Listing Rules of the Colombo Stock Exchange,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, and
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

FINANCIAL REPORTING

The Significant Accounting Policies applied in the preparation of the consolidated Financial Statements are appropriate and consistently followed, unless otherwise noted in the accompanying statements. These policies and the estimates that require significant judgment and complexity were discussed with the Audit Committee and the Company's External Auditors. There are no deviations from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified where necessary to align with the current presentation.

The Board of Directors and the management of the Company assume responsibility for the accuracy and objectivity of these Financial Statements. The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, ensuring that the Financial Statements provide a true and fair view, and that the transactions accurately represent the Company's financial position.

We confirm, to the best of our knowledge, that the Financial Statements, Significant Accounting Policies, and other financial information included in this Annual Report fairly present all material aspects regarding the financial position, operational results, and Cash Flows of the Group for the year under

review. We also confirm that the Group has sufficient resources to continue operating and have used the Going Concern basis in preparing these Financial Statements.

SYSTEM OF INTERNAL CONTROL

The Company has implemented a robust system of internal control and accounting records to safeguard assets and prevent and detect fraud and other irregularities. These systems are continuously reviewed, evaluated, and updated. Based on our evaluations for the financial period under review, we confirm that there were no significant deficiencies or material weaknesses in the design or operation of internal controls, and no fraud involving management or employees was detected. The Internal Auditors conduct periodic audits to provide reasonable assurance that the Group's established policies and procedures are consistently followed. Nonetheless, there are inherent limitations in any system of internal control and accounting that must be acknowledged.

REPORT OF INDEPENDENT AUDITORS

Messrs Deloitte Partners, Chartered Accountants, audited the Financial Statements, and their report is presented on pages 107 to 111.

AUDIT COMMITTEE

The Audit Committee meets periodically with the Internal Auditors and the Independent Auditors to review their performance, discuss auditing, internal control, and financial reporting issues. To ensure full independence, the Independent Auditors and Internal Auditors have unrestricted access to the Audit Committee to discuss any substantial matters. The Audit Committee Report is provided on page 103.

CONCLUSION

We confirm, to the best of our knowledge, that:

- The Group has complied with all applicable laws, regulations, and guidelines, with no material litigation against the Group other than those disclosed in note 30 of the Financial Statements.
- The internal control system is functioning effectively.

- The Financial Statements accurately reflect the nature and substance of transactions, and reasonably present the Company's financial position, with the Going Concern basis applied in their preparation.
- All taxes, duties, levies, statutory payments by the Group, and contributions, levies, and taxes payable on behalf of and in respect of the employees of the Group as of 31st March 2024, have been paid or appropriately provided for.

(Sgd.)

H A S Madanayake
Managing Director

(Sgd.)

Mahesh Amarasiri
Group Chief Financial Officer

02 August 2024

INDEPENDENT AUDITOR'S REPORT



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To the Shareholders of ACL Cables PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

We have audited the financial statements of ACL Cables PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the consolidated financial statements of the Group comprise:

- the statement of financial position as at 31 March 2024;
- 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 material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

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 Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics"). 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.

C S Manoharan FCA, T U Jayasinghe FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, L A C Tillekeratne ACA, M D B Boyagoda FCA, N R Gunasekera FCA, W D A S U Perera ACA, D C A J Yapa ACA, Minfaz Hilmy FCA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

INDEPENDENT AUDITOR'S REPORT



The Group and Company :

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of freehold land and buildings (Refer Notes 2.9 and 12 in the consolidated financial statements for disclosures of related accounting policy and balances)</p> <p>The Group's and Company's freehold land and buildings comprise land and buildings carried at fair values of LKR 4,910 million and LKR 1,971 million respectively, as at 31 March 2024.</p> <p>The Group and Company recorded net gains on revaluation of LKR 1,095 million and LKR 421 million respectively for the year.</p> <p>The Group and Company revalue their freehold land and buildings with sufficient regularity (at least every three years), to ensure that the carrying amounts do not differ materially from the fair values which would be determined using fair values at the reporting date.</p> <p>The Group engaged an external valuer to determine the fair value of its freehold land and buildings as at 31 March 2024.</p> <p>Freehold land and buildings are valued using the market comparable method. The valuation of freehold land and buildings is an area requiring significant judgment in the selection of valuation methodology and use of number of assumptions, including market prices of comparable properties in close proximity after adjusting for differences in key attributes such as property size and the physical state of land and buildings.</p> <p>We considered this to be a matter of most significance to our audit due to:</p> <ul style="list-style-type: none">• Relative number of freehold land and buildings owned by the Group and the Company and significance of the freehold land and building balances in the statement of financial position;• Quantum of revaluation gains recognised by the Group and Company, that directly impacts the other comprehensive income in the financial statements of the Company and the consolidated financial statements of the Group; and• Inherently subjective nature of freehold land and buildings valuations due to the use of estimates and judgements in the valuation methodology;	<p>Our audit approach mainly included substantive audit procedures as follows:</p> <ul style="list-style-type: none">• assessed the experience, qualifications, and independence of the external valuation expert;• checked the completeness and accuracy of the information provided to the valuer by management;• assessed the appropriateness and reasonableness of the freehold land and building values determined by the valuer using market approach by comparing them to publicly available information in the property market considering factors such as location, size of the land extent in one plot and physical state of the buildings;• evaluated appropriateness of the valuation methodology adopted with methods used in general practice in the industry and assessed the reasonableness of the key assumptions used by the valuer;• inspected the valuation reports and agreed the fair values to the financial statements of the Company and the consolidated financial statements of the Group;• checked the mathematical accuracy of the fair value gains recognized in the financial statements; and• checked the adequacy and appropriateness of management's disclosures in the financial statements.

The Group and Company :

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment property (Refer Notes 2.12 and 14 in the consolidated financial statements for disclosures of related accounting policy and balances)</p> <p>The Group's and Company's investment properties comprise land and buildings, carried at fair values of LKR 1,743 million and LKR 607 million as at 31 March 2024.</p> <p>The Group engaged an external valuer to determine the fair values of its investment properties as at 31 March 2024.</p> <p>The Group and Company recorded gains on fair valuation of LKR 71 million and LKR 27 million respectively on change in fair values of the investment properties for the year.</p> <p>The value of these properties is dependent on the valuation methodology adopted (market approach or income approach) and the inputs into the valuation model. The Group uses both the market approach and income approach in valuing the investment properties. In determining the fair values using market approach, the valuer has considered factors such as the individual nature, location, and market prices of comparable properties in close proximity.</p> <p>In determining the fair values using income approach, the valuer has considered annual ground rent, discount rate, outgoing expenses and yield in perpetuity.</p> <p>We considered this to be a matter of most significance to our audit due to:</p> <ul style="list-style-type: none"> • Investment property balance in the statement of financial position being material; • Inherently subjective nature of investment property valuation due to the use of estimates and judgments in the valuation methodology; 	<p>Our audit approach mainly included substantive audit procedures as follows:</p> <ul style="list-style-type: none"> • assessed the experience, qualifications, and independence of the external valuation expert; • checked the completeness and accuracy of the information provided to the valuer by management; • evaluated the appropriateness of the valuation methodologies adopted with methods used in general practice in the industry; • assessed the reasonableness of the investment property values determined by the valuer using market approach by comparing them to publicly available information in the property market considering factors such as location, size of the land extent and physical state of the buildings; • assessed the reasonableness of the investment property values determined by the valuer using income approach by validating the discount rate, existing lease agreements and yield in perpetuity; and • inspected the final valuation reports and agreed the fair values to the Company's accounting records and financial statements; • checked the mathematical accuracy of the fair value gains recognized in the financial statements; and • checked the adequacy and appropriateness of management's disclosures in the financial statements

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p>Assessment of net realisable value of slow-moving and obsolete inventory</p> <p>(Refer Notes 2.16 and 20 in the consolidated financial statements for disclosures of related accounting policy and balance)</p> <p>The Group and Company held inventory balances of LKR 11,327 million and LKR 6,647 million respectively at net realizable value after considering the write down required for slow moving and obsolete inventory as at 31 March 2024. As per the Group's accounting policy, inventories are held at the lower of cost and net realisable value.</p> <p>Management determines the write down required for slow-moving and obsolete inventory by identifying such inventory items from examining inventory records for residence period (non-moving) and by physical inspection at periodic intervals.</p> <p>The future realisability of slow-moving and obsolete inventory is estimated with reference to inventory turnover, physical condition and expected market values of such inventory.</p> <p>We considered this to be a matter of most significance to our audit due to:</p> <ul style="list-style-type: none">• Inventory balance in the statement of financial position being significant;• Subjectivity in the process for identification of slow-moving and obsolete inventory and the determination of net realisable value which is based on management's judgement.	<p>Our audit approach included a combination of testing controls and substantive audit procedures related to the slow-moving and obsolete inventory process, which included the following:</p> <ul style="list-style-type: none">• obtained an understanding of the management's process in place to identify slow moving and obsolete inventory;• tested management's controls over determining slow-moving and obsolete inventory;• for a sample of selected slow moving and obsolete finished goods, assessed the management's basis for determining the net realisable value;• for a sample of selected slow moving finished goods inventory items, determined the net realisable values by reference to recent selling prices compared with the carrying value as determined by management;• physically inspected a sample of the slow-moving inventory items in order to check whether there are any damaged or obsolete items; and• Obtained explanations for a sample of slow-moving inventory items from the management and assessed the reasonability for their net realisable values.

Other information

Management is responsible for the other information. The other information comprises the Annual Report, 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 financial statements of the Company and the consolidated financial statements of the Group, 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 of the Company and consolidated financial statements of the Group 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the 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 financial statements of the Company and the consolidated financial statements of the Group 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 of the Company and the consolidated financial statements of the Group 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 relevant 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, actions taken to eliminate threats or safeguards applied.

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 Company and the consolidated financial statements of the Group 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

02 August 2024

STATEMENT OF PROFIT OR LOSS

(all amounts in Sri Lanka Rupees thousands)

As at 31 March	Note	Group 31 March		Company 31 March	
		2024	2023	2024	2023
Revenue from contracts with customers	4	29,196,329	30,146,826	13,889,096	15,725,040
Cost of sales	6	(22,052,955)	(19,158,542)	(11,208,366)	(11,044,571)
Gross profit		7,143,374	10,988,284	2,680,730	4,680,469
Other income	5	202,764	472,233	284,929	254,669
Distribution costs	6	(1,520,210)	(1,444,293)	(712,157)	(724,231)
Administrative costs	6	(1,137,704)	(1,008,991)	(197,692)	(220,102)
Net impairment reversal on financial assets	21 (a)	131,258	71,766	60,433	17,032
Operating profit		4,819,482	9,079,000	2,116,243	4,007,836
Finance income		735,294	1,345,407	123,735	445,955
Finance costs		(1,013,436)	(1,393,726)	(607,712)	(1,274,594)
Net finance costs	8	(278,142)	(48,319)	(483,977)	(828,638)
Share of net profit of associates accounted for using the equity method	18 (a)	121,587	134,395	-	-
Profit before income tax		4,662,927	9,165,076	1,632,266	3,179,197
Income tax expense	9	(1,217,107)	(2,152,537)	(238,123)	(770,783)
Profit for the year		3,445,820	7,012,540	1,394,143	2,408,414
Profit attributable to :					
- Owners of the company		2,858,432	5,951,700	1,394,143	2,408,414
- Non-controlling interests		587,388	1,060,840	-	-
		3,445,820	7,012,540	1,394,143	2,408,414
Earnings per share - basic/ diluted	10	11.93	24.84	5.82	10.05
Dividend per share	11	1.25	1.00	1.25	1.00

The notes on pages 118 to 185 form an integral part of these financial statements.

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STATEMENT OF COMPREHENSIVE INCOME

(all amounts in Sri Lanka Rupees thousands)

As at 31 March	Note	Group 31 March		Company 31 March	
		2024	2023	2024	2023
Profit for the year		3,445,820	7,012,540	1,394,143	2,408,414
Other comprehensive income;					
Subsequently will not be re-classified to profit or loss					
Change in value of financial assets at fair value through other comprehensive income	19 (a)	14,828	321,592	3,244	20
Tax impact on change in value of financial assets at fair value through OCI	28(b) ii	(3,475)	(98,232)	-	-
Re-measurements of defined benefit obligations	27 (c)	2,371	(57,355)	3,109	(42,254)
Tax impact on re-measurement of defined benefit obligations	28(b) ii	(779)	18,198	(933)	12,676
Share of other comprehensive income of equity accounted investee	18 (a)	(768)	1,112	-	-
Share of other comprehensive income related tax of equity accounted investee	18 (a)	230	(334)	-	-
Currency Translation difference		(211,014)	596,063	-	-
Gain on revaluation of land and building	12	1,099,051	-	420,969	-
Tax impact on gains on revaluation of land and buildings	28 (b)	(329,045)	-	(126,291)	-
Tax impact on effect of change in tax rates	28 (b)	-	(119,790)	-	(62,258)
Other comprehensive income for the year, net of tax		571,398	661,255	300,100	(91,815)
Total comprehensive income for the year, net of tax		4,017,218	7,673,795	1,694,243	2,316,599
Attributable to;					
- Owners of the company		3,423,876	6,322,926	1,694,243	2,316,599
- Non-controlling interests		593,342	1,350,869	-	-
Total comprehensive income for the year, net of tax		4,017,218	7,673,795	1,694,243	2,316,599

The notes on pages 118 to 185 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

(all amounts in Sri Lanka Rupees thousands)

As at 31 March	Note	Group 31 March		Company 31 March	
		2024	2023	2024	2023
ASSETS					
Non-current assets					
Property, plant and equipment	12	6,238,948	5,604,193	2,510,769	1,949,645
Capital work in progress	13	284,813	418,816	-	189,485
Investment properties	14	1,743,000	1,302,000	607,000	580,000
Intangible assets	15	68,281	68,281	-	-
Right-of-use assets	16	15,775	21,693	-	-
Investment in subsidiaries	17	-	-	1,103,744	1,047,644
Investments accounted for using the equity method	18	762,802	676,787	345,093	345,093
Financial assets measured at fair value through other comprehensive income	19	883,374	868,546	16,949	13,705
		9,996,993	8,960,316	4,583,555	4,125,572
Current assets					
Inventories	20	11,327,209	11,719,856	6,646,631	6,825,887
Trade and other receivables	21	6,551,835	6,498,073	3,927,022	3,647,319
Financial assets at fair value through Profit or Loss	22	1,632,578	-	518,971	-
Cash and cash equivalents	23	8,759,617	8,932,964	1,705,228	2,937,493
		28,271,239	27,150,893	12,797,852	13,410,699
Total assets		38,268,232	36,111,209	17,381,407	17,536,271
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	32	299,488	299,488	299,488	299,488
Revaluation reserve	33	3,505,056	2,844,283	1,651,103	1,356,425
General reserve	34	1,123,825	1,123,825	680,266	680,266
Fair value reserve of financial assets at FVOCI	35	260,791	251,540	7,117	3,873
Foreign currency translation reserve	36	120,716	231,794	-	-
Retained earnings		21,314,711	18,749,250	8,794,286	7,697,435
Equity attributable to					
Owners of the Company		26,624,587	23,500,180	11,432,260	10,037,487
Non-controlling interests		4,381,917	3,958,088	-	-
Total equity		31,006,504	27,458,268	11,432,260	10,037,487
Non-current liabilities					
Defined benefit obligations	27	455,017	387,306	216,898	187,646
Deferred income tax liabilities	28	1,068,685	735,148	440,593	293,720
Borrowings	25	335,241	705,712	230,156	454,874
Lease liabilities	16	8,127	17,870	-	-
		1,867,070	1,846,036	887,647	936,240
Current liabilities					
Trade and other payables	24	1,729,366	900,216	3,019,778	2,719,254
Current income tax liabilities	26	2,086,188	2,322,662	1,036,463	999,526
Lease liabilities	16	9,745	8,461	-	-
Borrowings	25	1,569,359	3,575,566	1,005,259	2,843,764
		5,394,658	6,806,905	5,061,500	6,562,544
Total liabilities		7,261,728	8,652,941	5,949,147	7,498,784
Total equity and liabilities		38,268,232	36,111,209	17,381,407	17,536,271

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


Mahesh Amarasiri
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 02 August 2024.


U.G. Madanayake
Chairman


Suren Madanayake
Managing Director

The notes on pages 118 to 185 form an integral part of these financial statements.
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STATEMENT OF CHANGES IN EQUITY - GROUP

(all amounts in Sri Lanka Rupees thousands)

	Note	Attributable to owners of the parent							Non-controlling interest	Total equity
		Stated capital	Revaluation reserve	General reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Total		
Balance at 1 April 2022		299,488	2,968,431	1,123,825	26,138	(72,198)	13,071,145	17,416,829	2,724,219	20,141,048
Profit for the year		-	-	-	-	-	5,951,700	5,951,700	1,060,840	7,012,540
Fair value adjustment for financial assets at fair value through other comprehensive income	35	-	-	-	323,634	-	-	323,634	(2,042)	321,592
Deferred tax on the fair value adjustment for financial assets at fair value through other comprehensive income	28(b)	-	-	-	(98,232)	-	-	(98,232)	-	(98,232)
Currency Translation difference		-	-	-	-	303,992	-	303,992	292,071	596,063
Re-measurements of defined employment benefit obligations	27 (c)	-	-	-	-	-	(57,355)	(57,355)	-	(57,355)
Deferred tax on re-measurement of defined employment benefit obligations	28(b)	-	-	-	-	-	18,198	18,198	-	18,198
Tax impact on effect of change in tax rates	28(b)	-	(119,790)	-	-	-	-	(119,790)	-	(119,790)
Share of other comprehensive income of equity accounted investee, net of tax	18 (a)	-	-	-	-	-	1,112	1,112	-	1,112
Share of other comprehensive income related tax of equity accounted investee	18 (a)	-	-	-	-	-	(334)	(334)	-	(334)
Total comprehensive income for the year		-	(119,790)	-	225,402	303,992	5,913,322	6,322,925	1,350,869	7,673,795
Transfer from revaluation reserve net of tax	33 (a)	-	(4,358)	-	-	-	4,358	-	-	-
Dividends	11	-	-	-	-	-	(239,575)	(239,575)	(116,999)	(356,574)
Balance as at 31 March 2023		299,488	2,844,283	1,123,825	251,540	231,794	18,749,250	23,500,180	3,958,088	27,458,268
Balance at 1 April 2023		299,488	2,844,283	1,123,825	251,540	231,794	18,749,250	23,500,180	3,958,088	27,458,268
Profit for the year		-	-	-	-	-	2,858,432	2,858,432	587,388	3,445,820
Fair value adjustment for financial assets at fair value through other comprehensive income	35	-	-	-	12,726	-	-	12,726	2,102	14,828
Deferred tax on the fair value adjustment for financial assets at fair value through other comprehensive income	28 (b)	-	-	-	(3,475)	-	-	(3,475)	-	(3,475)
Currency Translation difference	36	-	-	-	-	(111,078)	-	(111,078)	(99,936)	(211,014)
Re-measurements of defined employment benefit obligations	27 (c)	-	-	-	-	-	2,371	2,371	-	2,371
Deferred tax on re-measurement of defined employment benefit obligations	28 (b)	-	-	-	-	-	(779)	(779)	-	(779)
Gain on revaluation of land and Buildings	12	-	995,262	-	-	-	-	995,262	103,788	1,099,051
Deferred tax on revaluation of land and buildings	28 (b)	-	(329,045)	-	-	-	-	(329,045)	-	(329,045)
Share of other comprehensive income of equity accounted investee	18 (a)	-	-	-	-	-	(768)	(768)	-	(768)
Share of other comprehensive income related tax of equity accounted investee	18 (a)	-	-	-	-	-	230	230	-	230
Total comprehensive income for the year		-	666,217	-	9,251	(111,078)	2,859,486	3,423,876	593,342	4,017,218
Adjustment on changes to non controlling interest in subsidiary		-	-	-	-	-	-	-	(56,100)	(56,100)
Transfer from revaluation reserve net of tax	33 (a)	-	(5,444)	-	-	-	5,444	-	-	-
Dividends	11	-	-	-	-	-	(299,468)	(299,468)	(113,414)	(412,882)
Balance as at 31 March 2024		299,488	3,505,056	1,123,825	260,791	120,716	21,314,711	26,624,587	4,381,917	31,006,504

The notes on pages 118 to 185 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY - COMPANY

(all amounts in Sri Lanka Rupees thousands)

	Note	Stated capital	Revaluation reserve	General reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
Balance at 1 April 2022		299,488	1,418,683	680,266	3,853	5,558,172	7,960,462
Profit for the year		-	-	-	-	2,408,414	2,408,414
Fair value adjustment for financial assets at fair value through other comprehensive income	35	-	-	-	20	-	20
Re-measurements of defined employment benefit obligations	27 (c)	-	-	-	-	(42,254)	(42,254)
Deferred tax on re-measurement of defined employment benefit obligations	28 (b)	-	-	-	-	12,676	12,676
Tax impact on effect of change in tax rates	28 (b)	-	(62,258)	-	-	-	(62,258)
Total comprehensive income for the year		-	(62,258)	-	20	2,378,838	2,316,601
Dividends	11	-	-	-	-	(239,575)	(239,575)
Balance as at 31 March 2023		299,488	1,356,425	680,266	3,873	7,697,434	10,037,487
Balance at 1 April 2023		299,488	1,356,425	680,266	3,873	7,697,434	10,037,487
Profit for the year		-	-	-	-	1,394,143	1,394,143
Fair value adjustment for financial assets at fair value through other comprehensive income	35	-	-	-	3,244	-	3,244
Re-measurements of defined employment benefit obligations	27 (c)	-	-	-	-	3,109	3,109
Deferred tax on re-measurement of defined employment benefit obligations	28 (b)	-	-	-	-	(933)	(933)
Gain on revaluation of lands and buildings	12	-	420,969	-	-	-	420,969
Deferred tax on revaluation of lands and buildings	28 (b)	-	(126,291)	-	-	-	(126,291)
Total comprehensive income for the year		-	294,678	-	3,244	1,396,320	1,694,242
Dividends	11	-	-	-	-	(299,468)	(299,468)
Balance as at 31 March 2024		299,488	1,651,103	680,266	7,117	8,794,286	11,432,260

The notes on pages 118 to 185 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS

(all amounts in Sri Lanka Rupees thousands)

	Note	Group 31 March		Company 31 March	
		2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from operations	37	6,245,920	4,961,050	2,239,224	2,815,674
Interest paid	8	(1,013,436)	(1,393,726)	(607,712)	(1,274,594)
Defined benefit obligations paid	27	(30,509)	(29,090)	(14,792)	(15,873)
Income tax paid less refund received		(1,439,615)	(978,545)	(181,535)	(174,088)
Net cash generated from operating activities		3,762,360	2,559,689	1,435,185	1,351,119
Cash flows from investing activities					
Interest received	8	689,058	1,345,407	104,764	445,955
Purchase of property, plant and equipment	12	(141,532)	(185,566)	(24,400)	(44,020)
Cost incurred on capital work in progress	13	(108,335)	(45,676)	(52,853)	(63)
Dividend received	5	2,353	89,426	223,832	205,949
Investments in financial assets at fair value through profit or loss	19	(1,586,342)	-	(500,000)	-
Investment in subsidiary	17	-	-	(56,100)	-
Proceeds from disposal of property, plant and equipment	5	5	13,293	-	-
Net cash (used in)/generated from investing activities		(1,144,793)	1,216,883	(304,758)	607,823
Cash flows from financing activities					
Long term borrowings net of payments	25	(370,471)	(801,572)	(224,718)	(501,981)
Short term borrowings net of payments	25	(1,187,232)	(1,816,688)	(1,255,780)	(944,412)
Principal elements of lease payments	16	(1,352)	(1,278)	-	-
Dividend paid by the Company	11	(299,468)	(239,575)	(299,468)	(239,575)
Dividend paid by subsidiary to non-controlling interests		(113,414)	(116,999)	-	-
Net cash used in financing activities		(1,971,937)	(2,976,111)	(1,779,966)	(1,685,968)
Net increase / (decrease) in cash and cash equivalents		645,630	800,462	(649,539)	272,974
Cash and cash equivalents at the beginning of the year		8,044,714	7,244,252	2,349,508	2,076,534
Cash and cash equivalents at the end of the year	23	8,690,344	8,044,714	1,699,969	2,349,508

The notes on pages 118 to 185 form an integral part of these financial statements.

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NOTES TO THE CONSOLIDATED 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. 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.

ACL Cables PLC does not have an identifiable parent of its own. The Company is the ultimate parent of the Group.

1.1 Principal Activities and Nature of Operations

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

Company	Date of Incorporation	Place of Incorporation	Principal Business Activities
Kelani Cables PLC	18.12.1972	Sri Lanka	Manufacturing and selling of power cables, telecommunication cables and enameled winding wires
ACL Plastics PLC	17.07.1991	Sri Lanka	Manufacturing cable grade PVC compound
Ceylon Bulbs & Electricals Ltd	16.10.1957	Sri Lanka	Dormant
Lanka Olex Cables (Pvt) Ltd	22.02.1993	Sri Lanka	Investing Company
ACL Kelani Magnet Wire (Pvt) Ltd	29.06.2000	Sri Lanka	Dormant
ACL Polymers (Pvt) Ltd	06.09.2005	Sri Lanka	Dormant
ACL Metals & Alloys (Pvt) Ltd	05.09.2005	Sri Lanka	Manufacturing and selling aluminium rods, alloys of aluminium and other metals
Ceylon Copper (Pvt) Ltd	17.06.2011	Sri Lanka	Manufacturing of copper rods, bus bars, strips, profiles, catenary wires and tubes for local market.
ACL Electric (Pvt) Ltd	08.11.2012	Sri Lanka	Manufacturing of electrical accessories
Cable Solutions Ltd	25.02.2008	Sri Lanka	Manufacturing of cables and accessories
Equity accounted investee			
RESUS Energy PLC	11.06.2003	Sri Lanka	Power and energy generation
Fellow Subsidiary			
Cable Solutions Private Limited - India (Acquired on 23.01.2023)	18.03.2008	India	Manufacturing of cables and accessories

1.2 Approval of Financial Statements by the Board of Director

The Company's and the Group's financial statements were authorised for issue by the Board of Directors on 2nd August 2024.

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 and statement of compliance

The financial statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of

Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for financial assets and liabilities which are measured at fair value. 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 2.4 to the financial statements.

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 April 2023 and (b) forthcoming requirements, being standards and amendments that will become effective on or after 01 April 2023.

(a) New standards and amendments - applicable 1 January 2023

The Group has applied the following standards and amendments for the first time for their annual reporting periods commencing 1 January 2023:

i) IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

ii) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

(iii) Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(iv) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

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

(i) IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

The Group has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17."

(ii) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements— Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be

expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

(iii) Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 12 Income Taxes—International Tax Reform— Pillar Two Model Rules

The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

(iv) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

(b) New standards and amendments issued but not effective or early adopted in 2023

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

(i) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

(ii) Amendments to IAS 1 Presentation of Financial Statements— Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of

‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

(iii) Amendments to IAS 1 Presentation of Financial Statements—Noncurrent Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The ICASL also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The directors of the parent company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

(iv) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures— Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7

was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements: The terms and conditions of the arrangements The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers" Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement liquidity risk information The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

(v) Amendment to IFRS 16 Leases— Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial

application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

2.2 Principles of consolidation

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

(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.

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(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 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.

For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional 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 recognized in the statement of profit or loss.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

(c) Foreign operations and subsidiaries with different functional currencies

The following subsidiary is using United States Dollar (USD) as its functional currency;

* Cable Solutions Limited

The following subsidiary is a foreign operation using Indian Rupee (INR) as its functional and reporting currency;

* Cable Solutions Private Limited - India

The Statement of Financial Position and Income Statement of above subsidiary which is deemed to be foreign operations are translated to Sri Lankan Rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period, respectively.

The Exchange rates applicable during the period were as follows:

	Reporting Date		Statement of profit or loss	
	2024	2023	2024	2023
USD	317.63	335.41	301.18	316.70
INR	3.61	3.98	3.83	4.01

The exchange differences arising on the translation are taken directly to other comprehensive income.

With the majority of transactions being done in USD, Cable Solutions Limited decided to change the reporting currency as USD.

2.4 Significant accounting judgements, estimates and Assumptions

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

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

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

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(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 and informed credit assessment and including forward-looking information. Refer 3.1 for more details.

(b) Fair value of financial instruments

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

(c) 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. The Group has adopted a policy of revaluing assets by professional valuers at least every 3 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the land and building, and sensitivity analysis are provided in Note 12(g).

(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. Refer Note 2.7 for more details.

(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 of the management estimates these values, rates, methods and hence they are subject to uncertainty. Refer Note 2.9 for more details.

(g) Useful life-time of the intangible assets

Goodwill

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. Refer Note 15 for more details.

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. Refer Note 26(d) for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 26(e).

(i) Fair value of investment property

The fair value of investment properties are determined by using valuation techniques. The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the investment property, and sensitivity analysis are provided in Note 14(c).

2.5 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.

2.6 Tax Expense

2.6.1 Current Tax

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.

Income tax rates of Group and Company

Name of the Entity	Country of Domicile	Tax Rates		
		2024	2023	
			First Six months	Second Six months
ACL Cables PLC	Sri Lanka	30%	14%, 18%, 24%	30%
ACL Plastics PLC	Sri Lanka	30%	18%, 24%	30%
Kelani Cables PLC	Sri Lanka	30%	14%, 18%, 24%	30%
Ceylon Copper Private Limited	Sri Lanka	30%	18%	30%
ACL Metals and Alloys Private Limited	Sri Lanka	30%	18%	30%
ACL Kelani Magnet Wire Private Limited	Sri Lanka	30%	18%, 24%	30%
Cable Solutions Limited	Sri Lanka	15%, 30%	14%, 15%, 18%	15%, 30%
ACL Electric Private Limited	Sri Lanka	30%	14%, 18%	30%
Ceylon Bulbs Private Limited	Sri Lanka	30%	14%	30%
Lanka Olex Private Limited	Sri Lanka	30%	14%	30%
Cable Solutions Private Limited - India	India	30%	30%	30%

2.6.2 Indirect Tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- * When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- * Receivables and payables that are stated with the amount of sales tax.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

Value Added Tax (VAT) rate revisions of 18% introduced with effect from 1 January 2024 and prior to aforesaid periods, applied rate was 15%.

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of manufacturing, supply of services or whole/retail sales, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No. 25 of 2023, at the rate of 2.5%, with effect from 1st October 2023.

2.7 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.

2.8 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.8.1 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

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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, fair value through other comprehensive income (FVOCI) financial assets and fair value through profit or loss (FVPL) financial assets.

2.8.2 Subsequent Measurement

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

(a) Debt Instruments at Amortized cost

The Group 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 Group 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.

(c) Financial Assets classified under Fair Value through Profit or Loss

Financial assets at fair value through Profit or Loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or

Loss. Investments in unit trust are included in financial assets fair value through profit or loss. Unit trusts are measured using market price in markets that are not active.

2.8.3 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 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.

2.8.4 Impairment of Financial Assets

SLFRS 9 establishes a 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.

2.8.5 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.

2.8.6 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 Group's financial liabilities include other payables.

2.8.7 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.

2.8.8 De - recognition

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

2.8.9 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.

2.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of the Group includes both owned assets and leased hold assets. Accounting policy for owned assets is detailed below and accounting policy for leased hold assets is detailed in Note 2.11.

2.9.1 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 now to the Group and the cost opt the item can be measured reliably. The carrying amount of any component accounted for 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 deterrence 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 carving 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.

2.9.2 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.

2.9.3 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.

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2.9.4 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)

2.10 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.

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.

2.11 Leases

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 2.11 (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.

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.

2.12 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 reporting 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.

2.13 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

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carrying amount had no impairment losses been recognised previously.

For goodwill, recoverable amount is estimated at each reporting 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.

2.14 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.

2.15 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.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of inventories. 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.

2.17 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."

2.18 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.

2.19 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 reporting date. Items classified as non-current liabilities are those which fall due for payment beyond a period of one year from the reporting date.

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

2.20 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are 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.

2.21 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.

Valuer has considered an adjusted risk free rate for financial reporting purposes for the current year by adjusting both present country rating default spread and Pre-pandemic default spread to the Treasury bond rate considering the current economic context of the country.

The liability is not externally funded.

2.22 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.

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 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.

2.28 Comparatives

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

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2.29 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.

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 Materiality and Aggregation

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

2.35 Offsetting

Assets and liabilities or income and expenses are not offset unless required or permitted by Sri Lanka Accounting standards.

2.36 Current Versus Non-Current Classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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.

The sensitivity analysis in the following sections relate to the position as at 31 March in 2024 and 2023.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant Statement of profit or loss item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March 2024 and 2023.
- The statement of financial position sensitivity relates to equity instruments designated at fair value through OCI.

(i) Foreign exchange risk

The Group is exposed to currency risk on goods sold and raw materials imported that are denominated in currencies other than Sri Lankan rupees (LKR). The Group 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.

As at 31st March 2024, rupee fell by 9% against the US dollar compared to its closing rate on 31st March 2023. However, from the second half of the financial year, the foreign exchange liquidity improved on the back of a trade surplus given the sharp contraction of imports due to the fiscal and monetary policy measures adopted in the country and the continuation of import restrictions at the time. However, when the repayment of foreign debt begins and import restrictions are fully relaxed, currency volatility can be anticipated.

Group	31 March			
	2024		2023	
	USD	LKR	USD	LKR
Trade receivables	2,872	876,866	1,143	383,404
Trade payables	2,183	666,487	1,113	373,370
Cash in bank	20,118	6,142,587	19,455	6,525,235

Company	31 March			
	2024		2023	
	USD	LKR	USD	LKR
Trade receivables	829	253,229	687	230,480
Trade payables	897	273,774	93	31,351
Cash in bank	4,382	1,337,928	5,604	1,879,493

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The assumed movement, in the spread of the exchange rate sensitivity analysis, is based on the current observable market environment. 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:

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Amounts recognised in profit or loss				
Foreign exchange gain included in finance cost	79	812,858	-	344,533
Foreign exchange loss included in finance cost	(581,216)	(450,132)	(129,018)	(417,067)
Total net foreign exchange (losses)/gains recognised in profit before income tax for the period	(581,137)	362,726	(129,018)	(72,534)

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.

For the year ended 31st March	Increase/(decrease) in exchange rate USD	Group	Company
2024	+ 7.5%	476,472	98,804
	- 7.5%	(476,472)	(98,804)
2023	+ 7.5%	490,145	155,897
	- 7.5%	(490,145)	(155,897)

(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.

For the year ended 31st March	Increase/(decrease) in exchange rate USD	Group	Company
2024	+ 5%	21,472	23,935
	- 5%	(21,472)	(23,935)
2023	+ 5%	46,995	42,876
	- 5%	(46,995)	(42,876)

The spread of basis points for the interest rate sensitivity analysis is assumed based on movement of base floating interest rates in the market during financial year 2023/24.

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 2024	10%	-	88,337
31 March 2023	10%	-	86,855

Company	Change in equity price	Effect on profit	Effect on equity
31 March 2024	10%	-	1,695
31 March 2023	10%	-	1,371

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

(b) 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 SLFRS 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 2024 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.

On that basis, the loss allowance as at 31 March 2024 and 31 March 2023 was determined as follows for trade receivables.

Group	Gross carrying amount	Impairment on Trade receivables	Net carrying amount
As at 31 March 2024	Rs.	Rs.	Rs.
Less than 30 days	1,403,068	10,853	1,392,215
Between 31 days - 60 days	1,167,407	19,571	1,147,836
Between 61 days - 90 days	243,915	11,825	232,090
Between 91 days - 180 days	348,421	19,236	329,185
Between 181 days - 365 days	68,794	20,111	48,683
More than 365 days	710,207	583,843	126,363
	3,941,811	665,439	3,276,373

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As at 31 March 2023	Gross carrying amount	Impairment on Trade receivables	Net carrying amount
	Rs.	Rs.	Rs.
Less than 30 days	908,798	10,050	898,748
Between 31 days - 60 days	668,882	14,616	654,267
Between 61 days - 90 days	143,664	5,581	138,083
Between 91 days - 180 days	305,739	18,422	287,317
Between 181 days - 365 days	649,880	19,738	630,142
More than 365 days	1,665,235	788,836	876,399
	4,342,198	857,243	3,484,955

Company

As at 31 March 2024	Gross carrying amount	Impairment on Trade receivables	Net carrying amount
	Rs.	Rs.	Rs.
Less than 30 days	780,248	859	779,389
Between 31 days - 60 days	667,333	4,919	662,414
Between 61 days - 90 days	119,342	6,228	113,113
Between 91 days - 180 days	186,095	9	186,086
Between 181 days - 365 days	12,477	1,799	10,678
More than 365 days	466,436	456,599	9,837
	2,231,931	470,414	1,761,517

As at 31 March 2023	Gross carrying amount	Impairment on Trade receivables	Net carrying amount
	Rs.	Rs.	Rs.
Less than 30 days	294,918	604	294,314
Between 31 days - 60 days	136,684	1,089	135,596
Between 61 days - 90 days	44,284	66	44,217
Between 91 days - 180 days	145,472	416	145,056
Between 181 days - 365 days	598,145	915	597,229
More than 365 days	1,375,355	588,303	787,052
	2,594,857	591,393	2,003,465

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

	Group		Company	
	2024	2023	2024	2023
Opening loss allowance at 1 April	857,243	939,753	591,393	619,169
Increase in loss allowance recognised in profit or loss during the year				
- as per collective impairment provision	(131,258)	(71,766)	(60,434)	(17,032)
Written-off during the year previously impaired	(60,546)	(10,744)	(60,546)	(10,744)
Closing loss allowance at 31 March	665,439	857,243	470,414	591,393

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.

(c) Liquidity risk

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

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

Group	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
At 31 March 2024					
Trade & other payables (excluding statutory liabilities)	1,624,152	-	-	-	1,624,152
Borrowings	1,500,086	302,368	32,873	-	1,835,327
Lease liabilities	9,745	8,095	33	-	17,872
Bank overdrafts	69,273	-	-	-	69,273
Total financial liabilities	3,203,256	310,463	32,906	-	3,546,624
At 31 March 2023					
Trade & other payables (excluding statutory liabilities)	876,551	-	-	-	876,551
Borrowings	2,687,318	557,494	148,218	-	3,393,030
Lease liabilities	8,461	9,963	7,907	-	26,331
Bank overdrafts	888,248	-	-	-	888,248
Total financial liabilities	4,460,578	567,457	156,125	-	5,184,160

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Company	Less than 1 year	Between 1 and 2 years	Between 2 and 6 years	Over 6 years	Total
Financial liabilities					
At 31 March 2024					
Trade & other payables (excluding statutory liabilities)	2,983,043	-	-	-	2,983,043
Borrowings	1,000,000	197,283	32,873	-	1,230,156
Bank overdrafts	5,259	-	-	-	5,259
Total financial liabilities	3,988,302	197,283	32,873	-	4,218,458
At 31 March 2023					
Trade & other payables (excluding statutory liabilities)	2,706,859	-	-	-	2,706,859
Borrowings	2,255,780	397,345	57,528	-	2,710,653
Bank overdrafts	587,985	-	-	-	587,985
Total financial liabilities	5,550,624	397,345	57,528	-	6,005,497

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 2024.

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	
	2024	2023	2024	2023
Total borrowings (Note 25)	1,904,600	4,281,278	1,235,415	3,298,638
Lease liabilities (Note 16)	17,872	26,331	-	-
Less :				
Cash and cash equivalents (Note 23)	(8,759,617)	(8,932,964)	(1,705,228)	(2,937,493)
Financial assets at fair value through Profit or Loss (Note 22)	(1,632,578)	-	(518,971)	-
Net debt	(8,469,723)	(4,625,355)	(988,784)	361,145
Total equity	31,006,504	27,458,268	11,432,260	10,037,486
Total capital	22,536,781	22,832,913	10,443,476	10,398,631
Gearing ratio	-37.58%	-20.26%	-9.47%	3.47%

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 financial assets and financial liabilities that are measured at fair value.

As at 31 March 2024	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 profit or loss (Note 22)	-	1,632,578	-	1,632,578	-	518,971	-	518,971
Financial assets at fair value through OCI (Note 19)	66,219	817,155	-	883,374	16,949	-	-	16,949
	66,219	2,449,733	-	2,515,952	16,949	518,971	-	535,920
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

As at 31 March 2023	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)	56,934	-	811,612	868,546	13,705	-	-	13,705
	56,934	-	811,612	868,546	13,705	-	-	13,705
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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(all amounts in Sri Lanka Rupees thousands)

The Company held the following non- financial assets carried at fair value in the statement of financial position:.

As at 31 March 2024	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Land and buildings	-	-	4,909,573	4,909,573	-	-	1,970,839	1,970,839
Investment properties	-	1,239,500	117,500	1,357,000	-	489,500	117,500	607,000
	-	1,239,500	5,027,073	6,266,573	-	489,500	2,088,339	2,577,839

As at 31 March 2023	Group				Company			
	Level 1	Level 2	Level 3	Total balance	Level 1	Level 2	Level 3	Total balance
Assets								
Land and buildings	-	-	4,326,837	4,326,837	-	-	1,585,090	1,585,090
Investment properties	-	1,193,500	108,500	1,302,000	-	471,500	108,500	580,000
	-	1,193,500	4,435,337	5,628,837	-	471,500	1,693,590	2,165,090

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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 financial assets at fair value through OCI.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data 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.

(c) Financial instruments in Level 3

The input that are unobservable. This category includes all the instruments for which valuation techniques includes input not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Geographical segment turnover				
Local sales	22,075,948	20,896,944	11,466,372	11,893,249
Export sales	7,120,381	9,249,882	2,422,724	3,831,791
Net revenue	29,196,329	30,146,826	13,889,096	15,725,040

4.1 Timing of revenue recognition

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Products & services transferred at a point in time	29,196,329	30,146,826	13,889,096	15,725,040
	29,196,329	30,146,826	13,889,096	15,725,040

5 OTHER INCOME

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Dividend income (Note 5.1)	2,353	89,426	223,832	205,949
Profit on disposal of property, plant and equipment	5	13,293	-	-
Profit from foreign investments (Note 5.2)	-	229,427	-	-
Gain from fair valuation adjustment to investment property (Note 14)	71,333	72,600	27,000	40,600
Sundry income (Note 5.3)	129,073	67,487	34,097	8,120
	202,764	472,233	284,929	254,669

5.1 Dividend income of Company includes mainly the dividends received from the related party companies and the Group includes the dividends received from investments.

5.2 Profit from foreign investments

During the last financial year, the advance payment made to Blue Water Resort Hotel Project was paid back to the Kelani Cables PLC since the investment did not materialize. From the total amount received, after deducting the expenses already incurred, the Company has incurred a profit net of exchange rate gain as above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

- 5.3** Sundry income of both Group and Company includes rent income, solar income, write back of unclaimed credit balances of trade receivables and sale of scrap.

6 EXPENSES BY NATURE

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Directors emoluments [Note 39.13 (g)]	125,568	105,933	94,701	80,431
Auditors remuneration				
Statutory Audit	5,248	4,721	1,100	894
Audit related services	346	239	181	75
Legal fees	6,518	5,412	6,333	5,412
Depreciation on property, plant and equipment (Note 12)	347,206	400,805	126,582	144,305
Depreciation of right-of-use assets (Note 16)	7,039	7,061	-	-
Cost of raw material consumed	20,868,701	17,951,669	10,287,518	10,208,876
Repairs and maintenance	124,737	108,859	93,581	80,826
Donations	1,472	1,969	1,437	1,859
Staff costs (Note 7)	2,344,382	2,076,070	962,636	860,428
Write down of inventories to net realizable value [Note 20(a)]	76,963	27,497	-	24,370
Other expenses	671,430	849,824	483,711	564,397
Total cost of sales, distribution costs and administrative costs	24,579,611	21,540,059	12,057,782	11,971,873
Classified as:				
Cost of sale	22,052,955	19,158,542	11,208,366	11,044,571
Distribution costs	1,520,210	1,444,293	712,157	724,231
Administrative costs	1,137,704	1,008,991	197,692	220,102
Net impairment reversal on financial assets	(131,258)	(71,766)	(60,433)	(17,032)
Total	24,579,611	21,540,059	12,057,782	11,971,873

7 STAFF COSTS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Salaries, wages and related costs	2,071,821	1,847,329	838,168	757,111
Defined contribution plan	171,969	159,885	77,316	72,777
Defined benefit plan [Note 27(b)]	100,592	68,856	47,152	30,540
	2,344,382	2,076,070	962,636	860,428
Average number of employees during the year	1,717	1,544	594	581

8 NET FINANCE COSTS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Finance income:				
Interest income	688,979	532,549	104,764	101,422
Net fair value gain/(loss) from financial assets at fair value through profit or loss	46,236	-	18,971	-
Foreign exchange gain	79	812,858	-	344,533
Finance income	735,294	1,345,407	123,735	445,955
Finance costs:				
Interest on bank borrowings and current accounts	(429,439)	(939,904)	(478,694)	(857,526)
Interest on right-of-use lease liabilities (Note 16)	(2,780)	(3,690)	-	-
Foreign exchange loss	(581,216)	(450,132)	(129,018)	(417,067)
Finance costs	(1,013,436)	(1,393,726)	(607,712)	(1,274,594)
Net finance costs	(278,142)	(48,319)	(483,977)	(828,638)

9 INCOME TAX EXPENSE

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Current tax on profit for the year (Note 26)	1,375,790	2,055,391	373,259	714,691
(Over)/under provision in respect of prior years	(191,949)	(38,715)	(154,787)	7,588
Deferred tax release (Note 28)	237	130,372	19,650	48,504
WHT on dividend paid by subsidiaries	33,029	5,488	-	-
	1,217,107	2,152,537	238,123	770,783

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(all amounts in Sri Lanka Rupees thousands)

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 :

	31 March		31 March	
	2024	2023	2024	2023
Profit before tax	4,662,927	9,165,077	1,632,266	3,179,197
Share of profit equity accounted investees	(121,587)	(134,395)	-	-
Consolidation adjustments	590,245	(740,692)	-	-
	5,131,585	8,289,990	1,632,266	3,179,197
Tax exempt income	(888,419)	(1,475,046)	(400,530)	(353,608)
Aggregated disallowable expenses	707,846	895,377	142,851	196,982
Aggregated allowable expenses	(387,054)	(332,505)	(159,667)	(139,908)
Other taxable income	103,462	235,955	29,278	209,324
Taxable income	4,667,419	7,613,771	1,244,198	3,091,987
Tax @ 14%	-	132,654	-	75,104
Tax @ 15%	34,707	96,386	-	-
Tax @ 18%	-	623,685	-	181,129
Tax @ 24%	-	88,551	-	25,515
Tax @ 30%	1,341,082	1,114,114	373,259	432,943
	1,375,789	2,055,391	373,259	714,691
Under/(over) provision in respect of previous year	(191,949)	(38,715)	(154,787)	7,588
Deferred tax (reversal) / charge	237	130,372	19,650	48,504
WHT on dividend paid by subsidiaries	33,029	5,488	-	-
Tax expense for the year	1,217,107	2,152,537	238,123	770,783
Effective tax rate including deferred tax	26%	23%	15%	24%
Effective tax rate excluding deferred tax	30%	22%	30%	23%

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	
	2024	2023	2024	2023
Net profit attributable to equity holders	2,858,432	5,951,700	1,394,143	2,408,414
Weighted average number of ordinary Shares in issue (Note 32)	239,574,720	239,574,720	239,574,720	239,574,720
Basic / Diluted earnings per share (Rs.)	11.93	24.84	5.82	10.05

11 DIVIDEND PER SHARE

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Dividends paid	299,468	239,575	299,468	239,575
Number of ordinary shares in issue (Note 32)	239,574,720	239,574,720	239,574,720	239,574,720
Dividend per share (Rs.)	1.25	1.00	1.25	1.00

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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 2022						
Cost / valuation	4,700,726	2,760,958	328,831	181,669	456,436	8,428,620
Accumulated depreciation	(424,737)	(1,856,449)	(167,466)	(151,019)	(345,912)	(2,945,583)
Net book amount	4,275,989	904,509	161,365	30,650	110,524	5,483,037
Year ended 31 March 2023						
Opening net book amount	4,275,989	904,509	161,365	30,650	110,524	5,483,037
Additions	42,221	73,380	46,130	6,985	16,850	185,566
Transfer from work in progress (Note 13)	21,697	1,482	-	-	-	23,179
Disposals / transfers						
- cost	-	(561)	-	-	(10,250)	(10,811)
- depreciation	-	364	-	-	10,250	10,614
Currency translation difference	89,874	201,210	16,232	4,646	1,450	313,413
Depreciation charge (Note 06)	(102,944)	(196,765)	(37,481)	(11,007)	(52,608)	(400,805)
Closing net book amount	4,326,837	983,619	186,246	31,274	76,215	5,604,193
At 31 March 2023						
Cost / valuation	4,764,645	2,835,259	374,961	188,654	463,036	8,626,554
Accumulated depreciation	(437,808)	(1,851,640)	(188,715)	(157,380)	(386,820)	(3,022,361)
Net book amount	4,326,837	983,619	186,246	31,274	76,215	5,604,193
Year ended 31 March 2024						
Opening net book amount	4,326,837	983,619	186,246	31,274	76,215	5,604,193
Additions	21,978	61,317	47,653	7,084	3,500	141,532
Revaluation Surplus	1,099,051	-	-	-	-	1,099,051
Loss on revaluation of a subsidiary building	(4,318)	-	-	-	-	(4,318)
Transfer from work in progress (Note 13)	-	19,500	222,838	-	-	242,338
Transfer to investment property (Note 14)	(369,667)	-	-	-	-	(369,667)
Disposals / transfers						
- cost	-	(41,943)	-	(10,028)	(2,620)	(54,591)
- depreciation	-	41,915	-	9,986	2,220	54,121
Currency translation difference	(76,114)	(40,317)	(9,391)	(310)	(373)	(126,505)
Depreciation charge (Note 06)	(88,194)	(166,108)	(36,893)	(11,842)	(44,170)	(347,206)
Closing net book amount	4,909,573	857,983	410,453	26,163	34,772	6,238,948
At 31 March 2024						
Cost / valuation	4,909,573	2,874,133	645,452	185,710	463,914	9,078,782
Accumulated depreciation	-	(2,016,150)	(234,999)	(159,547)	(429,142)	(2,839,838)
Net book amount	4,909,573	857,983	410,453	26,163	34,772	6,238,948

(b) Company

	Land and buildings	Plant, machinery and accessories	Equipment, tools and implements	Furniture, fittings and office equipment	Motor vehicles	Total
At 31 March 2022						
Cost / valuation	1,628,606	1,324,714	26,061	106,868	186,053	3,272,303
Accumulated depreciation	(29,993)	(974,135)	(15,688)	(85,101)	(140,635)	(1,245,552)
Net book amount	1,598,613	350,579	10,373	21,767	45,418	2,026,750
Year ended 31 March 2023						
Opening net book amount	1,598,613	350,579	10,373	21,767	45,418	2,026,750
Additions	-	38,465	-	3,206	2,350	44,020
Transfer from work in progress (Note 13)	21,697	1,482	-	-	-	23,179
Depreciation charge (Note 06)	(35,220)	(75,196)	(77)	(7,648)	(26,164)	(144,305)
Closing net book amount	1,585,090	315,330	10,297	17,324	21,604	1,949,645
At 31 March 2023						
Cost / valuation	1,650,303	1,364,660	26,061	110,074	191,521	3,342,619
Accumulated depreciation	(65,214)	(1,049,331)	(15,764)	(92,750)	(169,917)	(1,392,974)
Net book amount	1,585,090	315,330	10,297	17,324	21,604	1,949,645
Year ended 31 March 2024						
Opening net book amount	1,585,090	315,330	10,297	17,324	21,604	1,949,645
Additions	-	16,010	5,210	3,180	-	24,400
Transfer from work in progress (Note 13)	-	19,500	222,838	-	-	242,338
Revaluation surplus	420,969	-	-	-	-	420,969
Depreciation charge (Note 06)	(35,220)	(63,717)	(24)	(8,534)	(19,087)	(126,582)
Closing net book amount	1,970,839	287,122	238,321	11,970	2,517	2,510,769
At 31 March 2024						
Cost / valuation	1,970,839	1,400,170	254,110	113,254	191,521	3,929,894
Accumulated depreciation	-	(1,113,048)	(15,789)	(101,284)	(189,004)	(1,419,125)
Net book amount	1,970,839	287,122	238,321	11,970	2,517	2,510,769

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12 PROPERTY, PLANT AND EQUIPMENT (CONTD)

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

Company	Valued on	Name of the valuer	Valued amount
Assets			
Land	31 March 2024	Mr J M Senanayaka Bandara	907,298
Buildings	31 March 2024	Mr J M Senanayaka Bandara	1,063,540
Group			
Land			
ACL Cables PLC	31 March 2024	Mr J M Senanayaka Bandara	907,298
Kelani Cables PLC	31 March 2024	Mr J M Senanayaka Bandara	629,100
ACL Plastics PLC	31 March 2024	Mr J M Senanayaka Bandara	169,000
Ceylon Bulbs and Electricals Limited	31 March 2024	Mr J M Senanayaka Bandara	1,073,000
Ceylon Copper (Private) Limited	31 March 2024	Mr J M Senanayaka Bandara	61,702
ACL Electric (Private) Limited	31 March 2024	Mr J M Senanayaka Bandara	29,500
Buildings			
ACL Cables PLC	31 March 2024	Mr J M Senanayaka Bandara	1,063,540
Kelani Cables PLC	31 March 2024	Mr J M Senanayaka Bandara	414,546
ACL Plastics PLC	31 March 2024	Mr J M Senanayaka Bandara	154,500
ACL Metals & Alloys (Private) Limited	31 March 2024	Mr J M Senanayaka Bandara	134,895
Ceylon Copper (Private) Limited	31 March 2024	Mr J M Senanayaka Bandara	42,900
ACL Electric (Private) Limited	31 March 2024	Mr J M Senanayaka Bandara	85,500
Cable Solutions Ltd	31 March 2024	Mr J M Senanayaka Bandara	138,337

The lands and buildings were revalued on 31 March 2024 by an independent professional valuer Mr.Senanayake Bandara, a Fellow Member of the Institute of the Valuers of Sri Lanka. Fair value of the land and buildings is determined based on Level 2 and Level 3 inputs respectively.

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

Company	Valued on	31 March 2024			31 March 2023
		Cost	Accumulated depreciation	Net book value	Net book value
Land	31 March 2024	250,972	-	250,972	250,972
Building	31 March 2024	214,800	164,459	50,341	58,933

Group	Valued on	31 March 2024			31 March 2023
		Cost	Accumulated depreciation	Net book value	Net book value
Land					
ACL Cables PLC	31 March 2024	250,972	-	250,972	250,972
Kelani Cables PLC	31 March 2024	196,678	-	196,678	196,678
ACL Plastics PLC	31 March 2024	7,509	-	7,509	7,509
Ceylon Bulbs and Electricals Limited	31 March 2024	296	-	296	296
Ceylon Copper (Private) Limited	31 March 2024	25,199	-	25,199	25,199
ACL Electric (Private) Limited	31 March 2024	16,987	-	16,987	16,987
Buildings					
ACL Cables PLC	31 March 2024	214,800	164,459	50,341	58,933
Kelani Cables PLC	31 March 2024	136,842	91,243	45,599	55,333
ACL Plastics PLC	31 March 2024	35,313	21,188	14,125	15,538
Ceylon Bulbs and Electricals Limited	31 March 2024	1,625	1,625	-	-
ACL Metals & Alloys (Private) Limited	31 March 2024	59,803	24,923	34,880	37,272
Ceylon Copper (Private) Limited	31 March 2024	15,995	8,254	7,741	8,381
ACL Electric (Private) Limited	31 March 2024	59,843	24,923	34,920	37,272
Cable Solutions Limited	31 March 2024	294,983	93,135	201,848	217,091

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

Group	31 March	
	2024	2023
ACL Cables PLC	1,103,266	934,836
ACL Plastics PLC	127,920	127,800
ACL Polymers (Private) Limited	19,276	19,276
Kelani Cables PLC	669,613	647,898
Ceylon Bulbs & Electricals Limited	14,064	14,064
ACL Kelani Magnet Wire (Private) Limited	10,645	10,645
ACL Metals & Alloys (Private) Limited	96,382	54,516
Ceylon Copper Private Limited	49,704	48,529
Cable Solutions Limited	67,057	31,159

(f) Details of property, plant and equipment pledged as security for term loans obtained, are disclosed in Note 25.1

(g) There are no idle property, plant and equipment as at the reporting date.

(h) There are no restrictions that existed on the title of the property, plant and equipment of the Group / Company as at the reporting date.

(i) There is no capitalisation of borrowing cost relating to the acquisition of property, plant and equipment by the Group/ Company during the year. (2023 - Nil).

(j) The Board of Directors has assessed the potential impairment loss of property, plant and equipment as at 31 March 2024 of the Group and Company by considering the impact from the current economic condition as well. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of property, plant and equipment (2022/2023 - Nil).

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12 PROPERTY, PLANT AND EQUIPMENT (CONTD)

(g) The Details of Property, Plant & Equipment of the Group which are stated at valuation are Indicated Below.

Company	Location	Extent of the Land	No of buildings	Method of valuation and significant unobservable inputs	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
ACL Cables PLC	ACL Cables Factory Premises, Weliholuwa Road, Off Madapatha Road, Bataikaitara, Piliyandala.	11A-0R:30.11P 223,094 Sq.ft	15	Market Comparable method Depreciated replacement cost method	31-Mar-24	390,000 Per Perch 3,650 per sq.ft	1,512,838	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
	Part of ACL Cables Factory Premises, Weliholuwa Road, Off Madapatha road, Bataikaitara, Piliyandala.	1A-2R:26.72P 17,842 Sq.ft	7	Market Comparable method Depreciated replacement cost method	31-Mar-24	425,000 Per Perch 3,390 per sq.ft	174,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
	Posta No.376/4, (Close to ACL Cables Factory Premises) Weliholuwa Road, Off Madapatha Road Bataikaitara, Piliyandala.	1A-1R:7.52P 17,362 Sq.ft	4	Market Comparable method Depreciated replacement cost method	31-Mar-24	460,000 Per Perch 2,900 per sq.ft	193,000	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
	No.60, Rodney Street, Colombo 08	15,288 sq.ft	1				137,000	Building - Price per Sq.ft	
ACL Electric Pvt Ltd	Factory Premises of ACL Electric Pvt Ltd Padukka Road, Millawa Moragahahena	1A-2R:1.6P 14,960 Sq.ft	1	Market Comparable method Depreciated replacement cost method	31-Mar-24	19,500,000 Per acre 5,000 per sq.ft	115,000	Land - Price per acre	Positively correlated sensitivity
Ceylon Copper Pvt Ltd	Ceylon Copper Pvt Ltd Factory Premises, Weliholuwa Road, Off Madapatha Road, Bataikaitara, Piliyandala.	3R:38.21P 7,150 Sq.ft	-	Market Comparable method Depreciated cost replacement cost method	31-Mar-24	390,000 Per Perch 6,000 per sq.ft	104,602	Land - Price per perch Building - Price per Sq.ft	Positively correlated sensitivity
ACL Metals and Alloys Pvt Ltd	ACL Metals and Alloys Pvt Ltd Factory Premises, Weliholuwa Road, Off Madapatha Road, Bataikaitara, Piliyandala.	23,460 Sq.ft	1	Depreciated cost replacement cost method	31-Mar-24	5,750 Per Sq.ft	134,895	Building - Price per Sq.ft	Positively correlated sensitivity
Ceylon Bulbs and Electricals Limited	No.60, Rodney Street, Colombo 08	1A-2R:28.4P	11	Market Comparable method	31-Mar-24	4,000,000 Per Perch	1,073,000	Land - Price per perch	Positively correlated sensitivity

(g) The Details of Property, Plant & Equipment of the Group which are stated at valuation are Indicated Below.

Company	Location	Extent of the Land	No of buildings	Method of valuation and significant unobservable inputs	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
ACL Plastics PIC	No 52, 52/1, ACL Plastics factory premises Temple Road, Ekala, Ja ela	3A-OR-34P 36,579 Sq.ft	9	Market Comparable method Depreciated replacement cost method	31-Mar-24	47,000,000 Per Acre 3,880 per sq.ft	293,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
	Lot 10, Part of Siroatenwyk Estate, Suhada Mawatha Off Samagi Mawatha, Ekala, Ja ela	0A-OR-20P	-	Market Comparable method	31-Mar-24	575,000 Per Perch	11,500	Land - Price per perch	Positively correlated sensitivity
	Lot 1 - Part of OTS Idama, ACL Staff Quarters, Sand Piper Road, Nivasipura, Ekala - Kurunduwa,wa, Kolugoda, Jaela	0A-OR-10-19P 1,690 Sq.ft	1	Market Comparable method Depreciated replacement cost method	31-Mar-24	650,000 Per Perch 7,500 per Sq.ft	19,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
Kelani Cables PIC	Wewelduwa, Kelaniya	1,086.40 Perches 122,223 Sq.ft	19	Market Comparable method Depreciated replacement cost method	31-Mar-24	527,500 Per Perch 2,565 per Sq.ft	886,646	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity
	Land and building situated at Mahena Road, Siyambalpe South, Siyambalpe Wewelduwa, Kelaniya	172.8 Perches 35,583 Sq.ft	5	Market Comparable method Depreciated replacement cost method	31-Mar-24	324,000 Per Perch 2,800 per Sq.ft	157,000	Land - Price per acre Building - Price per Sq.ft	Positively correlated sensitivity

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13 CAPITAL WORK IN PROGRESS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	418,816	396,319	189,485	212,600
Cost incurred during the year	108,335	45,676	52,853	63
Amount transferred to property, plant and equipment (Note 12)	(242,338)	(23,179)	(242,338)	(23,179)
Balance at the end of the year	284,813	418,816	-	189,485

Capital work in progress of Group as at the reporting date included expenses incurred for building being constructed and machinery installation and Company included expenses for installation of solar power system which was completed and capitalized in the current financial year.

14 INVESTMENT PROPERTIES

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	1,302,000	1,229,400	580,000	539,400
Transfer from Property, Plant and Equipment (Note 12)	369,667	-	-	-
Gain from fair value remeasurement	71,333	72,600	27,000	40,600
Balance at the end of the year	1,743,000	1,302,000	607,000	580,000

During the year land and building of ACL Kelani Magnetwire Private Limited worth of Rs. 369 million was reclassified as investment property due to a change in use.

According to the valuation done by Mr. J. M. S Bandara, independent professional valuer, a Fellow Member of Institute of Valuers of Sri Lanka, the fair value of investment property of Group as at 31 March 2024 is Rs. 1,743 million (2023 - Rs. 1,302 million) and the fair value of investment property of Company is Rs. 607 million (2023 - Rs. 580 million).

(c) Details of land and buildings under investment property

Location	Extent	Carrying value
Kahathuduwa	13A. OR. 2.5P	187,500
Piliyandala	1A. OR. 32.8P	96,500
Piliyandala	0A. OR. 17P	12,500
Piliyandala	2A. 2R. 28.27P	193,000
Kalutara	2A. 3R. 1P	117,500
Total of the Company		607,000
Ekala	13A. OR. 2P	750,000
Ekala	3A. 2R. 5P	386,000
Total of the Group		1,743,000

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Rent income	3,754	3,335	3,754	3,335
Fair value gain recognised in other income	71,333	72,600	27,000	40,600
Direct operating expenses	192	670	-	-

Direct operating expenses arising from investment property of Kelani Cables PLC that did not generate rental income during the year was Rs. 192. (2023-Rs. 670)

(c) Investment Property Fair valuation method used in 2024

Fair value of the investment property is determined based on Level 2 inputs with the exceptions of the investment property situated in Kaluthara where the income approach had been used for which is level 3 input used. 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. Investment property situated in Kaluthara is valued based on rent income generated from the land rented. The valuer has considered discount rate of 12% and yield in perpetuity at 8% for the valuation as the significant inputs for the valuation.

Investment property and method of valuation	Range of estimates for unobservable inputs	Carrying value before revaluation of land	Revalued amount of land as at 31st March 2024	Fair value gain	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Kathuduwa - Market comparable method	11A-3R-18P @ Rs.14,250,000/- per acre and 1A-OR-24.5P @ Rs.16,000,000/- per acre	181,000	187,500	6,500	Price per acre for land	Positively correlated sensitivity
Piliyandala - Market comparable method	1A -OR -32.8P Rs.500,000/- per perch	92,500	96,500	4,000	Price per perch for land	Positively correlated sensitivity
Piliyandala - Market comparable method	0A - OR-17P @ Rs.600,000/- per perch 1,107 sq.ft @ 2,000 per sq.ft	12,000	12,500	500	" Price per perch for land Building - Price per Sq.ft "	Positively correlated sensitivity
Piliyandala - Market comparable method	2A -2R-28.27P Rs.440,000/- per perch	186,000	193,000	7,000	Price per perch for land	Positively correlated sensitivity
Kalutara - Income approach	2A - 3R - 1P Monthly rental of Rs. 929,250/-	108,500	117,500	9,000	Price per perch for land	Positively correlated sensitivity

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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 as at 31st March 2024	Fair value gain	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Ekala - Market comparable method	Rs.57,750,000/- per acre	722,000	750,000	28,000	Price per perch for land	Estimated fair value would increase/ (decrease) If; price per perch of land increase/ (decreases)

ACL Kelani Magnet Wire Pvt Ltd

Investment property and method of valuation	Range of estimates for unobservable inputs	Carrying value before revaluation of land	Revalued amount of land as at 31st March 2024	Fair value gain	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Ekala - Market comparable method	Rs.49,000,000/- per acre	369,666	386,000	16,334	Price per perch for land	Estimated fair value would increase/ (decrease) If; price per perch of land increase/ (decreases)

15 INTANGIBLE ASSETS

(a) Group

Cost	31 March 2024			31 March 2023		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	120,806	44,968	165,774	120,806	44,968	165,774
Balance at the end of the year	120,806	44,968	165,774	120,806	44,968	165,774
Accumulated amortisation						
Balance at the beginning of the year	52,525	44,968	97,493	52,525	44,968	97,493
Balance at the end of the year	52,525	44,968	97,493	52,525	44,968	97,493
Net book amount	68,281	-	68,281	68,281	-	68,281

(b) Company

Cost	31 March 2024			31 March 2023		
	Goodwill	Computer software	Total	Goodwill	Computer software	Total
Balance at the beginning of the year	-	32,217	32,217	-	32,217	32,217
Balance at the end of the year	-	32,217	32,217	-	32,217	32,217
Accumulated amortisation						
Balance at the beginning of the year	-	32,217	32,217	-	32,217	32,217
Balance at the end of the year	-	32,217	32,217	-	32,217	32,217
Net book amount	-	-	-	-	-	-

Goodwill arising on consolidation of subsidiaries is as follows;

Year	Subsidiary Company	Subsidiary Company
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 Limited	81,862
		120,806

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

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Impairment of goodwill

Goodwill represents the difference between the purchase consideration and the fair value of assets acquired as a result of the acquisition of shares of subsidiary companies.

The recoverable amount of all Cash Generating Units (CGUs) have been determined based on the fair value less cost to sell or Value In Use (VIU) calculation.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross Margins

The basis used to determine the value assigned to the budgeted gross margins, is the gross margins achieved in the year preceding the budgeted year adjusted for projected market conditions.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation is the inflation rate based on projected economic conditions.

Discount Rate

The discount rate used is the risk free pre-tax discount rate, adjusted by the addition of an appropriate risk premium.

Volume Growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to four years immediately subsequent to the budgeted year based on industry growth rates.

Cash flows beyond the five year period has been extrapolated using a zero growth rate.

In the light of current operational and economic conditions, the Group has reassessed the expected future business performance relating to cash generating units where the management has concluded that the recoverable value of CGUs exceed its carrying value. Hence, there is no impairment of goodwill as at the reporting date.

16 LEASE

This note provides information about leases where the Group is a lessee.

(i) Amounts recognised in the statement of financial position

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Right-of-use assets				
Land	14,436	19,461	-	-
Buildings	1,339	2,232	-	-
	15,775	21,693	-	-
Lease liabilities				
Current	9,745	8,461	-	-
Non current	8,127	17,870	-	-
	17,872	26,331	-	-

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

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Depreciation charge of right-of-use assets (Note 6)				
Land	6,146	6,180	-	-
Buildings	893	893	-	-
	7,039	7,073	-	-
Interest expense (Note 8)	2,780	3,690	-	-

The total cash outflow for leases in 2024 of the Group was Rs. 11,172 (Principal payments - Rs. 8,392, Interest payments - Rs. 2,780).

The total cash outflow for leases in 2023 of the Group was Rs. 14,456 (Principal payments - Rs. 10,76, Interest payments - Rs. 3,690).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments after the reporting date.

As at 31st March	2024	2023
Within 1 year	9,777	8,800
Between 1 and 2 years	8,095	9,963
Between 2 and 5 years	Nil	8,119
	17,872	26,882

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(all amounts in Sri Lanka Rupees thousands)

17 INVESTMENT IN SUBSIDIARIES

Company	31 March 2024			31 March 2023		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Quoted investments						
ACL Plastics PLC	2,746,969	33,300	1,078,872	2,746,969	33,300	1,076,812
Kelani Cables PLC	933,756	10,753	261,452	933,756	10,753	250,947
Total investment in quoted companies		44,053	1,340,324		44,053	1,327,759
Unquoted investments						
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 Limited	240,621,396	435,496		581,400	379,396	
Total investment in unquoted companies		1,059,691			1,003,591	
Total cost of investments in subsidiaries		1,103,744			1,047,644	

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

During the financial year 2023/24, Cable Solutions Limited, carried out 1:400 a share split to facilitate the initial public offering. Due to the share split, the no of shares owned by ACL Cables PLC increased up to 232,560,000. Further, ACL Cables PLC purchased 7,479,996 no of shares from the existing shareholders of Cable Solutions Limited.

Summarised financial information in respect of ACL Cables PLC's subsidiaries that have material non-controlling interest, reflecting amount before inter Company eliminations, is set out below.

The significant figures extracted from the financials of As at 31st March	Kelani Cables PLC		ACL Plastics PLC		Cable Solutions Ltd	
	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue	13,996,828	11,462,496	2,373,422	2,477,267	2,559,137	3,319,968
Profit before tax	2,427,025	3,535,610	574,681	870,652	221,811	645,373
Cash flows from operating activities	1,814,169	551,978	(28,660)	115,505	302,101	(138,523)
Cash flows from investing activities	(1,441,944)	(1,466,887)	111,318	80,003	(97,551)	(80,688)
Cash flows from financing activities	(295,012)	(296,024)	(63,188)	(240,455)	57,868	(47,245)
Non current assets	2,307,819	1,933,694	422,799	374,461	687,977	820,210
Current assets	11,780,113	9,618,392	3,046,940	2,726,735	1,683,606	1,643,409
Total assets	14,087,931	11,552,086	3,469,740	3,101,196	2,371,583	2,463,619
Non current liabilities	456,549	375,851	95,913	90,211	112,743	125,089
Current liabilities	2,487,955	1,861,837	118,139	194,252	754,035	622,022
Total Liabilities	2,944,504	2,237,688	214,052	284,463	866,778	747,110
Profit / (loss) attributable to NCI	356,363	577,626	158,577	220,966	71,950	262,980
Other Comprehensive income attributable to NCI	51,577	(6,435)	16,800	(8,809)	(8,626)	(885)
Non controlling interest %	20.70%	20.70%	34.80%	34.80%	47%	49%

Above figures have been extracted from the audited financial statements of Kelani Cables PLC, ACL Plastics PLC and Cable Solutions Limited for the year ended 31st March 2024.

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18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Investments accounted for using the equity method (at cost)	-	-	345,093	345,093
Balance at the beginning of the year	676,787	555,749	-	-
Share of profit [Note 18(a)]	121,587	134,395	-	-
Share of other comprehensive income [Note 18(a)]	(768)	1,112	-	-
Share of other comprehensive income related tax [Note 18(a)]	230	(334)	-	-
Share of dividend paid	(35,034)	(14,135)	-	-
Balance at the end of the year	762,802	676,787	345,093	345,093

As at the reporting date Company holds 28,033,101 ordinary shares (2023 - 28,033,101) 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	
	2024	2023
Share of profit	121,587	134,395
Amount recognised in the Statement of profit or loss	121,587	134,395
Other comprehensive (expense) / income for the year	(768)	1,112
Other comprehensive (expense) / income for the year related tax	230	(334)
Total comprehensive income for the year	121,049	135,173

(b) Summarised financial information of equity accounted investee

Revenue and profit		
Revenue	966,840	995,785
Profit after tax	373,883	413,269
Other comprehensive income	(1,654)	2,393
Total comprehensive income	372,229	415,662
Assets and liabilities		
Current Assets	645,464	1,232,081
Non current assets	5,576,691	5,035,824
Current Liabilities	1,347,731	1,922,465
Non current Liabilities	2,528,786	2,264,299
Net assets	2,345,638	2,081,141
Carrying amount of the investment	762,802	676,787

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

Quoted fair value of the investment in the associate	493,383	378,447
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Above figures have been extracted from the audited financial statements of Resus Energy PLC for the year ended 31st March 2024.

19 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Movement of financial assets measured at fair value through other comprehensive income

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	868,546	546,954	13,705	13,685
Fair value adjustment	14,828	321,592	3,244	20
	883,374	868,546	16,949	13,705

This is the investment done by Ceylon Copper Private Limited in Ethimale Plantations Private Limited and as at the reporting date Ceylon Copper Private Limited holds 16.84% of ordinary shares. (2022/23 - 16.84%)

Fair value of the investment is determined based on Level 2 inputs.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 2 fair value measurements.

Significant unobservable valuation inputs	Range of estimates for unobservable inputs	Fair value (Rs.)		Relationship of unobservable inputs to fair value
		31-Mar-24	31-Mar-23	
Price to book value of similar listed entities	0.45 - 2.77	817,155	811,612	Positively correlated

Valuation process

The management determines the fair value of the investment based on Level 2 inputs. The key unobservable input of the valuation is the price to book value of similar listed entities as at 31 March 2024. The management considers the average price to book values of few similar entities that engage in agriculture related business in estimating the fair valuing the investment.

(b) Company

Company	31 March 2024			31 March 2023		
	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	94	18,379	1,546	62
Nations Trust Bank PLC	22,222	450	2,389	21,772	450	1,393
Telecommunication						
Dialog Axiata PLC	390,000	4,143	4,563	390,000	4,143	4,056
Diversified holdings						
John Keells Holdings PLC	25,856	1,430	5,016	25,856	1,430	3,620
Ambeon Holdings PLC	130,700	13,250	4,888	130,700	13,250	4,575
Total investments by the Company		20,819	16,949		20,819	13,705

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(c) Group

Company	31 March 2024			31 March 2023		
	Number of shares	Cost	Market value	Number of shares	Cost	Market value
Quoted investments						
Banking finance and insurance						
Nations Trust Bank PLC	30,855	512	3,317	28,499	512	1,935
DFCC Bank	13	2	1	13	2	1
People's Insurance PLC	585,500	8,782	13,467	585,500	8,782	12,705
Plantation						
Maskeliya Plantations PLC	8,200	375	262	8,200	375	299
Kotagala Plantations PLC	45,000	477	279	45,000	477	275
Diversified holdings						
Hayleys PLC	389,070	2,953	31,943	389,070	2,953	28,013
Unquoted investments						
Plantation						
Ethimale Plantations (Pvt) Ltd	681,315	484,171	817,155	681,315	484,171	811,612
Total investments by subsidiaries		497,272	866,423		497,272	854,839
Total investments by Group		518,091	883,374		518,091	868,546

(d) The Group and the Company designated above instruments as financial assets measured at fair value through OCI because the Group intend to hold these instruments for strategic purposes.

20 INVENTORIES

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Raw materials	4,033,612	4,672,727	2,564,756	2,563,936
Work-in-progress	1,761,563	1,631,780	915,565	947,794
Finished goods	5,373,072	5,347,638	3,111,227	3,274,076
Goods in transit	160,912	12,328	-	-
Other stocks	410,764	391,134	175,679	160,677
	11,739,923	12,055,607	6,767,227	6,946,483
Provision for obsolete stock [20(a)]	(412,714)	(335,751)	(120,596)	(120,596)
Net book amount	11,327,209	11,719,856	6,646,631	6,825,887

(a) Provision for obsolete stock

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	335,751	308,253	120,596	96,226
Provision charge during the year	76,963	27,497	-	24,370
Balance at the end of the year	412,714	335,751	120,596	120,596

Details of inventories have been pledged as security for borrowings are given in Note 25.1.

21 TRADE AND OTHER RECEIVABLES

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Trade receivables	3,941,811	4,342,198	2,231,931	2,594,857
Provision for impairment of trade receivables [Note 21(a)]	(665,439)	(857,243)	(470,414)	(591,393)
Trade receivables - net	3,276,372	3,484,955	1,761,517	2,003,465
Receivables from related companies [Note 39.14(c)]	-	-	393,759	91,163
Loans receivable from related companies [Note 39.14(c)]	-	-	20,000	32,075
Advances and prepayments	913,786	590,137	351,701	22,396
Other receivables	2,361,677	2,422,980	1,400,045	1,498,220
	6,551,835	6,498,073	3,927,022	3,647,319

Value of book debts of ACL Cables PLC and Kelani Cables PLC have been pledged as security to obtain bank facilities are disclosed in Note 25.1.

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

Other receivables of the Group and Company includes statutory receivables and interest receivables.

(a) Impairment of trade and other receivables

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	857,243	939,753	591,393	619,169
Provision (reversal) / charge for the year	(131,258)	(71,766)	(60,433)	(17,032)
Debtors written off	(60,546)	(10,744)	(60,546)	(10,744)
Balance at the end of the year	665,439	857,243	470,414	591,393

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	-	-	-	-
Investment in Financial assets at fair value through Profit or Loss	1,586,342	-	500,000	-
Cash proceeds from realization of financial assets at fair value through profit or loss	-	-	-	-
Fair gain on Financial assets at fair value through profit or loss	46,236	-	18,971	-
Balance at the end of the year	1,632,578	-	518,971	-

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23 CASH AND CASH EQUIVALENTS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Cash at bank	8,755,602	8,931,266	1,704,777	2,937,041
Cash in hand	4,015	1,698	451	452
	8,759,617	8,932,964	1,705,228	2,937,493

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	
	2024	2023	2024	2023
Cash at bank and in hand	8,759,617	8,932,964	1,705,228	2,937,493
Bank overdraft (Note 25)	(69,273)	(888,248)	(5,259)	(587,985)
	8,690,344	8,044,714	1,699,969	2,349,508

24 TRADE AND OTHER PAYABLES

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Trade payables	805,070	330,289	330,100	166,710
Payables to related parties [Note 39.14 (a)]	29,543	6,548	1,526,581	1,371,050
Loans due to related parties [Note 39.14 (d)]	-	-	813,720	968,280
Accrued expenses and other payable	894,753	563,379	349,377	213,215
	1,729,366	900,216	3,019,778	2,719,254

The carrying amount of trade payables is considered to be the same as its fair value, due to its short-term nature. Accrued expenses and other payables of the Group and Company includes statutory payables, unclaimed dividends and accrued expenses.

25 BORROWINGS

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Long term borrowings (Note 25.1)				
Amount payable after one year	335,241	705,712	230,156	454,874
	335,241	705,712	230,156	454,874
Short term borrowings (Note 25.1)				
Amount payable within one year	1,500,086	2,687,318	1,000,000	2,255,780
Bank overdraft	69,273	888,248	5,259	587,985
	1,569,359	3,575,566	1,005,259	2,843,764
Total borrowings	1,904,600	4,281,278	1,235,415	3,298,638

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.

25.1 Borrowings excluding bank overdrafts

(a) Analysed by lenders

Group

Lender	Interest Rate	31 March		Security	Amount (Rs.Mn)
		2024	2023		
State Bank of India	Linked to AWPLR	93,318	173,322	Land	
DFCC	7.25%	106,838	131,493	Movable Machinery	LKR 250
Peoples Bank	5.5%	30,000	186,000	No assets pledged	
DFCC		35,460	96,500	Stocks and book debts	
Sampath Bank		69,625	118,339	Machinery and equipment	
National Development Bank	9.14%	-	59	No assets pledged	
Total long-term borrowings		335,241	705,712		
Standard Chartered Bank	Linked to AWPLR	301,180	1,047,638	Stocks and book debts	USD 1.5
Hatton National Bank PLC	Linked to AWPLR	1,000,000	995,000	Demand promissory note	LKR 1500
Nations Trust Bank PLC	Linked to AWPLR	-	225,000	Stocks and Book Debts	
DFCC	Linked to AWPLR	46,382	30,105	Machinery and solar panels	USD 0.12 USD 0.13
DFCC	Linked to AWPLR	10,638	10,638	Movable property	USD 0.33
Peoples Bank		36,000	144,000	No assets pledged	
Sampath Bank		3,725	82,256	No assets pledged	
Bank of Ceylon	Linked to AWPLR	-	34,854	No assets pledged	
Vario systems (Pvt) Ltd		101,728	117,827	No assets pledged	
National Development Bank	9.14%	433	-	No assets pledged	
Total short-term borrowings		1,500,086	2,687,318		
Total borrowings		1,835,327	3,393,031		

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Company

Lender	Interest Rate	31 March		Security	Amount (Rs.Mn)
		2024	2023		
DFCC	7.25%	106,838	131,493	Movable Machinery	LKR 250
Peoples Bank	5.50%	30,000	150,000	No assets pledged	
National Development Bank		-	59	No assets pledged	
State Bank of India	Linked to AWPLR	93,318	173,322	Land	
Total long-term borrowings		230,156	454,874		
Standard Chartered Bank	Linked to AWPLR	-	956,000	Lien over call account funds	USD 0.6
Hatton National Bank PLC	Linked to AWPLR	1,000,000	995,000	Demand promissory note	LKR 1500
Nations Trust Bank PLC	Linked to AWPLR	-	225,000	Stocks and book debts	
Sampath Bank PLC	Linked to AWPLR	-	79,780	Land	
Total short-term borrowings		1,000,000	2,255,780		
Total borrowings		1,230,156	2,710,654		

26 CURRENT INCOME TAX LIABILITIES

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	2,322,662	1,299,597	999,526	451,336
Provision for the current year (Note 9)	1,375,789	2,055,391	373,259	714,691
Over provision in respect of prior years	(191,949)	(38,714)	(154,787)	7,588
Foreign currency translation adjustment	19,301	(15,067)	-	-
Payments made during the year, set off against refunds and tax credits	(1,439,615)	(978,545)	(181,535)	(174,088)
Balance at the end of the year	2,086,188	2,322,662	1,036,463	999,526

27 DEFINED BENEFIT OBLIGATIONS

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	387,306	285,467	187,647	130,727
Current service cost	51,983	23,464	33,776	9,362
Interest cost	48,609	45,392	13,376	21,178
Actuarial (gain)/ loss for the year	(2,371)	57,355	(3,109)	42,254
	485,526	411,678	231,690	203,520
Benefits paid during the year	(30,509)	(29,090)	(14,792)	(15,873)
Foreign currency translation adjustment	-	4,718	-	-
Balance at the end of the year	455,017	387,306	216,898	187,647

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Current service cost	51,983	23,464	33,776	9,362
Interest cost	48,609	45,392	13,376	21,178
Recognised in Statement of profit or loss (Note 07)	100,592	68,856	47,152	30,540

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Actuarial (gain)/loss during the year	(2,371)	57,355	(3,109)	42,254
Recognised in statement of comprehensive income	(2,371)	57,355	(3,109)	42,254

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 2024, the defined benefit obligation 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	
	2024	2023
Discount rate	12.75%	18.0%
Salary increment rate	15.0%	15.0%
Retirement age	60 years	60 years

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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 defined benefit obligation.

- (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 defined benefit obligation for the year.

	2024				
	Change in one percentage point	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	(20,797)	20,797	(12,955)	12,955
	-1	23,138	(23,138)	14,509	(14,509)
Future salary increment rate	+1	23,451	(23,451)	15,028	(15,028)
	-1	(21,363)	21,363	(13,615)	13,615

	2023				
	Change in one percentage point	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	(11,205)	11,205	(13,074)	13,074
	-1	36,630	(36,630)	14,804	(14,804)
Future salary increment rate	+1	37,969	(37,969)	15,331	(15,331)
	-1	(13,129)	13,129	(13,720)	13,720

- (f) The expected maturity analysis of discounted 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 2024					
Defined benefit obligation	73,945	65,331	135,619	180,122	455,017
Total	73,945	65,331	135,619	180,122	455,017
31 March 2023					
Defined benefit obligation	54,362	45,425	102,224	188,212	387,306
Total	54,362	45,425	102,224	188,212	387,306

Company	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Defined benefit obligation	28,317	13,900	73,292	101,389	216,898
Total	28,317	13,900	73,292	101,389	216,898
31 March 2023					
Defined benefit obligation	20,787	7,760	50,471	108,628	187,646
Total	20,787	7,760	50,471	108,628	187,646

28 DEFERRED INCOME TAX LIABILITIES

Deferred income taxes are calculated on temporary differences under the liability method using a principal tax rate of 30% (2022/23 - 30%),

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

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	735,148	409,981	293,720	195,633
Origination of temporary differences recognised in Statement of profit or loss	237	130,372	19,650	48,504
Origination of temporary differences recognised in other comprehensive income	333,300	194,795	127,223	49,582
Balance at the end of the year	1,068,685	735,148	440,593	293,720

(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	
	2024	2023	2024	2023
Balance at the beginning of the year	1,263,900	731,969	563,609	347,935
Origination of temporary differences recognised in Statement of profit or loss	35,150	318,937	1,115	153,416
Effect on surplus on revaluation of land and buildings recognised in other comprehensive income	329,045	-	126,291	-
Currency translation difference	-	(5,028)	-	-
Effect on change in tax rates recognised in other comprehensive income	-	119,790	-	62,258
Effect on fair valuation of Financial assets at FVOCI recognised in other comprehensive income	3,475	98,232	-	-
Balance at the end of the year	1,631,570	1,263,900	691,015	563,609

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(ii) Movement in deferred income tax asset

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	(528,751)	(321,988)	(269,890)	(152,302)
(Reversal)/ origination of temporary differences recognised in Statement of profit or loss	(34,913)	(188,565)	18,535	(104,912)
Origination/(reversal) of temporary differences recognised in other comprehensive income	779	(18,198)	933	(12,676)
Balance at the end of the year	(562,885)	(528,751)	(250,422)	(269,890)
Deferred income tax liabilities - net	1,068,685	735,148	440,593	293,720

Deferred tax related to fair value re-measurement of financial assets measured 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. No deferred tax recognized for Financial assets measured at fair value through OCI.

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	
	2024	2023	2024	2023
Property, plant and equipment	1,170,501	943,898	588,724	475,109
Investment property	353,268	221,100	96,600	88,500
Financial assets at fair value through profit or loss	5,691	-	5,691	-
Financial assets at fair value through OCI	101,707	98,232	-	-
Right-of-use assets	403	670	-	-
	1,631,570	1,263,900	691,015	563,609

(ii) Composition of deferred income tax asset

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Defined benefit obligations	(132,842)	(113,411)	(65,069)	(56,294)
Lease liabilities	(569)	(873)	-	-
Provision for impairment of inventories	(123,035)	(102,380)	(36,179)	(36,179)
Provision for impairment of trade receivables	(198,037)	(255,797)	(141,124)	(177,418)
Unrealised exchange differences	(53,524)	-	(8,050)	-
Provision for payment in lieu of employee share issue scheme	-	(285)	-	-
Tax losses carried forward	(54,878)	(56,006)	-	-
	(562,885)	(528,751)	(250,422)	(269,890)

29 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Financial instruments

Group	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
31 March 2024				
Assets as per the statement of financial position				
Financial assets measured at fair value through other comprehensive income (Note 19)	-	-	883,374	883,374
Trade and other receivables (Note 21) (excluding pre-payments and advances)	-	5,638,049	-	5,638,049
Financial assets measured at fair value through profit or loss (Note 22)	1,632,578	-	-	1,632,578
Cash and bank balances (Note 23)	-	8,759,617	-	8,759,617
	1,632,578	14,397,666	883,374	16,913,618

	Financial liabilities measured at amortised cost	Total
31 March 2024		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities) (Note 24)	1,624,154	1,624,154
Lease liabilities (Note 16)	17,872	17,872
Other borrowed funds (Note 25)	1,904,600	1,904,600
	3,546,626	3,546,626

Company	Financial assets measured at fair value through profit or loss	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
31 March 2024				
Financial assets measured at Fair value through other comprehensive income (Note 19)	-	-	16,949	16,949
Trade and other receivables (excluding pre-payments and advances) (Note 21)	-	3,575,321	-	3,575,321
Financial assets measured at fair value through profit or loss (Note 22)	518,971	-	-	518,971
Cash and bank balances (Note 23)	-	1,705,228	-	1,705,228
	518,971	5,280,549	16,949	5,816,469

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	Financial liabilities measured at amortised cost	Total
31 March 2024		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities) (Note 24)	2,983,043	2,983,043
Other borrowed funds (Note 25)	1,235,414	1,235,414
	4,218,457	4,218,457

Group	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
31 March 2023			
Assets as per the statement of financial position			
Financial assets measured at Fair value through other comprehensive income (Note 19)	-	868,546	868,546
Trade and other receivables (excluding pre-payments and advances) (Note 21)	5,907,935	-	5,907,935
Cash and bank balances (Note 23)	8,932,964	-	8,932,964
	14,840,899	868,546	15,709,444

	Financial liabilities measured at amortised cost	Total
31 March 2023		
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities) (Note 24)	876,553	876,553
Lease liabilities (Note 16)	26,331	26,331
Other borrowed funds (Note 25)	4,281,278	4,281,278
	5,184,161	5,184,161

Company	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Total
31 March 2023			
Assets as per the statement of financial position			
Financial assets measured at Fair value through other comprehensive income (Note 19)	-	13,705	13,705
Trade and other receivables (excluding pre-payments and advances) (Note 21)	3,624,923	-	3,624,923
Cash and bank balances (Note 23)	2,937,493	-	2,937,493
	6,562,416	13,705	6,576,121

31 March 2023	Financial liabilities measured at amortised cost	Total
Liabilities as per the statement of financial position		
Trade and other payables (excluding statutory liabilities) (Note 24)	2,706,859	2,706,859
Other borrowed funds (Note 25)	3,298,638	3,298,638
	6,005,497	6,005,497

(b) Credit quality by class of financial assets

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

31 March 2024	Group				Company			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Trade and other receivables (excluding pre-payments and advances)	4,234,747	737,863	665,439	5,638,049	2,933,204	171,703	470,414	3,575,321
Cash and bank balances	8,759,617	-	-	8,759,617	1,705,228	-	-	1,705,228
	12,994,364	737,863	665,439	14,397,666	4,638,432	171,703	470,414	5,280,549

31 March 2023	Group				Company			
	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
Trade and other receivables (excluding pre-payments and advances)	3,488,354	1,562,338	857,243	5,907,935	1,623,600	1,409,930	591,393	3,624,923
Cash and bank balances	8,932,964	-	-	8,932,964	2,937,493	-	-	2,937,493
	12,421,318	1,562,338	857,243	14,840,899	4,561,093	1,409,930	591,393	6,562,416

Financial assets at fair value through profit or loss (Note 22)

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
BB(lka)	1,632,578	-	518,971	-
	1,632,578	-	518,971	-

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Cash at bank and short-term bank deposits (Note 23)

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
AAA(lka)'	973,371	1,397,703	496,192	996,935
A(lka)'	7,606,574	7,072,303	1,202,255	1,901,607
A-(lka)'	175,342	449,018	6,015	27,499
BBB-(lka)'	315	11,000	315	11,000
CC(lka)'	-	1,240	-	-
Total	8,755,602	8,931,266	1,704,777	2,937,041

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. On the date of 16th March 2022, the decision of the court of Appeal was made in favour of the Company.
- (b) The Company has issued corporate guarantees to secure the banking facilities obtained by the following Companies from Standard Chartered Bank.
- ACL Metals and Alloys (Private) Limited amounting LKR. 1,500 million
 - ACL Electric (Private) Limited amounting to LKR 500 million
 - Ceylon Copper (Private) Limited amounting to LKR 1,900 million
- (c) Bank guarantees amounting to LKR 299.66 million have been given to third parties as at 31 March 2024. (2023 - LKR 66 million)

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. 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 25 million have been given to suppliers as at 31 March 2024. (2023- 25 million)

(b) **ACL Polymers (Private) 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 58.7 million have been given to third parties as at 31 March 2024. (2023 - 294 million)

(d) **ACL Plastics PLC**

Bank guarantees amounting to LKR 15 million have been given to the suppliers as at 31 March 2024. (2023 -15 million)

31 COMMITMENTS

Financial commitments

Company

(a) **Letter of Credits**

The Company has LKR 275.36 million commitment on Letter of Credits as at 31 March 2024. (2023 - Nil)

There were no other material commitments outstanding as at 31 March 2024. (2023- Nil)

Group

(a) **Kelani Cables PLC**

Kelani Cables PLC has no commitment on Letter of Credits as at 31 March 2024. (2023- 50 million)

(b) **ACL Plastics PLC**

ACL Plastics PLC has LKR 52 million commitment on Letter of Credits as at 31 March 2024. (2023 - Nil)

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

ACL Metals and Alloys (Private) Limited has no commitment on Letter of Credits as at 31 March 2024. (2023 - Nil)

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

ACL Electric (Private) Limited has no commitment on Letter of Credits as at 31 March 2024. (2023- Nil)

Capital commitments

(a) **Company and Group**

There were no material capital commitments outstanding at the reporting date. (2023- Nil)

32 STATED CAPITAL

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Number of ordinary shares issued and fully paid				
Balance at the end of the year	239,574,720	239,574,720	239,574,720	239,574,720
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

The ordinary shares of ACL Cables PLC are quoted on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible for one vote per share at General Meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

33 REVALUATION RESERVE

(a) Nature and purpose of Revaluation reserve

The Revaluation reserve is used to record increments and decrements on the revaluation of the property, plant and equipment. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	2,844,283	2,968,432	1,356,425	1,418,683
Revaluation surplus	995,262	-	420,969	-
Deferred tax on revaluation surplus	(329,045)	-	(126,291)	-
Deffered tax on effect of change in tax rates	-	(119,790)	-	(62,258)
Transfer to retained earnings from revaluation reserve	(5,444)	(4,358)	-	-
Balance at the end of the year	3,505,056	2,844,283	1,651,103	1,356,425

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

	Group 31 March	
	2024	2023
Capital redemption reserve fund	4,435	4,435
Surplus on revaluation of property, plant and equipment	3,500,621	2,839,849
	3,505,056	2,844,283

34 GENERAL RESERVE

(a) Nature and purpose of 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	
	2024	2023	2024	2023
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 MEASURED AT FVOCI

(a) Nature and purpose of General reserve

The Group has recognised changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the fair value through other comprehensive income reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	251,540	26,138	3,873	3,853
Fair value adjustment for financial assets at fair value through other comprehensive (Note 19)	12,726	323,634	3,244	20
Deferred tax on the fair value adjustment for financial assets at fair value through other comprehensive income (Note 28b(ii))	(3,475)	(98,232)	-	-
Balance at the end of the year	260,791	251,540	7,117	3,873

36 FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the Financial statements of foreign operations.

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Balance at the beginning of the year	231,794	(72,198)	-	-
Currency translation difference	(111,078)	303,992	-	-
Balance at the end of the year	120,716	231,794	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

37 CASH FLOW INFORMATION

(a) Cash generated from operations

Reconciliation of profit before tax to cash generated from operations:

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Profit before tax	4,662,927	9,165,077	1,632,266	3,179,197
Adjustments for:				
Depreciation of property, plant and equipments (Note 12)	347,206	400,805	126,582	144,305
Depreciation of right-of-use assets (Note 16)	7,039	7,061	-	-
Share of profit from equity accounted investee, net of tax [Note 18(a)]	(121,587)	(134,395)	-	-
Cash dividend from equity investee (Note 18)	35,034	14,135	-	-
Dividend income (Note 5)	(2,353)	(89,426)	(223,832)	(205,949)
Interest expense (Note 8)	1,013,436	1,393,726	607,712	1,274,594
Interest income (Note 8)	(689,058)	(1,345,407)	(104,764)	(445,955)
Profit on disposal of property, plant and equipment (Note 5)	(5)	(13,293)	-	-
Fair value adjustment to Financial assets at Fair value through profit or loss (Note 22)	(46,236)		(18,971)	-
Fair value adjustment to investment properties (Note 14)	(71,333)	(72,600)	(27,000)	(40,600)
Defined benefit obligations [Note 26(b)]	100,592	68,856	47,153	30,540
Changes in working capital:				
(Increase)/decrease in inventories	392,647	(2,373,117)	179,256	(2,714,678)
(Increase)/decrease in receivables and prepayments	(53,763)	1,868,540	(279,703)	1,646,953
Increase/(decrease) in trade and other payables	829,146	(4,184,905)	300,524	(52,732)
Effect of movements in exchange rates	(157,777)	255,994	-	-
Cash generated from operations	(6,245,920)	4,961,050	2,239,224	2,815,674

(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	
	2024	2023	2024	2023
Net debt				
Cash and cash equivalents (Note 23)	8,759,617	8,932,964	1,705,228	2,937,493
Financial assets at fair value through Profit or Loss (Note 22)	1,632,578	-	518,971	-
Borrowings – repayable within one year (including overdraft)	1,569,360	3,575,566	1,005,259	2,843,764
Borrowings – repayable after one year	335,241	705,712	230,156	454,874
Lease liabilities	17,872	26,331	-	-
Net debt	8,469,722	4,625,355	988,785	(361,145)
Cash and liquid investments	10,392,195	8,932,964	2,224,199	2,937,493
Gross debt – variable interest rates	1,922,473	4,307,609	1,235,414	3,298,638
Net debt	8,469,722	4,625,355	988,785	(361,145)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

38 SEGMENT INFORMATION

(a) Business Segment information

	Manufacturing cables	Manufacturing PVC compound	Others		2023
	2024	2024	2024	2024	
Total revenue	30,445,061	2,373,422	980,965	33,799,448	36,374,831
Inter-segment sales	(1,281,669)	(2,340,485)	(980,965)	(4,603,119)	(6,228,005)
External sales	29,163,392	32,937	-	29,196,329	30,146,826
Results					
Profit before other income and finance cost	3,870,508	521,857	224,354	4,616,718	8,606,767
Other income	180,209	2,082	20,473	202,764	472,233
Finance cost	(289,517)	50,743	(39,368)	(278,142)	(48,319)
Share of profit of equity accounted investee and gain on bargain purchase (power and energy)	-	-	-	121,587	134,395
Taxation	(1,052,510)	(119,001)	(45,595)	(1,217,107)	(2,152,537)
Profit after taxation	2,708,690	455,680	159,864	3,445,820	7,012,540
Assets					
Segment assets	31,997,232	1,973,018	3,223,570	37,193,821	35,171,022
Unallocated corporate assets				1,074,413	940,188
Total assets				38,268,233	36,111,210
Liabilities					
Segment liabilities	6,705,183	208,564	337,697	7,251,444	8,626,923
Unallocated corporate liabilities				10,284	26,018
Total liabilities				7,261,728	8,652,941
Capital expenditure					
Segment capital expenditure	249,793	14	59	249,867	254,422
Total capital expenditure				249,867	254,422
Depreciation and amortisation					
Segment depreciation and amortisation	304,223	17,474	25,509	347,206	400,805
Total depreciation and amortisation				347,206	400,805

(b) Geographical segment information

Geographical segment turnover is given in Note 4.

Ceylon Electricity Board accounts for more than 20% of sales from both the Group and the Company's total turnover.

39 DIRECTORS' INTERESTS IN CONTRACTS AND RELATED PARTY TRANSACTIONS

- 39.1** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company, are also Directors of ACL Plastics PLC which is a 65.2% owned subsidiary of ACL Cables PLC.
- 39.2** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs. N.C. Madanayake who are Directors of the Company are also the Directors of Lanka Olex Cables (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 39.3** Mr. U.G. Madanayake, Mr. Suren Madanayake and Mrs.N.C.Madanayake who are Directors of the Company are also the Directors of Kelani Cables PLC which is a 79.3% owned subsidiary of ACL Cables PLC .
- 39.4** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Kelani Magnet Wire (Private) Limited which is a 93.79% owned subsidiary of ACL Cables PLC.
- 39.5** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Metals and Alloys (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 39.6** Mr. U.G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Polymers (Private) Limited which is a 65.2% owned subsidiary of ACL Cables PLC.
- 39.7** Mr U.G. Madanayake, Mr. Suren Madanayake and Mrs N. C. Madanayake who are Directors of the Company are also the Directors of Ceylon Bulbs and Electricals Limited which is a 95.3% owned subsidiary of ACL Cables PLC.
- 39.8** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Ceylon Copper (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 39.9** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of ACL Electric (Private) Limited which is a 100% owned subsidiary of ACL Cables PLC.
- 39.10** Mr. U. G. Madanayake and Mr. Suren Madanayake who are Directors of the Company are also the Directors of Cable Solutions Limited which is a 52.64% owned subsidiary of ACL Cables PLC.
- 39.11** Mr. Suren Madanayake who is a Director of the Company is also a Director of S M Lighting (Private) Limited.
- 39.12** 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.
- 39.13** The Company had the following business transactions in the ordinary course of business during the year :

(a) **Sale of goods and services (inclusive of taxes)**

	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	992,745	307,243
ACL Metals and Alloys (Private) Limited	Subsidiary	-	2,261
ACL Plastics PLC	Subsidiary	8,275	3,766
Ceylon Copper (Private) Limited	Subsidiary	-	60,982
Cable Solutions Limited	Subsidiary	55,482	21,878
ACL Electric (Private) Limited	Subsidiary	421	9
		1,056,923	396,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

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

	Relationship	Company 31 March	
		2024	2023
ACL Plastics PLC	Subsidiary	1,556,686	1,581,362
Kelani Cables PLC	Subsidiary	113,623	92,238
Ceylon Bulbs and Electricals Limited	Subsidiary	1,200	1,200
ACL Metals and Alloys (Private) Limited	Subsidiary	125,869	224,202
Ceylon Copper (Private) Limited	Subsidiary	448,833	2,040,516
Cable Solutions Limited	Subsidiary	33,370	24,647
ACL Electric (Private) Limited	Subsidiary	510,116	1,490,838
		2,789,698	5,455,867

(c) Interest on loans from related parties

	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	62,169	136,103
ACL Metals and Alloys (Private) Limited	Subsidiary	-	44,184
ACL Polymers (Private) Limited	Subsidiary	8,827	9,225
ACL Plastics PLC	Subsidiary	71,896	-
		142,892	189,511

(d) Interest on loans to related parties

	Relationship	Company 31 March	
		2024	2023
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	4,589	-
		4,589	-

(e) Dividends received from related parties

	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	5,159	6,069
Lanka Olex Cables (Private) Limited	Subsidiary	89,725	80,000
ACL Plastics PLC	Subsidiary	35,319	35,717
Cable Solutions Limited	Subsidiary	58,323	69,097
		188,527	190,884

(f) There were no dividend payments to related parties during the year ended 31 March 2024.

(g) Key management compensation

	Group 31 March		Company 31 March	
	2024	2023	2024	2023
Short-term benefits	125,568	105,933	94,701	80,431
Post employment benefits	-	-	-	-
	125,568	105,933	94,701	80,431

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

(a) Payable to related parties

Company	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	95,595	55,071
ACL Metals and Alloys (Private) Limited	Subsidiary	499,947	479,094
ACL Plastics PLC	Subsidiary	506,298	395,661
Ceylon Copper (Private) Limited	Subsidiary	95,601	39,218
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	-	212
ACL Polymers Private Limited	Subsidiary	23,210	14,392
Ceylon Bulbs and Electricals Limited	Subsidiary	48	-
ACL Electric (Private) Limited	Subsidiary	305,882	387,403
		1,526,581	1,371,050

Group	Relationship	Group 31 March	
		2024	2023
S M Lighting (Private) Limited	Related through KMP	29,543	6,548

(b) Receivable from related parties

Company	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	283,731	25,092
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	57,335	50,591
Ceylon Bulbs and Electricals Limited	Subsidiary	-	425
ACL Metals and Alloys (Private) Limited	Subsidiary	2	2
ACL Electric (Private) Limited	Subsidiary	265	322
ACL Plastics PLC	Subsidiary	5,429	250
Lanka Olex Cables (Private) Limited	Subsidiary	9,772	10,366
Cables Solutions Limited	Subsidiary	37,224	4,114
		393,759	91,163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(all amounts in Sri Lanka Rupees thousands)

(c) Loans recoverable

	Relationship	Company 31 March	
		2024	2023
ACL Kelani Magnet Wire (Private) Limited	Subsidiary	20,000	32,075
		20,000	32,075

(d) Loans Payable

	Relationship	Company 31 March	
		2024	2023
Kelani Cables PLC	Subsidiary	250,000	475,686
ACL Plastics PLC	Subsidiary	450,000	450,000
ACL Polymers (Private) Limited	Subsidiary	113,720	42,000
Lanka Olex Cables (Private) Limited	Subsidiary	-	594
		813,720	968,280

There were no other related parties or related party transactions during the year ended 31 March 2024 other than those disclosed above.

39.15 Interest in related entities

(a) Material Subsidiaries

The Group's principal subsidiaries at 31 March 2024 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 Business	Ownership interest held by the Group		Ownership interest held by non-controlling interest	
		2024	2023	2024	2023
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 Limited	Colombo	52.64%	51%	47.36%	49%

(b) Interest in associates

Set out below is the associate of the Group as at 31 March 2024 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 Business	Ownership interest held by the Group		Carrying amount	
		2024	2023	2024	2023
RESUS Energy PLC	Colombo	32.52%	32.52%	762,802	676,787

39.16 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.

40 Going concern

The Group has prepared the financial statements for the year ended 31 March 2024 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group companies in determining the going concern basis for the preparation of financial statements. The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group. Therefore, the Board is of the view that the Financial Statements for the year ended 31 March 2024 should be prepared and presented as a going concern.

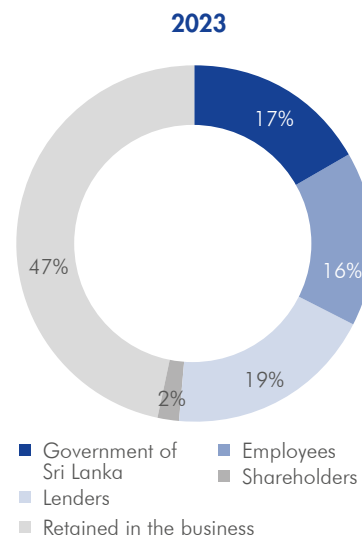
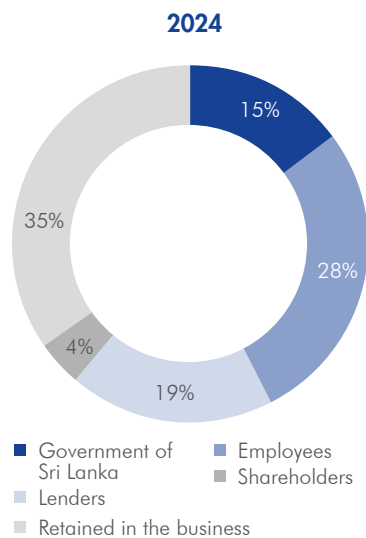
41 Events subsequent to the reporting date

No circumstances have arisen since the reporting date which would require adjustments or disclosures in the Financial Statements other than disclose below,

Cable Solutions Ltd has announced an initial public offer by way of a combination an offer for subscription and offer for sale on the dirisavi board of the CSE, on 14 June 2024. The issue was opened on 23 July 2024 and it was oversubscribed.

STATEMENT OF VALUE ADDED- GROUP

		2024		2023
		Rs. '000		Rs. '000
Total Revenue		29,196,329		30,146,826
Other Operating & interest income		1,059,645		1,952,035
		30,255,974		32,098,861
Cost of material and services bought in		(21,880,993)		(19,056,124)
Total value added by the Group		8,374,980		13,042,737
Value added shared with				
Government of Sri Lanka	15%	1,217,107	17%	2,152,537
(Taxes)				
Employees	28%	2,344,382	16%	2,076,070
(Salaries and other costs)				
Lenders	19%	1,600,824	19%	2,454,566
(Interest on loan capital & minority interest)				
Shareholders	4%	299,468	2%	239,575
(Dividends)				
Retained in the business	35%	2,913,199	47%	6,119,989
(Depreciation & retained profits)				
	100%	8,374,980	100%	13,042,737



INFORMATION OF SHAREHOLDERS

(a) Distribution of shareholders as at 31 March 2024

Share range	Number of Shareholders	Number of ordinary shares	% of holding
01 to 1,000	4,678	1,382,402	0.58
1,001 to 10,000	2,332	8,834,813	3.69
10,001 to 100,000	692	19,659,546	8.21
100,001 to 1,000,000	98	28,255,183	11.79
Over 1,000,000	13	181,442,776	75.74
Total	7,813	239,574,720	100.00

(b) Analysis report of shareholders as at 31 March 2024

	Number of shares	% of holding
Institutional	53,316,662	22.25
Individuals	186,258,058	77.75
Total	239,574,720	100.00

(c) Market and other information

	31 March 2024	31 March 2023
Company		
a) Earnings per share (LKR)	5.82	10.05
b) Dividends per share (LKR)	1.25	1.00
c) Net assets value per share (LKR)	47.72	41.90
d) Market value per share		
- Highest value (LKR)	89.40	124.50
- Lowest value (LKR)	65.50	33.00
- Value as at the end of financial year (LKR)	84.10	82.30
e) Number of trades	36,075	125,054
f) Total number of shares traded	47,514,453	139,269,359
g) Total turnover (LKR)	3,754,745,084	10,851,454,705
h) Percentage of shares held by the public	37.34%	37.34%
i) Number of public shareholders	7,809	8,606
j) Market capitalisation	20,148,233,952	19,716,999,456
	31 March 2024	31 March 2023
Float adjusted market capitalisation	7,522,566,035	7,361,559,866

The Company complies with option 2 of the Listing Rules 7.14.1 (a) - Rs.7.5 billion Float adjusted Market Capitalization which required 5% minimum public holding.

INFORMATION OF SHAREHOLDERS

Consolidated

	31 March 2024	31 March 2023
a) Earnings per share (LKR)	11.93	24.84
b) Net assets value per share (LKR)	111.15	98.11

(d) Twenty largest share holders list as at

	Share Holder Name	31 March 2024		31 March 2023	
		No. Shares	%	No. Shares	%
1	Mr. U. G. Madanayake	91,388,864	38.15	91,388,864	38.15
2	Mr. Suren Madanayake	53,209,584	22.21	53,209,584	22.21
3	Employees Provident Fund	11,814,864	4.93	11,814,864	4.93
4	Sri Lanka Insurance Corporation Ltd - Life Fund	5,820,845	2.43	5,720,363	2.39
5	Mrs. N.C. Madanayake	4,128,400	1.72	4,128,400	1.72
6	FAB Foods (Private) Ltd	3,070,080	1.28	3,070,080	1.28
7	Citibank Newyork S/A Norges Bank Account 2	2,996,208	1.25	-	-
8	Rubber Investment Trust LTD A/C No 01	2,006,939	0.84	902,835	0.38
9	DFCC Bank PLC A/C No .02	1,508,364	0.63	995,649	0.42
10	Perera R.D.M.	1,403,728	0.59	1,403,728	0.59
11	Selliah A. & Selliah S.	1,400,000	0.58	1,400,000	0.58
12	Sir Cyril De Zoysa Trust	1,364,144	0.57	1,364,144	0.57
13	National Savings Bank	1,330,756	0.56	1,594,338	0.67
14	Arunodhaya (Private) Limited	1,000,000	0.42	1,000,000	0.42
15	Arunodhaya Industries (Private) Limited	1,000,000	0.42	1,000,000	0.42
16	Arunodhaya Investments (Private) Limited	1,000,000	0.42	1,000,000	0.42
17	SEYLAN BANK PLC/A.C.SENANKA	856,372	0.36	-	-
18	Andysel Private Limited	800,000	0.33	800,000	0.33
19	Kailasapillai A.	800,000	0.33	800,000	0.33
20	Akbar Brothers Pvt Ltd A/C NO 1	767,409	0.32	-	-

DECADE AT A GLANCE - GROUP

Trading Results Year Ended	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
Turnover	29,196,329	30,146,826	35,328,737	22,619,123	18,682,254	18,183,298	16,251,907	14,669,735	12,811,224	14,427,236
Profit before tax	4,662,927	9,165,076	6,237,262	1,941,685	1,302,993	874,513	1,057,249	1,764,563	1,695,622	1,254,738
Taxation	(1,217,106)	(2,152,537)	(1,123,282)	(187,963)	(278,750)	(250,254)	(294,513)	(509,124)	(426,394)	(300,651)
Profit after tax	3,445,820	7,012,540	5,113,980	1,753,722	1,024,243	624,259	762,736	1,255,439	1,269,228	954,087
Balance Sheet As At	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
	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	3,505,056	2,844,283	2,968,432	2,968,657	2,270,744	2,274,026	2,277,718	1,790,589	1,875,347	1,818,019
Foreign currency translation reserve	120,716	231,794	(72,198)							
Revenue reserve	22,699,327	20,124,613	14,221,106	10,064,788	8,667,049	7,967,259	7,751,398	7,241,173	6,270,421	5,272,516
	26,624,588	23,500,180	17,416,828	13,332,933	11,237,281	10,540,773	10,328,603	9,331,250	8,445,256	7,390,023
Non-controlling interests	4,381,917	3,958,088	2,724,218	1,947,135	1,696,178	1,284,316	1,245,074	1,135,318	1,026,303	870,373
Non-current liabilities	1,867,070	1,846,035	2,229,345	1,982,503	2,033,584	1,108,572	1,225,767	718,334	1,377,423	1,786,010
	32,873,575	29,304,305	22,370,392	17,262,571	14,967,043	12,933,661	12,799,444	11,184,902	10,848,982	10,046,406
Property, plant & equipment	6,238,948	5,604,193	5,483,037	5,449,766	4,761,445	4,491,089	4,151,266	3,347,709	3,466,497	3,535,210
Leasehold properties - pre-payments	15,775	21,693	28,754	36,556	40,520	1,622	1,644	1,666	1,688	1,710
Capital work in progress	284,813	418,816	396,319	244,669	32,517	73,701	97,469	31,678	32,853	64,127
Intangible assets	68,281	68,281	68,281	75,965	88,813	7,050	7,705	9,138	11,487	13,689
Investment property	1,743,000	1,302,000	1,229,400	1,145,050	782,000	653,000	638,000	538,750	516,000	493,000
Financial assets at FVOCI	883,374	868,546	546,954	469,885	367,570	373,695	274,488	34,211	31,629	30,145
Investment in equity accounted investee	762,802	676,787	555,749	401,385	312,874	255,792	277,206	275,286	301,503	823,749
Deferred tax asset	-	-	-	-	-	1,957	3,959	1,774	-	-
Current assets	28,271,239	27,150,893	25,311,313	19,397,016	17,095,595	15,030,878	13,694,440	12,325,252	11,012,139	11,106,443
Current liabilities	(5,394,657)	(6,806,905)	(11,249,414)	(9,957,717)	(8,514,293)	(7,955,123)	(6,346,730)	(5,380,561)	(4,524,814)	(6,021,667)
Capital employed	32,873,575	29,304,305	22,370,392	17,262,571	14,967,043	12,933,661	12,799,444	11,184,902	10,848,982	10,046,406
Ratios										
Gross profit margin	24.47%	36.45%	22.45%	16.98%	17.79%	15.21%	16.19%	22.10%	23.86%	17.67%
Net profit margin after tax	11.80%	23.26%	14.48%	7.75%	5.48%	3.40%	4.69%	8.56%	9.91%	6.61%
Sales growth	-3.15%	-14.67%	56.19%	21.07%	2.74%	11.88%	10.79%	14.51%	-11.20%	26.04%
Profit growth	-49.12%	46.94%	221.23%	49.02%	49.00%	-17.28%	-40.08%	4.07%	35.14%	82.47%
Current ratio	5.24	3.99	2.25	1.95	2.01	1.89	2.16	2.29	2.43	1.84
Net asset per share	111.15	98.11	72.71	55.66	107.99	98.73	96.63	87.39	141.00	123.39
Dividend per share	1.25	1.00	1.00	0.75	1.50	1.50	1.50	1.50	2.00	1.00
Earning per share	11.93	24.85	17.97	6.47	7.44	4.67	5.82	9.33	18.26	14.35
Market value per share	84.10	82.30	57.00	35.90	31.10	32.30	41.00	54.50	100.90	76.00
Price earning ratio	7.05	3.31	3.17	5.54	4.18	6.99	7.04	5.84	5.53	5.00
Dividend cover ratio	9.55	24.85	17.97	8.63	4.96	3.08	3.88	6.22	9.13	14.35
Dividend payout ratio	0.10	0.04	0.06	0.12	0.20	0.32	0.26	0.16	0.11	0.07

REAL ESTATE PORTFOLIO-GROUP

Name of the Owning Company and Location	Land (Acres) Freehold	Buildings (Sq. Ft)	No of Buildings	Net Book Value	
				2024 Rs. 000	2023 Rs. 000
ACL Cables PLC					
Welithotuwa Road, Batakettara, Piliyandala	16.94	255,103	26	2,100,705	1,684,650
Ensalwatta, Madapatha Road, Piliyandala	1.21	-	-	96,500	92,500
AMW Premises, Nagoda, Kaluthara	2.76	-	-	119,000	108,500
Venivelkole Mukalana, Korala Ima, Kahathuduwa	13.02	-	-	187,500	181,000
60, Rodney Street, Colombo 08	-	15,288	1	137,000	98,440
	33.92	270,391	27	2,640,705	2,165,090
Kelani Cables PLC					
Wewelduwa, Kelaniya	6.74	117,107	19	886,646	581,294
Mahena Road, Siyambalape	1.08	35,583	5	157,000	119,466
Cinco Watta, Raja Mawatha, Ekala, Ja-Ela	13.00	-	-	750,000	722,000
	20.82	152,690	24	1,793,646	1,422,760
ACL Plastics PLC					
Temple Road, Ekala, Ja-Ela	3.21	36,579	9	293,000	243,800
Niwasipura, Ekala, Ja-Ela	0.06	1,690	1	19,000	15,180
Suhada Mawatha (Off Samagi Mawatha)	0.13	-	-	11,500	10,000
	3.40	38,269	10	323,500	268,980
ACL Kelani Magnet Wire (Pvt) Ltd					
No.07, Raja Mawatha, Ekala, Ja-Ela	3.53	50,554	7	386,000	322,040
Ceylon Bulbs & Electricals Ltd					
60, Rodney Street, Colombo 08	1.69	24,706	11	1,073,000	939,400
ACL Metals & Alloys (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	-	23,460	1	134,895	114,184
Ceylon Copper (Pvt) Ltd					
Welithotuwa Road, Batakettara, Piliyandala	0.99	7,150	1	42,900	85,255
ACL Electric (Pvt) Ltd					
Miriseatte Estate, Millewa, Moragahahena, Horana	1.51	14,960	1	115,000	88,686
Cable Solutions Ltd					
Ranmuthugala Estate, Ranmuthugala, Kadawatha	-	34,216	2	206,000	222,444
Total value of land and buildings - (Note 12 and 14)	65.86	616,396	84	6,715,646	5,628,837

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.

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. ACL Cables PLC 161

FINANCIAL ASSET

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

FINANCIAL INSTRUMENTS

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

FINANCIAL LIABILITY

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

GEARING

Proportion of total interest bearing borrowings to capital employed.

IMPAIRMENT

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

GLOSSARY OF FINANCIAL TERMS

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.

GLOBAL REPORTING INITIATIVE (GRI)

Global Reporting Initiatives created the Sustainability Reporting Guidelines. Global Reporting Initiative (GRI) standards are widely adopted by corporates worldwide, including Sri Lanka. These standards outline principles and indicators for organizations to assess and report on their economic, environmental, and social performance.

GRI indicates that a company has committed to a corporate responsibility program and will report on its progress to stakeholders. These recommendations promote stakeholder engagement in sustainability debates, presentation of CSR reports, and benchmarking efforts. A sustainability report using the GRI framework evaluates an organization's performance against laws, codes, performance requirements, and voluntary efforts.

DETERMINING MATERIALITY

Material considerations have a big impact on how stakeholders evaluate our commitment to sustainability and meet their requirements. These important components shape our strategic planning and operations, ultimately contributing to our success. We evaluate materiality to solve issues that may impact our capacity to generate value across the value chain. Adapting to changing stakeholder needs is crucial for effective responses over time.

This report summarizes the Company's initiatives to address stakeholder issues during the fiscal year. This study involves identifying significant sustainability risks and stakeholders, analysing relevant themes, and developing management strategies to address them.

ACL Cables PLC's strategic blueprint builds on our broad vision, mission, and values. The Company aligns its actions with its strategy to create long-term value for shareholders while meeting the needs of stakeholders.

GENERAL STANDARD DISCLOSURES

GRI Index No.	Description	Reported Section	Page No.
GRI 2: General Disclosures			
The organization and its reporting practices			
2-1	Organizational details	Corporate information	IBC
2-2	Entities included in the organization's sustainability reporting	Group structure	62 - 63
2-3	Reporting period, frequency and contact point	Report of the Directors, Chairman and MD's report, corporate information	99, 38, 40, IBC
2-4	Restatements of information	There were no restatements of financial information during the year	
2-5	External assurance	Independent Auditor report	107 - 111
Activities and workers			
2-6	Activities, value chain and other business relationships	About us, Product portfolio, Manufacturing Capital	04, 48, 32
2-7	Employees	Human capital	24
2-8	Workers who are not employees	Human capital	24
Governance			
2-9	Governance structure and composition	Corporate governance	70
2-10	Nomination and selection of the highest governance body	Board of Directors	42
2-11	Chair of the highest governance body	Corporate governance - Role of the Chairman	71
2-12	Role of the highest governance body in overseeing the management of impact	Corporate governance - The Board of Directors	71
2-13	Delegation of responsibility for managing impacts	Sub committees	75, 76
2-14	Role of the highest governance body in sustainability reporting	Corporate governance - The Board of Directors	71
2-15	Conflicts of interest	Corporate governance	70

GLOBAL REPORTING INITIATIVE (GRI)

GRI Index No.	Description	Reported Section	Page No.
2-16	Communication of critical concerns	Corporate governance - The Board of Directors	71
2-17	Collective knowledge of the highest governance body	Board of Directors	42
2-18	Evaluation of the performance of the highest governance body	Corporate governance - Key areas of Board meetings	74
2-19	Remuneration policies	Remuneration committee	104
2-20	Process to determine remuneration	Remuneration committee	104
2-21	Annual total compensation ratio	Note 39.13 (g)	183
Strategy, policies and practices			
2-22	Statement of sustainable development strategy	Management Discussion and Analysis, Chairmans Report, MDs Report	12, 38, 40
2-23	Policy commitments	Corporate Governance	70
2-24	Embedding policy commitments	Corporate Governance	70
2-25	Process to remediate negative impacts	Risk Management	64
2-26	Mechanisms for seeking advice and raising concerns	Human capital	24
2-27	Compliance with laws and regulations	Risk Management/ Compliance	64
2-28	Membership associations	Corporate information	IBC
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder analysis	36
2-30	Collective bargaining agreements	Stakeholder analysis	36
GRI 3: Material Topics			
Disclosures on material topics			
3-1	Process to determine material topics	Determining Materiality	37
3-2	List of material topics	Determining Materiality	37
3-3	Management of material topics	Determining Materiality	37
TOPIC SPECIFIC DISCLOSURES			
GRI 201: Economic Performance			
3-3	Management Approach	Management Discussion and Analysis, Chairmans Report, MDs Report	12, 38, 40
201-1	Direct economic value generated and distributed	Statement of Value Added	186
201-2	Financial implications and other risks and opportunities due to climate change	Environmental capital	34
201-3	Defined benefit plan obligations and other retirement plans	Notes to the Financial Statement 2.21, 27	131, 167
201-4	Financial assistance received from government	Not Available	
GRI 203: Indirect Economic Impacts			
3-3	Management Approach	Social and relationship capital	30
203-1	Infrastructure investments and service supported	Social and relationship capital	30
203-2	Significant indirect economic impacts	Statement of Value Added	186
GRI 204: Procurement Practices			
3-3	Management Approach	Social and relationship capital	30
204-1	Proportion of spending on local suppliers	Social and relationship capital	30

GRI Index No.	Description	Reported Section	Page No.
GRI 207: Approach to tax			
3-3	Management Approach	Financial Statements Policies – Taxation	124 - 125
207-1	Approach to tax	Financial Statements Policies – Taxation	124 - 125
207-2	Tax governance, control, and risk management	Risk management compliance	64
207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement	36
GRI 301: Materials			
3-3	Management Approach	Environment capital	34
301-1	Materials used by weight or volume	Environment capital	Data withheld due to confidentiality
301-2	Recycled input materials used	Environment capital	
301-3	Reclaimed products and their packaging materials	Environment capital	
GRI 302: Energy			
3-3	Management Approach	Environment capital	34
302-1	Energy consumption within the organization	Environment capital	34
302-2	Energy consumption outside of the organization	Data not available	
302-3	Energy intensity	Data not available	
302-4	Reduction of energy consumption	Data not available	
302-5	Reductions in energy requirements of products and services	Our production	Data not available
GRI 303: Water			
3-3	Management Approach	Environment capital	34
303-1	Water withdrawal by source	Environment capital	Data not available
303-2	Water sources significantly affected by withdrawal of water	Environment capital	Data not available
303-3	Water recycled and reused	Environment capital	Data not available
GRI 305: Emissions			
3-3	Management Approach	Environment capital	34
305-1	Direct (Scope 1) GHG emissions	Data not available	
305-2	Energy indirect (Scope 2) GHG emissions	Data not available	
305-3	Other indirect (Scope 3) GHG emissions	Data not available	
305-5	Reduction of GHG emissions	Data not available	
GRI 306: Effluents & Waste			
3-3	Management Approach	Environment capital	34
306-1	Water discharge by quality and destination	Environment capital	Data not available
306-2	Waste by type and disposal method	Environment capital	Data not available
GRI 307: Environmental Compliance			
3-3	Management Approach	Environment capital	34
307-1	Non-Compliance with environmental laws and regulations	Corporate governance, Environment capital, Risk Management	70, 34, 64

GLOBAL REPORTING INITIATIVE (GRI)

GRI Index No.	Description	Reported Section	Page No.
GRI 308: Supplier Environmental Assessment			
3-3	Management Approach	Social and relationship capital	30
308-1	New suppliers that were screened using environmental criteria	Social and relationship capital	30
308-2	Negative environmental impacts in the supply chain and actions taken	Social and relationship capital	30
GRI 401: Employment			
3-3	Management Approach	Financial Capital, Human Capital	22, 24
401-1	New employee hires and employee turnover	Human Capital	24
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Human Capital	24
401-3	Parental leave	Human Capital	24
GRI 403: Occupational Health and Safety			
3-3	Management Approach	Human Capital	24
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Human Capital	24
GRI 404: Training and Education			
3-3	Management Approach	Human Capital	24
404-1	Average hours of training per year per employee	Human Capital	24
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	24
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital	24
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Human Capital	24
GRI 406: Non-discrimination			
3-3	Management Approach	Human Capital	24
406-1	Incidents of discrimination and corrective actions taken	Human Capital	24
GRI 407: Freedom of Association and Collective Bargaining			
3-3	Management Approach	Stakeholder Engagement	36
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Stakeholder Engagement	36
GRI 408: Child Labor			
3-3	Management Approach	Human Capital	24
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Capital – Age analysis	24
GRI 409: Forced or Compulsory Labor			
3-3	Management Approach	Social and relationship capital	30
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and relationship capital	30
GRI 413: Local Communities			
3-3	Management Approach	Social and relationship capital	30
413-1	Operations with local community engagement, impact assessments, and development programs	Social and relationship capital	30
413-2	Operations with significant actual and potential negative impacts on local communities	Social and relationship capital	30

GRI Index No.	Description	Reported Section	Page No.
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Social and relationship capital	30
414-2	Negative social impacts in the supply chain and actions taken	Social and relationship capital	30
GRI 416: Customer Health and Safety			
3-3	Management Approach	Social and relationship capital	30
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Social and relationship capital	30
GRI 419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Complied with regulations	48

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Sixty - Second Annual General Meeting of A C L Cables PLC will be held at the Auditorium of A C L Cables PLC, No. 60, Rodney Street, Colombo 08 on 28th August 2024 at 11.00 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 2024 with the report of the Auditors thereon.
02.
 - (a) To re-elect as a Director Mr. Ajit Jayaratne who retires by rotation being eligible for re-election in terms of Article No. 85 of Articles of Association.
 - (b) To re-elect as a Director Mrs N C Madanayake who retires by rotation being eligible for re-election in terms of Article No. 85 of the Articles of Association.
03. To consider and if thought fit to pass the following Ordinary Resolutions, of which special notice has been given by a Shareholder of the Company.
 - (a) That Mr. U. G. Madanayake, who has passed the age of 70 years 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 Wahalantantiri, 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.

04. To re-appoint Messrs. Deloitte Partners, Chartered Accountants (formerly known as Messrs. PricewaterhouseCoopers) as Auditors of the Company and authorize the Directors to determine their remuneration.

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

By Order of the Board

(Sgd.)

Corporate Affairs (Private) Limited
Secretaries

02 August 2024

NOTE:

- (a) A Shareholder is entitled to appoint a Proxy to attend and vote in his stead and a FORM OF PROXY is attached to this Report for this purpose. A Proxy need not be a Shareholder of the Company. The instrument appointing a Proxy must be deposited at the Registered Office, No. 60, Rodney Street, Colombo 08, not less than forty eight (48) hours before the time appointed for the Meeting.
- (b) Shareholders are kindly requested to hand-over duly perfected and signed Attendance Slip to the Registration counter.

FORM OF PROXY - ACL CABLES PLC

I/We <full name> of
..... being a Shareholder/ Shareholders of the
above Company hereby appoint or failing him/ her <full name>
..... of
as my/ our Proxy to represent me/us, to speak and vote whether on a show of hands or on a poll for me/us and on my/our behalf at
the Annual General Meeting of the Company to be held on 28th August 2024 at 11.00 a.m. and at any adjournment thereof.

Signed this day of 2024

.....
Signature

INSTRUCTIONS FOR COMPLETION OF PROXY

The instrument appointing a Proxy shall in the case of an individual be signed by the appointor or by his Attorney and in the case of a corporation as per its Articles of Association – Companies Act or signed by its Attorney or by an Officer on behalf of the Corporation.

IMPORTANT NOTICE TO SHAREHOLDERS

Consequent to the change of Articles of Association as detailed in the Notice of Meeting in accordance with the digitalization initiative, please provide the following information to investor.relations@acl.lk for future Notices of Meetings to be sent to the e-mail address provided by you.

.....
Full name :
.....
Residential Address :
.....
Email Address :
.....
NIC :
.....

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
: investor.relations@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. Wahalantiri
P. S. R. Casie Chitty
Dr. Sivakumar Selliah

GROUP CHIEF FINANCIAL OFFICER

Mahesh Amarasiri
MBA, FCMA, CGMA, B.Sc (ENG) MIESL

SUBSCRIPTIONS OF PROFESSIONAL BODIES

The Ceylon Chamber of Commerce
The Plastics & Rubber Institute of Sri Lanka
National Chamber of Exporters of Sri Lanka
London Metals Exchange
The Ceylon National Chamber of Industries

SECRETARIES

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

AUDITORS

Messrs. Deloitte Partners
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

FEEDBACK AND QUERIES

The Company welcomes feedback and queries regarding this report and encourages readers to direct their responses to; investor.relations@acl.lk or write to:
Messrs Corporate Affairs (Private) Limited. 68/1, Dawson Street, Colombo 02.

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